Additionally, if there is extra water available in the ESP, from the reduced level of service provided to SAWR customers, such supplies are reallocated to commercial and industrial customers to limit economic damages during a catastrophic shortage situation. Construction has begun on Phase 1 of the ESP with completion of the entire project expected in 2010. Supplies from the ESP can also be utilized in a prolonged drought situation where imported and local supplies are not adequate to meet 75 percent of the Authority’s member agencies M&I demands. In July 2000, the Authority Board adopted a Memorandum of Understanding regarding the ESP, which states that the Authority will develop a Water Shortage Management Plan for Authority water, including supplies from the ESP.

6.2 DROUGHT MANAGEMENT

6.2.1 Background – 1987-1992 Drought

The last major drought in California occurred between 1987 and 1992 and caused severe water supply shortages throughout the state. During early March 1991, at the peak of the drought, Metropolitan’s SWP supplies were reduced by 90 percent. Subsequently, Metropolitan voted to impose a 50 percent reduction in imported deliveries to the Authority. The results of Metropolitan’s cutback would have been devastating to the Authority’s businesses and residents except for the miracle March rainfall that occurred later that month. These rains allowed the SWP to reduce its level of cutback to 80 percent, and Metropolitan later rolled back its call for reduction from 50 percent to 31 percent. Even at this level the Authority was impacted much more than other Metropolitan members, because of its high dependence upon imported supplies from Metropolitan. Other agencies with more local supplies, particularly groundwater agencies faced retail cutbacks of only 10 to 20 percent. Metropolitan had the ability to purchase additional supplies from the State Water Bank to reduce the Authority’s level of shortage, but chose not to do so. The Authority purchased State Water Bank supplies at a cost of over $8.5 million on its own behalf and this, coupled with maximizing local surface supplies kept retail cutback to the 20 percent level. This level of cutback lasted a year until in April 1992 when the level of reduction was reduced to a voluntary level of conservation.

In a water shortage emergency, it is reasonably likely that the Authority’s Board of Directors would declare an emergency and allocate its water to meet requirements for human consumption, sanitation and fire protection. However, in addition to planning to meet such emergency needs at the time that such conditions might exist, the Board of Directors may also determine, as it did during the last drought, to adopt a drought plan that does not invoke Section 350 of the Water Code. Any such drought plan could take into account the differing needs of the Authority’s member
agencies. Finally, the Authority, in cooperation and consultation with its member agencies, as water retailers, will be developing rules and regulations for water management and shortage allocation as authorized by the County Water Authority Act. This is discussed further in the following sections.

6.2.2 Plan for Diversifying Supplies

The Authority responded to the 1987-92 drought by developing a comprehensive plan to diversify the regions’ water supply. A Water Resources Plan that assessed the availability of traditional local water supplies and identified major new water sources was developed in 1993 to guide the Authority’s efforts to ensure a reliable water supply for the region. The plan, updated in 1997, describes the steps the Authority is taking to ensure San Diego County achieves a cost-effective, safe, reliable water supply mix through the year 2015. While recognizing that the Authority will continue to import the majority of its water supply from Metropolitan over the next few years, the plan supports diversification of the Authority’s supplies, including, but not limited to, enhanced local water supply programs, core water transfers (such as the Authority/IID transfer of conserved water), other reliable transfers and additional programs to enhance the Authority’s supply reliability. The Authority plans to assist and cooperate with its member agencies in the development of these diverse sources of supply.

Consistent with the direction provided in the 1997 plan, the Authority, in 1998, entered into a Water Conservation and Transfer Agreement with the IID, an agricultural district in neighboring Imperial County. As described in detail in Section 3.2, the 75-year term Agreement calls for up to 200,000 AF of Colorado River water to be conserved by Imperial Valley growers through the implementation of extraordinary conservation measures. The conserved water will be transferred to the Authority via Metropolitan’s CRA, through terms established in a 1998 Contract for the Exchange of Water between the Authority and Metropolitan. This transfer supply will provide increased reliability for the region. During dry years, when water availability is low, the conserved water will be transferred under IID’s Colorado River rights, which are among the most senior in the Lower Colorado River Basin. In addition, under the exchange agreement with Metropolitan, the Authority’s water acquired from IID will be treated as independently owned local water in the same manner as independently owned local water supplies of other Metropolitan member agencies.

Water recycling projects also provide an excellent "drought-proof" supply of water that is available when other supplies may be reduced. Combining transfers, water recycling, groundwater supplies and potential seawater desalination, the region will have reduced dependence upon a single source and have a mix of supplies that will provide increased reliability in normal years and drought situations.