COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

JAMES A. NOYES, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

January 28, 2003

IN REPLY PLEASE
REFER TO FILE: A-0

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

POTENTIAL IMPACTS TO THE COUNTY RESULTING FROM FEDERAL GOVERNMENT REDUCTION IN AVAILABILITY OF SURPLUS COLORADO RIVER WATER TO CALIFORNIA
BOARD MOTION OF JANUARY 7, 2003, SYNOPSIS 61

On January 7, 2003, your Board approved a motion by Supervisor Michael D. Antonovich, Synopsis 61 (copy attached), instructing the Director of Public Works to report to your Board on recent events impacting our area's water supplies from the Colorado River.

In December 1997, at the request of the other six Colorado River Basin States, Secretary of the Interior, Bruce Babbitt, asked the California water agencies with rights to Colorado River water to develop a plan to ultimately reduce the State's usage to its basic apportionment of 4.4 million acre-feet per year (MAFY). Since 1953, California has routinely used as much as 5.2 MAFY, well above its basic apportionment, by using the unused water belonging to Nevada and Arizona as well as surplus water as determined by the Secretary. In response, the Metropolitan Water District of Southern California (MWD), the Imperial Irrigation District (IID), and the Coachella Valley Water District (CVWD) developed a plan that would allow California to live within its basic apportionment while gaining enhanced access to surplus water. The San Diego County Water Authority (SDCWA), which had been working with IID on a water transfer, also became part of the discussions.

In order for the State to continue to have access to this surplus water, the "Quantification Settlement Agreement" (QSA), a critical component of the California Colorado River Water Use Plan, had to be approved by all four agencies by December 31, 2002. This was a date unilaterally set by Secretary Babbitt and kept by Secretary Gale Norton. The MWD, SDCWA, and CVWD Boards approved the QSA early last December. On December 9, 2002, the IID Board of Directors, on a 3-2 vote, rejected the QSA. Later, on December 31, 2002, the IID Board approved a revised water transfer agreement acceptable to it and SDCWA. However, Secretary Norton immediately rejected the new agreement because of termination provisions. CVWD and MWD held that the IID action deviated substantially from the previously agreed to principles and was unacceptable to the Secretary.

On January 1, 2003, the Secretary suspended California's access to surplus Colorado River water because of the failure of the four California agencies to execute the QSA.

At a special MWD Board meeting on January 6, 2003, MWD staff briefed its Board on Southern California's imported water supply situation. The message widely reported upon in the press was simple: While the Colorado River situation is a very serious matter, losing access to this surplus water is not an emergency because of the contingency planning by MWD.

Two years ago, MWD began aggressively preparing for the possibility that the Colorado River supply could be reduced by either drought conditions or the failure of the QSA. MWD has maximized its storage options and today has more than 2 million acre-feet of water in storage. There are also additional transfer options and existing multi-year banking programs in Northern and Central California.

Because of these investments, Southern California is able to meet water demands over the next two years under the worst-case conditions and to meet demands upward of ten years under normal weather. Finally, MWD, in partnership with its member agencies, would continue to implement conservation, recycling, groundwater storage, and seawater desalination projects and pursue available water transfers in order to provide sufficient water supplies for at least 20 years.

We believe that MWD does have two years worth of water available to their customers, which includes approximately 90 percent of Los Angeles County residents. MWD has stated that in February, it will update its report demonstrating its water supply reliability over the next 20 years. At this point, we believe the documents to be released will essentially say that if their planning assumptions related to demand management/water conservation, transfers, reclaimed water, groundwater cleanup and storage, a CALFED Bay/Delta solution, and desalination are realized, then a 20-year supply will be secure. Once we have reviewed these documents, we will prepare a follow-up report to your Board.

The attached report was developed in response to your Board's direction. It provides additional details regarding these very complex water issues facing Southern California.

