The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

OW&S Committee
T. Quinn, Chair
S. Faessel, Vice Chair
L. Ackerman
D. Alvarez
J. Armstrong
G. Cordero
D. De Jesus
D. Erdman
L. Fong-Sakai
M. Gold
S. Goldberg
C. Kurtz
R. Lefevre
J. Lewitt
C. Miller
B. Pressman
N. Sutley

One Water and Stewardship Committee - Final - Revised 1

Meeting with Board of Directors *

January 13, 2025

2:00 p.m.

Monday, January 13, 2025 Meeting Schedule
09:00 a.m. EOT
10:30 a.m. EOP
01:30 p.m. Break
02:00 p.m. OWS

Agendas, live streaming, meeting schedules, and other board materials are available here: https://mwdh2o.legistar.com/Calendar.aspx. Written public comments received by 5:00 p.m. the business days before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: https://mwdh2o.legistar.com/Legislation.aspx.

If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 876 9484 9772 or to join by computer click here.

There will be No In-Person Participation Permitted. Participation is by teleconference only. See the teleconference information below.

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

Zoom Online

A. Public Hearing on Metropolitan's Achievements in Conservation, Recycling, and Groundwater Recharge **21-4132**
(To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276)

Attachments: 01132025 OWS 1A Metropolitan's Achievements in Conservation, Recycling, and Groundwater Recharge Report
01132025 OWS 1a Presentation

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

A. Approval of the Minutes of the Meeting One Water Stewardship Committee for December 9, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) **21-4106**

Attachments: 01132025 OWS 2A (12092024) Minutes

3. CONSENT CALENDAR ITEMS - ACTION

7-2 Authorize the General Manager to enter into a funding agreement for the Disadvantaged Communities Leak Detection and Repair Program with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-4126**

Attachments: 01142025 OWS 7-2 B-L
01132025 OWS 7-2 Presentation

7-3 Authorize: (1) renewal of the Municipal Water Quality Investigations Agreement between the Department of Water Resources, the State Water Contractors and participating urban State Water Project Contractors; and (2) renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between the State Water Contractors and participating urban State Water Project Contractors; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA **21-4127**

Attachments: 01142025 OWS 7-3 B-L
01132025 OWS 7-3 Presentation

7-4 Authorize extension of Metropolitan's existing Colorado River System Conservation Agreement with U.S. Bureau of Reclamation to fund Metropolitan's Palo Verde Irrigation District Fallowing Program; and adopt CEQA determination that the environmental effects of the conservation efforts in Palo Verde Irrigation District are the subject of a proposed action that was previously addressed in various CEQA documents and related actions. [UPDATED SUBJECT 1/7/2025] **21-4165**

Attachments: 01142025 OWS 7-4 B-L
01132025 OWS 7-4 Presentation

**** END OF CONSENT CALENDAR ITEMS ****

4. OTHER BOARD ITEMS - ACTION

8-1 Adopt a resolution to support a grant application selected to receive United States Department of the Interior, Bureau of Reclamation WaterSMART: Applied Sciences Program funding for fiscal year 2023 for an amount totaling $390,000; authorize Metropolitan's non-federal cost share of $130,000; and authorize the General Manager to enter a contract with the United States Department of the Interior, Bureau of Reclamation, subject to General Counsel approval; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA **21-4125**

Attachments: 01142025 OWS 8-1 B-L
01132025 OWS 8-1 Presentation

5. BOARD INFORMATION ITEMS

9-3 Information on developing State Water Project water management actions **21-4129**

Attachments: 01142025 OWS 9-3 B-L
01132025 OWS 9-3 Presentation

6. COMMITTEE ITEMS

a. Report on Bay-Delta Regulatory Processes **21-4131**

Attachments: 01132025 OWS 6a Presentation

b. Update on Bay-Delta Agricultural Leases **21-4135**

Attachments: 01132025 OWS 6b Presentation

c. Update on Basin States Discussions Regarding Post-2026 Operational Guidelines **21-4130**

Attachments: 01132025 OWS 6c Presentation

d. Report on Process to Fund Community Enhancement Projects in the Palo Verde Valley **21-4169**

Attachments: 01132025 OWS 6d Presentation

e. Update on Water Surplus and Drought Management **21-4134**

Attachments: 01132025 OWS 6e Report
01132025 OWS 6e Presentation (Revised)

f. Quarterly Update on Conservation **21-4133**

Attachments: 01132025 OWS 6f Presentation

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

a. Bay-Delta Resources activities **21-4107**
Colorado River Resources activities
Sustainability, Resilience, and Innovation activities
Water Resources Management activities

Attachments: 01142025 OWS 7a Bay-Delta Resources Activities
01142025 OWS 7a Colorado River Resources Activities
01132025 OWS 7a Sustainability, Resilience, and Innovation Activities
01132025 OWS 7a Water Resources Management Actvities

8. COMMITTEE REPORTS

a. Report on the Delta Conveyance Design and Construction Authority Meeting **21-4136**

b. Report on Delta Conveyance Finance Authority Meeting **21-4137**

c. Report on the Bay-Delta Ad Hoc Meeting **21-4138**

9. SUBCOMMITTEE REPORTS AND DISCUSSION

a. Discuss and provide direction to Subcommittee on Demand Management and Conservation Programs and Priorities **21-4139**

10. FOLLOW-UP ITEMS

NONE

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site https://mwdh2o.legistar.com/Calendar.aspx. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site https://mwdh2o.legistar.com/Calendar.aspx.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

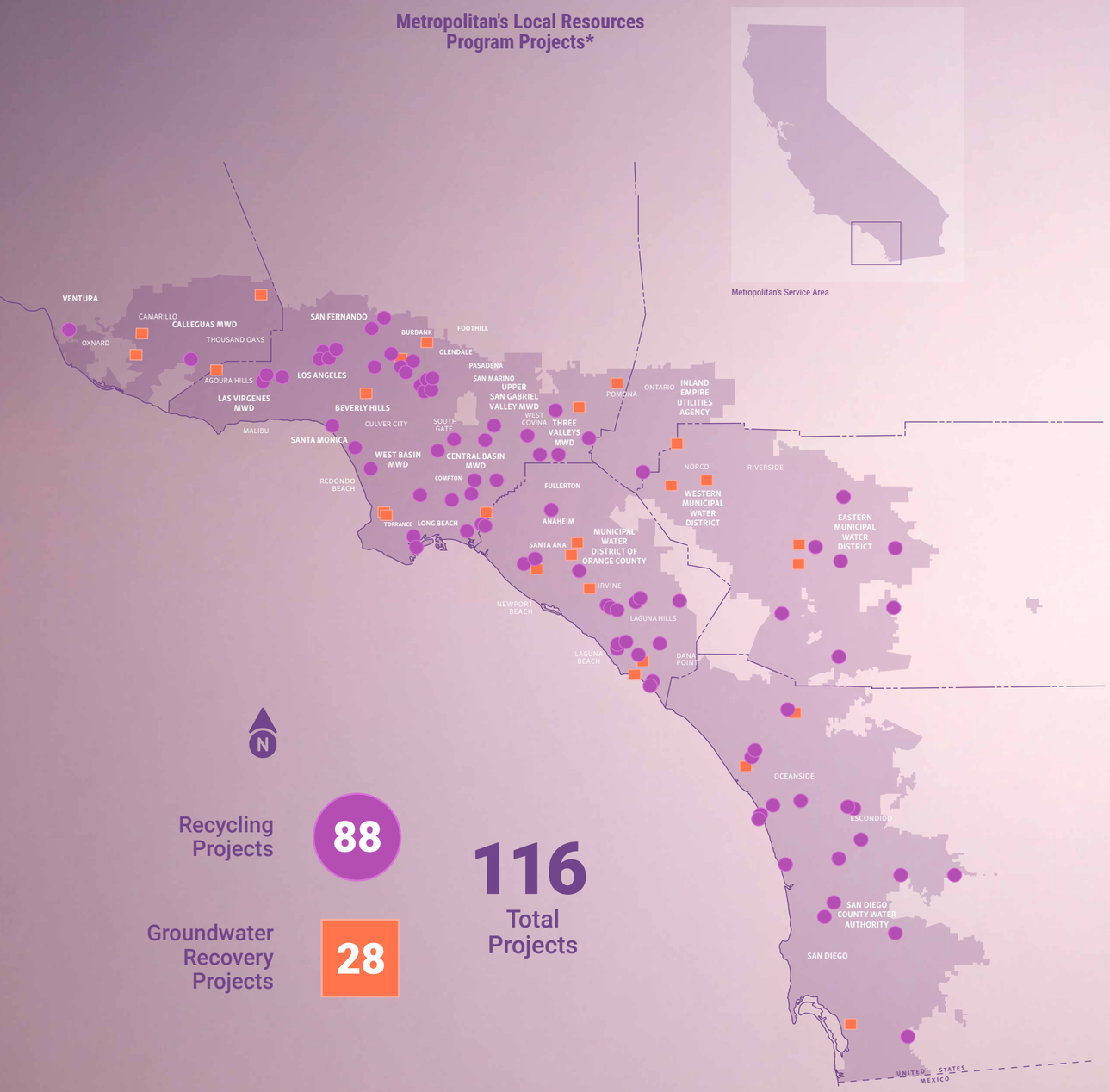
DRAFT

25th Annual Report on Achievements In Conservation, Recycling & Groundwater Recharge

February 2025 Covering Fiscal Year 2023/24

THE METROPOLITAN WATER DISTRICT
of SOUTHERN CALIFORNIA

Metropolitan's Local Resources Program Projects*



Metropolitan's Service Area

Recycling Projects 88

Groundwater Recovery Projects 28

116 Total Projects

*This map represents projects undertaken from 1981 through June 2024.

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For more information about this report, contact Metropolitan's Sacramento Legislative Office at 916.650.2600.

About Metropolitan & This Report

Over the years, Metropolitan has adapted its water management approach based on public input and regional needs, using innovative strategies and partnerships to secure reliable water supply, even as climate change challenges intensify. This report details our region's progress in developing sustainable, environmentally sound, and cost-effective water conservation, recycling, and groundwater storage and replenishment measures. This is our 25th report to the state. Looking back, we follow a quarter century of progress and a shared history of something we can all be proud of – quantifiable savings year after year and a cumulative investment of more than $1.7 billion for projects and programs that use water more efficiently and maximize the use of local water supplies.

Metropolitan is a public agency and regional water wholesaler. It is a voluntary cooperative of 26 member agencies that purchase some or all their water from Metropolitan. These member agencies directly or indirectly provide water for about 19 million people across six Southern California counties. Metropolitan is governed by a 38-member board of directors comprising representatives from each of Metropolitan's member agencies. **The mission of Metropolitan is to provide its 5,200-square-mile service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.**

Metropolitan was founded nearly a century ago to build and operate the Colorado River Aqueduct. Later, we contracted with the state of California for a share of the State Water Project to meet the supply needs of growing Southern California. Metropolitan expanded our infrastructure to include a vast network of distribution lines, treatment facilities, reservoir storage, and groundwater banking programs to meet and anticipate the needs of our service area.

Today's vision encourages sustainable local resource development, water-use efficiency, and innovative storage initiatives. This report details the significant steps Southern California continues to undertake to manage our water supplies and demands in the face of climate change. We are working in partnership with communities to make our system more flexible and resilient to climate extremes through conservation initiatives and local resource development programs. This strategy reduces demand and keeps water in storage for the next drought. We have successfully managed demands even in the face of significant population growth.

Metropolitan draws on supplies from the Colorado River through the Colorado River Aqueduct, which it owns and operates; from Northern California via its participation in the State Water Project; from storage agreements and through transfer and exchange arrangements with other agencies in California and other western states. Demands on Metropolitan are also managed through conservation and local resource programs. Since the 1990s, conservation, water recycling, and recovered groundwater have grown to become a significant percentage of Metropolitan's water supply portfolio.

Conservation and local resource development occur at the local and regional levels; regional approaches have proven cost-effective and beneficial for all Metropolitan member agencies. These programs are part of the implementation of Metropolitan's Urban Water Management Plan and increase water supply reliability by reducing the region's reliance on imported water supplies to meet future demands. The programs and initiatives decrease the burden on Metropolitan's infrastructure, reduce system costs, and free up conveyance capacity to benefit all system users.

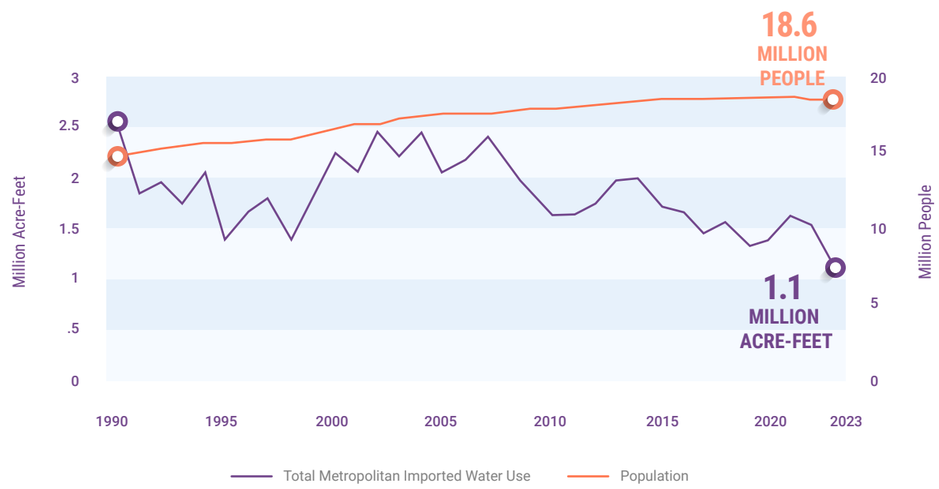
Conservation and local resource development help the region adapt to the impacts of climate change and advance the legislative mandate that Metropolitan increase "sustainable, environmentally sound, and cost-effective water conservation, recycling, and groundwater storage and replenishment measures."

While Metropolitan is involved in many other beneficial programs and initiatives, this report describes our successes in conservation, local resource development, local storage efforts, and improving the watersheds that provide our imported and local supplies. Addressing the impacts of climate change is a key part of our resource management discussions and the central focus of our Climate Adaptation Master Plan for Water, which is being developed to guide future capital investments in response to our new climate reality.

The graphic on this page shows that over the past 30 years, our region has decreased imported water use despite population growth. This trend demonstrates the impacts of regional investments in conservation and local resource development.

Population Growth vs Imported Water Use

Metropolitan's Service Area Calendar Year 1990-2023



Notes about the graph:
1. Calendar year data.
2. Population based on the Department of Finance.
3. Total Imported Water Use includes municipal, industrial, and agricultural consumptive uses, as well as groundwater replenishment and seawater barrier uses.

A 25-Year Retrospective

For 25 years, this annual report has detailed the progress made in increasing conservation and developing local water resources. Although it began as a requirement, the report is now welcomed as an opportunity to showcase the success of Metropolitan's investments, our member agencies' support and innovations, and the embrace of mindful resource management by the communities we collectively serve.

This mural by artist Eloy Torres at Metropolitan's downtown Los Angeles headquarters building depicts the history of water in California.

Over the past 25 years, Metropolitan's portfolio of resource management programs has expanded significantly as have our investments and water-savings. Initially, our efforts amounted to a $226 million investment, yielding annual water savings of 151,000 acre-feet in conservation, recycling, and groundwater recharge. Fast forward to today, and Metropolitan's cumulative investment is $1.7 billion with estimated water savings of more than 8.25 million acre-feet annually. Credit this progress to innovative programs for residential, commercial, institutional, and industrial customers that are expanding savings opportunities that originated in response to the extended drought of the late 1970s.

The introduction of new programs and initiatives has been guided by research and planning and include the Integrated Resources Plan, the Long-Term Conservation and Water Surplus and Drought Management plans, and periodic updates to the Urban Water Management Plan. A common thread for the new programs has been incentives for innovative approaches to water-saving research, products, and programs.

Support for creative resource management comes with the Innovative Supply Program, Innovative Conservation Program, and Future Supply Actions Program, which build on their successes to provide grants and fund new ideas to enhance regional water supplies. Recycling programs are supported by the On-Site Retrofit program, pilot programs for direct use and recharge of stormwater, and a new approach to regional recycled water development with Pure Water Southern California, which will conclude testing and environmental planning phases in 2026.

Outreach efforts now include advertising programs created in-house in multiple languages for multi-media platforms to promote a conservation ethic and turf replacement with California Friendly® and native landscapes. These efforts also introduced new-to-market devices like flow monitors that find leaks in real time and are heavily subsidized by rebates. These new programs and devices are showcased on bewaterwise.com, Metropolitan's conservation portal introduced in 2003. In the first fiscal year, the website attracted about 162,000 visitors. First time visitors in fiscal year 2023/24 totaled 626,000 with a combined 1.1. million views.

Partnerships with other utilities and funding from both state and federal sources have allowed outreach and education to expand with community initiatives, school programs, landscape classes, water audits for businesses and a focus on reaching underserved communities with free installation of hardware devices like high efficiency toilets and showerheads, as well as smart irrigation controllers.

This annual report now includes a section on climate and watershed initiatives, highlighting the interconnectedness between stormwater collection, salinity management, environmental health, habitat restoration and preservation and climate change. Metropolitan's focus on climate change impacts began with a workshop in 2000 and was strengthened in 2002 when the Board of Directors adopted guiding principles on climate change.

Public involvement is foundational to all of Metropolitan's initiatives and programs. Today, a strong conservation ethic is instilled in Southern California, reflected in a 40 percent reduction in per capita water use since 1990 - a significant achievement indeed, and a measure of the success when programs, people, and purpose come together.

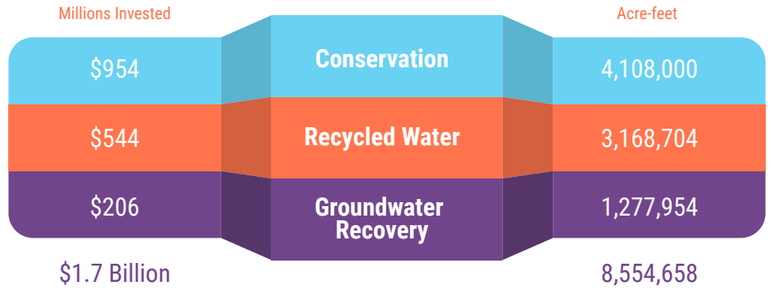
As we look back on the last 25 years of progress, we see more than just numbers; we see a collective commitment to stewardship, resilience, and innovation. Each initiative, every partnership, and all those who embraced the conservation ethic have paved the way for a stronger, more sustainable future for Southern California. This journey, from a legislative requirement to a shared legacy of mindful resource management, serves as a powerful reminder of what we can accomplish together for the generations to come.

Achievement Scorecard

Conservation		
FY 2023/24 Total Water Saved[1]	**1,101,000 acre-feet**	
New Water Saved From Metropolitan Conservation Credits Program[2]	6,600 acre-feet	
Water Saved From Existing Metropolitan Conservation Credits Program[3]	210,000 acre-feet	
FY 2023/24 Investment		
Metropolitan Conservation Credits Program Investment[4]	$44 million	
Member Agency Conservation Investment[5]	$12 million	
Metropolitan Outreach & Education	$3 million	
Cumulative Savings Since 1990		
Water Saved From Metropolitan Conservation Credits Program Only[6]	4,108,000 acre-feet	
Metropolitan Conservation Investment (excluding funding by member agencies)[7]	$954 million	
Recycled Water		
FY 2023/24 Production[8]	**473,000 acre-feet**	
Water Produced From Projects Receiving Metropolitan Funding	40,000 acre-feet	
Water Produced From Projects Without Metropolitan Funding (incl. Santa Ana River base flow)[9]	433,000 acre-feet	
FY 2023/24 Investment		
Metropolitan Funding	$5 million	
Cumulative Production & Investment Since Inception[10]		
Production With Metropolitan Funding	3,168,704 acre-feet	
Metropolitan Investment	$544 million	
Groundwater Recovery		
FY 2023/24 Production	**129,000 acre-feet**	
Water Produced From Projects Receiving Metropolitan Funding	63,000 acre-feet	
Water Produced From Projects Without Metropolitan Funding	66,000 acre-feet	
FY 2023/24 Investment		
Metropolitan Funding	$10 million	
Cumulative Production & Investment Since Inception[11]		
Production With Metropolitan Funding	1,277,954 acre-feet	
Metropolitan Investment	$206 million	
Conjunctive Use Program[12]		
Metropolitan Cumulative Capital Investment	$27 million	
Proposition 13 Grant Funds Administered by Metropolitan	$45 million	
Water Stored Since Program Inception through June 2024	407,000 acre-feet	
Water Extracted Since Program Inception through June 2024	348,000 acre-feet	
Groundwater Replenishment[13]		
FY 2023/24 Delivery	108,000 acre-feet	
Cumulative Replenishment Delivery since 1984 through 2024	4,364,000 acre-feet	
Regional Summary		
	FY 2023/24	**Cumulative**
Metropolitan's Investment in Water Conservation, Recycled Water, and Groundwater Recovery[14]	$59 million	$1.7 billion
	313,000 AF	**8,554,658 AF**

The numbers have been rounded to present a topline view of conservative achievement. More precise numbers are included in the report narrative. Cumulative investment is reported in nominal dollars.

Metropolitan's Cumulative Investment



Footnotes for the Achievement Scorecard

Numbers are based on the best available information during the production of this report and are subject to revision for accounting reconciliation. All cumulative investment figures are in nominal dollars.

1. Annual total savings include Metropolitan's Conservation Credits Program, code-based conservation achieved through Metropolitan-sponsored legislation, building plumbing codes and ordinances, reduced consumption resulting from changes in water pricing, and pre-1990 device retrofits.
2. The region achieved new water savings through Metropolitan's Conservation Credits Program and member-agency-funded programs initiated in fiscal year 2023/24.
3. Includes water savings initially achieved through Metropolitan's Conservation Credits Program and maintained through plumbing codes.
4. Active conservation investment includes administrative fees for contracted program vendors. The investment includes $2.7 million of outreach budgeted through the Conservation Credits Program.
5. In addition to Metropolitan's Conservation Credits Program, member agencies and retailers implemented local water conservation programs within their respective service areas. Member agency investment figures include rebate funding beyond rebates already provided by Metropolitan's Conservation Credits Program.
6. Cumulative water savings since 1990 include water savings initially achieved through Metropolitan's Conservation Credits Program and maintained through plumbing codes.
7. Metropolitan's cumulative conservation investment for fiscal year 2023/24 reflects a revision in total cumulative expenditures due to a reconciliation audit. The cumulative investment does not include outreach and education expenditures.
8. Figures reflect actual and estimated deliveries for all Metropolitan-assisted projects and payments reported for fiscal year 2023/24; cumulative production and investment reflect accounting reconciliation as data become available; annual regional production for recycled water includes an estimated 76,323 acre-feet of treated wastewater discharged to the Santa Ana River base flow that percolates into downstream groundwater basins. The total may not be exact due to rounding.
9. Some projects received funding at the outset through Metropolitan's Local Resources Program. Once the term of the funding agreement expires and the projects continue, further production is not factored into program totals.
10. Metropolitan initiated its Local Resources Program in 1982 to encourage recycled water production for municipal purposes. Cumulative production and investment figures are subject to annual accounting reconciliation.
11. Metropolitan initiated its Groundwater Recovery Program in 1991 to encourage the treatment and use of degraded groundwater for municipal purposes. Cumulative production and investment figures are subject to annual accounting reconciliation.
12. Metropolitan completed the construction of the conjunctive use storage programs in 2008. Proposition 13 refers to Chapter 9 of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Act of 2000. Water extracted since the program's inception includes losses.
13. The figure is cumulative since 1984. Before 2013, Metropolitan provided replenishment water at a discounted rate to encourage long-term recharge and maintenance of groundwater basins and local reservoirs. Although Metropolitan discounted the replenishment rate on January 1, 2013, Metropolitan continues to provide water for replenishment purposes at full-service rates.
14. Metropolitan's cumulative conservation investment for fiscal year 2023/24 reflects a revision in total cumulative expenditures due to a reconciliation audit. Cumulative conservation investment does not include outreach and education expenditures.

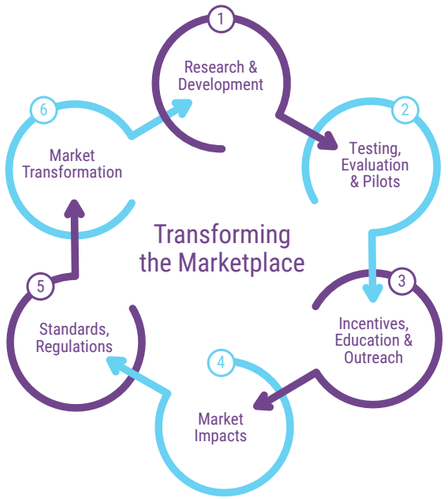
Conservation

The standout lesson from nature in the past few years is that we can only expect more unpredictability. Weather extremes are occurring more frequently, suggesting they may become more of a norm than an anomaly. This supports the need to maintain conservation efforts, capture as much water or storage reserves as possible in wet years, and continue to develop local resources in collaboration with the communities we serve. Our achievements are directly tied to the work of our member agencies, local and diverse communities, schools, businesses, and elected officials. State and federal grant funding allows a more concerted effort to reach underserved communities with targeted and accessible conservation programs.

Metropolitan encourages water-use efficiency with a variety of resources that include rebates and grant programs, educational, advertising, and outreach initiatives. Metropolitan also supports legislation, smart building codes, and device and appliance standards that ensure continued water savings over time. Metropolitan programs focus on market transformation, with specific activities illustrated in the figure to the right.

We promote innovation, support the development of new products, and influence consumer decision-making with catalysts like rebates, outreach and education, advocacy for new codes and standards, and fostering of new alliances. These efforts have brought positive and lasting change.

