

CWA committee informed of ag water discount extension progress

By Joe Naiman

FOR THE ALPINE SUN

A San Diego County Water Authority workgroup will meet with agricultural representatives in early February to discuss the future of the SDCWA's Special Agricultural Water Rate program.

The CWA board will likely vote on a possible extension of the SAWR program in March or April. On December 17 the CWA board approved an update to the 2009 and 2010 Transitional Special Agricultural Water Rate (SAWR) Program Report, and that day the CWA's Administrative and Finance Committee heard an information item on the status of the workgroup's efforts.

"We appreciate the willingness of everybody to discuss this," said San Diego County Farm Bureau executive director Eric Larson. "The decisions you make are going to be very, very critical for a large number of farmers."

The Metropolitan Water District of Southern California has had an agricultural water program in place since 1958. In November 1990 MWD adopted the Incremental Interruption and Conservation Program, and the agricultural program was incorporated into the IICP in 1991.

In 1994 MWD implemented the Interim Agricultural Water Program. The twelve participating MWD agencies had a maximum annual cap of 155,190 acre-feet, although agencies can use less than their allocation. The San Diego County Water Authority was allocated 100,459 acre-feet. During Fiscal Year 2005-06 the 17 participating CWA member agencies utilized 84,993 acre-feet of IAWP supplies.

While the Interim Agricultural Water Program provides surplus MWD supplies to agricultural customers at a discounted rate, the

IAWP conditions allow for a reduction of up to 30 percent prior to implementing any mandatory reductions to municipal and industrial (M&I) customers. MWD implemented such a reduction at the beginning of 2008. (An agricultural property may choose to pay the M&I rate and not be subject to the IAWP cuts, although when the reduction was implemented a participant obligation cutoff date of Dec. 31, 2006, was stipulated.)

In October 2008 the MWD board approved changes to phase out the IAWP over a four-year period. The phase-out allows for customers to opt out, and be subject to M&I rates, at the beginning of any calendar year during the transition period from 2009 to 2012.

In October 2008 the CWA board approved a two-year transitional program for customers opting out of the IAWP program, which would provide the same discounts from storage and supply costs as continuing IAWP customers.

Customers choosing to participate in the CWA's transitional program are subject to the same allocation of water from the Emergency Storage Project and the future Carryover Storage Project as continuing IAWP customers, and they are also subject to MWD regional cutback levels if the CWA's supplies are cut back. Because agricultural customers can be cut back in a drought, they are not subject to certain County Water Authority storage costs or supplemental supply costs.

The CWA's Special Agricultural Water Rates program exempts SAWR customers from the melded supply and treatment charges from Imperial County water and from the CWA member agency's proportional share of the fixed storage charge.

The transitional program is only available to customers who had been in the IAWP and had opted out.

Customers may remain in the IAWP throughout the phase-out period and be eligible for all CWA discounts.

In December 2008 the CWA board adopted an ordinance setting transitional SAWR supply rates at \$412 per acre-foot for untreated water and \$580 per acre-foot for treated water for Calendar Year 2009. During Calendar Year 2009 CWA member agencies paid municipal and industrial supply rates per acre-foot of \$463 untreated water and \$631 for treated water while the IAWP rate per acre-foot was \$322 for untreated water and \$490 for treated water.

Including transportation, storage, and other costs, the full M&I rates for 2009 per acre-foot averaged \$598 for untreated water and \$766 for treated water while the full IAWP rates per acre-foot averaged \$413 for untreated water and \$556 for treated water.

The October 2008 action also formed a workgroup, which was directed to return to the CWA board by the end of Calendar Year 2009 with options for programs beyond the transitional period. The complexity of the issues surrounding the agricultural discount programs has caused a recommendation to be delayed until early 2010.

The workgroup is chaired by Ken Williams, who also chairs the Administrative and Finance Committee and is one of the City of San Diego representatives on the CWA board. Tom Wornham, another City of San Diego representative on the CWA board, is also on the workgroup, as are CWA board members Keith Lewinger from the Fallbrook Public Utility District, Rua Petty of the Rainbow Municipal Water District, and Mike Hogan of the Santa Fe Irrigation District.

Gary Arant of the Valley Center

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Municipal Water District and Barbara Wight from the City of San Diego are alternates to the workgroup.

The group has met six times since its formation and has discussed the group's purpose and work plan, reviewed details of existing agricultural discount programs, received input from the agricultural community, established overriding policies and goals associated with any potential program, reviewed the impact to the reliability benefit during an

emergency shortage for commercial and industrial customers, and discussed the cost and benefit to municipal and industrial customers associated with the supply component of an agricultural discount program.

The overriding policies and principles include that any potential program must benefit municipal and industrial customers as well as agricultural customers, that any program be stable and predictable for farmers, and that the program does not need to be linked to MWD cutbacks or rates, and that program simplicity is desirable.

Larson hopes that any decision on

the future of the SAWR following the end of the two-year transitional period will be made in April rather than in March, which would allow better review of the workgroup's February meeting with agricultural interests.

"We want to have sufficient time to react to that," Larson said. "We would much rather get it right than get it quick."

Although the decision on a possible extension is planned for the March 25 board meeting, the board could delay a vote until the following month. "If we have to bring it back in April, we could," Lewinger said.