DDE:plg
COLORADO RIVER

Attach.

cc: Chief Administrative Office
Executive Office
Metropolitan Water District of Southern California

REPORT ON POTENTIAL IMPACTS TO THE COUNTY RESULTING FROM FEDERAL GOVERNMENT REDUCTION IN AVAILABILITY OF SURPLUS COLORADO RIVER WATER TO CALIFORNIA

This report is in response to a motion by Supervisor Michael D. Antonovich instructing the Director of Public Works to report to your Board on recent events impacting our area's water supplies from the Colorado River.

Background

The Metropolitan Water District of Southern California (MWD) provides supplemental drinking water to its 26 public member agencies, comprising 14 cities, 11 municipal water districts, and the San Diego County Water Authority (SDCWA) that supply Southern California's 18 million residents including 9.1 million residents in Los Angeles County. Approximately 50 percent of Los Angeles County's water needs are met by MWD. The remaining 50 percent comes from local groundwater, other State Water Contractors, and the City of Los Angeles.

MWD receives and treats surface water imported from Northern California via the State Water Project (SWP) and the Colorado River via its Colorado River Aqueduct. As a result of continuous population growth, environmental regulations, and economic development in the Western States, along with changes in hydrologic conditions, competition for our imported water supplies has intensified, creating additional challenges in the reliability of imported water supplies. Both urban and agricultural water users south of the San Francisco Bay/San Joaquin Delta have already experienced the loss of significant amounts of imported water as regulatory mandates have directed more water to environmental use. The City of Los Angeles has experienced similar losses in its imported water sources from the Owens Valley.

Development of Regional Water Supplies

The 1987-92 drought and its impact on our imported water supplies heightened water awareness throughout our region and demonstrated the need for greater water supply reliability. As a result of conservation programs and with the enhanced water ethic of our citizens, our area reduced its reliance on imported water. However, expanded conservation alone is not adequate to meet our growing water needs. To this end, MWD, its member agencies, and other local water suppliers have embarked on programs to improve regional water supply reliability and water quality. In addition to conservation, these programs include other water resource options such as recycling, desalination, groundwater storage, water transfers, and new storage facilities. As a result of these programs, the region is in a position to meet today's customer demands without the need for mandatory cutbacks if another drought should occur.

Colorado River Issues

In December 1997, at the request of the other six Colorado River Basin States, Secretary of the Interior, Bruce Babbitt, asked the California water agencies with rights to Colorado River

water to develop a plan to ultimately reduce the State's usage to its basic apportionment of 4.4 million acre-feet per year (MAFY). Since 1953, California has routinely used as much as 5.2 MAFY, well above its basic apportionment, by using unused water belonging to Nevada and Arizona as well as surplus water as determined by the Secretary. In response, California's Colorado River Board, in consultation with MWD, the Imperial Irrigation District (IID), and the Coachella Valley Water District (CVWD) developed the California Colorado River Use Plan that would allow California to live within its basic apportionment while gaining enhanced access to surplus water. The SDCWA, which had been working with IID on a water transfer, also became part of the discussions.

In order for the State to continue to have access to this surplus water, the "Quantification Settlement Agreement" (QSA), a critical component of the California Colorado River Water Use Plan, including the IID-SDCWA water transfer, had to be approved by all four agencies by December 31, 2002. This was a date unilaterally set by Secretary Babbitt and kept by Secretary Gale Norton. Because the proposed transfers relied on water conservation that reduce flows into the Salton Sea and impacted protected species, the QSA required revision. Under the leadership of then Speaker Emeritus Robert Hertzberg, negotiators of all of the agencies revised the QSA last October to avoid material impact to the Salton Sea. The revised QSA included retirement of agricultural land in IID for a limited time. The MWD, SDCWA, and CVWD Boards approved the revised QSA early last December. On December 9, 2002, the IID Board of Directors, on a 3-2 vote, rejected the revised QSA due to their still unresolved concerns over third-party impacts and Salton Sea mitigation costs. On December 31, 2002, the IID Board approved a revised water transfer agreement acceptable to IID and SDCWA. However, the Secretary immediately rejected the new agreement because of termination provisions. In addition, CVWD and MWD held that the IID action deviated substantially from the previously agreed principles.