The first step towards transforming markets is being informed on the performance of new devices and technologies through research and development **(1)**. We test new technologies with promising potential to see if they work and how well they might perform in the marketplace and real-world applications. Ongoing testing, evaluation, and pilot programs are conducted through public-private collaborations that are cost-effective **(2)**. Once these technologies are in the hands of consumers, we continue to track water savings and gauge consumer satisfaction.

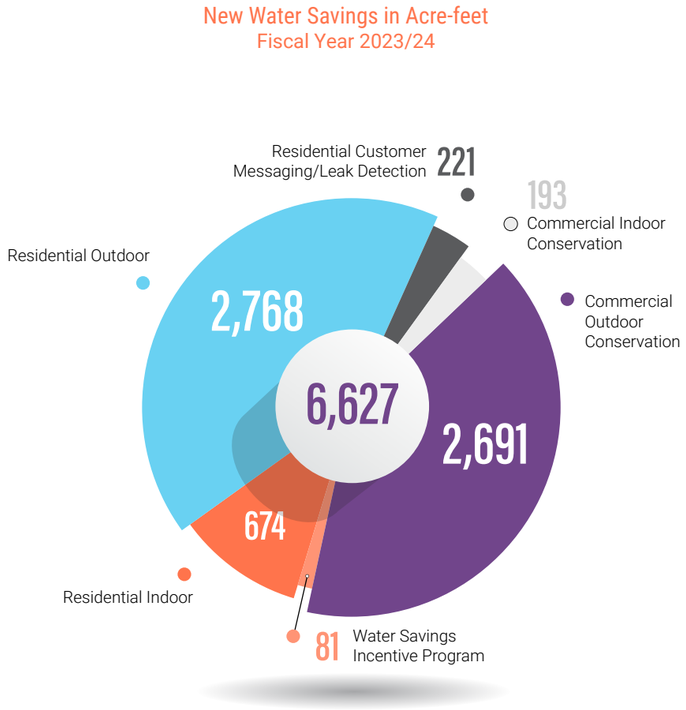


A California Friendly® garden featured in the Theodore Payne Garden Tour 2024 is a living showcase of waterwise plants and flowers.

Catalysts like incentive programs, education, and outreach bring new technologies to the attention of consumers **(3)**. Metropolitan offers rebates to incentivize the use of water-efficient technologies and processes. Education and outreach call attention to their availability. Targeted advertising in multiple languages and across diverse platforms brings the conservation message to a broader community. These catalysts accelerate impacts on the market **(4)**. Incentives also have the effect of increasing demand for new products and driving down production costs.

Advocacy for new standards and regulations happens when products become more available in the marketplace to support sustained water savings **(5)**. New device standards and building and municipal codes also encourage research and development of next-generation water-saving technologies, processes, services, and designs. And finally, once catalysts like financial incentives have their intended effects to influence markets and consumer behaviors, they can be phased out to allow natural market dynamics to sustain changes **(6)**.

Since 1990, Metropolitan has invested $954 million in conservation rebates and programs, of which approximately $44 million was spent in fiscal year 2023/24. Metropolitan typically calculates rebates based on $195 per acre-foot of water savings over the life of a device or program. Exceptions include the Turf Replacement Program, rain barrels, cisterns, and multi-family housing toilet replacements. These measures are calculated differently to provide a greater incentive and therefore more participation, ultimately spurring market transformation. Metropolitan supplements its conservation programs using state and federal grant funds when available to help with market transformation efforts.



Fiscal Year 2023/24 Conservation Program Highlights

- Metropolitan provided about $44 million in rebates, landscape and irrigation classes, research and outreach to help consumers reduce water use in their homes and businesses.
- Metropolitan processed about 104,000 residential rebate device and program applications, which will save 3,700 acre-feet annually.
- About 11.8 million square feet of lawn was removed as part of the Turf Replacement Program, projected to save about 1,400 acre-feet annually, an increase of about 200 acre-feet from last year's number.
- With a grant award from the United States Bureau of Reclamation, Metropolitan was able to increase the turf replacement incentive by $1 per square foot to $3 for residential locations.

Metropolitan's Residential Conservation Programs

SoCal Water$mart Residential & Member Agency Administered Residential Programs

Metropolitan's regional rebate program is administered through SoCal Water$mart to encourage and support the use of water-efficient products across the Southland. Residential rebates offered in fiscal year 2023/24 included high-efficiency clothes washers and sprinkler nozzles, premium high-efficiency toilets, smart irrigation controllers, rain barrels, and cisterns. Metropolitan estimates an annual water savings of about 1,280 acre-feet for fiscal year 2023/24 from more than 104,000 residential conservation device rebates funded by Metropolitan. This includes 12,800 water-saving high-efficiency sprinkler nozzle rebates.

Funding from Metropolitan is provided to member agencies for locally-administered conservation programs. Qualifying residential projects include rain barrel distributions, turf replacement programs, sustainable landscape irrigation programs, residential leak detection, customer water-use messaging, and residential water surveys.

Metropolitan estimates water savings of about 3,700 acre-feet annually from all residential programs administered in fiscal year 2023/24.

Direct Installation Program with Southern California Gas Company

Metropolitan also provided water-saving measures to underserved communities through a direct install program in partnership with Southern California Gas Company. Metropolitan has collaborated with SoCalGas since 2014, when the agencies began to work together on joint water and energy efficiency incentive programs. In 2021, Metropolitan expanded the direct install program that initially provided new high-efficiency clothes washers to income-qualified residents in Metropolitan and SoCalGas service areas at no cost. The program expansion includes income-qualified homeowners and residents of disadvantaged communities, and offers new premium high-efficiency toilets, smart irrigation controllers, and high-efficiency showerheads and aerators installed by SoCalGas contractors free of charge. Approximately 7,200 homes have benefitted from this program since the expansion in December 2021. In fiscal year 2023/24, nearly 2,250 high-efficiency toilets, 360 "smart" or weather-based irrigation controllers, and 52,000 low-flow showerheads and faucet aerators were installed in almost 1,600 homes. The program received $5 million in funding from the California Department of Water Resources, which allowed the partners to expand the program even further and target more homes for retrofitting.

A varied color palette of a California Friendly® garden.

Regional Turf Replacement Program

Metropolitan's Turf Replacement Program provided rebates for residential, commercial, industrial, and institutional sites to remove about 11.8 million square feet of lawn in fiscal year 2023/24, resulting in an estimated annual water savings of about 1,400 acre-feet. These savings represent an increase of 200 acre-feet more than the previous fiscal year.

Other Regional Incentives

Premium High-Efficiency Toilets

Metropolitan continued its premium high-efficiency toilet rebates for underserved communities. The replacement of toilets in multi-family housing units built before 1994 received a boost with incentives that increased from $40 to $250 for each premium high-efficiency toilet that replaced an older model. Metropolitan estimates that the total toilet rebates issued for residential and commercial customers in fiscal year 2023/24 will save about 260 acre-feet of water annually. Premium high-efficiency toilets use no more than 1.1 gallons per flush and about 30 percent less water when compared to older ultra-low-flush toilets.

High-Efficiency Clothes Washers

Metropolitan estimates water savings of about 320 acre-feet annually from clothes washer rebates in fiscal year 2023/24. High-efficiency clothes washers with an integrated water factor of 3.2 or less are eligible for rebates. The integrated water factor measures the amount of water used to wash a standard load of laundry. These washers can save over 10,000 gallons per year compared to a conventional top-loading clothes washer.

Smart Irrigation Controllers

Smart irrigation controllers save water by adjusting watering schedules based on weather, soil conditions, plant material, sun exposure, soil moisture, and slope. Metropolitan estimates water savings from regional and member agency incentive programs of about 720 acre-feet annually from smart controller rebates in fiscal year 2023/24.

Metropolitan's Commercial Conservation Programs

Metropolitan's commercial conservation programs provide financial incentives for water-saving devices and projects, including landscape transformation. Rebates are available for certain commercial kitchen devices, cooling towers, and medical and dental equipment. Qualifying commercial projects include turf removal, multi-family high-efficiency toilets, and high-efficiency sprinkler nozzles. Metropolitan estimates about 1,700 acre-feet of annual commercial water savings from more than 51,600 conservation device incentives and 6.6 million square feet of turf replacement in fiscal year 2023/24.

Delivery of a high-efficiency clothes washer is part of a Long Beach Utilities direct installation programs to promote water and natural gas conservation at no cost to area residents and businesses.

Metropolitan's second annual One Water Awards ceremony honored four innovative water-saving projects that will collectively save 200 million gallons of water annually.

Water Savings Incentive Program

The Water Savings Incentive Program is a regional pay-for-performance initiative. It is open to all commercial, industrial, institutional, agricultural, and large landscape consumers with qualifying projects within Metropolitan's service area. Financial incentives are available for customized water-efficiency projects, including installing commercial or industrial high-efficiency equipment, industrial process improvements, agricultural and landscape water efficiency improvements, and water management services. Incentives are based on the water saved and capped at 50 percent of eligible project costs. In fiscal year 2023/24, Metropolitan estimates savings of about 67 acre-feet of water from new projects. The annual water savings for fiscal year 2023/24 from all WSIP projects since program inception is estimated at 4,547 acre-feet. In May 2023, Metropolitan established the One Water Awards Program, an annual event to showcase innovative and forward-thinking sustainability projects implemented by local businesses and municipalities, which credit their water and financial savings to their participation in Metropolitan incentive programs like the WSIP and Turf Replacement.

Research & Development

Innovative Conservation Program

Metropolitan's Innovative Conservation Program provides funding for research that will document the water savings and reliability of innovative devices, technologies, and strategies. A joint program with SoCalGas provided about $275,000.

A selection committee made up of internal staff and outside representatives received and evaluated 32 project proposals from diverse applicants that included universities, entrepreneurs, municipalities, nonprofit organizations, and individuals. The committee selected six projects and awarded them up to $50,000 each in funding. Project topics include municipal and commercial leak detection, cooling tower efficiency, commercial turf replacement savings analysis, and showerheads that provide water and energy savings by eliminating waste during the shower-water warming process. The projects have been completed, and the final reports are posted on bewaterwise.com.

Long-Term Studies

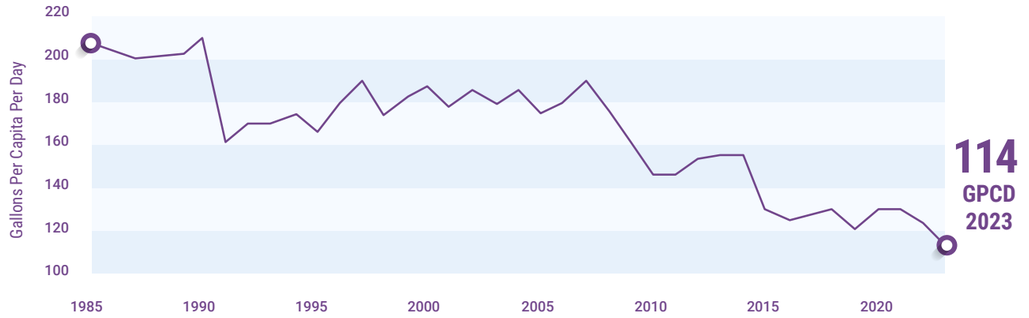
In addition to the Innovative Conservation Program, Metropolitan pursued other research projects, many of them long-term studies. They include:

- Completion of a pilot study to provide individual GIS dashboards to Metropolitan's member and retail agencies to help identify areas of turf that may not provide any functional benefits to the community.
- Continued evaluation of the water-saving potential of leak detection for distribution system processes in collaboration with multiple member agencies.
- A partnership with the Alliance for Water Efficiency to study water affordability, including directly installing devices donated by Kohler® and Whirlpool®.
- Expanded collaboration with SoCalGas on a direct install program for underserved communities.

Regional Water-Use Efficiency

Increasing regional water-use efficiency is a key component of Metropolitan's water reliability strategy. Since 1990, Metropolitan's estimated regional potable water use declined from 209 gallons per capita per day, or GPCD, to 114 GPCD in calendar year 2023. Extraordinarily cool and wet hydrologic conditions, along with drought conservation measures that carried over from 2022, led to the sharp decline in GPCD observed in 2023. The long-term continued decline in potable GPCD is attributed to Metropolitan's regional investments in conservation programs, legislation, and long-term conservation program investments. Further advances in water-use efficiency will be driven by regional investments in conservation programs, new state and local laws, and education and outreach campaigns that promote a strong water-use efficiency ethic.

Potable Per Capita Water Use
Metropolitan's Service Area Calendar Year



Notes about the graph:
1. Calendar year data.
2. 2023 GPCD based on best available data (as of August 2024) and is subject to reconciliation. Data is received in 2024 for the previous calendar year.

California State University, Dominguez Hills, served by West Basin Municipal Water District, installed a water recovery project that captures and reuses HVAC condensation for reuse in campus cooling towers.

Communications & Outreach

On the heels of record drought and record rainfall, what remains certain is the need to conserve, reuse, and recycle as much water as we can. It is apparent that conservation as a way of life is the only way to manage the extremes brought by climate change. Engaging Southern California's many diverse communities is not a one-size-fits-all approach, which is why Metropolitan fostered a strong presence on multi-media platforms, as well as community-based outreach to nonprofit organizations, educators, elected officials, and the news media.

Advertising & Outreach Campaign

Extreme shifts in water supply conditions and challenges to water reliability in fiscal year 2022/23 informed the district's communications strategies throughout fiscal year 2023/24. Communicating with the public about rapidly changing conditions -- historical for both drought and rainfall -- made for an ever-changing storyline. The one constant in the narrative was an unwavering commitment to a conservation ethic, which required informed, creative, and timely messaging.

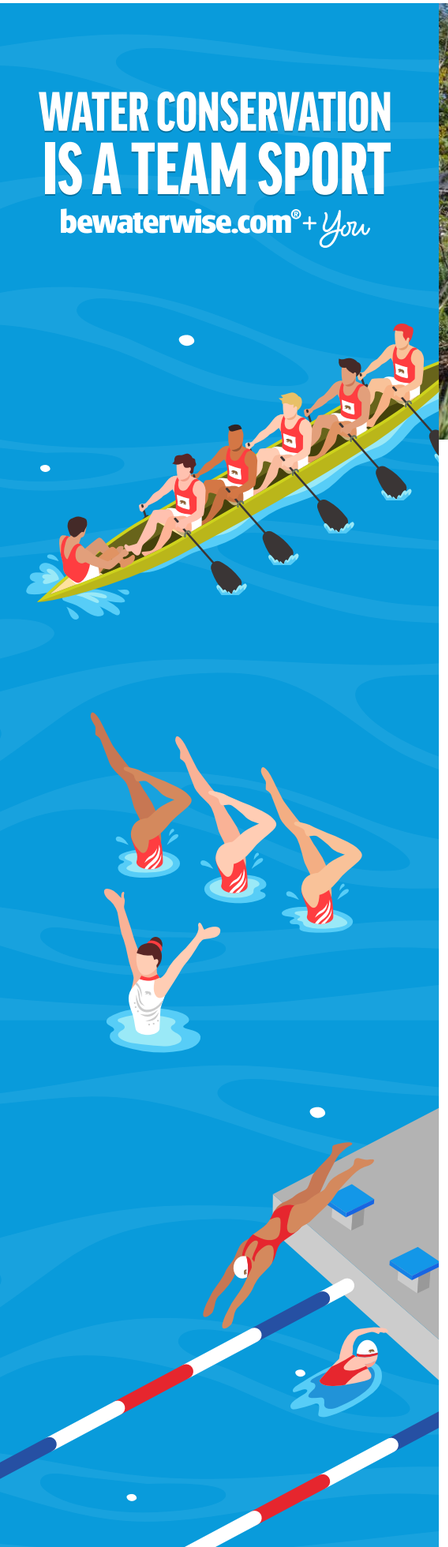
By fall 2023, the Colorado River remained in a long-term drought. Southern California's supply conditions significantly improved due to early winter storms that boosted deliveries from the State Water Project, the conveyance system that captures rain and snow that falls in the high Sierra Nevada mountains. Even as Metropolitan abruptly found itself with surplus supplies and record storage, the messaging strategy was to maintain a focus on conservation as a way to address inevitable extreme and variable weather intensified by climate change.

Metropolitan's water conservation advertising campaign took to television, outdoor, digital, radio, and social media platforms through the end of November 2023. Advertisements recognized the need to conserve while highlighting the actions being taken by local and regional water agencies and the state to manage a reliable water supply. Media placements were available in six languages, reaching demographically diverse audiences across Southern California with 577 million impressions on a $2.6 million budget.

The district continued to engage with new online audiences through social media influencer partnerships. These included actor Kyle MacLachlan of cult classics Twin Peaks and Dune fame chatting with Metropolitan about sustainable water-saving landscapes at his home and designers Katie Zamprioli and Dabito discussing the intersection between vibrant California Friendly® plants, color, and design. The fiscal year ended with a collaboration with the iconic Bob Baker Marionette Theatre where we produced "An Enchanted Transformation" puppet show to highlight the beauty of California Friendly® gardens. The collaborations reached hundreds of thousands of Instagram followers and drove people to Metropolitan's online conservation portal, bewaterwise.com.

Behind the scenes at the iconic Bob Baker Marionette Theatre and the production of a garden transformation video.

In the spirit of French artist Henri Matisse and the Paris 2024 Olympics, the summer outreach campaign focused on lawn to garden transformations.



Press conference announces additional incentives to plant trees as part of the Turf Replacement Program.

An essay contest for students to name the tunnel boring machine for the Perris Valley Pipeline project resulted in the winning selection of the Rachel Carson Tunnel Boring Machine named for the fresh water scientist.

In March 2023, Metropolitan launched a new tree rebate incentive as part of the district's Turf Replacement Program, offering Southern California residents a $100 rebate per tree planted while they replace their lawns with sustainable and water-efficient landscaping. Metropolitan partnered with local environmental nonprofit organization TreePeople on a co-branded, illustrated tree care guide. Nearly 200 residents have planted trees in their yards to date.

Communicating with commercial, industrial, and institutional sectors was also integral to Metropolitan's outreach strategies, particularly with the October 2023 passage of Assembly Bill 1572. The legislation was co-sponsored by Metropolitan to prohibit the use of potable water to irrigate grass that is not used for recreation or other purposes – also known as non-functional turf – on commercial, industrial, municipal, and institutional properties. In May 2024, the district hosted the second annual One Water Awards ceremony recognizing four businesses and institutions throughout Southern California for their investments in large-scale water efficiency projects. The event aims to celebrate sustainable water resource management while fostering a culture of innovation and efficiency.

In June 2023, the Metropolitan board approved entering into a three-year agreement with media agency We Are RALLY for a total not to exceed $10.5 million for multi-media placement services. Rally is now the district's advertising agency of record and will purchase media across diverse platforms by leveraging media partnerships to extend district dollars, mindful of budget concerns. Expenditures are closely monitored and subject to availability or board discretion.

Continuing the Olympics theme, Metropolitan launched a team-sport campaign to emphasize the partnerships we depend on to support conservation.

Media

Metropolitan continued to maximize opportunities to get our message out by tapping into continued media interest in water resources in fiscal year 2023/24. The Press Office maintained its efforts to increase public awareness of Southern California's supply challenges and the need for increased water efficiency and investments in local water supplies to strengthen the region's water resiliency.

Metropolitan's leadership and subject matter experts provided nearly 200 interviews to television, print, radio, and digital reporters and producers from local, state, and national news outlets about the district's work helping the region conserve and build local water resources. These stories reached local and national audiences nearly 260 million times, earning a publicity value of $3.3 million.

The Press Office helped generate this media interest and ensured that Metropolitan was part of the water supply conversation by holding press conferences and issuing press releases on various water supply issues. These efforts included spotlighting the district's conservation investments to the media, particularly its Turf Replacement Program, which included a news release on the district increasing the incentive amount for businesses and public agencies. Staff held an event publicizing a new rebate for program participants who plant trees as part of their sustainable landscaping. One of Metropolitan's conservation experts was also featured on KABC7 News in a segment exploring how people can save water indoors and outdoors.

This issue drew coverage from outlets including KFI-AM 640 and KNX-AM 1070 radio stations, as well as Spectrum News. Local outlets, including the Pasadena City College online newspaper, also covered the issue to demonstrate local impacts.

The Press Office also earned media coverage for Metropolitan's Future Supply Actions Funding Program, through which the agency awarded $3 million to eight planning studies and pilot tests aimed at reducing the technical and regulatory barriers to advance future recycled water, stormwater, seawater desalination, and groundwater capture projects.

In addition, Metropolitan issued a news release about its awards program honoring innovative water-saving projects in Metropolitan's service area to inspire similar water-saving efforts.

The Pure Water Southern California Project outreach last year – including events celebrating grant funding from the USBR and renaming the facility's innovation center after U.S. Rep. Grace F. Napolitano – highlighted the project as a solution to help Southern California diversify its water supplies.

Water Journeys field trips bring students on a nature walk and the chance to explore hands-on water quality experiments at the Bixby Marshland maintained by the Los Angeles County Sanitation District.

Another stop on the Water Journeys field trip is the Pure Water Southern California Program, where students have a chance to learn about forward-thinking projects that could bring more reliable water supplies for generations to come.

Community Outreach

The district also leveraged community-based approaches to spread the conservation message to tens of thousands of Southern Californians by partnering with Los Angeles-based national women's soccer team, Angel City Football Club. From in-stadium advertising signage at every televised home game to hosting pre-game fan festival exhibit booths, water-saving resources meet residents where they live, work, and play. The ACFC partnership includes participation in the team's Equality, Essentials, and Education Commitment, which funnels 10 percent of partnership funds to support community-based programming for youth in underserved areas in Los Angeles.

On May 17, 2024, Metropolitan staff and leadership, including Board Chair Adán Ortega, Jr. and Directors Gloria Cordero and Linda Ackerman, toured the Colorado River Indian Tribes reservation and lands straddling the California-Arizona border south of Parker Dam. The group learned about CRIT's conservation projects, including the installation of new drip irrigation systems, efforts to restore and protect native plants and wildlife, and the history of the Headgate Rock Dam, which was constructed to provide water for the CRIT irrigation system.

Our Community Partnering Program sponsored 48 water education and conservation events and programs throughout Southern California, including the Multigenerational Waterwise Community Project at Salesian Youth Family Center, a nonprofit organization serving the East Los Angeles community. The program provided youth from historically underserved communities with water conservation resources through shared experiences, perspectives, and storytelling. Metropolitan also supported Camp Pando, a collaborative effort between Pando Populus Inc., Homeboy Industries, and MTA that engaged with underserved youth to create water conservation-themed advertisements at local transit shelters.

Education Programs

Metropolitan worked with more than 100 partner agencies, school districts, county offices of education, nonprofits, parents, and formal and informal educators to provide water-focused Science, Technology, Engineering, Art, and Math curriculum, grants, and outreach programs. Partners included the California Department of Water Resources, California Environmental Education Foundation, California Association of Science Educators, California Association of Black Science Educators, Pando Populus, Strategic Energy Innovations, Agriculture in the Classroom, Edison International, Southern California Gas, Air Quality Management District, Water Education Foundation, Project WET, Los Angeles County Sanitation Districts, Water Replenishment District of Southern California, Los Angeles County Office of Education, Orange County Department of Education, Chapman University, California State University – Dominguez Hills, University of La Verne, Los Angeles Trade Technology, Santiago Canyon College, El Camino College, and Los Angeles Harbor College. Staff met with Metropolitan member agencies for about 100 events and engaged with more than 21,000 students, teachers, parents, and participants through virtual activities, social media, and curriculum materials.

Metropolitan, in partnership with Edison International and Strategic Energy Innovations, launched Earth Day Challenge 2024, a virtual competition for secondary schools. During the competition, students learned about conservation, stewardship, climate change, air quality, and sustainability. All students received a Sustainability Specialist Certificate, and the top campaign received $1,000 in funding for their school, class, or club to continue their sustainability efforts. Metropolitan staff also launched an essay competition for elementary through high school students to name a tunnel boring machine used as part of the Perris Valley Pipeline Project.

Discover Diamond Valley Lake and Water Journeys field trips continued. The Discover DVL activities include a classroom visit, a tour of two DVL sites, hands-on water quality experiments, and two virtual games with augmented reality questions. Water Journeys consists of a tour of the Grace F. Napolitano Pure Water Southern California Innovation Center, a nature walk, and hands-on water quality experiments at the Bixby Marshland, a restored marshland maintained by the Los Angeles County Sanitation Districts. Staff conducted presentations for Scouts seeking to earn their Soil and Water Conservation Merit Badge. Scouts learned about soil, erosion, watersheds, aquifers, pollution, water treatment, and the role of plants and trees. In addition, in-person field school career days, community events, online classroom visits, webinars, and virtual reality tours of the Colorado River Aqueduct all continued. The distribution of 8,000 "Being Waterwise Is" Student Art Calendars showcased art created by K-12 students to help promote the value of using water wisely.

Water Engineering 4 Good, an online STEAM competition for middle through high school students, continued into its second year. The goal of WE4G is to use basic engineering problem-solving skills to design and build a water conservation device that will help Southern California adapt to a changing climate. The competition called for student teams to design and build a device to be used:

1. Inside a home, in the kitchen, laundry room, or bathroom
2. Outdoors, in the garden or garage
3. For agriculture
4. In a process to treat water or a system to deliver it to homes and businesses
5. In any other place that will encourage others to conserve water

During the WE4G competition, students had the opportunity to learn valuable STEAM skills that they could draw on long after the end of the competition. They learned how engineers investigate and solve problems, create a plan with actionable steps, create a CAD drawing and a Bill of Materials for any project, work together as a team to solve problems, and present projects professionally. Each team was required to submit certain work products, including an engineering proposal to describe their concept, a scale working model, a social media campaign, and a final presentation to a panel of Metropolitan engineers.

