

**WEST BASIN MUNICIPAL WATER DISTRICT****JUNE 12, 2008 – Water Resources**

Smith (Chair), Little

**JUNE 23, 2008 – Board Meeting**

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## INFORMATION CALENDAR

METROPOLITAN WATER DISTRICT ACTIVITIES UPDATESUMMARY:

This report on Metropolitan Water District (MWD) issues is intended to brief the Board on activities and issues relevant to West Basin and its customer agencies. The first section, "On-Going Issues," is a status update on current studies, reports, and/or policy work groups that staff is involved with. The second section, "Current Month's Issues," is a report on noteworthy items that are being covered at the current month's MWD Board meeting. The last section, "Upcoming Issues," is a preview of new and forthcoming issues important to West Basin. This format is intended to keep the Board informed about current and future items at MWD in order to provide direction to staff and its MWD representatives in a timely manner, if required.

**ON-GOING ISSUES**Water Supply Actions and Allocation Plan

**Purpose:** The Water Supply Allocation Plan was approved by the MWD board in February. MWD executives have stated publicly that no allocation will take place in 2008, but that a 2009 allocation is likely if hydrologic conditions next winter are similar or less than this past winter. For the balance of 2008, MWD will rely on heightened conservation, continued withdrawals from storage accounts both in-region and in the Central Valley, and water transfer purchases from agricultural districts to meet anticipated gaps between supplies and demand. In April, MWD and member agency staff initiated a series of "Five-Year Action Plan" meetings to develop a set of preferred actions for managing the supply/demand gap through 2008 and over the next several years of uncertainty.

**Update:** MWD's Board will consider adopting a "Water Supply Alert" Resolution in June that would serve as a regional call for cities, counties, member agencies and retail water agencies to implement heightened but voluntary conservation through water use efficiency ordinances and other measures. The intent of these measures is to mitigate the use of storage reserves and avoid, or at least minimize, water shortage allocations beginning in 2009. MWD staff is also exploring new opportunities for water use efficiency and local water production, and is seeking member agency input on these opportunities.

The final phase of MWD's \$6 million advertising campaign for Fiscal Year 2007-08 will air again from June 9 through June 29. San Diego County Water Authority has launched a \$1.8 million water awareness media campaign exclusive to the San Diego media market featuring the message "Your little bit can make a big difference" and prefaced by "Our water supplies have been cut." The City of Los Angeles announced in May that the City will begin enforcing anti-water waste ordinances already in place, and amplify conservation and recycling programs.

MWD's Long-Range Finance Plan

**Purpose:** The current update of MWD's Long-Range Financial Plan (LRFP) was initiated subsequent to the adoption of the calendar year 2008 water rates (March 2007). Now roughly a year in progress, a group of member agency representatives continues to meet regularly to discuss rate structure issues as part of the final phase of the LRFP. MWD plans to finalize the updated LRFP, including any policy recommendations to the Board, by the end of calendar year 2008.

**Update:** Meeting #11 of this workgroup was held on May 14. Based on work done by the group in evaluating options for a potential growth-related infrastructure fee, MWD will prepare an information item for the Board for the September/October timeframe. More conceptual discussions continue on treated water peaking cost recovery options.

Bay-Delta/State Water Project

**Purpose:** MWD has entitlement to, and pays for, roughly half of the State Water Project (SWP). Less Colorado River supplies in recent years has meant that MWD has become increasingly reliant on supplies from the SWP to meet demands. The Bay-Delta, from which the SWP and the federal Central Valley Project (CVP) draw their deliveries, is a strained eco-system of competing needs, and extremely vulnerable to seismic or other catastrophic event.

On August 31, 2007, U.S. District Court Judge Oliver Wanger ordered interim protective measures for the endangered delta smelt. This ruling impacts the manner in which the state and federal pumps in the Delta should be operated on an interim basis until new biological opinions are completed and the resulting ESA and FESA permits are secured – most likely in late 2008. Impacts from another Judge Wanger-ruling in April regarding salmon will be the subject of hearings later this summer.

In November 2007, the California Department of Water Resources (DWR) announced their first SWP allocation for the 2008 water year. The result was a 25% initial allocation of the Table "A" contract amount. Every 10% of allocation to MWD represents approximately 200,000 acre-feet of deliveries.

**Update:** The SWP allocation to contractors remains at 35% through May. Hearings continue throughout the state to provide information and solicit public comment on the scope of the environmental review of the Bay Delta Conservation Plan (BDCP), a collaborative effort among state and federal resources agencies, water agencies and environmental organizations aimed at developing a comprehensive conservation plan for species in the Delta. A key element of the BDCP is an alternative conveyance approach to moving water around the Delta.

Process to Refine Groundwater Conjunctive Use Program

**Purpose:** At the request of its Board, MWD staff is conducting a study of the groundwater basins within its service area to identify strategies to enhance conjunctive use storage. In-region groundwater storage is a component of the Integrated Resources Plan that is falling short of targeted need. The current target for completing this phase of the study and reporting a framework of solutions to the MWD Board is late summer 2008.

**Update:** No update.

### **CURRENT MONTH'S ISSUES**

The following key items will be discussed at the June MWD Committee and Board meetings:

- Adoption of Water Supply Alert Resolution
- Begin reports on IRP Update

### **UPCOMING ISSUES**

The following key items have been identified as upcoming issues at MWD's Committee and Board meetings:

- Action Plan regarding increased water use efficiency efforts
- Integrated Resource Plan's Planning issues and process (June 24 Board workshop)
- Comprehensive business plan for DVL recreation sites

### FISCAL IMPACTS:

Not applicable.

### ENVIRONMENTAL COMPLIANCE:

Not applicable.

### COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on June 12, 2008 and agendized to the June 23, 2008 Board meeting under Metropolitan Water District Activities Update.

### RECOMMENDED MOTION:

This item is for information only.

### LIST OF EXHIBITS:

None.