Recent Actions

On January 1, 2003, the Secretary suspended California's access to surplus Colorado River water because of the failure of the four California agencies to execute the QSA. In response, MWD shut down three of its eight pumps that deliver water from the Colorado River to Southern California. Further, the Secretary, acting in her role as Watermaster for the Colorado River, reduced IID's allocation by 204,900 acre-feet (AF).

On January 14, 2003, Governor Davis announced that his Administration is pursuing efforts to bring the parties together to complete the QSA.

On January 14, 2002, the Board of Supervisors of Imperial County decided to challenge the State Water Resources Control Board approval of the water transfer on the basis of an inadequate environmental impact report that failed to address third-party impacts as the result of the idling of farmland.

Water Supply Status

At a special MWD Board meeting on January 6, 2003, MWD staff briefed its Board on Southern California's imported water supply situation. The message that was provided and widely reported in the press was simple: While the Colorado River situation is a very serious matter, losing access to this surplus water is not an emergency because of the contingency planning by MWD and 26 member public agencies for the region and 18 million Southern Californians.

Two years ago, MWD and its member public agencies began aggressively preparing for the possibility that the Colorado River supply could be reduced by either drought conditions or the failure of the QSA. MWD has maximized its storage options and today has more than 2 million AF of water in storage. There are also additional transfer options from the Sacramento Valley and multi-year banking and transfer programs in the California Central Valley.

Because of these investments, Southern California is able to meet water demands over the next two years, even under the worst-case conditions, and to meet demands upward of ten years under normal weather.

For the long term, MWD has stated that with efforts underway, it will be able to meet the area's needs, even with the loss of the surplus Colorado River water. Several long-term strategies could make up for the lost surplus project water. These include:

- Water transfers from farmers in Northern California (negotiations have already resulted in short-term agreements for about 200,000 AF of water this year only)

- Transfer of agricultural water of 50,000 AF from the Palo Verde Valley for this year and more for next year (contracts are in the final stages of negotiations)

- Seawater desalination of ocean water by member agencies

- Increased surface and groundwater storage and clean up of polluted groundwater

- Public education programs to reduce outdoor water usage

<u>Impact to County Waterworks Districts</u>

Only one of the five Waterworks Districts, Waterworks District No. 29, Malibu, including Marina del Rey, depends totally on the MWD to meet its needs. Because of MWD's planning efforts, Waterworks District No. 29 would not be impacted. The other Waterworks Districts depend, to varying degrees, on water supplies from local groundwater basins or other water wholesalers, such as the Castaic Lake Water Agency (CLWA) and Antelope Valley-East Kern Water Agency (AVEK), which are SWP contractors and are not Colorado River contractors. These suppliers are not directly impacted by MWD's loss of Colorado River water. CLWA and AVEK have obtained additional water supplies to supplement their SWP entitlements.

In addition, CLWA has banked this year 24,000 AF of water to meet short-term, dry-year demand for its existing customers. AVEK also has similar plans to bank water in the Antelope Valley.

Castaic Lake

The failure of the QSA will not impact on operations of Castaic Lake, which is a terminal reservoir of the SWP. The SWP is a 660-mile system of rivers, aqueducts, and reservoirs that transport water from Northern to Southern California. CLWA's water is transported to Castaic Lake, which is a storage reservoir that holds 324,000 AF of water. Depending on hydrology from year to year, MWD and CLWA, the two principal users of the reservoir, could request deliveries from the Department of Water Resources that may draw lake levels down more in some years than others, but will continue to coordinate their operations to maintain local storage.

Recommendation

We do not believe that there is one solution to meet the water demand of our increasing population in Los Angeles County. We concur with MWD's approach of pursuing a mix of sources to better guarantee water supply reliability.

We are recommending that your Board continue to support efforts that will allow transfers, conservation, recycling, desalination, storage, and other programs that will use cost-effective and environmentally benign technology and strategies to meet the growing water demands of Los Angeles County.