In partnership with the California Department of Water Resources, West Basin Municipal Water District, and the Water-Energy Education Alliance, Metropolitan co-hosted a Water Education Committee meeting for agency water educators from throughout California. During the two-day event, water educators toured Metropolitan's Grace F. Napolitano Pure Water Southern California Innovation Center in the City of Carson and West Basin's Edward C. Little Recycling Facility and Visitors Center in El Segundo. There were also presentations and discussions on:

- Metropolitan's Climate Adaptation Master Plan for Water Education Priorities
- The augmented reality missions used as part of Discover DVL
- Diversity, Equity, Inclusion, and Access in Education
- Native American Tribal Water Issues
- Career and Technical Education
- Water Industry Workforce Development

Metropolitan continued to help grow the Water Energy Education Alliance, an initiative to advance Career Technical Education as part of the California Department of Education's Energy, Environment, and Utilities Industry Sector. Metropolitan partnered with Coro Southern California and participated in the Coro Youth Fellows Program, a transformative summer program that trains Los Angeles area high school students to become active citizens and leaders in their communities and schools. The program cultivates critical thinking and team leadership, preparing Youth Fellows for college and beyond. Youth Fellows use the city as their classroom, learning to lead across the public, private, and nonprofit sectors. Working collaboratively with other departments over two weeks, staff provided three Coro Youth Fellows with an overview of Metropolitan's vital role in procuring and delivering clean, safe, and reliable water throughout Southern California. In addition, the Coro Youth Fellows toured Diamond Valley Lake and the Grace F. Napolitano Pure Water Southern California Innovation Center.

The Water Engineering 4 Good program held an online competition to build a water conservation device to help our region adapt to climate change.

Local Resources

Local water sources play a vital role in ensuring regional water supply reliability, meeting about half of the region's annual water demand. However, changes in precipitation patterns and decades of over-drafting have significantly reduced local groundwater production. To address this challenge, local water agencies have invested heavily in sustaining and expanding local water supplies through recycled water and groundwater recovery projects. Since 1980, Metropolitan has supported these local initiatives through its Local Resources Program.

Metropolitan's Local Resources Program provides financial incentives to encourage member agency development of recycled water, treatment of degraded groundwater for municipal use, and seawater desalination. As of fiscal year 2023/24, Metropolitan invested $750 million to fund 88 recycled water projects and 28 groundwater recovery projects that have produced about 4.5 million acre-feet of water.

Metropolitan is moving through the environmental review phase for the Pure Water Southern California facility that may expand to be the largest water recycling program in the country.

Local Resources Program

In fiscal year 2023/24, Metropolitan provided $5 million in incentives to produce 40,000 acre-feet of recycled water for non-potable and indirect potable uses. Metropolitan provided another $10 million of incentives to support projects that produced about 63,000 acre-feet of recovered groundwater for municipal use. In April 2024, Metropolitan's Board of Directors approved four new projects for participation in the LRP, which consisted of two recycled water projects, one groundwater recovery project, and the LRP's first seawater desalination project.

Without direct financial support from Metropolitan, local agencies produced 433,000 acre-feet of recycled water, including wastewater discharged to the Santa Ana River that percolates into downstream groundwater basins and 66,000 acre-feet of recovered groundwater. Figures 1 and 2 (on page 27) show total recycled water and groundwater recovery production in Metropolitan's service area, including local agency-funded projects.

On-site Retrofit Program

With an annual budget of $3 million, Metropolitan's On-site Retrofit Program provides financial incentives for converting potable irrigation and industrial systems to recycled water. As of fiscal year 2023/24, the On-site Retrofit Program has funded 535 sites, replacing 14,911 acre-feet of potable water with recycled water per year. Metropolitan works continuously with member and retail agencies, as well as organizations like WateReuse, to promote and gather feedback that ultimately reshapes the program. Metropolitan maintains a program website (bewaterwise.com/onsite-retrofit) where up-to-date information can be accessed, including a link to the application, terms and conditions, frequently asked questions, and program publications.

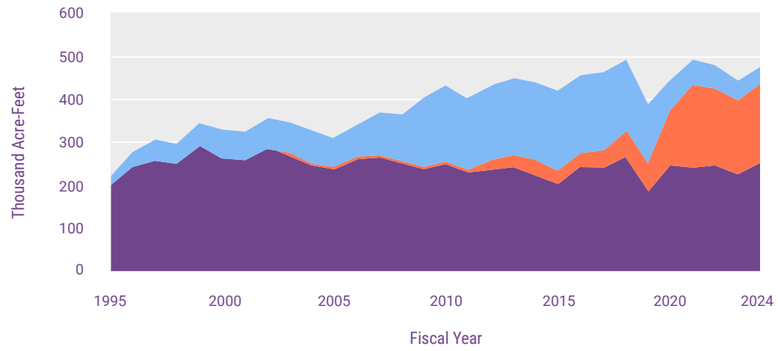


Figure 1
Recycled Water Production

- Non-LRP
- Former LRP
- Active LRP

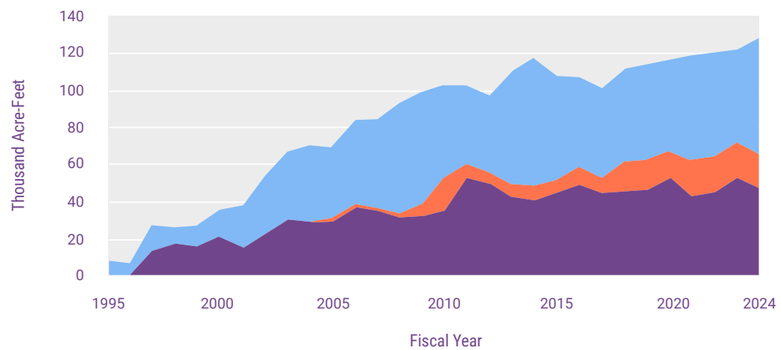


Figure 2
Groundwater Recovery

- Non-LRP
- Former LRP
- Active LRP

North Pleasant Valley Desalter located in the City of Camarillo has treated unusable groundwater to drinking water quality since 2023.

Groundwater Management

Metropolitan partners with local agencies to store imported surface water in groundwater basins for use in times of shortage under conjunctive-use agreements. There are currently nine storage projects with nearly 212,000 acre-feet of storage capacity. They allow Metropolitan annually to store up to 53,000 acre-feet and withdraw up to 71,000 acre-feet during periods of shortage. Because of improved hydrologic conditions in early calendar year 2023, Metropolitan maintained its request for supply storage and requested that participating agencies store about 56,000 acre-feet of water by the end of the calendar year. In fiscal year 2023/23, 141,225 acre-feet of groundwater was stored through June 30 to supplement the region's water supplies during future droughts.

Under the Cyclic Program, Metropolitan can capture surplus imported water supplies that cannot be stored in existing facilities or through participation in other storage programs. Metropolitan and participating member agencies enter a 10-year agreement to establish regional cyclic accounts. In coordination with the agencies, Metropolitan delivers water to the cyclic accounts and allows the agencies to pay for these deliveries over an established schedule.

Metropolitan can capture up to 601,500 acre-feet into existing cyclic accounts. In April 2023, when surplus water supplies were available, the General Manager re-initiated the Cyclic Cost-Offset Program (established by the board in 2019) to provide agencies with cyclic accounts. This provides a mechanism for offsetting costs incurred by taking extraordinary actions to capture surplus supplies at Metropolitan's request.

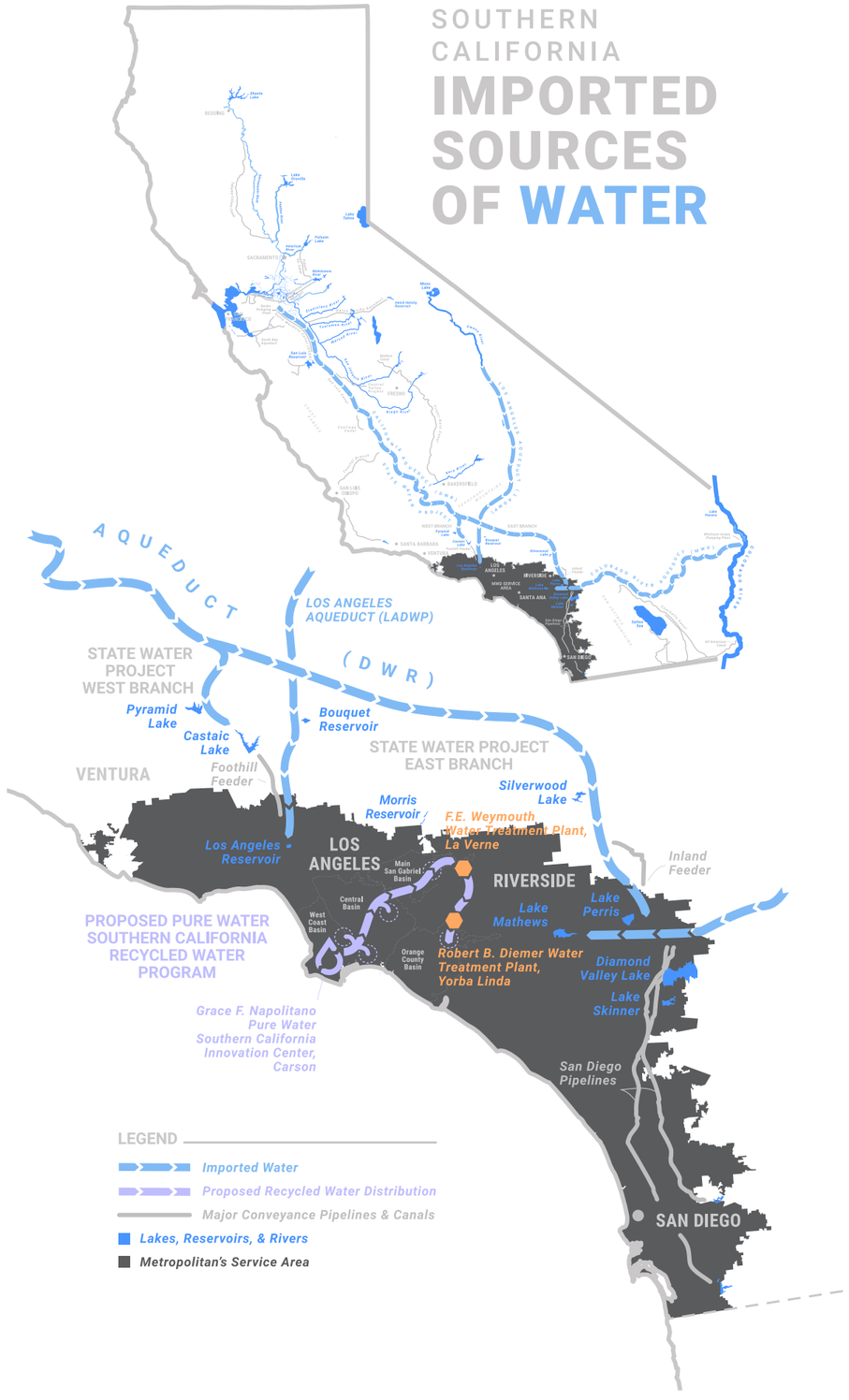
Metropolitan's board amended the program in August 2023 to provide a credit of up to $354 per acre-foot through the end of the calendar year, escalated annually by the Consumer Price Index. In fiscal year 2023/24, Metropolitan delivered an estimated 47,100 acre-feet into cyclic accounts with Burbank, Long Beach, Pasadena, Calleguas Municipal Water District, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Upper San Gabriel Valley Municipal Water District, and Western Municipal Water District. Of the 47,100 acre-feet delivered into cyclic accounts, Metropolitan provided agencies with Cyclic Cost-Offset Program credits for about 12,300 acre-feet.

Pure Water Southern California Program at the Grace F. Napolitano Innovation Center

Pure Water Southern California is a new approach to resource development with Metropolitan directly funding the development of a local water supply with regional benefits. The program is a partnership between Metropolitan and the Los Angeles County Sanitation Districts. The two agencies have been working together on this effort since 2009.

Metropolitan and the Sanitation Districts used the Advanced Purification Center, a 500,000-gallon-per-day demonstration facility in Carson, to test purification processes for potable reuse. It features an innovative process with membrane bioreactors followed by reverse osmosis and ultraviolet light/advanced oxidation. If approved by regulators, the process could be used throughout California to advance water reuse in the state. The demonstration facility also provides information to optimize operations and identify costs and other data needed for a future full-scale facility and program.

An on-site learning center showcases the program to the public through tours, community events, and workshops. Metropolitan and the Sanitation District are in the process of drafting the project's Environmental Impact Report, which they expect make available for public review in 2025 and finalize in early 2026. If the project is approved, the first water could be delivered as early as 2032. Metropolitan's board supported legislation to accelerate the project, signed by Governor Newsom in September 2022, allowing Metropolitan to utilize alternative project delivery methods. This legislation reduces some time from the overall construction schedule. In July 2023, Metropolitan announced it had received $80 million in funding from the state of California to advance the Pure Water Southern California project. Pure Water Southern California would be a critical piece of new infrastructure to prepare the region for hotter and drier conditions driven by climate change.



Metropolitan's board continues to consider funding, partnerships, and institutional and policy considerations related to the program. In May 2024, Metropolitan received $99.2 million from the USBR's Large Scale Water Recycling Grant program.

If approved to move forward, Pure Water Southern California will produce and deliver up to 150 million gallons per day of purified water for 500,000 homes. The program would include a new advanced water treatment facility to be constructed at the Sanitation Districts' A.K. Warren Water Resource Facility in Carson.

A new conveyance system, over 60 miles long, would deliver water to groundwater basins within Metropolitan's service area. The purified water would replace imported water to replenish the basins, saving imported water for other purposes. Initially, purified water from the program would be used for indirect potable reuse. Ultimately, it could be delivered for direct potable reuse at two Metropolitan water treatment plants. The program would reuse the largest untapped source of purified water in the region and could become one of the largest programs of its kind in the world.

Support for the program continues to grow. In 2022, Metropolitan and the San Gabriel Valley Municipal Water District, a State Water Project contractor, entered into a letter of intent. Metropolitan is collaborating with San Gabriel Valley Municipal Water District to discuss mutual use of facilities, potential transfers or exchanges, and improved reliability for both agencies. Through these unique partnerships, the program is enabling diverse groups of agencies to work together to solve the Southwest's water challenges. In February 2024, Metropolitan and its member agencies began a collaborative process to reach a consensus on the term sheet development that would ultimately lead to an agreement to purchase water from Pure Water Southern California.

This collaboration follows the pattern of support that includes executed letters of intent with the Los Angeles Department of Water and Power, the city of Torrance, the city of Long Beach, Central Basin Municipal Water District, West Basin Municipal Water District, Upper San Gabriel Valley Municipal Water District, and Three Valleys Municipal Water District, as well as the Water Replenishment District and the Main San Gabriel Basin Watermaster. In addition, agencies such as Southern Nevada Water Authority and the Central Arizona Water Conservation District have expressed interest and executed letters of intent. Metropolitan is collaborating with them to discuss potential transfers or exchanges of Colorado River supplies in return for investment in the program.

Previous funding agreements for the environmental planning phase of the program were made with Southern Nevada Water Authority, the Central Arizona Project, and the Arizona Department of Water Resources.

Future Supply Actions

Metropolitan supports the development of local supplies through its Future Supply Actions Funding Program, a funding source for member agency studies to address challenges for groundwater, recycled water, stormwater, and seawater desalination supplies. The program is one avenue for Metropolitan to promote sustainable approaches to local supply development. Metropolitan established the FSA in 2010 as part of the Integrated Water Resources Plan to promote low-cost, low-risk investments to address technological, regulatory, and institutional barriers to new supplies. The vision of the FSA is for Southern California agencies to be able to accelerate new local supplies in the future when needed.

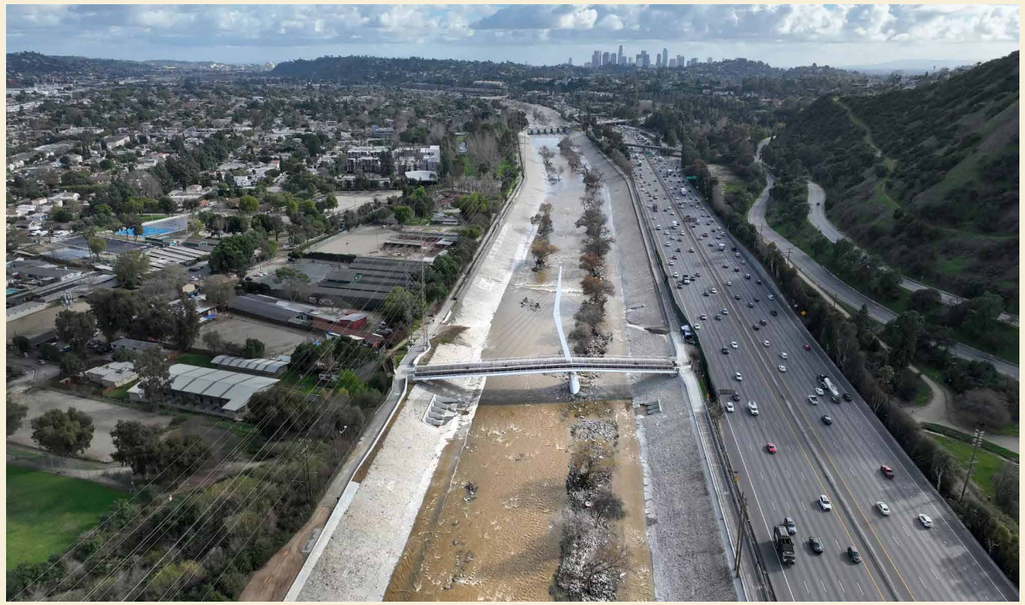
Program goals include:

- Reducing barriers to future resource production
- Providing results that are unique yet transferable to other areas in the region
- Advancing the field of knowledge for stormwater, recycled water, groundwater, and desalination
- Targeting critical paths to water resource implementation

The program is currently entering its third round of funding. Metropolitan's board authorized funding for eight selected studies to be conducted between 2024 and 2027. The program's first round was funded in 2013 and the second in 2018. Metropolitan has co-funded 33 pilot tests, demonstration studies, and white papers since 2013. To highlight the success of the studies, Metropolitan conducted webinars covering topics ranging from percolation optimization for stormwater basins to virus log removal in potable reuse. All completed FSA study reports, presentations, and webinars are available at mwdh2o.com/fsa.

Los Angeles Times

L.A. County captures 96 billion gallons of water during "super year" of storms



After heavy rains, water flows down the concrete-lined Los Angeles River past La Kretz Bridge, linking Atwater Village with Griffith Park. (Allen J. Schaben / Los Angeles Times) Ian James, May 11 2024.

Stormwater

Metropolitan authorized $12.5 million for direct use and recharge stormwater pilot programs in 2019. These pilot programs encourage developing, monitoring, and studying new and existing stormwater projects by providing financial incentives for construction, retrofit, monitoring, and reporting costs. The pilots help evaluate stormwater capture projects' potential water supply benefits and provide a basis for future funding approaches. There are currently six projects receiving program funding.

In addition to the pilot programs, Metropolitan has been involved in other technical studies to advance the understanding of stormwater in the service area. Metropolitan is partnering with Las Virgenes Municipal Water District to explore how stormwater runoff and dry weather flow can help wastewater agencies increase water available for recycling. In addition, Metropolitan has partnered with Accelerate Resilience Los Angeles in a study to evaluate the multiple benefits of stormwater projects. Preliminary discussions were started on a potential partnership with the California Department of Transportation to develop mutually beneficial stormwater projects.

Climate & Watershed Initiatives

An essential focus of Metropolitan's mission is to ensure water supply reliability and quality in an environmentally responsible way. This involves watershed health, stormwater collection, salinity management, and habitat restoration and preservation. All of these areas are impacted by climate change.

CAMP4W
Climate Adaptation
Master Plan for Water

Climate Adaptation Master Plan for Water

Extreme weather conditions in recent years have presented Southern Californians with an unsettling preview of the challenges ahead – including abrupt swings from periods of severe and extended drought to record-setting wet seasons. To ensure the continued reliability of water supplies for our communities, Metropolitan is developing a Climate Adaptation Master Plan for Water. This roadmap will guide our future capital investments and business model as we confront our new climate reality in the years and decades ahead.

Through the CAMP4W process, Metropolitan is working with its 26 member agencies and their customers to ensure that our portfolio of water investments increases supply reliability, develops a more resilient and regionally interconnected water delivery system, and maintains affordable water rates for our service area. Metropolitan also involves government officials, environmental and community-based organizations, tribal entities, and the public in our planning process. CAMP4W complements Metropolitan's existing long-range planning efforts, including the Integrated Water Resources Plan, Energy Sustainability Plan, Climate Action Plan, Capital Investment Plan, Urban Water Management Plan, and Long-Range Finance Plan Needs Assessment.

The Wadsworth Pumping Plant Eastside Pipeline Intertie project brings greater flexibility to Metropolitan's delivery system.

Climate Action Plan

While CAMP4W will help us prepare for the impacts of climate change over the decades ahead, Metropolitan is also taking important steps to address greenhouse gas emissions from our operations. Metropolitan's Climate Action Plan, adopted in 2022, establishes a feasible pathway to achieve the District's goal of carbon neutrality by 2045 through the implementation of 42 measures to help reduce GHG emissions.

Metropolitan's annual CAP progress report, published close to Earth Day, documents the implementation of actions outlined in the CAP, an updated GHG inventory, and the status of Metropolitan's carbon budget. The 2023 Progress Report highlights turf replacement achievements, telecommuting, use of renewable diesel, and commuter fleet electrification, with many other actions showing building momentum.

Renewable Energy & Energy Efficiency

Metropolitan invests in renewable energy resources, including buying and generating hydroelectric power to meet most of its energy needs. In addition to using power generated at Parker and Hoover Dams, Metropolitan has built 15 in-stream hydroelectric plants with a total capacity of about 130 megawatts. Installation of photovoltaic solar panels at Metropolitan facilities can generate 5 ½ megawatts. Metropolitan is working to add battery energy storage to capture green energy generated when power rates are low for use at times when rates are higher. Nearly all interior and exterior lighting has been retrofitted to LEDs at half of Metropolitan's facilities, ahead of schedule.

Zero Emission Vehicle Task Force

Metropolitan's ZEV Task Force meets regularly to assess, develop, and implement strategies to transition Metropolitan's vehicle fleet from fossil fuel combustion to ZEV. The Task Force is working to find solutions for charging infrastructure, vehicle replacement schedules, operational protocols, and the significant financial impacts of converting to ZEVs.

GHG Tracking Protocol

Metropolitan uses CAPDash™, a web-based tool that allows the public to view progress toward our GHG emission reduction targets and demonstrate our commitment to transparency. Data is grouped into strategy-defined categories and presented in interactive charts and graphics. The Dashboard is available to view at https://cap.rinconconsultants.com/Metropolitan_Water_District.

Metropolitan's GHG emissions vary due to the amount of water pumped from the Colorado River to meet the demands of Southern California—higher Colorado River pumping correlates to dry years with low SWP allocations. In 2020, Metropolitan has a Carbon Budget of 9.89 million carbon dioxide equivalents or CO2e, which are the measurement for the effect of GHGs on the climate. Staying within its Carbon Budget will help Metropolitan to achieve carbon neutrality by 2045 by offsetting all carbon emissions.

Local Watersheds

The programs in this section reflect Metropolitan's commitment to environmental stewardship. We actively participate on planning boards and organizations focused on source water quality protection.

Southern California Water Coalition

Metropolitan remains actively involved in the Southern California Water Coalition Stormwater Task Force, created in 2020 to provide a forum for discussing recycled water issues in the region. In addition to monthly meetings, Metropolitan staff provides updates on the Pure Water Southern California program.

Southern California Salinity Coalition

The Southern California Salinity Coalition promotes research and outreach activities to address the need to control or reduce salinity in drinking water, wastewater, groundwater, and recycled water. In addition to water agencies, local wastewater, groundwater, and watershed management agencies also participate in the SCSC. Metropolitan is a founding member and holds a position on SCSC's Board. SCSC accomplishments in fiscal year 2023/24 include:

- Continuing efforts to characterize and report how Carlsbad's Bud Lewis Desalination Plant benefits potable water distribution system infrastructure in San Diego County
- Contributing to Orange County Water District's now completed Pilot Evaluation of Flow-Reversal Reverse Osmosis for Municipal Potable Reuse
- Supporting a Los Angeles County Sanitation District investigation of its ocean outfall's capability to meet ocean discharge requirements for potable reuse brines
- Awarding a two-year fellowship to a UC Riverside graduate student studying advanced methods for treating desalination brines with elevated levels of PFAS and related chemicals

Multi-Species Habitat Protection and Preservation

Four multi-species reserves encompassing about 30,000 acres are the cornerstone of Metropolitan's environmental conservation and stewardship investments. These reserves mitigate the impacts of Metropolitan's infrastructure project construction, and provide watershed protection around reservoirs, and habitat protection for native species. The reserves also offer opportunities for education and research, as well as trails for bicycling, hiking, and horseback riding.

Southwestern Riverside County Multi-Species Reserve

This reserve comprises nearly 13,500 acres surrounding Diamond Valley Lake and Lake Skinner and includes the Dr. Roy E. Shipley Reserve located between the reservoirs. The reserve is home to at least eight types of natural habitat and many sensitive bird, animal, and plant species.

Metropolitan partners with the California Department of Fish and Wildlife, Riverside County Habitat Conservation Agency, Riverside County Regional Park and Open-Space District, and United States Fish and Wildlife Service to cooperatively manage the reserve. The reserve's management incorporates provisions to protect the Diamond Valley Lake and Lake Skinner watersheds, including the appropriate siting of public access points and vegetation management tools. Management accomplishments during fiscal year 2023/24 include conducting approximately 200 acres of prescribed burns, native species planting on 1.5 acres, and approximately 200 acres of grassland mowing to enhance habitat for the reserve's covered species and to reduce wildfire risk.

Diamond Valley Lake vista with recreational trails and fields of wildflowers.

Upper Salt Creek Wetland Preserve

The Upper Salt Creek Wetland Preserve is a 40-acre parcel of land purchased as mitigation for the Eastside Pipeline. The preserve protects unique vernal pool habitats and rare plants in perpetuity from future development and prevents public access.

