

• Water Resource Management December 2004 Activity Report

Summary

The following is a summary of Water Resource Management Group key activities for the month of December 2004.

Detailed Report

Planning

System Overview Study - Staff is continuing to analyze future infrastructure needs and the timing of that infrastructure through the System Overview Study. The analysis includes the evaluation of a base case, developed from population projections taken from SCAG's 2004 Regional Transportation Plan and SANDAG's 2003 Forecast. Peaking factors were developed using recent data for the individual load areas. In the past, peaking factors have been developed from measurement of treatment plant outflow, rather individual load areas, reducing the accuracy of the peak factors used in the study. The base case reflects these peaking factors, as well as the development of local resources at their existing production levels, plus the addition of contractually committed production. The analysis then includes additional cases to test the sensitivity of the results to faster and slower local project development, as well as different peaking factors. The sensitivity analyses allow staff to evaluate the impact of differing assumptions the base case.

California Water Plan Update - On December 10, staff participated in a briefing by the Department of Water Resources on the status of the California Water Plan Update. The public release of the draft plan is now scheduled for the end of January or early February 2005. Public meetings throughout the state will then follow in March, with the final Water Plan Update release in April. The Plan will identify three major initiatives: (1) strengthen and make better use of water infrastructure, which includes implementation of the CALFED Bay-Delta Program as identified in the Record of Decision; (2) promote regional water planning, such as the development of regional integrated water resources plans, watershed plans, and groundwater basin management plans; and (3) promote development of regional resources and water use efficiency measures. The Plan will present and discuss three scenarios with three levels of water demands for 2030 development with 25 water management strategies to meet these demand levels.

Colorado River

Additional Increases in Metropolitan's 2004 Colorado River Supplies - On December 16, Bureau of Reclamation increased Metropolitan's approved 2004 Colorado River water order. Metropolitan estimates that it will deliver about 760,000 acre-feet of Colorado River water for the year – an amount that is approximately 75,000 acre-feet higher than was delivered in 2003. Metropolitan's initial Colorado River water order was about 500,000 acre-feet, but increased steadily during the year. The principal reason for the increase in supply was the wet and cool conditions along the Lower Colorado River in 2004, which decreased water use within California's agricultural water agencies. Under the Quantification Settlement Agreement, water not used by California's agricultural agencies is made available to Metropolitan.

Palo Verde Irrigation District Program – Implementation of this Board-approved program to increase Colorado River supplies is proceeding. Progress continued to be made in processing 99 landowner agreements. The first agreements were sent to escrow in December. Land fallowing is anticipated to begin in January. As additional agreements close escrow, a total of 24,000 acres is expected to be fallowed by August 1, 2005, pursuant to Metropolitan's call. These actions will initiate program water deliveries to Metropolitan in 2005.

Conservation

Model Home Program - Metropolitan's California Friendly builder programs, which include the California Friendly Landscape pilot with Eastern Municipal Water District, and the region-wide California Friendly Model Home pilot continues to make progress with homebuilders. On November 4 and 5, staff participated in the Building Industry Association's annual "Building Industry Show." On November 10, staff met with John Laing

Homes to coordinate next steps for implementing both pilot projects (with Eastern and Inland Empire Utilities Agency). On November 17, staff met with Pardee Homes to review the geographic location and general eligibility of several projects that the builder is evaluating for possible participation. Metropolitan also received a statement of interest from Livable Places, a non-profit developer of a multi-family project in the City of Long Beach. Staff is evaluating the technical feasibility of this proposal in relation to the established program eligibility criteria. During this period, staff provided ongoing coordination and technical assistance to representatives of San Diego County Water Authority (and subagencies), Inland Empire Utilities Agency, and Eastern. A coordination meeting with KB Homes regarding ongoing implementation of a project in Temecula is forthcoming.

Synthetic Turf Program – A competitive Request for Proposals was issued in December under a new program to promote installation of synthetic turf on municipal and public lands. Projects selected under the RFP would help achieve increased water savings and develop reliable data on the installation processes, uses, operation and maintenance requirements, urban runoff issues and ancillary environmental benefits. Metropolitan would provide incentives up to \$1.00 per square foot upon completion of installation and submittal of a final report, up to a maximum of \$50,000 per project. Proposals open to public, private and non-profit organizations are due February 11, 2005.

Commercial, Industrial and Irrigation Implementation – As authorized by the Board in September 2004, Metropolitan executed a five-year, \$20 million agreement with Honeywell DMC to provide regional rebate administration and marketing for the Commercial/Industrial/Institutional program. Under the program, Metropolitan provides rebates to businesses that replace water-using devices with more efficient models. Some member agencies provide additional incentives. The program targets 17,500 rebates over the first year and includes a marketing plan developed in coordination with the member agencies.

Regional Resources

FY 2003/04 LRP Project Reviews - On an annual basis, staff performs an assessment and reconciliation of production and incentive funding for operating projects that participate in Metropolitan's Local Resources Program. For fiscal year 2003/04, the review will cover approximately 40 projects producing nearly 120,000 acre-feet and receiving incentives totaling about \$23 million. Agencies are given six months to collect and submit project data. Staff sent letters requesting production and cost data from project sponsors and is scheduling coordination meetings.