

How Does IAWP Work?

1. Water purchased under the IAWP is purchased at lower water rates than water purchased for domestic uses. In exchange for this lower rate, during a shortage the deliveries of IAWP water may be reduced before deliveries of higher priced domestic water. **If you are paying the higher domestic price for water applied to your groves, the requirements to reduce water consumption discussed below do not apply to you.**
2. The requirement to reduce water consumption is called by Metropolitan Water District – both the provider of the water and the agency that sets the agricultural rate for sale to its member agencies. Those member agencies may sell the water directly to a consumer or might sell it to another public wholesale water agency that, in turn, would sell it to a retailer who sells it to you. The pricing and the call to reduce, however, originate at Metropolitan. When and if Metropolitan calls for a reduction in agricultural water deliveries, different agencies will meet that challenge in different ways. Some might pass the need to reduce directly to the grower. Others might overpump local groundwater to continue deliveries to you. **It is important that you check with your local water purveyor to find out how they will handle reductions in IAWP deliveries.**
3. In a water shortage, Metropolitan may reduce deliveries of IAWP water up to 30% of the prior year's deliveries before it reduces deliveries to customers paying the full rate.
4. The amount that Metropolitan may reduce IAWP water once the 30% has been cut and they begin reducing full-price deliveries is unclear at this time because there is no specific program in place to determine reductions in full-price deliveries. When such a program did exist the following scale was used:

Reduction Stage	Reduction in Full Price Water	Reduction in IAWP Water
I	Voluntary	Up to 30%
II	5%	30%
III	10%	30%
IV	15%	40%
V	20%	50%
VI	30%	90%

5. The IAWP does not state what the percentage reduction shown in the boxes above is to be compared to; in other words, in Stage V it shows a 20% reduction in full price water, but we don't know what number is multiplied by .20 (20%) to determine the final delivery number.
6. Metropolitan's Board, by a two-thirds vote, must give notice of potential discontinuance of IAWP water one year in advance of the reduction. Since IAWP water is considered surplus water, the Board gives the notice for all surplus water users. This notice, once reserved for dry periods, is now made routinely each year –

so routinely, in fact, that some IAWP users may ignore it and that would be a mistake. This notice must be sent in writing to the purchasers of IAWP water. The notice is typically made in October or November of each year for the following year.

7. The actual reduction in deliveries is decided by Metropolitan's Chief Executive Officer and does not need to go back to the Board of authorization. As soon as the Chief Executive Officer decides to reduce IAWP deliveries, a letter will be written to Metropolitan's member agencies letting them know.

8. The IAWP does not address how long a grower retains the obligation to take a reduction in deliveries once the grower converts to paying full price for water it applies to groves. However, it can be assumed that during a reduction in deliveries, a grower cannot convert to full price deliveries in order to avoid the reduction in water service. Further, a grower now wishing to opt out of the program retains the obligation to accept the reduction for one year.