Santa Rosa Plateau Ecological Reserve

The nearly 10,000-acre Santa Rosa Plateau Ecological Reserve is home to several endangered, threatened, or rare animals and plants, including a species of fairy shrimp that exists nowhere else on Earth. The reserve, established as partial mitigation for the construction of Diamond Valley Lake, protects some of California's most unique chaparral, grassland, oak, and vernal pool habitats.

Lake Mathews Multiple Species Reserve

Metropolitan partners with the California Department of Fish and Wildlife, Riverside County Habitat Conservation Agency, and United States Fish and Wildlife Service to cooperatively manage the 5,100-acre reserve surrounding Lake Mathews. The reserve protects native habitat and sensitive plant and animal species, including the endangered Stephens' kangaroo rat and coastal California gnatcatcher. Habitat management tools and strategies on the reserve, such as grazing and prescribed burns, are critically evaluated for their potential effects on water quality in Lake Mathews. The lake is an important bird resting and feeding site, especially in winter, when ducks, double-crested cormorants, grebes, and eagles visit. Management accomplishments during fiscal year 2023/24 include the removal of approximately 23 acres of non-native plant species, sowing native plant seeds on approximately 14 acres, and goat grazing to enhance habitat for the reserve's covered species and to reduce wildfire risk.

Colorado River

The Lower Colorado River Multi-Species Conservation Program

This program is a comprehensive restoration effort along the Colorado River, including Arizona, Nevada, and California. It targets restoring natural habitat communities once prevalent along the river corridor—riparian forests, marshes, and backwaters. The benefits of restoring natural communities go beyond providing habitat for native aquatic and terrestrial species. With Metropolitan's support as the largest non-federal contributor and its federal and state partners, the program continued to greatly advance the restoration of native habitats and natural processes along the lower Colorado River from the full pool of Lake Mead to the southern international boundary with Mexico. A total of 7,195 acres of land cover habitat has been established, and approximately 573,577 native fish have been stocked and reintroduced into the lower Colorado River through fiscal year 2023/24.

Colorado River Basin Salinity Control Forum

The Colorado River Basin Salinity Control Forum is an organization of the seven Colorado River Basin states of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming. The Forum coordinates salinity control efforts among the states, collaborates with federal agencies on implementing the Colorado River Basin Salinity Control Program, and works with Congress on the CRB SCP authorization and funding. The Forum funds efforts to reduce salt loading to the Colorado River and provides information on salinity control.

Metropolitan holds the chair positions for both the Forum and the Forum's technical workgroup. The Forum's salinity control measures remove more than 1.33 million tons of salt from the Colorado River annually. This salt removal translates to a salinity reduction of over 100 milligrams per liter from the Colorado River's Lower Basin and Metropolitan's Colorado River Aqueduct supplies.

USBR operates the Paradox Valley Unit, the largest salinity control project in the CRB. In fiscal year 2023/24, the USBR received responses to a Request for Information and a Statement of Objectives soliciting solutions from potential contractors to dispose of concentrated brine extracted from the Dolores River by the PVU. The RFI/SOO was the latest step in USBR's ongoing effort to find a long-term alternative to the PVU deep-injection well, which may be nearing the end of useful service. Responses to the RFI/SOO did not include solutions beyond those already considered and deemed not to be preferred in USBR's 2020 Environmental Impact Statement. A long-term alternative to the PVU remains undefined.

In December 2022, USBR completed a six-month test of the existing PVU deep-injection well, which had been mostly non-operational since March 2019 due to ongoing concern over a magnitude 4.5 seismic event in the Paradox Valley linked with the operation of the well. After the test, USBR spent two months analyzing seismic and well-head pressure data and determined it would be appropriate to continue operating the well at two-thirds capacity in an ongoing series of six-month tests until completion of seismic hazard and risk studies, expected by the end of 2024. Those studies will determine whether the injection well can safely operate more permanently until a long-term alternative is implemented. In fiscal year 2023/24, well-head pressure and seismic activity remained at levels that allowed the ongoing six-month tests to continue, though seismic activity related to the PVU did increase.

The endangered Stephens' kangaroo rat is found at the Lake Mathews Multiple Species Reserve.

In fiscal year 2023/24, the Forum advanced a partial solution to the recent financial challenges of the Program. Funding for the Program includes federal money and state cost-share dollars as a percentage of federal funding. Over the past two decades, federal Environmental Quality Incentives Program funding for on-farm salinity control projects has increased substantially, increasing the required state cost share in absolute terms. Lower Basin state cost share revenues have declined since they derive from Hoover Dam power revenue, which has dropped due to declining reservoir levels. Together, these two factors have led to financial instability in the program. The Forum's partial solution to this funding challenge is to reduce the required state cost-share percentage on EQIP funding and the operation and maintenance costs associated with several of the earliest salinity control projects in the Basin. Members of Congress from the seven Basin States introduced federal legislation to this effect, the Salinity Control Fix Act, presented at a House Natural Resources Subcommittee on Water, Wildlife and Fisheries hearing in May 2024. Supporters of the legislation plan to bring it to a vote in late December 2024.

Finally, in fiscal year 2023/24, the Forum's technical workgroup began preliminary work on the 2026 Review of Water Quality Standards for Salinity in the Colorado River System. The document is required by the U.S. Environmental Protection Agency every three years to ensure that salinity standards continue to protect beneficial uses of the Colorado River.

Multi-State Salinity Coalition

The Multi-State Salinity Coalition is a consortium of water agencies nationwide promoting information exchange on salinity management and desalination issues. Metropolitan serves on the MSSC's Board of Directors as a founding member. MSSC promotes stakeholder collaboration through an annual summit covering various topics, including salinity and concentrate and management, watershed sustainability, international projects, revenue stability, potable reuse, and innovative technologies. MSSC also hosts meetings throughout the year for members to highlight salinity management case studies. Metropolitan sponsored MSSC's 2024 Conference, participated in discussion panels, and helped plan the event. MSSC also awards scholarships for students working on topics related to salinity management issues.

Sacramento-San Joaquin Delta

Municipal Water Quality Investigations Program

Metropolitan continues to support and participate in DWR's Municipal Water Quality Investigations Program, responsible for water quality monitoring and modeling studies in the Delta and the State Water Project facilities. In fiscal year 2023/24, this program conducted routine water quality monitoring for drinking water quality constituents throughout the Delta, operated five real-time water quality monitoring stations, completed 3-week water quality forecasts, and continued a monitoring study to evaluate the degradation of an herbicide used to treat aquatic weeds in Clifton Court Forebay and O'Neill Forebay. Due to concerns with treated wastewater input flows, the program also continued sampling for constituents of emerging concern along the Delta Mendota Canal. In response to the CEC data collected by MWQIP and submitted to the regulatory agencies, the wastewater agencies are now required to conduct CEC monitoring in 2025.

In 2024, a new project was initiated to evaluate historical trends in taste and odor compounds at Clifton Court, Banks, and O'Neill Forebay. Samples are also being collected and evaluated using a molecular tool called shotgun sequencing to identify the specific organism causing high taste and odor compounds. With this information, it may be possible to develop a new quantitative polymerase chain reaction assay specific to the nuisance taxa in the impacted system.

Nuisance taxa are organisms that are not inherently harmful, but cause problems in specific contexts like water treatment, ecological management or research. The organism disrupts systems, out compete other species or complicate processes and include algae, aquatic invertebrates like zebra mussels, cyanobacteria, weedy plants, and other invasive species. Work also continued on developing a water quality database for turn-ins to the California Aqueduct.

Snow geese in the Delta.

Delta Water Quality Studies

Metropolitan continues to work with the State Water Contractors and other stakeholders to support studies and management actions that address the impact of nutrients, contaminants, and other water quality stressors impacting native species in the Delta watershed. Metropolitan funded studies investigating toxic contaminant effects on Delta smelt and juvenile salmon. Since 2021, Metropolitan has conducted studies with UC Davis to evaluate contaminant toxicity in the spring on larval Delta Smelt.

California EcoRestore

In fiscal year 2023/24, DWR continued construction of the Yolo Bypass Salmonid Habitat Restoration and Fish Passage (Big Notch) Project located in the Fremont Weir State Wildlife Area in Yolo County. Project construction is nearing completion and is slated to begin operating in early 2025. When completed, the gated passage or notch will be opened when the Sacramento River is high enough to flow into the Yolo Bypass floodplain, creating a new path for salmon and sturgeon to access the Yolo Bypass floodplain. The water will create a shallow-water habitat for fish to migrate through the area easily. Juvenile salmon will be able to feed in a food-rich area for longer, allowing them to grow more rapidly in size and improving their chances of survival as they travel to the Pacific Ocean. Adult salmon and sturgeon will benefit from improvements that reduce stranding and migratory delays due to passage barriers.

Metropolitan continues to work with the Yolo Bypass Fisheries and Engineering Technical Team to identify adaptive management strategies that will enhance the project's success and ensure the project is meeting the goals of the Biological Opinion.

In October 2023, Yolo County and the Yolo Basin Wildlife Foundation celebrated the completion of improvements to the Yolo Basin Wildlife Area, which included improving pumping capacity, excavating the heavily silted-in Greens Lake Unit, and improving roads and crossings that will make it easier to flood up the Yolo Bypass Wildlife Area for waterfowl and shorebird habitat during the fall and winter and drawdown in the Spring.

Drone view of Yolo Bypass Salmonid Habitat Restoration and Fish Passage (Big Notch) Project, courtesy CA Department of Water Resources.

Reorienting to Recovery Salmon Project

The Reorienting to Recovery California Central Valley Salmon Recovery Project seeks to engage entities involved with or interested in salmonid recovery in the Central Valley in an inclusive, collaborative, and structured process to: 1) identify a suite of implementable and impactful actions that will advance the recovery of the four distinct runs of California Central Valley salmon (spring-run, fall-run, late fall-run, and winter-run) throughout their life cycle, and 2) establish broad support and buy-in for these preferred actions by making trade-offs transparent and balancing participants' diverse values, perspectives, and priorities. The project is structured in three phases and has engaged more than 110 agencies across the landscape in a discussion around salmon recovery over the last four years.

Phase 1 (2021) engaged fisheries scientists to develop a salmon recovery framework consisting of 12 measurable objectives based on the viable salmon population parameters: abundance, productivity, spatial structure, and diversity. The group also identified performance measures, which are quantitative metrics that can be used to track the degree to which each of these objectives is being met, and they set targets that define the numerical values of desired conditions. This framework is documented in the Phase 1 report. Phase 2 (2022) solicited input from state and federal agencies, non-governmental organizations, Tribal Governments, public water and agricultural agencies, and commercial and recreation fishing interests related to how and why they value salmonids and developed 24 socio-economic objectives that are being tracked in the process. Phase 3 (2023/24) implements a structured decision-making process to identify, model, and evaluate portfolios of management and restoration actions related to hydrology, hatchery, habitat, and harvest. The goal is to support salmon recovery while balancing potential associated socio-economic costs. A final report documenting recovery actions that received broad support from decision-makers working in this effort will be available in December 2024. This project is funded by the Delta Stewardship Council's Delta Science Program with additional support from the State Water Contractors, Metropolitan, Essex Partnership, National Oceanic Atmospheric Administration, Valley Water, Kearns & West, and the Water Foundation.

Delta Islands

Metropolitan's 2016 acquisition of four islands in the Sacramento-San Joaquin Delta allows us to help secure and guard the Delta's future State Water Project supplies. We use the strategically located islands – Webb Tract, a large portion of Holland Tract, Bouldin Island, and Bacon Island – to research and identify potential projects that support water system reliability, recovery of listed species, habitat restoration, science-related hypotheses, and promote sustainable agricultural practices. In fiscal year 2023/24, Metropolitan collaborated with state and federal agencies and researchers from UC Davis and the United States Geological Survey to conduct studies supporting Delta smelt supplementation efforts. Preliminary results suggest pond culture could be a viable method for Delta smelt and potentially other fish species of concern. Further studies will be conducted to improve this understanding and evaluate how to improve certain limitations in pond culture, such as predator densities, temperature stress, and post-release survival monitoring.

Metropolitan also completed Phases 1 and 2 of the Delta Islands Adaptation Project, funded by a CDFW Proposition 1 planning grant. The planning project includes evaluating opportunities for island-wide improvements, including subsidence reversal, sustainable agricultural practices, carbon sequestration, water quality improvements, and habitat restoration. Under Phase 2, Bouldin Island was selected as the focus of science-based planning for potential land uses (including conceptual landscape designs and identification of pilot projects and further scientific studies) on an entire island owned by Metropolitan that meets the Delta Plan co-equal goals using creative and innovative solutions for subsided Delta islands.

In 2023, Metropolitan was awarded a $20.9 million grant from the Sacramento-San Joaquin Delta Conservancy to construct up to 3,500 acres of wetland and up to 1,500 acres of rice fields on Webb Tract, located in Contra Costa County. The project's goals are to stop or reverse subsidence on the deeply subsided island, sequester carbon, generate income from long-term leases of the rice fields, and generate revenue from carbon sequestered in rice and wetlands. The income generated from the project is expected to fund its long-term maintenance and monitoring costs. The project will have the added benefit of providing a habitat for migratory birds and other species in the Delta. The Delta Conservancy grant will fund the design, environmental documentation, permitting, and construction of the wetland.

Metropolitan's headquarter building courtyard.

Public Hearing Notice

To coincide with the report preparation, the MWD Act requires Metropolitan to "hold an annual public hearing during which the district shall review its urban water management plan for adequacy in achieving an increased emphasis on cost-effective conservation, recycling, and groundwater recharge and invite knowledgeable persons from the fields of water conservation and sustainability to the hearing." The MWD Act also provides that Metropolitan "shall consider factors of availability, water quality, regional self-sufficiency, benefits for species and environment, the totality of life-cycle costs, including avoided costs, and short- and long-term employment and economic benefits."

While the Urban Water Management Plan is prepared and updated every five years per state requirements (Metropolitan's 2020 UWMP was adopted in May 2021), Metropolitan hosts an annual hearing to share progress on fiscal year plan objectives and to receive public comments. Metropolitan held a public hearing on January 13, 2025 to receive public and stakeholder input. Comments received at the hearing are on file at Metropolitan and are available upon request.

Glossary of Terms

CAP
Climate Action Plan

CAMP4W
Climate Action Master Plan for Water

CDFW
California Department of Fish and Wildlife

CEC
Constituent of Emerging Concern

CO2e
Carbon Dioxide equivalent

CRA
Colorado River Aqueduct

CRB
Colorado River Basin

DVL
Diamond Valley Lake

Delta RMP
Delta Regional Monitoring Program

DWR
Department of Water Resources

EPA
Environmental Protection Agency

EQIP
Environment Quality Incentives Program

EWCP
Emergency Water Conservation Program

FSA
Future Supply Actions Funding Program

FEIS
Final Environmental Impact Statement

GHG
Greenhouse Gas

GIS
Geographic Information System

GPCD
Gallons Per Capita Per Day

ICP
Innovative Conservation Program

IRP
Integrated Water Resources Plan

LRP
Local Resources Program

MSSC
Multi-State Salinity Coalition

MWQIP
Municipal Water Quality Investigation Program

PVU
Paradox Valley Unit

RFI/SOO
Request for Information and a Statement of Objectives

SCP
Salinity Control Program

Sanitation Districts
Los Angeles County Sanitation Districts

SCSC
Southern California Salinity Coalition

SoCalGas
Southern California Gas Company

STEAM
Science, Technology, Engineering, Arts, and Math

SWP
State Water Project

USBR
United States Bureau of Reclamation

UWMP
Urban Water Management Plan

WSIP
Water Savings Incentive Program

Metropolitan is a voluntary cooperative of 26 member agencies with a 38-member board of directors. Metropolitan board and committee meetings are open to the public and broadcast live through mwdh2o.com.

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About Metropolitan

The Metropolitan Water District of Southern California is a state-established cooperative of 26 member agencies - cities, municipal water districts, and one county water authority - that directly or indirectly serve about 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and helps its members develop increased water conservation, recycling, storage, and other resource management programs.

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One Water & Stewardship Committee

Review of Metropolitan's Achievements in Conservation, Recycling, & Groundwater Recharge

Item 1A

January 13, 2025

Overview

Today's Public Hearing

- Required by MWD Act Section 130.5 added by state Legislature in 1999 (SB 60)
  - Public Hearing
  - Report to state Legislature by Feb. 1st

"...increased emphasis on sustainable, environmentally sound, and cost-effective water conservation, recycling and groundwater storage and replenishment measures"

Overview

Today's Public Hearing

- Review Urban Water Management Plan for adequacy in achieving an increased emphasis on cost-effective conservation, recycling, and groundwater recharge
  - *Review highlights of draft report to Legislature*
- Hear from invited knowledgeable individuals in fields of water conservation and sustainability

Review of UWMP

2020 Urban Water Management Plan

- Adopted May 2021
- Section 3: Implementing the Plan
  - 3.4 Conservation
  - 3.5 Local Resources
  - 3.6 Local Groundwater Storage

Progress of programs in UWMP is the basis of annual report to Legislature

Review of UWMP

Conservation

- Initiatives to maintain sustainable water demand levels
  - Public Education & Outreach
  - Conservation Programs
    - Residential
    - Commercial, Industrial, and Institutional
  - Metering
  - Research & Development
  - Asset Management

Review of UWMP

Local Resources

- Initiatives to increase local water supply
  - Local Resources Program
  - On-Site Retrofit Program
  - Stormwater Pilot Programs
  - Pure Water Southern California
  - Future Supply Actions

Review of UWMP

Local Groundwater Storage

- Initiatives to maximize the use of local groundwater storage and production
  - Imported water deliveries for aquifer recharge and seawater barrier protection
  - LRP funding for recycled water groundwater recharge & groundwater recovery projects
  - Conjunctive Use Program
  - Cyclic Storage Program
  - Participation in local watershed initiatives

Review of Draft Report to Legislature

Key Accomplishments in FY 2023/24

- Increased turf replacement incentive to $3/sqft and replaced 11.8 million sqft of lawn
- 5 new LRP Agreements approved and 4 previously signed projects began operation.
- Received $99.2 million from USBR's Large Scale Water Recycling Grant Program for Pure Water Southern California

Review of Draft Report to Legislature

Cumulative Investment as of FY 2023/24

	Investment	Acre-Feet
Conservation	$954 Million	4,108,000
Recycled Water	$544 Million	3,169,000
Groundwater Recovery	$206 Million	1,278,000
Total	**$1.7 Billion**	**8,554,000**

Conservation Highlights in Fiscal Year 2023/24

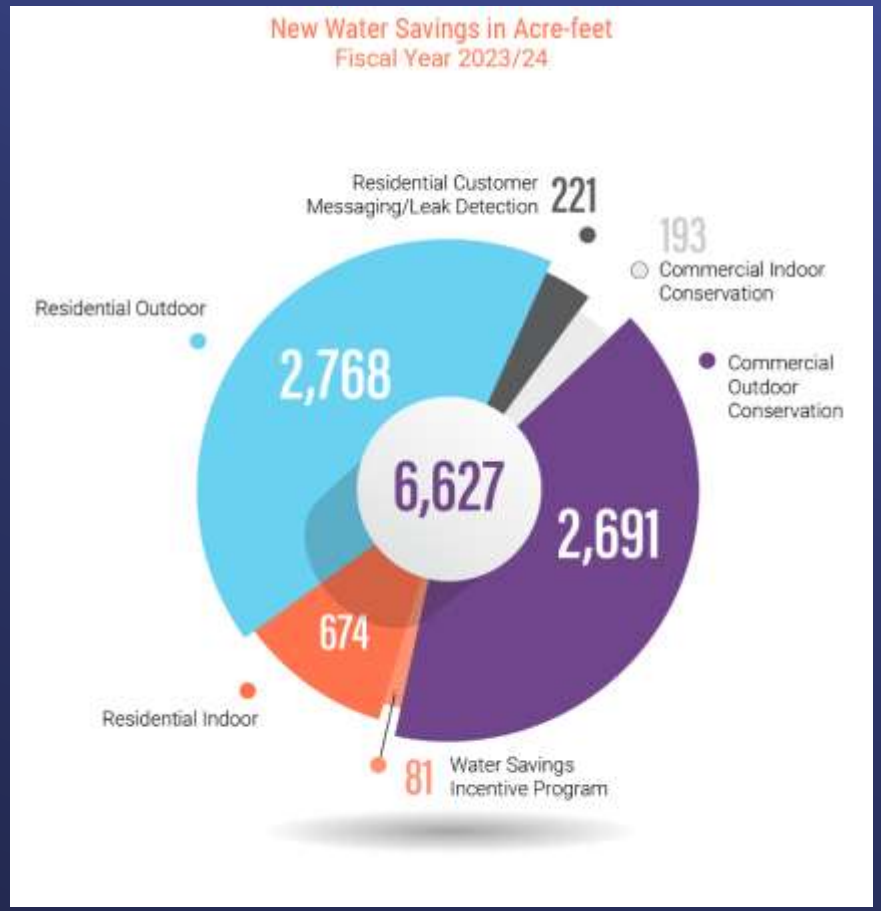
Investing in programs to help residents and businesses improve water-use efficiency

- $44 million in fiscal year 2023/24
  - Rebates
  - Landscape and irrigation classes
  - Research
  - Outreach

Conservation Highlights in Fiscal Year 2023/24

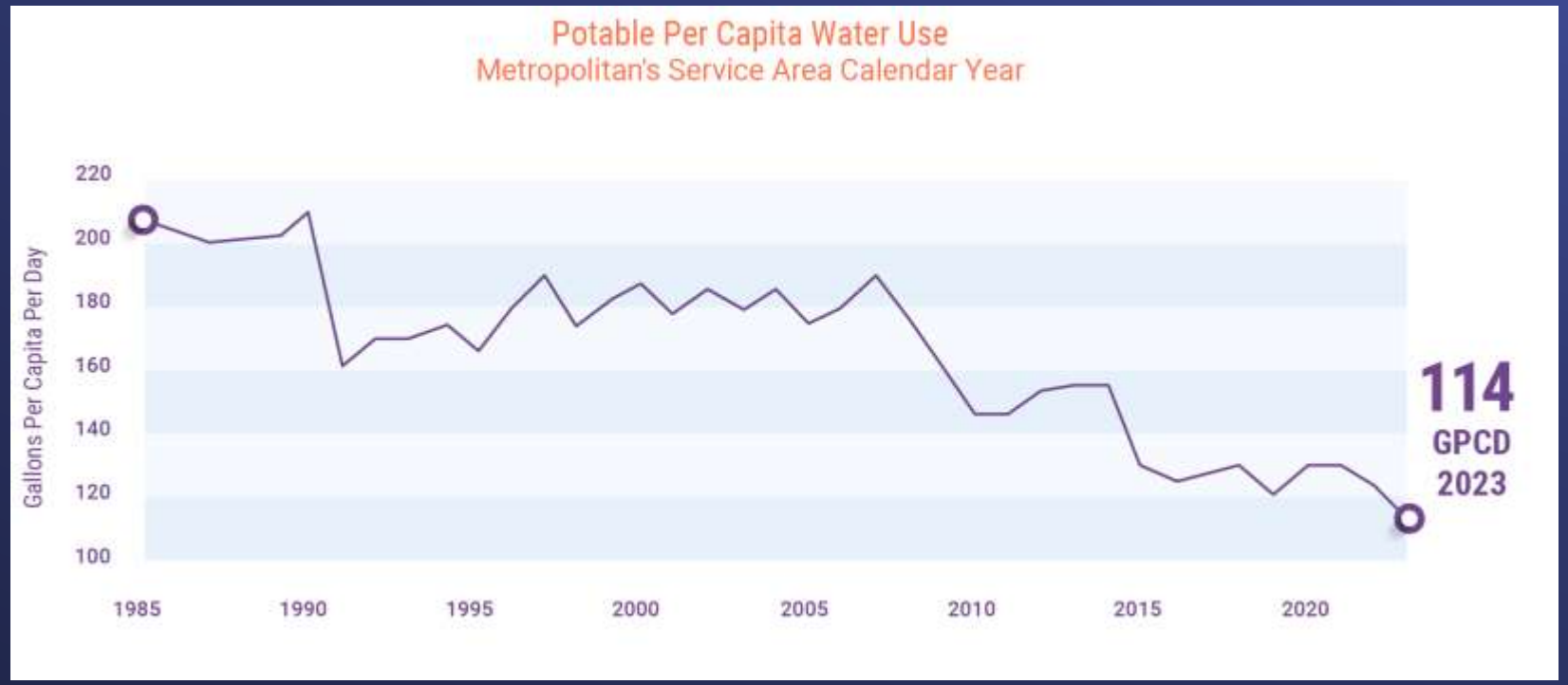
Rebate programs have been instrumental in achieving regional water savings

- Approximately 210,000 acre-feet of water saved through rebate programs
  - 6,627 acre-feet from new devices



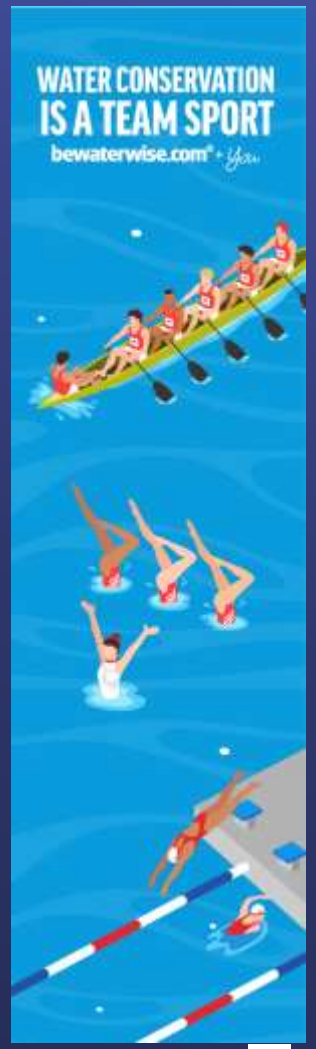
Conservation Highlights in Fiscal Year 2023/24

Rainy and cool weather along with drought conservation measures led to lowest observed per capita water use



Conservation Highlights in Fiscal Year 2023/24

Metropolitan's strong education and outreach programs promote regional conservation

