

**California Avocado Commission
Southern California Agricultural Water Team
Meeting Minutes
Monday, June 16, 2008**

Mission: "To ensure that California avocado growers have reliable and affordable water supplies and to preserve and enhance the recognition of the environmental, societal, and economic value of agriculture to South California water agencies so that pricing and reliability of water service to agriculture will reflect those unique and important values."

A meeting of the Southern California Agricultural Water Team (SCAWT), a sub-committee of CAC Industry Affairs, was held on Monday, June 16, 2008 at the Pala Mesa Resort in Fallbrook, California, with the following people present:

MEMBERS PRESENT

Kenneth Roth, Chairman
Laura Eggering
Malcolm Matheson
Don Reeder, ex officio

MEMBERS ABSENT

Bob Coleman
Len Francis
Randy Haskell
Charley Wolk

CAC STAFF

Tom Bellamore
Wayne Brydon
Laurie Hill
Guy Witney

OFFICIALLY PRESENT

Michael Hurley, (teleconference)
Malcolm Pirnie (MP)
Ed Means, MP
Andree Hunt, MP

GUESTS PRESENT

Gary Arant,
Valley Center Water District
Rick Carey
Ben Holtz
Ohannes Karaoghlanian
Eric Larson, San Diego Farm Bureau
Keith Lewinger, Fallbrook Public Utilities
District
Don Mykkaken, CA Avocado Society
Kay O'Hara
Richard Price
Carol Steed
Olaf Walter
Katie Wild

CALL TO ORDER

Chairman Ken Roth called the Southern California Agricultural Water Team (SCAWT) meeting to order at 9:10 a.m. and asked that all in attendance introduce themselves. It was determined that a quorum was not present.

Ed Means announced that Michael Hurley, Malcolm Pirnie, was attending via teleconference.

Chairman thanked Don Reeder, ex-officio for being able to attend the meeting.

APPROVAL OF MINUTES

The April 16, 2008 SCAWT Minutes were postponed until a quorum was present.

Water Supply Update

Ed Means reported on June 27th he will be sitting down with the Metropolitan Water District (MWD) staff to lay out a framework for a transition out of the current IAWP.

It was mentioned that the MWD recently ramped up their Public Announcement Services to make the public aware of the current water shortage. Mr. Means noted that the last time Southern California experienced this level of drought was in 1993.

He gave an overview of the MWD Water Supply Alert:

- MWD Board adopted alert at June meeting
- Draw public attention to urgent need for conservation
- Calls for immediate reduction of water use
- Measure includes broad set of potential near- and long-term water use efficiency actions
- Intend to avoid (or reduce) need for implementation of Allocation Plan in 2009
- Part of larger call for 2008 extraordinary conservation measures
- Extraordinary conservation measures is called for under WSDM Plan “severe shortage” stages

Mr. Means reported on the accumulated precipitation as of June 1, 2008. It was noted that March and April of this year were the driest in history in the Sierras, and that significant snowpack was lost.

Mr. Hurley discussed the cumulative supply need beyond the existing storage. He confirmed that there is a reasonable chance of significant water shortages over the next 5 years that may require mandatory urban conservation and possibly, deeper cuts in Interim Agricultural Water Program (IAWP) supplies.

As negotiations on the Interim Ag Water Program (IAWP) are starting up, the participants will include: Met staff, member agencies, agricultural water retailers, CAC/SCAWT and grower representatives.

Four elements of a revised interim Ag Water Program were discussed.

1. MWD Agricultural Conservation Program

- **Objective** – enable growers to maintain or improve their current water supply costs,- not including future price increases
- MWD would fund significant investment in on-grove efficiency
- Level of investment would be based on a targeted reduction in water use
- MWD would provide up-front funding to support:
 - Installation of efficiency devices
 - *ET controllers/pressure regulating valves/shutoffs, etc.*
 - Technical training

On-going program support

- Funds would be available to those growers within MWD service area
- Program may include operational elements as well

2. **Reasonable Transition Period**

- **Objective** - allow growers adequate time to adjust to changing conditions
- IAWP water rate discount would diminish over a set period after which growers would pay full-service water rates
- IAWP reduction requirements would decrease as MWD water rate increases
- At the end of the transition, growers would have access to supplies with the same level of reliability as urban users
- MWD member agencies could still provide discounted water

3. **Immediate Opt-Out Provision for Growers**

- **Objective** –allow growers to exit the IAWP 1/01/09 (90 day window to Opt Out)
- Growers willing to immediately pay MWD full-service rates would have access to water supplies from Metropolitan at reliability levels equal to M&I customers
- Growers would have no financial obligation to return any portion of discount

4. **Discounted Water Program in Surplus Conditions**

- **Objective** – allow growers access to discounted water when available
- Growers would pay a discounted water rate when MWD has “surplus” water supplies
- Discounted water rate would reflect MWD’s marginal cost of water
- Grower would have equal access to surplus supplies as replenishment users

Discussion ensued regarding a phase out plan vs. a definite cut-off date.

There was a general consensus for the Chairman to take this to the CAC Board to get concurrence on the basic negotiating direction.

A copy of the SCAWT Presentation, dated June 16, 2008 is attached in its entirety to the permanent copy of these Minutes and identified as EXHIBIT A.

A copy of the Negotiation Priorities for IAWP Revision document and Matrix are attached in its entirety to the permanent copy of these Minutes and identified as EXHIBIT B & C.

NEXT MEETING

The next SCAWT meeting will be called as needed.

ADJOURNMENT

Chairman Roth adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Laurie Hill, CAC Staff