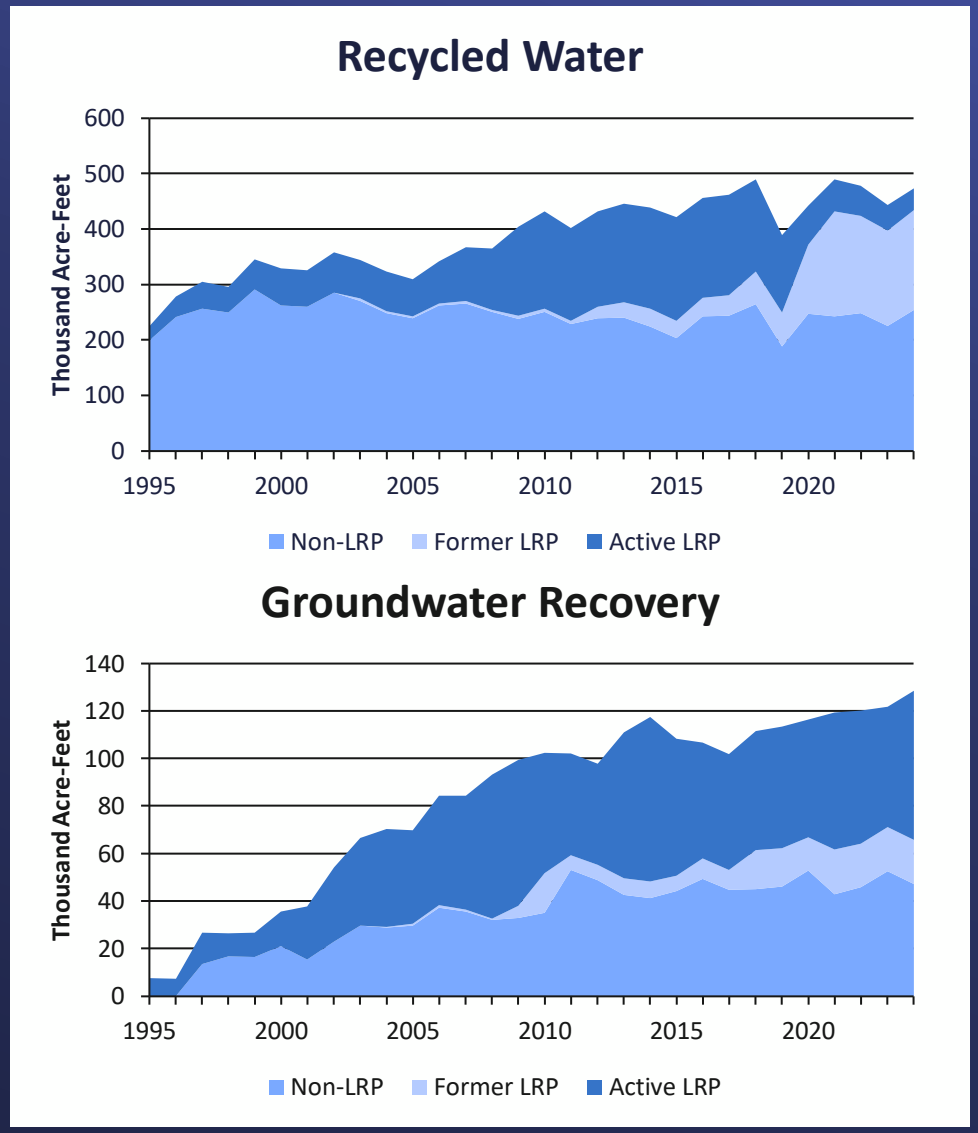


Local Resources Highlights in Fiscal Year 2023/24

The Local Resource Program has helped develop regional local water supply

LRP drives growth in local production

Local Resources Highlights in Fiscal Year 2023/24



Local Resources Highlights in Fiscal Year 2023/24

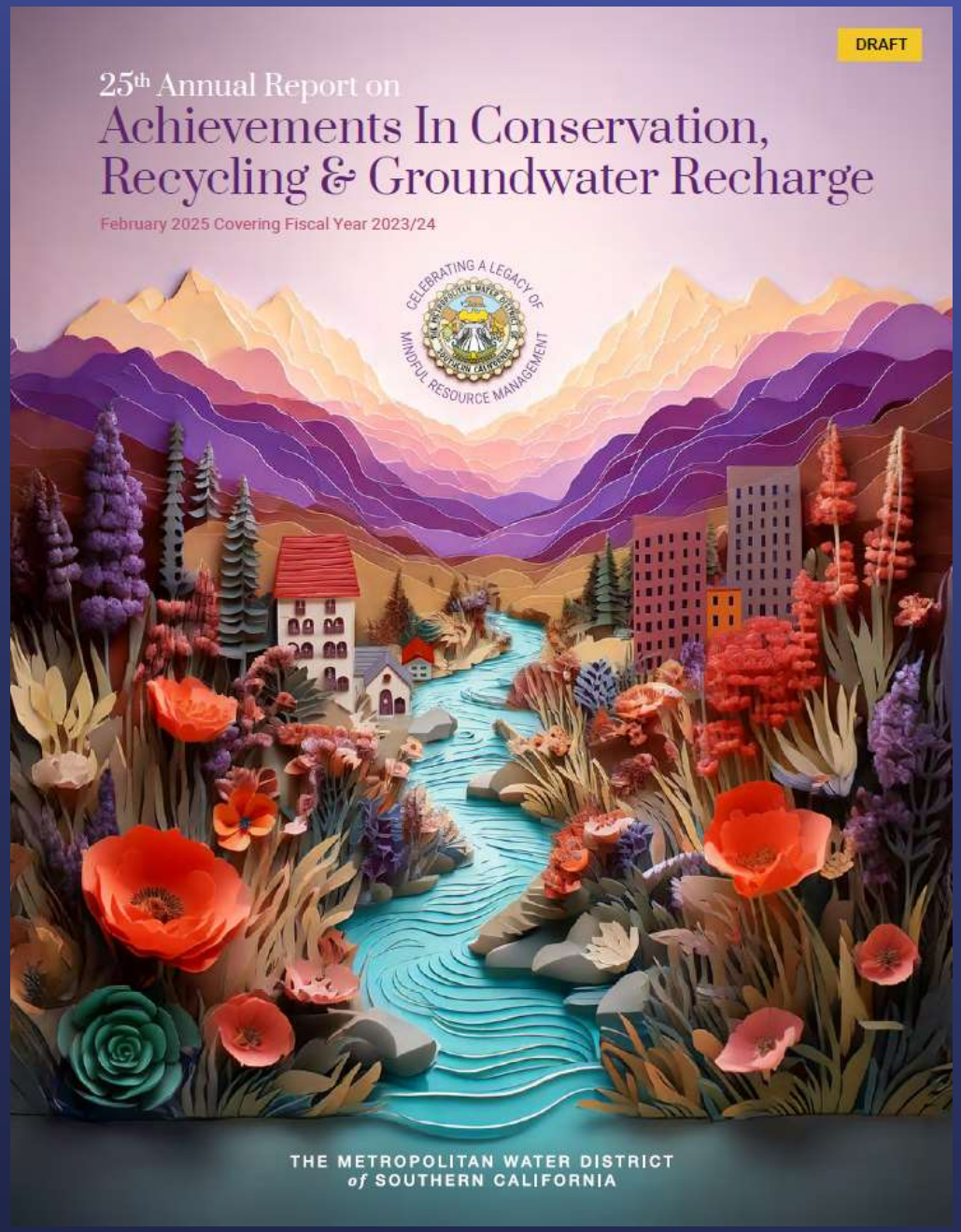
Pure Water Southern California draft Environmental Impact Report nears completion

Groundwater Recharge Highlights in Fiscal Year 2023/24

Metropolitan helps sustain local groundwater basins

- 108 TAF of imported water delivered to replenish local groundwater basins and prevent seawater intrusion
- LRP recycled water projects provide about 100 TAF annually for groundwater replenishment and seawater barrier

Additional Highlights and Details are in the Draft Report



Next Steps

Metropolitan will:

- Review and incorporate comments received today
- Submit Report to Legislature by Feb. 1st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SOUTHERN CALIFORNIA
1928

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

ONE WATER AND STEWARDSHIP COMMITTEE

December 9, 2024

Board Vice Chair Sutley called the meeting to order at 2:00 p.m.

Members present: Directors Ackerman, Alvarez, Armstrong, De Jesus, Erdman, Faessel (AB 2449 just cause, entered after rollcall), Fong-Sakai, Gold, Goldberg, Kurtz, Lefevre (teleconference, posted location), Lewitt, Miller, Pressman (teleconference, posted location), and Sutley.

Director Faessel indicated that he was participating under AB 2449 "just cause" to be a caretaker. He participated via audio and on camera and stated that he was alone in the room.

Members absent: Committee Chair Quinn and Director Cordero.

Other Board Members present: Directors Douglas, Gray (teleconference, posted location), Luna, McMillan, Ramos (teleconference, posted location), Seckel, and Smith (teleconference, posted location).

Committee Staff present: Bednarski, Crosson, Goshi, Hasencamp, Hawk, Schlotterbeck, Upadhyay, Wheeler, and Winn.

1. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

Name		Affiliation	Item
1.	Marsha Ramos	City of Burbank	8-4
2.	Kyle Griffith	California for Water Security	8-4
3.	Wesley Chuang	Concerned Citizen, Los Angeles	8-4
4.	Caty Wagner	Sierra Club California	8-4
5.	Darcy Burke	Director, Elsinore Valley MWD	8-4
6.	Richard Lambros	Southern California Leadership Council	8-4
7.	Charles Wilson	Southern California Water Coalition	8-4
8.	John Keyantash	Professor, California State University	8-4
9.	Cedrick Farmer	Groundswell for Water & Housing Justice	8-4
10.	Bruce Reznik	LA Waterkeeper	8-4
11.	Cintia Cortez	Restore the Delta	8-4

12.	Barbara Barrigan Parrilla	Restore the Delta	8-4
13.	Krystal Moreno	Shingle Springs Band of Miwok Indians	8-4
14.	Andrew Gonzales	LA/OC Building Trades Council	8-4
15.	Delfino De LA Cruz	Laborers Local 300	8-4
16.	Mario Barragan	IBEW Local 11	8-4
17.	Sandra Rose	Monte Vista Water District in the IE	8-4
18.	Domonic G.	Civil Engineer, Land Surveyor in Stockton	8-4
19.	Scott Quadi	Calleguas Municipal Water District	8-4
20.	Jan Warren	Delta Water Protector	8-4
21.	Emily Papalardo	Engineer in the Delta	8-4
22.	Greg Thomas	General Manager, Elsinore Valley MWD	8-4
23.	Nancy Glascow	Inland Empire resident	8-4
24.	Joe Sullivan	IBEW Local 11	8-4
25.	Adam Ruiz	Southwest California Legislative Council	8-4
26.	Wanda Moyer	City of Simi Valley	8-4
27.	Blain Peugeot	Brentwood	8-4
28.	Marcy Stanodge	Rebuild So Cal Partnerships	8-4
29	Chris W.	BizFed	8-4
30.	Michael Lewis	Construction Industry Coalition of Water Quality	8-4
31.	Penelope L.	Not mentioned	8-4
32.	Cydney	Not mentioned	8-4
33.	Les Kirshler	Resident of Santa Clara County	8-4
34.	Arnold San Miguel	Not mentioned	8-4
35.	Alison McKinsey	Environment & Water Committee of the Monday Moring Group of Western Riverside County	8-4
36.	John Minahan	Californian	8-4
37.	Lair Pierce	Pure Water Alliance	8-4
39.	Karen Jacques	Sacramento	8-4
40.	John Mendoza	Pomona	8-4
41.	Dan Barker	Independent Journalist	8-4

CONSENT CALENDAR ITEMS -- ACTION

2. CONSENT CALENDAR OTHER ITEMS -- ACTION

A. Approval of the Minutes of the Special Joint Meeting of the One Water and Stewardship Committee and Board of Directors Workshop for November 18, 2024

3 CONSENT CALENDAR ITEMS – ACTION.

Director Erdman made a motion, seconded by Director Miller, to approve the consent calendar consisting of item 2A.

Ayes:	Directors Ackerman, Alvarez, Armstrong, De Jesus, Erdman, Faessel, Fong-Sakai, Gold, Goldberg, Kurtz, Lefevre, Lewitt, Miller, and Sutley.
Noes:	None
Abstentions:	None
Absent	Directors Cordero, Pressman, and Quinn.

The motion for item 2A passed by a vote of 14 ayes, 0 noes, 0 abstentions, and 3 absent.

Director Faessel stated he was alone in the room during the vote.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

8-3 Subject: Authorize the General Manager to enter into agreements with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program; and adopt CEQA determination that the environmental effects of the Antelope Valley-East Kern High Desert Water Bank and the Turf Replacement Programs were previously addressed in various CEQA documents and related actions

Presented by: Laura Lamdin, Engineer, Water Resource Management

Motion: Adopt CEQA determination that the environmental effects of the Antelope Valley-East Kern High Desert Water Bank and the Turf Replacement Programs were previously addressed in various CEQA documents and related actions and authorize the General Manager to enter into agreements with the U.S. Bureau of Reclamation to implement phase two of the LC Conservation Program.

The following Directors provided comments or asked questions:

1. Gold
2. De Jesus

Staff responded to the Directors' questions and comments.

After completion of the presentation, Director Gold made a motion seconded by Director Ackerman to approve item 8-3.

The vote was:

Ayes:	Directors Ackerman, Alvarez, Armstrong, De Jesus, Erdman, Faessel, Fong-Sakai, Gold, Goldberg, Kurtz, Lefevre, Lewitt, Miller, and Sutley.
Noes:	None
Abstentions:	None
Absent:	Directors Cordero, Pressman, and Quinn

The motion for Item 8-3 passed by a vote of 14 ayes, 0 noes, 0 abstentions, and 3 absent.

Director Pressman was muted during the vote on Item 8-3.

Director Faessel stated he was alone in the room during the vote.

8-4	Subject:	Review and consider the Lead Agency's certified 2023 Final Environmental Impact Report for the Delta Conveyance Project and take related CEQA actions and authorize the General Manager to enter into an amended agreement for preconstruction work planned for 2026-2027
	Presented by:	Maureen Martin, Manager Bay-Delta Science and Regulatory Strategy
	Amended Motion:	Review and consider the Lead Agency's certified 2023 Final EIR for the DCP, take related CEQA actions, and authorize the General Manager to enter into an amended agreement for preconstruction work on the DCP planned for 2026-2027. By approving Option 1, the Board is not approving the DCP, as reflected in the statement of overriding considerations, which is limited to the preconstruction funding only.

The following Directors provided comments or asked questions:

1. Miller
2. De Jesus
3. Gold
4. Alvarez
5. Armstrong
6. Fellow
7. Kurtz
8. Lewitt
9. Board Chair Ortega
10. Luna

Staff responded to the Directors' questions and comments.

After completion of the presentation, Director Kurtz made a motion seconded by Director Lewitt to approve Amended item 8-4.

The vote was:

Ayes:	Directors, Ackerman, Armstrong, De Jesus, Erdman, Faessel, Fong-Sakai, Goldberg, Kurtz, Lefevre, Lewitt, Miller, Pressman, and Sutley.
Noes:	Gold
Abstentions:	Alvarez
Absent:	Directors Cordero and Quinn.

The motion for Item 8-4, amended option 1 passed by a vote of 13 ayes, 1 no, 1 abstention, and 2 absent.

Director Faessel stated he was alone in the room during the vote.

5. BOARD INFORMATION ITEMS

9-2. Subject: Update on developing State Water Project water management actions to meet multiple objectives of managing dry year and wet year water supplies and generating new revenues

Presented by: Brandon Goshi, Group Manager, Water Resource Management

Mr. Goshi reported on the following:

- Challenge of water management and financial stability.
- Noted that a written board letter can be referenced for more details.
- Staff will return to the One Water and Stewardship Committee in the future with an action letter and an oral report.

The following Directors provided comments or asked questions.

1. Lewitt
2. Miller
3. Gold
4. Fong-Sakai
5. Board Vice Chair Sutley
6. Board Chair Ortega

Staff responded to the Directors' questions and comments.

6 COMMITTEE ITEMS

a. Subject: Update on Water Surplus and Drought Management

Presented by: There was no presentation

Mr. Goshi highlighted one key point regarding the initial water allocation and mentioned that there is a written report on the topic.

7. MANAGEMENT ANNOUNCEMENT AND HIGHLIGHTS

a. Subject: Bay-Delta Resources, Colorado River Resources, Sustainability, Resilience and Innovation, and Water Resource Management activities

Presented by: John Bednarski, Interim Executive Officer/Assistant General Manager, Water Resources

Mr. Bednarski announced that next month Bay-Delta staff will present an item on the regulatory surroundings for the Water Quality Control Plan.

8. COMMITTEE REPORTS

a. Report on the Delta Conveyance Design and Construction Authority Meeting

There was no report provided.

b. Report on Delta Conveyance Finance Authority Meeting

There was no report provided.

c. Report on Bay-Delta Ad Hoc Meeting

Director Ackerman reported on items discussed at the December 2, 2024, Bay-Delta Ad Hoc meeting.

9. SUBCOMMITTEE REPORTS AND DISCUSSION

a. Discuss and provide direction to Subcommittee on Demand Management and Conservation Programs and Priorities

There was no report provided.

10. FOLLOW-UP ITEMS

Director Gold requested an update on the Colorado River activities.

Staff reported that a report will be provided at the December 10, 2024, Executive Committee Meeting.

11. FUTURE AGENDA ITEMS

None

12. ADJOURNMENT

The next meeting will be held on January 13, 2025

The meeting adjourned at 5:39 p.m.

Nancy Sutley
Board Vice Chair

- **Board of Directors**
  One Water and Stewardship Committee

1/14/2025 Board Meeting

7-2

Subject

Authorize the General Manager to enter into a funding agreement for the Disadvantaged Communities Leak Detection and Repair Program with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the Board authorize the Interim General Manager to enter into an agreement with the U.S. Bureau of Reclamation (Reclamation) under its Lower Colorado Conservation and Efficiency Program (LC Conservation Program). Under this agreement, Reclamation would pay for conserved water generated from a Metropolitan disadvantaged community (DAC) Leak Detection and Repair Program.

Under this agreement with Reclamation, Metropolitan would receive up to $8 million in federal funding through 2031. Of these funds, staff estimates that approximately $1.2 million would offset Metropolitan's projected DAC Leak Detection and Repair Program expenses in the current budget biennium. The remaining funds would be received in future budget cycles. In exchange, Metropolitan would implement the project and create a total of 4,000 acre-feet of conserved water to benefit Lake Mead as system water.

Additionally, this Bucket 2 project will yield long-term reductions in demand for Colorado River water. This demand reduction will continue after all agreement terms have been met. This allows Metropolitan to capture federal investment to decrease long-term demands for Colorado River water. Long-term reductions in demand will improve our ability to manage our water supply under post-2026 operations which could include potential supply reductions. Metropolitan and other Colorado River water users would also benefit from increased Lake Mead elevation associated with the system water creation.

Additional agreements will be necessary to implement this System Conservation Implementation Agreement (SCIA). Before Reclamation will pay Metropolitan, the California Section 5 contractors (Metropolitan, Coachella Valley Water District, Imperial Irrigation District, Palo Verde Irrigation District, and the City of Needles) will need to forbear water through the remaining period of the 2007 Interim Guidelines. New intra-state and inter-state forbearance agreements will also be needed to continue implementing these system conservation agreements post-2026. Staff will bring those agreements to the Board for consideration as needed.

Timing and Urgency

Reclamation would like to execute Bucket 2 SCIAs as quickly as possible. This will ensure that funding under the 2022 Inflation Reduction Act (IRA) is obligated without delay. Nevertheless, funding provided by Reclamation in these agreements could be withdrawn after they are executed by future congressional action or delayed by the next Administration.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to enter into a funding agreement for the Disadvantaged Communities Leak Detection and Repair Program with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program.

Fiscal Impact: Federal funding increase of up to approximately $8 million; approximately $1.2 million would offset currently budgeted expenses over the current 2-year budget cycle. The rest of the funds would be received in a future budget cycle.

Business Analysis: This agreement would provide federal funding for leak detection projects that would reduce long-term demands for Colorado River water. Reduced demands would improve our ability to manage our water supply under post-2026 operations, which could include potential future supply reductions.

Option #2

Direct the General Manager not to enter into the agreement under the proposed terms.

Fiscal Impact: None

Business Analysis: Metropolitan would forego an opportunity to leverage federal dollars to reduce Metropolitan's long-term demands on the Colorado River and improve our ability to manage our water supply under post-2026 operations which could include potential future supply reductions.

Alternatives Considered

Staff submitted six different proposals for Bucket 2 funding. A total of three projects were selected by Reclamation. The other two have existing agreements.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 53051 in December 2022, Metropolitan's Board adopted legislative priorities and principles to support the funding of conservation projects to enhance the resiliency of the Colorado River System to reduce the risk of Lake Mead and Lake Powell falling below critical elevations.

The General Manager's 24/25 Business Plan identified Goal 2.2 to identify and secure programmatic cost savings, organizational efficiencies, and external funding. One of the outcomes identified under this goal was to secure IRA funding to support Colorado River water use objectives.

Related Board Action(s)/Future Action(s)

By Minute Item 53447 in November 2023, Metropolitan's Board approved forbearance for system conservation created by Coachella Valley Water District and Imperial Irrigation District in 2023 to be left in Lake Mead as system water under Reclamation's LC Conservation Program.

By Minute Item 53469 in December 2023, Metropolitan's Board approved a similar action for system conservation projects with the Palo Verde Irrigation District, Bard Water District, and the Quechan Tribe under Reclamation's LC Conservation Program.

By Minute Item 53752 in August 2024, Metropolitan's Board approved forbearance for system conservation created by CVWD and IID between 2024-2026 to be left in Lake Mead as system water under Reclamation's LC Conservation Program.

In December 2024, Metropolitan's Board approved a similar action for system conservation projects for Metropolitan's Antelope Valley East Kern (AVEK) High Desert Water Bank (HDWB) facilities and its Turf Replacement program for commercial, industrial, and institutional properties. The Minute Item number for this action is not yet available.

Summary of Outreach Completed

All LC Conservation Program projects were discussed with and received input from the Colorado River Ad-hoc Committee. The Bucket 2 proposals were also discussed with the One Water Stewardship and Planning Committee in August of 2023 when the proposals were submitted to Reclamation and again in November of 2024 prior to the recent December 2024 Board action for the AVEK HDWB and Turf Replacement projects.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4)).

CEQA determination for Option #2:

None required

Details and Background

Background – The LC Conservation Program

The 2022 IRA provides $4 billion in funding specifically for conservation efforts in the Colorado River Basin. The Department of the Interior, through Reclamation, created the LC Conservation Program to use the IRA funding to increase system conservation and efficiency opportunities to address the drought in the Lower Colorado River Basin. Similar conservation programs are being developed in the Upper Colorado River Basin. The LC Conservation Program provides funding opportunities for voluntary participation to increase system conservation and efficiency opportunities.

These opportunities consisted of two main components. The first was for conservation projects that could be implemented in the short-term and provide short-term savings and is often called “Bucket 1”. The second was for conservation projects that improve long-term efficiencies and result in multi-year system conservation and is often called “Bucket 2”. These Bucket 2 projects are intended to reduce long-term demands for Colorado River water to improve the ability to manage the Colorado River system under post-2026 operations, which are likely to include future supply reductions within the Lower Basin.

Metropolitan submitted six separate proposals for potential conservation projects under Bucket 2, and two proposed programs were approved in December 2024. Reclamation also selected the DAC Leak Detection and Repair proposal to move forward to the negotiation phase. The negotiations are reaching their conclusion and staff seeks Board authorization to enter into an SCIA for the project. This Bucket 2 project would help Metropolitan manage our water supplies in a drier future by leveraging federal funds for projects that will reduce our demands for Colorado River water post-2026.

DAC Leak Detection and Repair Participation in the LC Conservation Program

As part of Bucket 2 of the LC Conservation Program, Reclamation will pay Metropolitan up to $8 million to defray the costs of Metropolitan’s existing disadvantaged community leak detection and repair program. Identified activities include a municipal program for leak detection and repair of water pipelines, including mainlines. The residential program provides leak detection and repair for income-qualified homeowners. Costs associated with these activities must be incurred between June 24, 2024 and September 30, 2031. In exchange, Metropolitan will create a total of 4,000 acre-feet of system conservation water within 10 years of the date of execution of the agreement. This system conservation water may be left in Lake Mead prior to the completion of project milestones. Water would be conserved through Metropolitan’s existing Extraordinary Conservation Intentionally Created Surplus exhibits to achieve this “predelivery” prior to 2027. A different process for creating system conservation water may be in place post-2026. Reclamation’s payments will be made quarterly based on

per project completion. Payments are also contingent on the forbearance of the California Section 5 contractors covering this agreement.

The material terms of the proposed agreement are summarized in **Attachment 1**.

Future Agreements Will Be Necessary

Additional agreements will be necessary to implement these SCIAs. Before Reclamation will pay Metropolitan, the California Section 5 contractors will need to forbear water through the remaining period of the 2007 Interim Guidelines. New intra-state and inter-state forbearance agreements will also be needed to continue implementing these system conservation agreements post-2026. For additional background on the purpose and mechanics of forbearance by Metropolitan, please see the June 2024 presentation on that subject, available at:

https://mwdh2o.legistar.com/View.ashx?M=F&ID=13012478&GUID=5C7533D3-F668-4FC6-A12E-EACEF0DF52DD

Staff will bring those agreements to the Board for consideration as needed.

Summary

Metropolitan is expanding opportunities to conserve system water in a continuing effort to reduce long-term demands on Colorado River water to improve our ability to manage our water supply under post-2026 operations. Staff recommends that the Board authorize the General Manager to enter into agreements with Reclamation which will allow Metropolitan to utilize federal dollars to decrease long-term demands of Colorado River water.

The LC Conservation Program Bucket 2 agreement would provide up to $8 million in federal funding to defray the costs of Metropolitan's existing disadvantaged community leak detection and repair program. This funding would apply toward project or program expenses through September 30, 2031. In exchange, over a period of ten years, Metropolitan would create 4,000 acre-feet of system conservation water. While some federal funding would go toward currently budgeted items, some funds would be received beyond the current two-year budget cycle.

Staff estimates that, over the current 2-year budget cycle, Metropolitan's expenses related to existing municipal leak detection and repair efforts would be reduced by approximately $1.2 million. Therefore, a total of $1.2 million would count toward Metropolitan's new revenue and reduced expenditure goals associated with the current 2-year budget cycle. Additionally, Metropolitan would benefit from the long-term reduction in demands for Colorado River water that will improve our ability to manage our water supply under potentially reduced supply conditions under post-2026 operations.

Project Milestone

Metropolitan will submit quarterly reports to Reclamation providing written justification for payment and reports detailing leak detection and repair actions and costs consistent with program standards.

1/2/2025

Brandon J. Goshi *Date*
Interim Manager
Water Resource Management

1/2/2025

Deven N. Upadhyay *Date*
Interim General Manager

Attachment 1 – Term Sheet for DAC Leak Detection and Repair SCIA under Federally Funded Lower Colorado River Basin System Conservation and Efficiency Program

Ref# wrm12698806

Term Sheet for DAC Leak Detection and Repair SCIA under Federally Funded Lower Colorado River Basin System Conservation and Efficiency Program

1. Reclamation agrees to provide funding to Metropolitan's DAC Leak Detection and Repair Program between June 24, 2024, and September 30, 2031.

2. Metropolitan's proposal is to provide funding for leak detection and repair on municipal and residential properties in disadvantaged communities which are completed and paid between June 24, 2024, and September 30, 2031.

3. Eligible costs are those incurred by Metropolitan's Leak Detection and Repair Program for municipal and residential properties between June 24, 2024, and September 30, 2031, for up to 4,000 acre-feet of water saved.

4. All costs incurred beyond September 30, 2031, are Metropolitan's responsibility.

5. Reclamation's total payment to Metropolitan shall not exceed $8,000,000. Metropolitan's administration costs for the program are eligible for payment.

6. Reclamation's payment is contingent on the execution of a California Forbearance agreement covering this project.

7. Metropolitan will provide quarterly progress reports for the duration of this agreement. Payments will be made based on the incurred eligible expenses identified in these quarterly reports. Metropolitan will also provide a closeout report.

8. Metropolitan will create a total of 4,000 acre-feet of System Conservation Water over a period of 10 years after the date of execution of this agreement.

9. System Conservation Water may be created and left in Lake Mead prior to completion of leak detection and repair activities. Such water must be created using existing Extraordinary Conservation Intentionally Created Surplus (EC ICS) exhibits prior to 2027, and an Extraordinary Conservation Certification Report must be provided. A different process for creating System Conservation Water may be in place post-2026.

10. If Metropolitan does not create the full volume of System Conservation Water, Metropolitan must reimburse Reclamation. For example, if Metropolitan leaves 93 percent of the System Conservation Water in Lake Mead, then Metropolitan will reimburse Reclamation 7 percent of the total payments made.

11. Creation of System Conservation Water will be included in Reclamation's existing water order approval process. System Conservation Water can only be created in a year in which delivery of water is less than available supplies. Verified volumes will be reported in Reclamation's annual Water Accounting Report.

12. If Metropolitan does create the full volume of System Conservation Water, but not all of the funding is spent under the program, all such System Conservation Water will stay in Lake Mead as system water, and no changes to payment will be made.

One Water and Stewardship Committee

Colorado River System Conservation Agreement

Item 7-2

January 13, 2025

Item 7-2

Authorize Colorado River System Conservation Agreements

Subject

Authorize the General Manager to enter into a funding agreement for the Disadvantaged communities Leak Detection and Repair Program with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

To obtain Board approval for an agreement allowing water conserved by Metropolitan to be added to Lake Mead under Reclamation's LC Conservation Program.

Recommendation and Fiscal Impact

Authorize entering into agreements for Reclamation to provide funding for leak detection and repair activities in disadvantaged communities and to use that activity to generate up to 4,000 AF of conserved Colorado River system water.

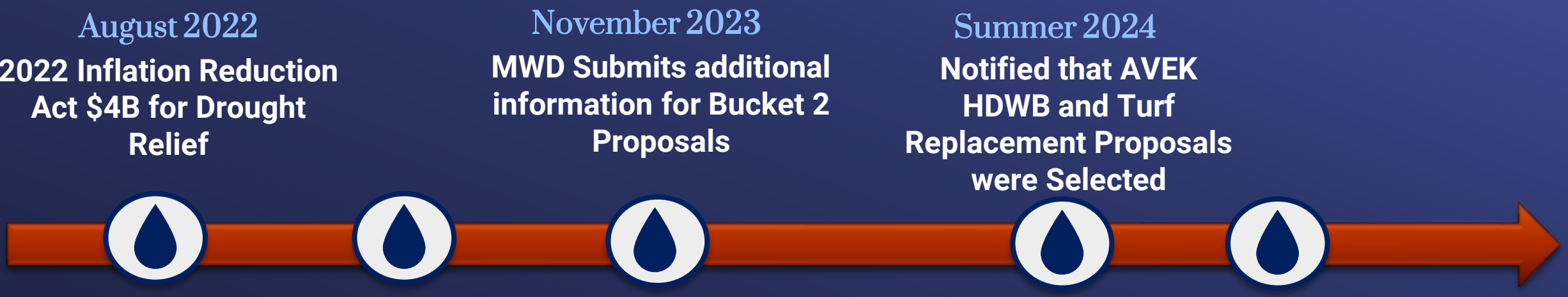
In addition to reduced budgeted expenditures, Metropolitan would receive up to $8 million in federal funding over 7 years.

Budget

Not budgeted.

Metropolitan would benefit receipt of federal funding

Background


August 2022
2022 Inflation Reduction Act $4B for Drought Relief
August 2023
MWD Submits Bucket 2 Proposals
November 2023
MWD Submits additional information for Bucket 2 Proposals
Summer 2024
Notified that AVEK HDWB and Turf Replacement Proposals were Selected
December 2024
AVEK HDWB and Turf Replacement System Conservation Implementation Agreements Signed

Two Separate Requests for Proposals Funded by the Inflation Reduction Act

Bucket 1

- Short-term projects with short-term benefits
- Immediate implementation
- Elevation protection

Bucket 2

- Long-term projects with multi-year benefits
- Improving system efficiency
- Reducing long-term demand

Disadvantaged Communities (DAC) Leak Detection and Repair

DAC Leak Detection and Repair Project

- Project: A Disadvantaged Community Leak Detection and Repair Program
  - Municipal component
  - Residential component
- Funding: Up to $8 Million
- Duration: Through September 30, 2031
- Volume: 4,000 acre-feet over 10 years
- Other:
  - Payment based on project activity
  - Pre-delivery through other existing conservation activities
  - Build America Buy America applies to municipal infrastructure work

Summary

Federal Funding

Up to $8 Million in Federal Funding

System Water Creation

Create 4,000 AF of System Water in Lake Mead

Budget Benefit

Estimated $1.2 Million to offset budgeted expenditures in current budget biennium

Next Steps, Pending Board Approval

1. Execute agreements
2. Pursue forbearance for full implementation
3. Implement DAC Leak Detection and Repair Program

Board Options

- Option #1

Authorize the General Manager to enter into a funding agreement for the Disadvantaged Communities Leak Detection and Repair Program with the U.S. Bureau of Reclamation to implement phase two of the Lower Colorado River Basin System Conservation and Efficiency Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

- Option #2

Direct the General Manager not to enter into the agreement under the proposed terms.

Staff Recommendation

- Option #1


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

- **Board of Directors**
  One Water and Stewardship Committee

1/14/2025 Board Meeting

7-3

Subject

Authorize: (1) renewal of the Municipal Water Quality Investigations Agreement between the Department of Water Resources, the State Water Contractors and participating urban State Water Project Contractors; and (2) renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between the State Water Contractors and participating urban State Water Project Contractors; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

This letter seeks Board authorization to enter into two agreements to continue Metropolitan's funding and participation in the California Department of Water Resources (DWR) Municipal Water Quality Investigations (MWQI) Program. The multicomponent MWQI Program carries out the vital tasks of sampling, monitoring, and protecting the water quality of the State Water Project (SWP). Water quality data provided by this program assists SWP Contractors in water management and operational decisions related to treatment processes and supports scientific studies. Metropolitan's share of the annual MWQI Program cost remains at a level not to exceed $2.1 million per year.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize:

a. Renewal of the Municipal Water Quality Investigations Agreement between the Department of Water Resources, the State Water Contractors, and participating urban State Water Project Contractors.
b. Renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between the State Water Contractors and participating urban State Water Project Contractors.

Fiscal Impact: Total costs of up to $2.1 million annually in budgeted funds for the next three years. This includes $1.6 million annually in budgeted funds paid in the SWP statement of charges for work performed under the MWQI Agreement, and $0.5 million annually in budgeted funds paid in Metropolitan's annual payments to the State Water Contractors for work performed under the MWQI Specific Project Agreement.
Business Analysis: The SWP water quality data collected, and the research and analyses produced by the MWQI Program are available to monitor and protect the source quality of SWP water supplies, to inform water supply planning, scheduling, and delivery decisions, and to assist with the development of treatment strategies and compliance with drinking water regulations. The maximum annual MWQI charge plus the MWQI Specific Project Committee charge for all participating SWP Contractors will not exceed $3.1 million for any calendar year. The maximum budget of $3.1 million annually is the same budget amount in the three prior MWQI Agreements covering the years 2017-2019, 2020-2022, and 2023-2025. Through careful management of expenditures and implementing workflow improvements, the MWQI Program can complete

the work at the same $3.1 million cost in the 2026-2028 agreement. Metropolitan's share of the $3.1 million maximum annual total program cost is $2.1 million per year.

Option #2

Do not authorize the General Manager to execute the Municipal Water Quality Investigations agreements.
Fiscal Impact: Potential additional costs to carry out water quality data collection, analysis and related services using alternative personnel or vendors instead of continuing to rely on DWR with its central location, trained staff and expertise to provide these services. If Metropolitan does not participate, other contractors who pay MWQI costs through their annual Statement of Charges may drop out, leaving remaining contractors funding these water quality monitoring and analysis activities with a higher bill.
Business Analysis: DWR staff is in the area, has exclusive access to DWR facilities, and can efficiently collect the data and perform the work. If DWR is not carrying out the MWQI Program, the SWP water quality data collected, and the research and analyses currently produced may be significantly scaled back or eliminated. Water managers, planning staff, and operations and treatment plant managers would have significantly less SWP water quality information available to carry out water supply planning, scheduling, and water treatment efforts. If Metropolitan and other remaining urban contractors were to carry out this work, the costs to remotely administer, deploy staff, and analyze water quality samples and data would likely be higher.

Alternatives Considered

Staff evaluated alternatives to continued participation in the MWQI Program. If Metropolitan opted to discontinue its participation in the MWQI Program, most of the activities currently carried out by the MWQI Program would likely be either scaled back considerably or eliminated completely. Because MWQI Program costs are allocated to participants based on their SWP Contract Table A amounts and Metropolitan has a large Table A, Metropolitan currently pays approximately 2/3 of all MWQI Program costs. If Metropolitan discontinued its participation in the MWQI Program, other SWP Contractors who currently participate in the program may drop out, leaving any remaining contractors with a higher bill. The remaining SWP Contractors would probably opt for a scaled down MWQI Program or implement an alternative water quality monitoring program tailored to their specific needs.

If Metropolitan dropped out of the MWQI Program, three possible alternatives are: (1) use alternative personnel or vendor to carry out the same water quality data collection, analysis and related services currently provided by the program; (2) seek to obtain and piggyback on whatever SWP water quality data is collected by remaining SWP Contractors in a scaled back or alternative water quality monitoring program; or (3) forgo altogether the water quality data, analysis and research provided by the MWQI Program. Because DWR has experienced staff in the area with access to DWR facilities and can efficiently collect the data and perform the work, and the MWQI Program is well managed with costs carefully controlled with no increases over the current 12-year period, staff recommends continued participation in the MWQI Program.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

Funding authorization for that portion of the MWQI Program expenses billed under the MWQI Program Specific Project Agreement is done through an annual Board Letter authorizing payments for Metropolitan's participation in the State Water Contractors.

Summary of Outreach Completed

Participating contractors who fund the MWQI Program hold bimonthly meetings of the Real-Time Data and Forecasting Committee to discuss ongoing operations of the program and to monitor expenses. An annual MWQI Program Workplan is developed each year, which includes all water quality sampling and monitoring activities to be carried out, as well as any special studies or projects to be undertaken in the current year. In addition, contractors participating in the MWQI Specific Project Agreement meet regularly to discuss ongoing projects and special studies, and to review and approve all consultant contracts, budgets and expenses.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action to renew agreements is exempt from CEQA because they would fund basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background

In 1990, DWR initiated the MWQI Program to provide water quality data for the SWP to support management decisions and alternatives for meeting existing and proposed state and federal drinking water quality standards. The program's initial focus was to conduct source water quality monitoring and compile a comprehensive database of Delta drinking water quality, and conduct scientific studies on key aspects of Delta water quality. Since then, the MWQI Program has evolved and expanded to carry out the following functions:

- Collect and analyze discrete water quality samples ("grab samples") at 14 locations in the Delta and the SWP.
- Operate five real-time water quality monitoring stations located in the Delta and the SWP.
- Conduct weekly modeling simulations to produce 21-day forecasts of water quality in the Delta and within the SWP conveyance and delivery system.
- Conduct research, analysis, and investigations of SWP water quality and related issues.
- Maintain a water quality database and program website.
- Disseminate water quality information and updates to SWP Contractors, water agencies, regulators, and other interested parties.

Project Milestone

Recent accomplishments of the MWQI Program include publication of the 2021 SWP Watershed Sanitary Survey Update in June 2022, issuance of the Simplified Approach for Estimating Delta Salinity Constituent Concentrations, continued development of a SWP Turn-In Data Management System, and continued operation of the real-time water quality monitoring system. Compliance with the State of California Division of Drinking Water Surface Water Treatment Rule requires conducting and updating a watershed sanitary survey every five years. The 2021 SWP Watershed Sanitary Survey Update is an evaluation of observed and emerging water quality conditions throughout the entire SWP system through 2020.

The Simplified Approach for Estimating Delta Salinity Constituent Concentrations is an updated and greatly improved method for estimating the concentrations of bromide, chloride, sulfate, alkalinity, sodium, calcium, magnesium and potassium at key locations throughout the Delta given a known or measured concentration of salinity as expressed in units of either electrical conductivity or total dissolved solids.

The SWP Turn-In Data Management System is a database that provides for the input, storage and retrieval of water quality data for groundwater pump-ins into the SWP conveyance system.

MWQI Program Structure and Financing

Sixteen urban SWP Contractors participate in the MWQI Agreement. The MWQI Agreement provides for funding and payment of MWQI Program costs, which consists of salaries and overhead for DWR staff employed by the MWQI Program, operating expenses, and equipment required to carry out the program. The SWP contractor's annual Statement of Charges includes all MWQI Program costs. Each participating contractor's share of the total MWQI Program costs is based on that contractor's annual Table A amount of project water as shown in their SWP contract in proportion to the total Table A for all participating contractors.

The MWQI Specific Project Agreement funds specialized costs including a consultant to the MWQI Program, scientific studies and consultants, technical support for data acquisition and processing, maintenance of the MWQI Program website and water quality database, and expedited procurement of urgently needed equipment, parts, or services. Fifteen urban SWP Contractors participate in and fund the MWQI Specific Project Agreement, and these participating contractors, along with the State Water Contractors Inc., are the signatories to the MWQI Specific Project Agreement. Under this agreement, work is funded by payments made to the State Water Contractors Inc. Each participating contractor's share of the total MWQI Specific Project Agreement costs is based on that contractor's annual Table A amount of project water in proportion to the total Table A for all participating contractors.

The term of both agreements is three years. The maximum total annual cost of the MWQI Program is $3.1 million, and Metropolitan's share is up to $2.1 million per year. This represents no change from the prior three years. The bulk of MWQI Program costs are for DWR staff carrying out the core functions of the program. The remainder of the program costs is the MWQI Program Specific Project Agreement Charge, of which Metropolitan's maximum annual share is $476,000. However, in recent years, Metropolitan's MWQI Specific Project Agreement Charge has been $260,000 annually, and it is expected to remain at that level in the near future. Actual total expenses of the MWQI Program for all participating contractors in calendar year 2023 was $1.7 million.

The proportionate share of the cost for each contractor, which is based on municipal and industrial Table A amounts, is shown in **Attachment 1**.

Staff recommends entering into the proposed agreements to provide valuable water quality sampling, monitoring, water quality forecasting, data dissemination, and scientific studies involving SWP water quality.

12/26/2024

Brandon J. Goshi *Date*
Interim Manager,
Water Resource Management

12/30/2024

Deven N. Upadhyay *Date*
Interim General Manager

Attachment 1 – Charge Allocation Factors

Ref# wrm12702422

Statement of Charges Allocation Factors
Table 1

	M&I Table A	Proportionate Share
Alameda County Flood Control & Water Conservation District Zone 7	80,619	0.02841469
Alameda County Water District	42,000	0.01480317
Antelope Valley-East Kern Water Agency	144,844	0.05105120
Santa Clarita Valley Water Agency	95,200	0.03355385
Santa Barbara County Flood Control & Water Conservation District	45,486	0.01603183
Crestline-Lake Arrowhead Water Agency	5,800	0.00204425
Kern County Water Agency	79,000	0.02784406
Metropolitan Water District of Southern California	1,911,500	0.67372049
Mojave Water Agency	89,800	0.03165059
Napa County Flood Control & Water Conservation District	29,025	0.01023005
Palmdale Water District	21,300	0.00750732
San Bernardino Valley Municipal Water District	102,600	0.03616203
San Gorgonio Pass Water Agency	17,300	0.00609750
San Luis Obispo County Flood Control & Water Conservation District	25,000	0.00881141
Santa Clara Valley Water District	100,000	0.03524564
Solano County Water Agency	47,756	0.01683191
TOTAL	**2,837,230**	**1.00000000**

MWQI Specific Project Committee Charge Factors
Table 2

	M&I Table A	Proportionate Share
Alameda County Flood Control & Water Conservation District Zone 7	80,619	0.02866729
Alameda County Water District	42,000	0.01493477
Antelope Valley-East Kern Water Agency	144,844	0.05150503
Santa Clarita Valley Water Agency	95,200	0.03385214
Santa Barbara County Flood Control & Water Conservation District	45,486	0.01617435
Crestline-Lake Arrowhead Water Agency	5,800	0.00206242
Kern County Water Agency	79,000	0.02809159
Metropolitan Water District of Southern California	1,911,500	0.67970970
Mojave Water Agency	89,800	0.03193195
Napa County Flood Control & Water Conservation District	29,025	0.01032099
Palmdale Water District	21,300	0.00757406
San Bernardino Valley Municipal Water District	102,600	0.03648350
San Gorgonio Pass Water Agency	17,300	0.00615170
Santa Clara Valley Water District	100,000	0.03555897
Solano County Water Agency	47,756	0.01698154
TOTAL	**2,812,230**	**1.00000000**

One Water and Stewardship Committee

Authorize Renewal of Municipal Water Quality Investigations Agreements

Item 7-3

January 13, 2025

Item 7-3

Municipal Water Quality Investigations Agreements

Subject

Authorize :

a. Renewal of the Municipal Water Quality Investigations Agreement

b. Renewal of the Municipal Water Quality Investigations Specific Project Agreement

Purpose

This action would continue funding and participation in the Municipal Water Quality Investigations Program.

Recommendation

Authorize the General Manager to execute a renewal of both agreements for an additional three-year term of January 1, 2026, to December 31, 2028.

Fiscal and Budget Impact

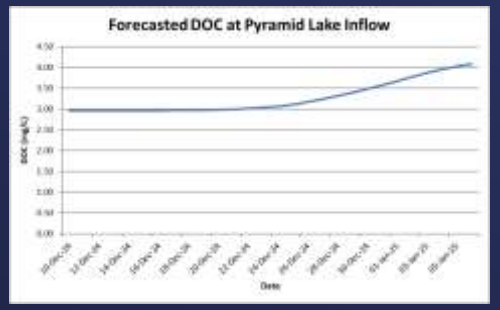
Total costs of up to $2.1 million annually in budgeted funds for the next three years. The maximum annual cost of $2.1 million per year is the same amount as the three prior MWQI Agreements covering the years 2017-2019, 2020-2022, and 2023-2025.

MWQI Program Overview

- Established 1990
- Mission: support the use of the SWP as a source of drinking water supply
- Funded by participating urban SWP Contractors

MWQI Program Core Functions

Sample & Monitor



Forecast Water Quality

Disseminate Data & Maintain Database

SWP Watershed Sanitary Survey

Scientific Studies

Key benefits

- Cost savings
- Continuous automated water quality monitoring updates
- Early warning of changing water quality conditions
- SWP Watershed Sanitary Survey
- Inform Delta science
- Program flexibility

Key terms

- New agreements start on January 1, 2026
- 3-year term
- $3.1 million/year is the maximum combined costs to all contractors
  - MWQI Agreement
  - MWQI Specific Project Agreement
    - $700,000 annual budget cap
- Metropolitan's share of costs based on SWP Table A Allotment
  - Up to $2.1 million per year

Board Options

Option #1

Authorize the General Manager to:

- a. Execute a renewal of the Municipal Water Quality Investigations Agreement between the Department of Water Resources, the State Water Contractors and participating urban State Water Project Contractors and continue the MWQI Program for an additional three-year term of January 1, 2026, to December 31, 2028; and

- b. Execute a renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between the State Water Contractors and participating urban State Water Project Contractors and continue the MWQI Program for an additional three-year term of January 1, 2026, to December 31, 2028

Option #2

Do not authorize the General Manager to execute the Municipal Water Quality Investigations Agreements

Board Options

Staff Recommendation

Option #1


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

Proposed Renewal of Agreements

- MWQI Agreement
  - Funds DWR staff, overhead and equipment
  - Parties: DWR, participating urban SWP Contractors, SWC Inc.
  - New agreement is for 3-year term CY 2026-2028
- MWQI Specific Project Agreement
  - Funds technical and administrative support, consultants and scientific studies
  - Provides fast procurement of urgently needed equipment, parts and services
  - Parties: participating urban SWP Contractors, SWC Inc.
  - New agreement is for 3-year term CY 2026-2028

Title of Slide

Box for additional callout information you want people to see highlighted

- First Bullet
- Second Bullet
  - Secondary Bullet
    - Tertiary Bullet


PROGRAMS


PUMPING


EXCHANGES


POINTS


CONSERVATION


STRATEGY


GROUNDWATER


SUBSIDENCE


WATER RATES


PARTNERSHIP


SNOWPACK


HABITAT


WASTEWATER


EARTHQUAKE


DROUGHT


VETERAN


LOCATION


WILDLIFE


ECONOMY


INFRASTRUCTURE


STORAGE

Design Resources

Icon Suite.

Here is a complementary suite of custom icons that represent many of Metropolitan's common talking points and functions. Suggested applications are included, but feel free to use them in any context that makes sense in your presentation.

One Water and Stewardship Committee


PROGRAMS


PUMPING


EXCHANGES


POINTS


CONSERVATION


STRATEGY


GROUNDWATER


SUBSIDENCE


WATER RATES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SNOWPACK


HABITAT


WASTEWATER


EARTHQUAKE


DROUGHT


VETERAN


LOCATION


WILDLIFE


ECONOMY


INFRASTRUCTURE


STORAGE

- **Board of Directors**
  One Water and Stewardship Committee

1/14/2025 Board Meeting

7-4

Subject

Authorize extension of Metropolitan's existing Colorado River System Conservation Agreement with U.S. Bureau of Reclamation to fund Metropolitan's Palo Verde Irrigation District Fallowing Program; and adopt CEQA determination that the environmental effects of the conservation efforts in Palo Verde Irrigation District are the subject of a proposed action that was previously addressed in various CEQA documents and related actions

Executive Summary

Staff seeks authorization for the General Manager to enter into an agreement to extend the December 20, 2023, Palo Verde Irrigation District System Conservation Implementation Agreement. The extension would cover the period of August 1, 2026, through December 31, 2026. Under this extension, the U.S. Bureau of Reclamation (Reclamation), rather than Metropolitan, would continue to pay for conserved water under the Palo Verde Irrigation District/Metropolitan Forbearance and Fallowing Program (PVID Program). Metropolitan would make a fallowing call for the 2026-27 PVID Program year based on its own expected needs for that period. PVID farmers enrolled in the PVID Program would have the option to voluntarily remain at the fallowing level of 100 percent of their maximum fallowing commitment for the full five-month period of August 1, 2026, to December 31, 2026. All water conserved in that five-month window would be eligible for federal funding. As per the existing system conservation agreement, a portion of the federal funding would be set aside to fund community improvement projects in the Palo Verde Valley.

Over the five-month period of the extension, Metropolitan would benefit both from reduced cost expenditures by approximately $2.5 million, associated with the contractually obligated minimum fallowing call, and from increased revenue from federal funding by about $2.8 million from Metropolitan fallowing its own lands. In total, Metropolitan would reduce expenditures or increase revenue by approximately $5.3 million over the five-month period, all of which would occur in a future budget biennium.

Metropolitan and other Colorado River water users would also benefit from increased Lake Mead elevation.

Timing and Urgency

Reclamation has requested to expedite any extensions to Bucket 1 System Conservation Implementation Agreements while the current leadership is in place. Even with the agreements executed in January, funding provided by Reclamation in these agreements could be withdrawn by future congressional action or delayed by the next Administration.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Adopt CEQA determination that the proposed action related to the fallowing program was previously addressed in various CEQA documents and related actions, and authorize the General Manager to enter into an agreement for Reclamation to fund the generation of up to 36,066 AF of conserved Colorado River system water between August 1, 2026, and December 31, 2026.

Fiscal Impact: Metropolitan would avoid paying for the PVID fallowing program during the terms of the agreement, thereby reducing current projected cost expenditures by approximately $2.5 million in 2026. Additionally, as a landowner participating in the LC Conservation Program, Metropolitan would net approximately $2.8 million by fallowing its lands in PVID. In total, Metropolitan would reduce expenditures or increase revenue by approximately $5.3 million in 2026.

Business Analysis: The agreement would fund land fallowing to increase Colorado River system water at no additional cost to Metropolitan.

Option #2

Do not enter into the agreement under the proposed terms

Fiscal Impact: Metropolitan would make payments for and keep the water generated from the PVID Fallowing Program. Program expenditures would depend on the fallowing call made for Program Year 2026-27.

Business Analysis: Metropolitan would forgo an opportunity to increase Colorado River system water to reduce the risk of future curtailment.

Alternatives Considered

No alternatives were considered.

Applicable Policy

By Minute Item 53051 in December 2022, Metropolitan's Board adopted legislative priorities and principles to support the funding of conservation projects to enhance the resiliency of the Colorado River System to reduce the risk of Lake Mead and Lake Powell falling below critical elevations.

The General Manager's 24/25 Business Plan identified Goal 2.2 to identify and secure programmatic cost savings, organizational efficiencies, and external funding. One of the outcomes identified under this goal was to secure IRA funding that supports Colorado River water use objectives.

Related Board Action(s)/Future Action(s)

By Minute Item 53447 in November 2023, Metropolitan's Board approved forbearance for system conservation created by CVWD and IID in 2023 to be left in Lake Mead as system water under Reclamation's LC Conservation Program.

By Minute Item 53469 in December 2023, Metropolitan's Board approved a similar action for system conservation projects with the Palo Verde Irrigation District, Bard Water District, and the Quechan Tribe under Reclamation's LC Conservation Program.

By Minute Item 53752 in August 2024, Metropolitan's Board approved forbearance for system conservation created by CVWD and IID between 2024-2026 to be left in Lake Mead as system water under Reclamation's LC Conservation Program.

At Metropolitan's December 2024 Board meeting, Metropolitan's Board approved two agreements under Reclamation's Bucket 2 of the Lower Colorado River Basin System Conservation and Efficiency Program for the Antelope Valley East Kern High Desert Water Bank and turf replacement on commercial industrial and institutional properties.

Summary of Outreach Completed

All LC Conservation Program projects were discussed with and received input from the Colorado River Ad-hoc Committee.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The fallowing program that is the subject of this action was previously evaluated by the Board on October 22, 2002. The Board acted as a responsible agency and certified that it reviewed and considered the information in the Palo Verde Irrigation District's 2002 Final Environmental Impact Report and adopted the Lead Agency's findings, and authorized entering into agreements for the Palo Verde Irrigation District Land Management, Crop Rotation, and Water Supply Program.

The proposed action to extend an agreement and provide funding for the fallowing program represents a minor modification that relates solely to the fiscal and administrative aspects of this program. Thus, the previous environmental documentation acted on by the Board in conjunction with this fallowing program fully complies with CEQA and the State CEQA Guidelines, and no further CEQA review is required for the proposed action.

CEQA determination for Option #2:

None required

Details and Background

Background

The 2021 Bipartisan Infrastructure Law and the 2022 Inflation Reduction Act funded water management and conservation efforts to relieve drought conditions in the western United States, with a focus on the Colorado River. The Department of the Interior, through Reclamation, created the LC Conservation Program to increase system conservation and efficiency opportunities to address drought impacts in the Lower Colorado River Basin. Similar conservation programs are being developed in the Upper Colorado River Basin. The LC Conservation Program provides funding opportunities for voluntary participation to increase system conservation.

On December 20, 2023, Metropolitan entered into a System Conservation Implementation Agreement with Reclamation to fund Metropolitan's PVID Fallowing Program. Under this agreement, Reclamation is fully reimbursing Metropolitan for creating Colorado River system water from water conserved with the PVID Program. The system water is being created by participating farmers fallowing acres at the fallowing level of 100 percent of their maximum fallowing commitment, which started August 1, 2023, and includes fallowing of Metropolitan-owned lands based on the terms included in the lease agreements. The conserved water remains in Lake Mead as system water. Participation is continuing at 100 percent fallowing through July 31, 2026.

Extension of PVID Program Participation in the LC Conservation Program

As a part of the LC Conservation Program, Reclamation is willing to extend the December 20, 2023, Palo Verde Irrigation District System Conservation Implementation Agreement. The current agreement ends on July 31, 2026, and this extension would continue fallowing land for system conservation purposes through December 31, 2026. Metropolitan would make a fallowing call for the 2026-27 PVID Program year based on its own expected needs during that period. Landowners would be given the opportunity to volunteer to fallow up to 100% of their maximum fallowing commitment for the five additional months, and MWD would also have the option to enroll acreage from MWD-owned lands. Landowners that choose not to fallow additional land under the extension will be fallowing at the level of Metropolitan's call for the 2026-27 Program year. Metropolitan will seek any necessary forbearance from the California Section 5 contractors. Additionally, Metropolitan would have the option of diverting water saved in an amount equal to Metropolitan's then-current fallowing call for the 5-month period, if needed, instead of providing the water to Lake Mead as system water.

Metropolitan would continue to administer the program and receive payment of $400 per AF from Reclamation for any water left in Lake Mead as system conservation.

The material terms of the proposed agreement are summarized in **Attachment 1**.

Project Milestone

Metropolitan will make a fallowing call for the 2026-27 Program year based on Metropolitan's expected needs during that period. Metropolitan would administer any additional voluntary enrollment in the 5-month period covered by this extension and will invoice Reclamation for the fallowing under the terms of the agreement.

1/10/2025

Brandon J. Goshi, *Date*
Interim Manager,
Water Resource Management

1/10/2025

Deven N. Upadhyay *Date*
Interim General Manager

Attachment 1 – Term Sheet for Extension of the PVID System Conservation Implementation Agreement

Ref# wrm12704848

Term Sheet for PVID System Conservation Implementation Agreement Extension

1. Farmers participating in the Metropolitan-PVID fallowing program may choose to voluntarily fallow lands above Metropolitan's fallowing call for that period, up to an equivalent of a 100 percent fallowing call, for the full five-month period of August 1, 2026, to December 31, 2026.
2. Metropolitan would administer the program and any voluntary enrollment. Reclamation would make payments to Metropolitan of $400 per AF of conserved water left in Lake Mead between August 1, 2026, and December 31, 2026. Reclamation would pay Metropolitan before Metropolitan makes payments to Palo Verde farmers.
3. For the fallowing amount above the fallowing call that will be left in Lake Mead as system water, Palo Verde farmers and the Palo Verde community would share the $400/AF payment. PVID would dedicate $15 per AF from the $400/AF for funding community improvement in the Palo Verde Valley. For calculating payments to farmers, the payment will use the remaining $385/AF and a yield of 1.39 AF per acre for the period of August 1, 2026, through December 31, 2026, leading to a maximum payment of $535.15 per acre. The 1.39 AF per acre equates to the 5-year average total water savings from fallowing during the months of August through December.
4. For the fallowing amount equal to the fallowing call, Palo Verde farmers would receive the then current fallowing price in the existing PVID-Metropolitan forbearance and fallowing program agreement. The additional federal funding would be shared between Metropolitan and the Palo Verde community. Metropolitan would dedicate an amount equal to the total amount that PVID decides to dedicate for funding community improvement in the Palo Verde Valley.
5. Metropolitan would have the option of diverting water saved in an amount equal to the fallowing call, if needed, or providing it as system conservation to Lake Mead. Metropolitan would receive federal funding for any water left in Lake Mead as system conservation.
6. The community funds would be used for local community improvements in the Palo Verde Valley as agreed to by Metropolitan and PVID.
7. Metropolitan would have the same voluntary option to fallow its land up to the maximum fallowing call, and Metropolitan would receive payments from Reclamation as the landowner.
8. Maximum fallowing calls during the LC Conservation Program would not count against Metropolitan's limit of ten total maximum fallowing calls during the term of the PVID-Metropolitan forbearance and fallowing agreement, as provided for in the existing PVID-Metropolitan and Metropolitan-landowner agreements.
9. On January 1, 2027, the fallowing level will revert to the fallowing call for that period for all farmers in the Palo Verde Valley and remain there for the rest of the contract year (through July 2027).

One Water and Stewardship Committee

Extension of Colorado River System Conservation Agreement

Item 7-4

January 13, 2025

Item 7-4

Authorize Colorado River System Conservation Agreements

Subject

Authorize extension of Metropolitan's existing Colorado River System Conservation Agreement with U.S. Bureau of Reclamation to fund Metropolitan's PVID Fallowing Program; and adopt CEQA determination that the environmental effects of the conservation efforts in Palo Verde Irrigation District are the subject of a proposed action that was previously addressed in various CEQA documents and related actions.

Purpose

To obtain Board approval for an agreement allowing water conserved by Metropolitan to be added to Lake Mead under Reclamation's LC Conservation Program.

Recommendation and Fiscal Impact

Authorize entering into an agreement to extend the duration of the existing agreement to generate Colorado River system water through the PVID fallowing program, generating up to an additional 36,066 AF of system water in 2026.

In addition to reduced budgeted expenditures of $2.5 million, Metropolitan would see increased net revenue of about $2.8 million from fallowing land owned by Metropolitan.

Budget

Not budgeted. Metropolitan would benefit from reduced budgeted expenditures and additional net revenue of approximately $5.3 million in 2026.

Two Separate Requests for Proposals Funded by the Inflation Reduction Act

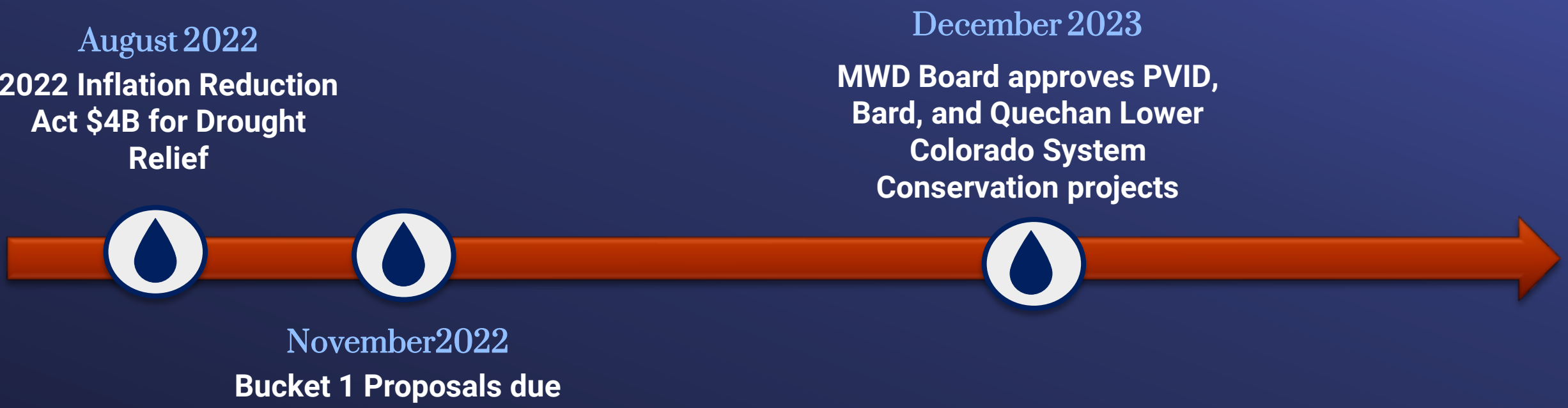
Bucket 1

- Short-term projects with short-term benefits
- Immediate implementation
- Elevation protection

Bucket 2

- Long-term projects with multi-year benefits
- Improving system efficiency
- Reducing long-term demand

Background


August 2022
2022 Inflation Reduction Act $4B for Drought Relief
November 2022
Bucket 1 Proposals due
December 2023
MWD Board approves PVID, Bard, and Quechan Lower Colorado System Conservation projects

Extension of PVID Fallowing Program for System Conservation

Terms Specific to Extension

- Duration: August 1, 2026 – December 31, 2026
- Yield: 1.39 AF/acre
- Voluntary enrollment for the fixed five-month period

Continuation of Existing Terms

- Federal funding: $400/AF
- Metropolitan administers the program
- Community funding

5-Month Voluntary Fallowing in Addition to Metropolitan Fallowing Call

Summary

Future Budget Benefit

~$2.5 million in reduced program expenditures

+

~$2.8 million in additional net revenue

System Water Creation

Create up to 36,066 AF of System Water in Lake Mead

Next Steps, Pending Board Approval

1. Execute agreement
2. Obtain forbearance
3. Amend Implementing Agreement with PVID

Board Options

- Option #1

Authorize extension of Metropolitan's existing Colorado River System Conservation Agreement with U.S. Bureau of Reclamation to fund Metropolitan's PVID Fallowing Program; and adopt CEQA determination that the environmental effects of the conservation efforts in Palo Verde Irrigation District are the subject of a proposed action that was previously addressed in various CEQA documents and related actions

- Option #2

Direct the General Manager not to enter into the agreement under the proposed terms.

Staff Recommendation

- Option #1


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

- **Board of Directors**
  One Water and Stewardship Committee

1/14/2025 Board Meeting

8-1

Subject

Adopt a resolution to support a grant application selected to receive United States Department of the Interior, Bureau of Reclamation WaterSMART: Applied Sciences Program funding for fiscal year 2023 for an amount totaling $390,000; authorize Metropolitan's non-federal cost share of $130,000; and authorize the General Manager to enter a contract with the United States Department of the Interior, Bureau of Reclamation, subject to General Counsel approval; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

In October 2023, Metropolitan applied to the U.S. Department of the Interior, Bureau of Reclamation's (Reclamation) fiscal year 2023 (FY23) WaterSMART: Applied Sciences Program. Metropolitan submitted a grant application to develop publicly accessible interoperable data sets for flow and temperature for the Sacramento-San Joaquin Bay-Delta (Delta). This project is supported by the Revised Bay-Delta Policy Objectives and GM Business Plan FY 2024/2025 (Strategic Priority #3, outcome 3.2.6). On August 5, 2024, Metropolitan was notified that its submitted application is being considered for award of funds. To proceed in the agreement process, Metropolitan must obtain a resolution from the Board of Directors committing Metropolitan to the financial and contractual obligations associated with a financial assistance award. If approved, this action would adopt a resolution **(Attachment 1)** supporting Metropolitan's commitment to its financial and contractual obligations. This action also authorizes the General Manager to accept up to $390,000 in grant funding and enter a contract with Reclamation for the WaterSMART: Applied Sciences Grants Program for FY23, subject to General Counsel approval. If authorized, Metropolitan would contribute the non-federal cost share of $130,000 from the Bay-Delta Sciences program budget; this cost share amount will be derived from an existing budgeted program ($90,000) and budgeted in-kind staff time ($40,000).

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Adopt a resolution to support a grant application selected to receive United States Department of the Interior, Bureau of Reclamation WaterSMART: Applied Sciences Program funding for fiscal year 2023 for an amount totaling $390,000; authorize Metropolitan's non-federal cost share of $130,000; and authorize the General Manager to enter a contract with the United States Department of the Interior, Bureau of Reclamation, subject to General Counsel approval.

Fiscal Impact: The addition of $390,000 in grant funds to existing Metropolitan funding would require Metropolitan to commit to a non-federal cost share of $130,000. This cost share amount is from existing Metropolitan funding in the Bay-Delta Sciences budgeted program ($90,000) and in-kind staff time ($40,000), both of which are included in the current biennium budget.

Business Analysis: Grant funding will allow Metropolitan to leverage existing Metropolitan funding appropriated for the development of publicly accessible interoperable data sets for flow and temperature for the Delta as non-federal cost share to expedite the work and increase the amount of data collected and analyzed. This work advances the Revised Bay-Delta Policy Objectives through partnership with the Bureau of Reclamation to improve flow and temperature data used in modeling processes that support comprehensive solutions to decision-making of water and habitat management in the Delta. These datasets are necessary to explore flexible operation and water management actions and promote innovative and multi-benefit solutions.

Option #2

Do not support or accept grant funding.
Fiscal Impact: None
Business Analysis: Without the grant funds, Metropolitan would incur increased costs to implement the work.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter into Contracts

By Minute 53012, dated October 11, 2022, the Board adopted the Revision and Restatement of Bay-Delta Policies.

General Manager Business Plan FY 2024-2025 (Strategic Priority #3, outcome 3.2.6)

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are exempt from CEQA because they involve funding for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background

Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for federal leadership and assistance to stretch and secure water supplies for future generations in support of Reclamation's priorities identified in Presidential Executive Order (E.O.) 14008.

As an overview of the Reclamation grant priorities, the grant will provide funding for applied science projects to develop or improve hydrologic information, water management tools, modeling and forecasting capabilities, and improve nature-based solution decisions. Results from these projects will be used by water managers to increase water supply reliability, provide flexibility in water operations, and improve water management.

The proposed project will improve water management by providing better access to flow and temperature data and at a finer resolution. For example, daily flow and temperature data can better model flow operations and allow for an evaluation of operational effects on fish and wildlife, resulting in more efficient actions. Accessible and interoperable flow and temperature data are also critical for water management planning, and these data sets enable and improve modellable climate change scenarios.

Required Resolution

The WaterSMART program requires a board resolution supporting the grant proposal prior to the execution of a contract with Reclamation. The Board resolution documents Metropolitan's commitment to the financial and contract obligations associated with accepting grant funds, authorizes the General Manager to accept funding, delegates authority to the General Manager to enter into a contract with Reclamation, recognizes that Metropolitan is capable of meeting the 25 percent cost share amount, and commits Metropolitan to work with Reclamation to meet established deadlines. The resolutions do not obligate Metropolitan to accept funding. Metropolitan has the discretion to accept or decline potential funding prior to an agreement being executed.

1/2/2025

Nina E. Hawk *Date*
Chief of Bay-Delta Resources/Group
Manager, Bay-Delta Initiatives

1/2/2025

Deven Upadhyay *Date*
Interim General Manager

Attachment 1 – Resolution of the Board of Directors of The Metropolitan Water District of Southern California in Support of its Proposal for Funding Under The WaterSMART: Applied Sciences For Interoperable Flow And Temperature Data For Salmonid Restoration Scenarios

Ref# eo12700365

RESOLUTION _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: APPLIED SCIENCES FOR INTEROPERABLE FLOW AND TEMPERATURE DATA FOR SALMONID RESTORATION SCENARIOS

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for applied science projects from the WaterSMART: Applied Sciences Grants for fiscal year 2023.

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15378 (b)(4) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California (Board) that the Board supports the proposal for "Interoperable Flow and Temperature Data for Salmonid Restoration Scenarios under Reclamation's WaterSMART: Applied Sciences Grants for FY 2023.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept federal grant funding of up to $390,000 and authorizes contribution of the non-federal cost share of $130,000.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested WaterSMART grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the 25 percent cost share specified in the funding plan.

BE IT FURTHER RESOLVED that Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held January 14, 2025.

_____

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California

One Water and Stewardship Committee

Authorize resolution to receive USBR FY23 WaterSMART: Applied Science Grants Program funding

Item 8-1

January 13, 2025

Item # 8-1 USBR WaterSMART: Applied Science Grants Program

Subject

Authorize resolution to support a grant application to receive United States Department of the Interior, Bureau of Reclamation FY23 WaterSMART: Applied Science Grants Program funding $390,000; and authorize the General Manager to accept this funding and enter a contract with the United States Department of the Interior, Bureau of Reclamation

Purpose

Obtain the required Board resolutions for staff to proceed in negotiating financial assistance awards with USBR

Staff Recommendation and Fiscal Impact

Option #1: Authorize resolution to support application selected to receive FY23 WaterSMART: Applied Science Grants Program funding totaling $390,000; and authorize the General Manager to accept this funding and enter a contract with USBR. Accepting grant funds would require Metropolitan to commit to a non-federal cost share of $130,000. This cost share is budgeted from existing budgeted programs and in-kind staff time.

USBR WaterSMART: Applied Science Grants Program

Proposal

- Project will improve water management by providing better flow and temperature datasets
- Project tasks include:
  - Identifying data gaps and limitations in flow and temperature datasets
  - Developing a case study
- Project will improve water and habitat management in the Bay-Delta

USBR WaterSMART: Applied Science Grants Program

Cost-Share Requirement

- Cost Share: 25%
- Total project costs $520,000
  - MWD requested $390,000 from grant
  - MWD is offering 25% cost share of $130,000
    - This cost share is budgeted from existing budgeted programs and in-kind staff time
  - Project end date: June 30, 2026


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

- **Board of Directors**
  One Water and Stewardship Committee

1/14/2025 Board Meeting

9-3

Subject

Information on developing State Water Project water management actions

Executive Summary

Metropolitan and its service area is faced with water supply conditions that range from surplus, when supplies exceed demands, to shortage, when supplies are insufficient to meet demands. In particular, highly variable annual SWP supplies lead to challenges that can be managed with water transactions that include transfers, exchanges and the sale of available water supply. In dry years with low SWP supplies, Metropolitan has purchased annual water transfers and should continue to pursue opportunities to supplement limited SWP supplies. In wet years with high SWP supplies, challenges include low water sales revenue combined with increased water management costs due to abundant local supplies and the potential for unmanaged SWP supplies. Staff is evaluating the development of a portfolio of potential SWP water transactions to manage both drought and surplus conditions, and to generate new revenues. Sale of SWP supply outside of the service area is a new tool made possible by the 2021 Water Management Amendment to the SWP contract that can generate new revenues. Staff discussed the development of potential SWP water sales with the One Water and Stewardship Committee on December 9, 2024, including plans to request that the General Manager be granted authority to sell SWP water supply outside of the service area. Feedback from the Board and member agency managers highlighted the need for additional clarity on how the reliability of the SWP-dependent area would be ensured if SWP water sales were to proceed. The focus of this information letter will be to describe the conditions under which staff would pursue both the sale and purchase of water and the parameters that will ensure SWP-dependent area reliability.

Fiscal Impact

Staff intends to evaluate potential SWP water sales that can generate up to $120 million in new revenue over the next two calendar years, consistent with the revenues planned in the budget and rates adopted by the Board in April 2024.

Applicable Policy

By Minute item 52273, dated February 9, 2021, the Board reviewed and considered the Department of Water Resources' certified Final Environmental Impact Report, took related California Environmental Quality Act (CEQA) actions and approved the State Water Project Contract Amendment for Water Management.

By Minute item 20984, dated November 1, 1960, the Board adopted Resolution 5838 and approved execution of the State Water Project Contract with the Department of Water Resources (DWR).

Metropolitan Water District Administrative Code Section 4200: Water Availability

Metropolitan Water District Administrative Code Section 4203: Water Transfer Policy

Metropolitan Water District Act Section 132: Sale of Surplus Water

Related Board Action/Future Action(s)

Staff plans to return to the Board in February 2025 to request that the Board authorize the General Manager to execute SWP transfer and exchange agreements with parties in the SWP place of use that generate up to $120 million in revenue in the next two calendar years or that secure dry-year supply at a cost of up to $50 million.

Details and Background

Background

Since the Board adopted a budget in April 2024 assuming $120 million in new revenues, staff has been evaluating revenue-generating opportunities. Sales of water outside of the district would generate new revenues, and sales to other SWP contractors can be accomplished with SWP supplies pursuant to the Water Management Amendment to the SWP contract. Although Metropolitan's Board approved the Water Management Amendment in February 2021, sale of water outside of the district must be approved by the Board pursuant to Administrative Code Section 4200. The main concern with selling SWP water outside of the district is maintaining water supply reliability for the SWP-dependent area under a future multi-year drought. Dry-year reliability is provided by having sufficient supply and/or sufficient storage over a multi-year sequence.

Metropolitan has a long history of managing years with low Table A allocations with water transfer purchases to meet demands and preserve storage for future dry years. Traditionally, these purchases were made collectively with other SWP contractors. However, in response to an increasingly competitive transfer market, characterized by growing demand and dwindling water supplies, Metropolitan has adjusted its strategy and begun independently seeking additional water supplies.

In October 2024, Metropolitan's Board authorized an agreement with the Western Canal Water District and the Richvale Irrigation District. This agreement is particularly notable as it grants Metropolitan the first right to annually purchase up to 53,000 acre-feet of north-of-Delta transfer supplies over the next three years if needed. This potential water purchase would play a crucial role in preserving SWP storage for a potential fourth dry-year planning scenario.

The Board's authorization of expanded authority to enter into agreements to sell and exchange water would allow staff to focus on securing additional agreements with even more partners, including south-of-Delta partners, to address challenges often encountered in moving water through the Delta. These efforts aim to ensure reliable access to supplemental supplies when needed, further bolstering the region's and, in particular, the SWP-dependent area water reliability.

Parameters for Potential Water Sales and Purchases

The primary objective is to develop a flexible portfolio of water transactions—both purchases and sales—that can be quickly implemented as conditions evolve to maximize benefits. These benefits include generating revenue while ensuring water supply reliability for the region, including SWP-dependent areas.

While these objectives may seem conflicting, they can and must work together to achieve the desired outcome. To ensure this balance, specific parameters will be established, including storage targets, quantities, and pricing strategies that are aligned with hydrologic conditions and operational needs. Metropolitan's decades-long investments in storage and infrastructure uniquely position it to achieve these goals across all year types, providing a robust framework to meet the region's needs effectively.

Storage Targets

Storage for the SWP-dependent area includes carryover in San Luis, flexible storage in Castaic Lake, and banked water along the California Aqueduct in the San Joaquin and Antelope Valleys. Staff has a goal of maintaining four years of dry-year storage in SWP storage accounts. Currently, there are record-high storage volumes in Metropolitan's SWP storage accounts. There are four years of storage in Metropolitan's banking programs, except for the AVEK High Desert Water Bank, which began taking deliveries in 2023 and will be able to recover

water starting in 2027. Carryover storage managed by Metropolitan at the end of 2024 is projected to be 386,000 acre-feet, exceeding the previous high amount of 331,000 acre-feet in 2019. These storage volumes are projected to be sufficient to provide water deliveries under a three-year sequence of a 20 percent allocation followed by two 5 percent allocations (a repeat of 2020 to 2022). Additional storage would be needed to meet SWP demands if the three-year sequence were followed by another year with a 5 percent allocation. One option for additional storage is to store more water in SWP carryover. However, higher storage quantities are more likely to be "spilled" or converted to Table A supply given the already high storage levels at San Luis Reservoir.

In addition to record-high storage levels in SWP storage accounts, Metropolitan has record-high Colorado River storage. Because Metropolitan is ending 2024 with approximately 1,560,000 of water stored as Lake Mead Intentionally Created Surplus, it will have limited capacity to add to storage in Lake Mead in 2025. This means that if Metropolitan's overall water supply and demand balance indicates surplus conditions in 2025, it will likely be adding more than a fourth year of dry-year storage to SWP banking accounts in 2025.

With limited capacity to store water for dry-year recovery within the next three years, developing SWP transactions with other SWP contractors such as exchanges and water sales becomes a highly beneficial strategy. This approach not only generates new revenues but also minimizes unmanaged SWP supplies, ensuring more efficient use of resources.

Quantity

The quantity of water that Metropolitan would sell in a given year depends largely on the SWP Table A allocation, as well as Metropolitan's projected supply/demand balance and storage portfolio balance. Under higher SWP allocations, Metropolitan is projected to store more than required to meet four years of dry-year recovery. At even higher allocations, Metropolitan could have unmanaged SWP supplies, which are allocated Table A supplies that exceed Metropolitan's service area demands and capability to deliver to storage outside of the service area. In recent years, Metropolitan has had unmanaged SWP supply at allocations higher than 70 percent. For example, in 2023, a 100 percent allocation resulted in 457,000 acre-feet of unmanaged SWP supply.

Staff recommends that the Board authorize the General Manager to identify and enter into agreements to sell up to 200,000 acre-feet of SWP supplies annually in years that all service area demands are met and storage accounts have four years of dry-year storage accessible to the SWP-dependent area. This condition may be met at SWP allocations lower than 70 percent and depends on storage balances. Given record-high storage and demand levels entering 2025, unmanaged supplies could occur at SWP allocations as low as 60 percent. These conditions present a low-risk opportunity to sell water without compromising supply reliability.

Opportunities also exist to sell water at SWP allocations lower than 60 percent. In recent years, Metropolitan's overall supply and demand is roughly balanced at a 30 percent SWP allocation. At allocations of approximately 30 percent and below, staff recommends that potential water sales are limited to quantities for which there is an option to call back the water within the next four years, or Metropolitan has secured a commensurate amount of transfer supplies in future years. Being able to purchase the water in a future dry year will mitigate potential risk to SWP-dependent area reliability.

Pricing Strategy

The potential pricing for single-year SWP sales would be dependent on hydrologic conditions, time of year, and overall supply versus demand. In this past year, there were relatively few buyers and several potential sellers with above-average supplies coming off a wet 2023, and the price of Table A sales generally went down as the year progressed. This underscores the importance of being prepared to secure deals with willing buyers early in the year before improving hydrologic conditions drive prices down. Pricing in 2024 ranged from approximately $250 to $600 per acre-foot. In a wet year like 2023, there were sales at approximately $100 to 200 per acre-foot; and in a dry year like 2022, there were sales ranging from approximately $500 to $2,000 per acre-foot. Staff recommends that the price of Metropolitan SWP supply sales to outside parties exceeds the Supply Rate element charged for water sales to Metropolitan member agencies (approximately $300 per acre-foot in 2024).

Business Model Nexus

The business model discussions focus on balancing two critical goals: maintaining fiscal viability in the face of reduced sales. Born out of the need to adapt to rapidly changing hydrologic conditions, this approach leverages flexible water transactions—both purchases and sales—to maximize benefits without compromising water reliability. By capitalizing on opportunities to sell excess water while maintaining essential storage, Metropolitan can generate revenue and address the challenges of a highly competitive water market.

Although the business model process is still ongoing, there is an immediate need to develop SWP transactions to optimize Metropolitan's storage assets, enhance flexibility in managing hydrologic variability, and capitalize on current conditions. These transactions will support or improve dry-year reliability, help sustain Metropolitan's storage portfolio over time, and generate revenue. As the business model process advances, a more comprehensive, long-term approach to SWP transactions can be established.

Staff is seeking feedback on the merits of this approach to incorporate into a strategy to navigate the evolving challenges of climate change and continue to adapt our strategies for securing reliable water supplies in an increasingly uncertain future. The feedback will inform a proposed approach that will be brought back to the Board for consideration in the coming months.

12/26/2024

Brandon J. Goshi *Date*
Interim Manager, Water Resource Management Group

12/30/2024

Deven N. Upadhyay *Date*
Interim General Manager

Ref# wrm12701635

One Water & Stewardship Committee

Update on developing SWP water management actions to meet multiple objectives of managing dry year and wet year water supplies and generating new revenues

Item 9-3

January 13, 2025

Item 9-3

Update on developing SWP water management actions

Subject

Update on developing SWP water management actions to meet multiple objectives of managing dry year and wet year water supplies and generating new revenues

Purpose

Provide information on water transactions that can generate new revenue through sale and exchange of available water supply, manage annual surplus water supplies for regional benefit, and manage and procure water transfers and exchanges to reduce the risk of future water supply shortages.

Next Steps

Staff will return to the One Water and Stewardship Committee in the future with an Action letter and oral report.

The Challenge:

Aligning Financial and Resource Goals

Variable SWP Supply Presents Water and Financial Management Challenges

- Dry periods
  - Supplemental water needed to meet demands and preserve storage
- Wet periods
  - Lower water sales and revenues
  - Potential for unmanaged SWP supply
- Past performance and current conditions are not indicators of future outcomes

Proposed Solution:

Purchase and Exchange Water in Dry Year

Water Transfer Purchases Enhance Dry Year Water Supply Reliability

- Board annually authorizes purchases, if needed, and on a case-by-case basis
  - Yuba Accord Water Transfer Program authorized 2007
  - Options for crop-idling transfers from North-of-Delta authorized Oct. 2024
- Additional opportunities, including:
  - Flexible groundwater substitution transfers from North-of-Delta sellers
  - Water transfers from other SWP contractors

Proposed Solution:

Sell and Exchange Water in Wet Years

Sale of SWP Supply to SWP Contractors to Generate New Revenue

- New tool of the Water Management Amendment to the SWP contract approved by board in February 2021
  - Allows annual water transfers with compensation determined by buyer and seller
- Opportunity to generate new revenues assumed in budget adopted by board in April 2024
- Sale of water outside of the service area requires board authorization

Feedback:

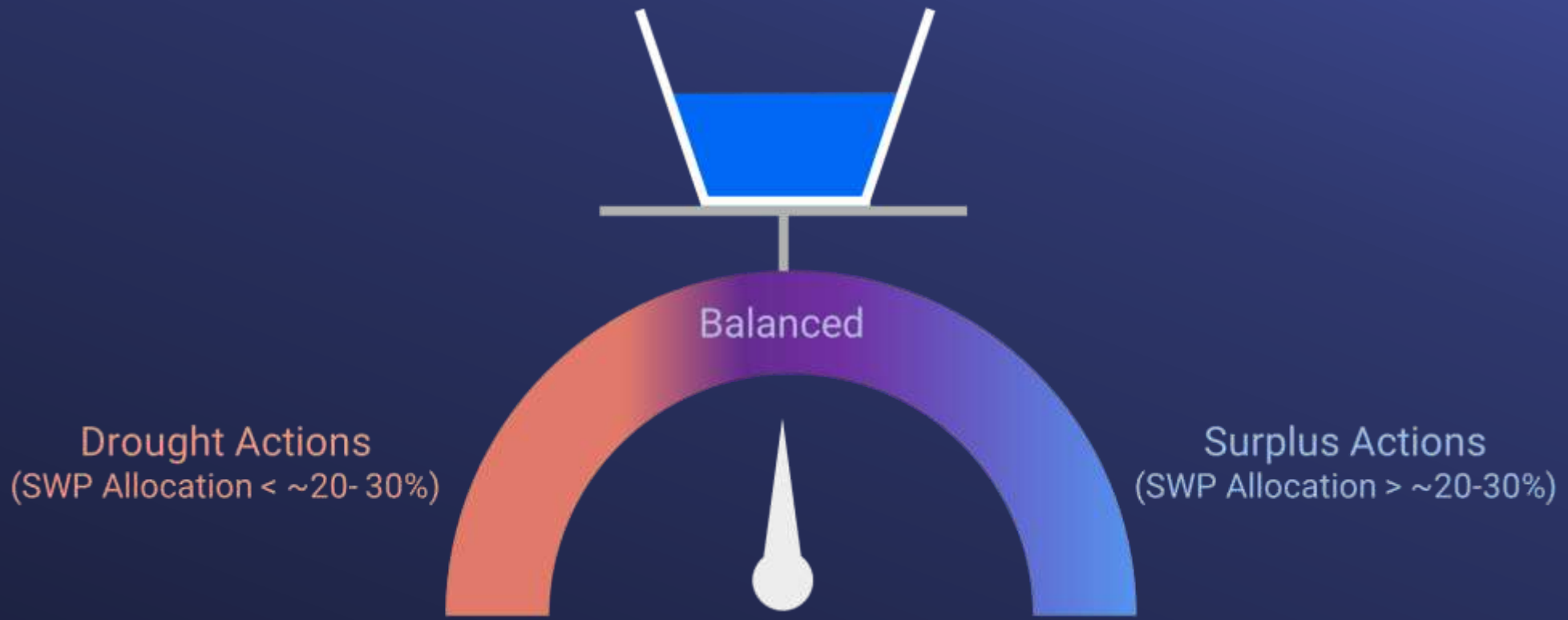
Need to Preserve SWP-Dependent Area Reliability

Proposed Conditions for Water Sales to other SWP Contractors

- ☑ Meeting member agency demands
- ☑ Meeting storage targets
- ☑ Recovery of water supply costs
- ☑ Short-term (two-year) implementation

Meeting Member Agency Demands

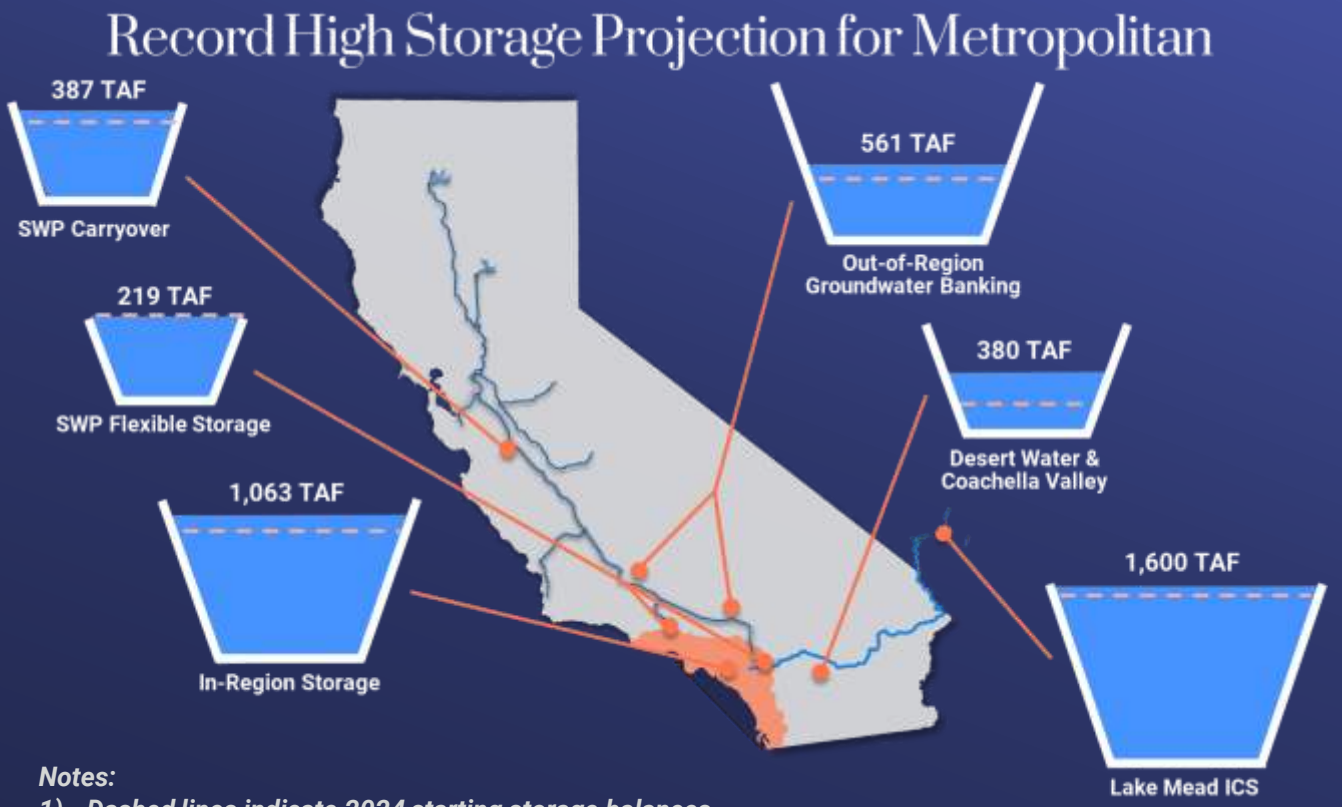
- Member agency demands are met with contract water supplies, supplemental water purchases and recovery from storage



Note: Information as of December 2024. Assumes current trend demand on Metropolitan and forecasted Colorado River supplies.

Meeting Storage Targets

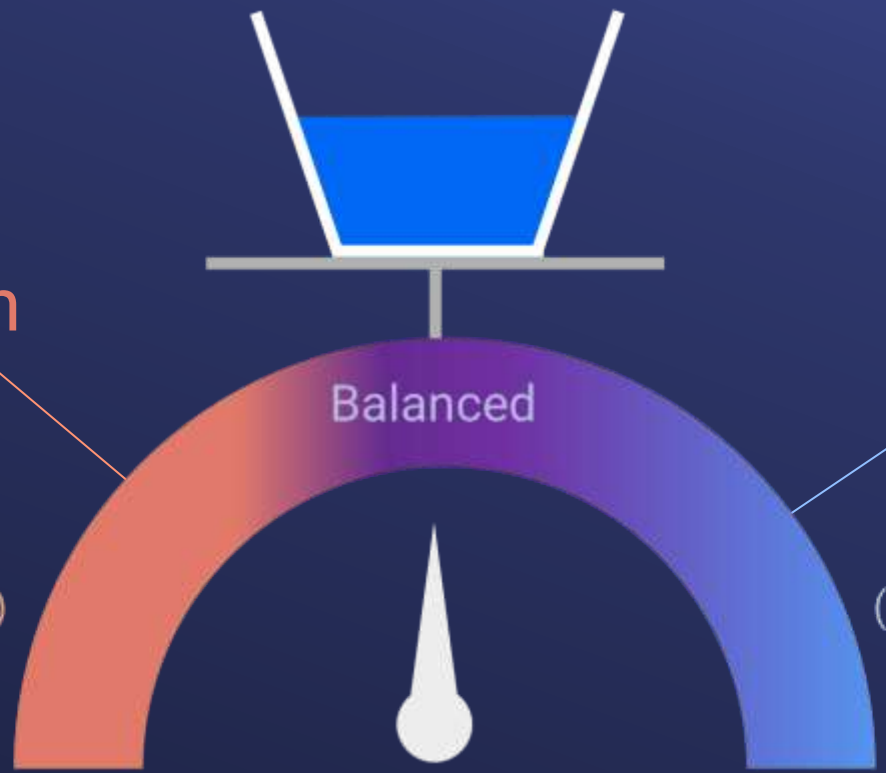
- Maintaining multiple years of dry-year storage is essential for preserving SWP-dependent area reliability
  - Most SWP storage accounts full or contain four years of storage
  - Supplemental water purchases can help preserve dry-year storage



Notes:
1) *Dashed lines indicate 2024 starting storage balances.*
2) *Ending storage balances are projections (as of December 4, 2024) & will vary based on actual conditions.*
3) *In-region storage includes emergency storage.*
4) *Storage buckets and map are not drawn to scale.*

Water Sale Quantities Limited by Supply/Demand Balances

Water sales limited to quantities for which a future dry-year supply or exchange option can be obtained



Water sales of up to 200 TAF at higher allocations

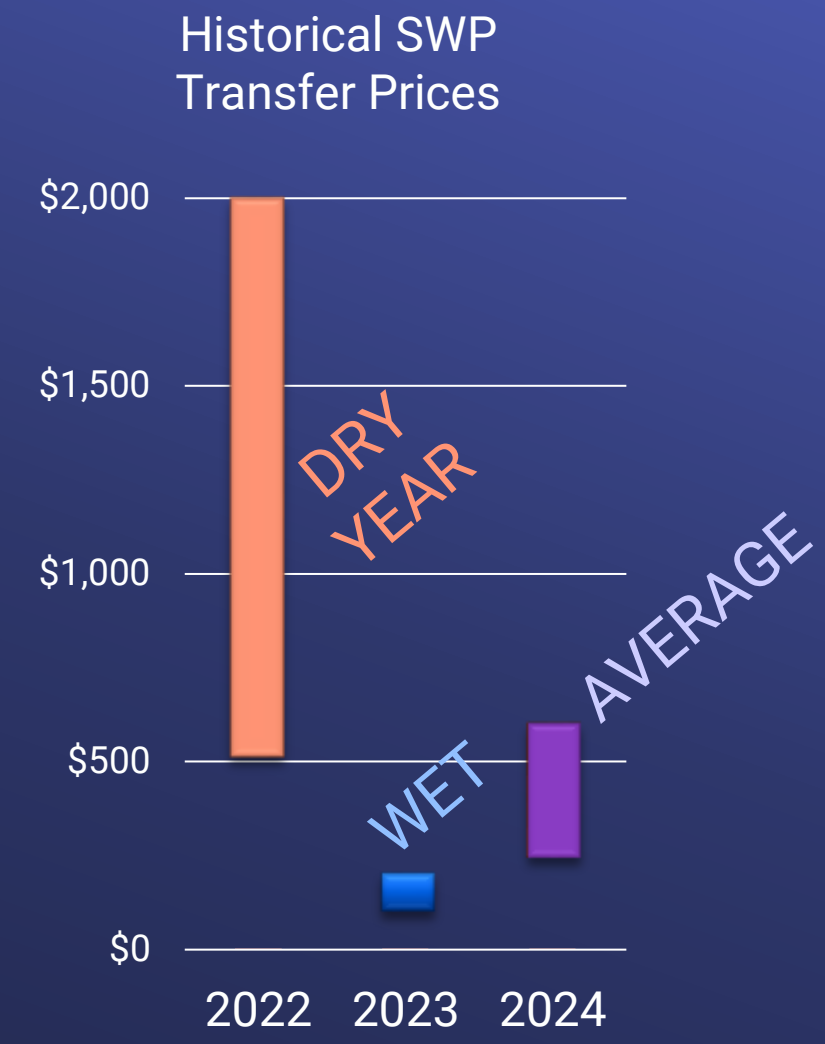
Drought Actions
(SWP Allocation < ~20- 30%)

Surplus Actions
(SWP Allocation > ~20-30%)

Note: Information as of December 2024. Assumes current trend demand on Metropolitan and forecasted Colorado River supplies.

Recovery of Water Supply Costs

- Price of water sales to outside agencies should recover Metropolitan's water supply component of rates charged to member agencies
- Price of SWP transactions in recent years highly dependent on SWP allocation
- Likely price premium for water sales earlier in calendar year



Short-Term (Two-Year) Implementation

- Two calendar years is consistent with the period requiring new revenues in the budget adopted by Metropolitan's board in April 2024
- Shorter term is appropriate for a new water management tool
- SWP water sales are consistent with currently ongoing business model discussions
  - Immediate need to develop SWP transactions to optimize Metropolitan's storage assets, enhance flexibility in managing hydrologic variability, and capitalize on current conditions

Benefits:

Maximize water management benefits in both wet and dry years

Flexible approach to managing hydrologic variability

- Allows staff to effectively and efficiently respond to changing hydrologic and market conditions
- Maximizes potential benefits:
  - Revenue generation
  - Future water supply shortage reduction
  - Preservation of stored water

Next Steps

- Receive board feedback
- Return to the board with an action item
- Negotiate agreement terms with potential partners
- Update the board monthly on potential transactions executed under the authority, if granted by the board


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

One Water and Stewardship Committee

Update on State and Federal Bay-Delta Regulatory Processes

Item 6a

January 13, 2025

Item 6a
Update on State and Federal Bay-Delta Regulatory Processes

Subject

Update on State and Federal Bay-Delta Regulatory Processes

Purpose

Provide update to the Board on current status of the Reinitiation of Consultation on Long-Term Operations of the SWP and CVP and the Water Quality Control Plan Update and Proposed Healthy Rivers and Landscapes Program

Next Steps

Return to the Board with regular Bay-Delta regulatory updates and additional updates as needed

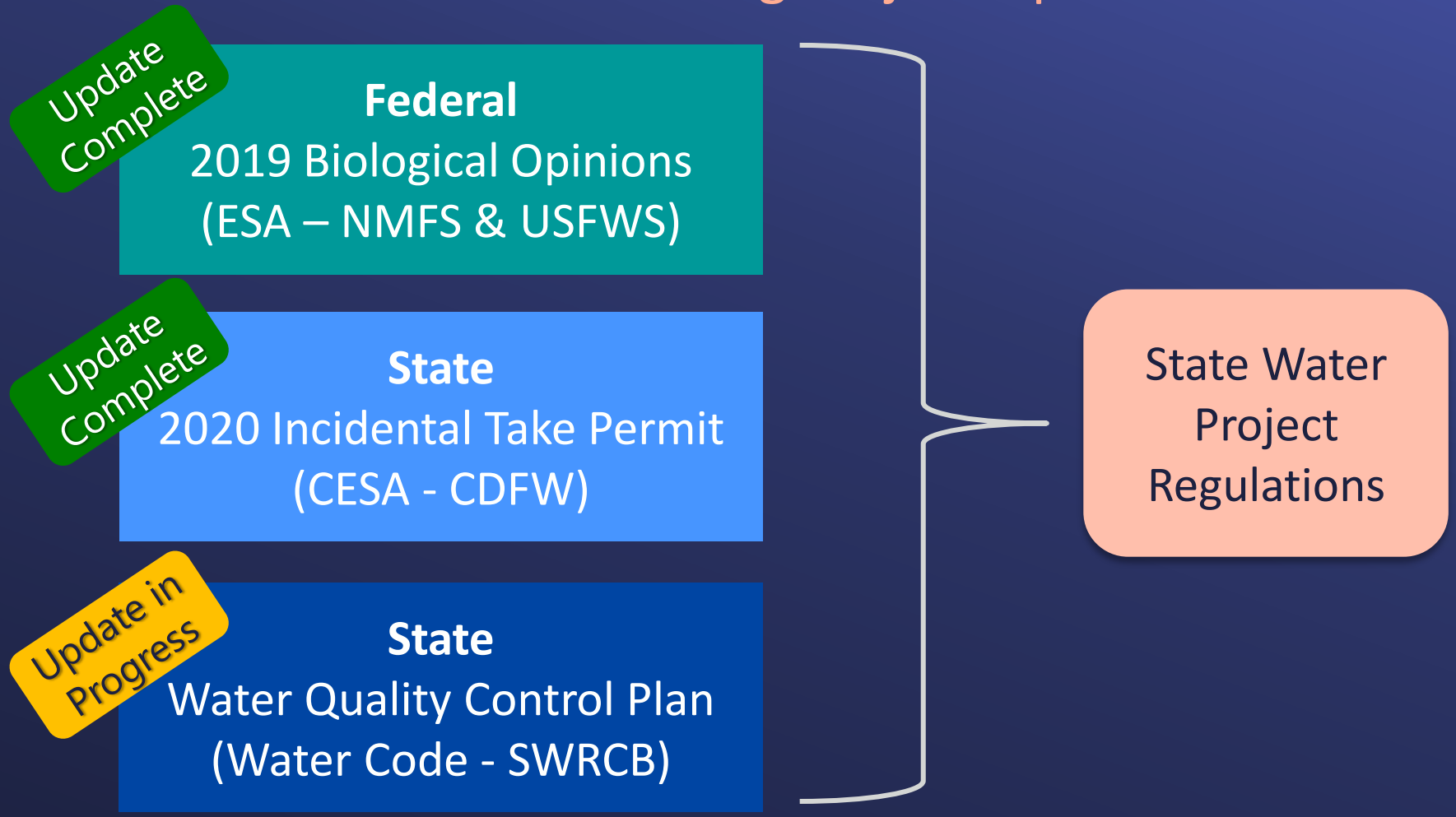
Update on State and Federal Bay-Delta Regulatory Processes

Presentation Summary

- Regulatory Overview
- Reinitiation of Consultation on Long-Term Operations of the SWP and CVP
- Water Quality Control Plan Update and Proposed Healthy Rivers and Landscapes Program
- Next Steps

SWP Regulatory Overview

Key Permits and Standards Governing Project Operations



ESA = Endangered Species Act
CESA = California Endangered Species Act
NMFS = National Marine Fisheries Service
USFWS = United States Fish and Wildlife Service
CDFW = California Department of Fish and Wildlife
SWRCB = State Water Resources Control Board

Reinitiation of Consultation on Long-Term Operations of the SWP and CVP

Reinitiation of Consultation on Long-Term Operations

Timeline Milestones

2024 ITP and BiOps - Key Takeaways

- Total mitigation funding commitments are about the same as in 2020
- OMR criteria are generally consistent and relatively unchanged
  - White Sturgeon included in the ITP only
- Summer-fall outflow 100 TAF action removed
- Spring outflow reverts to HRL after approval

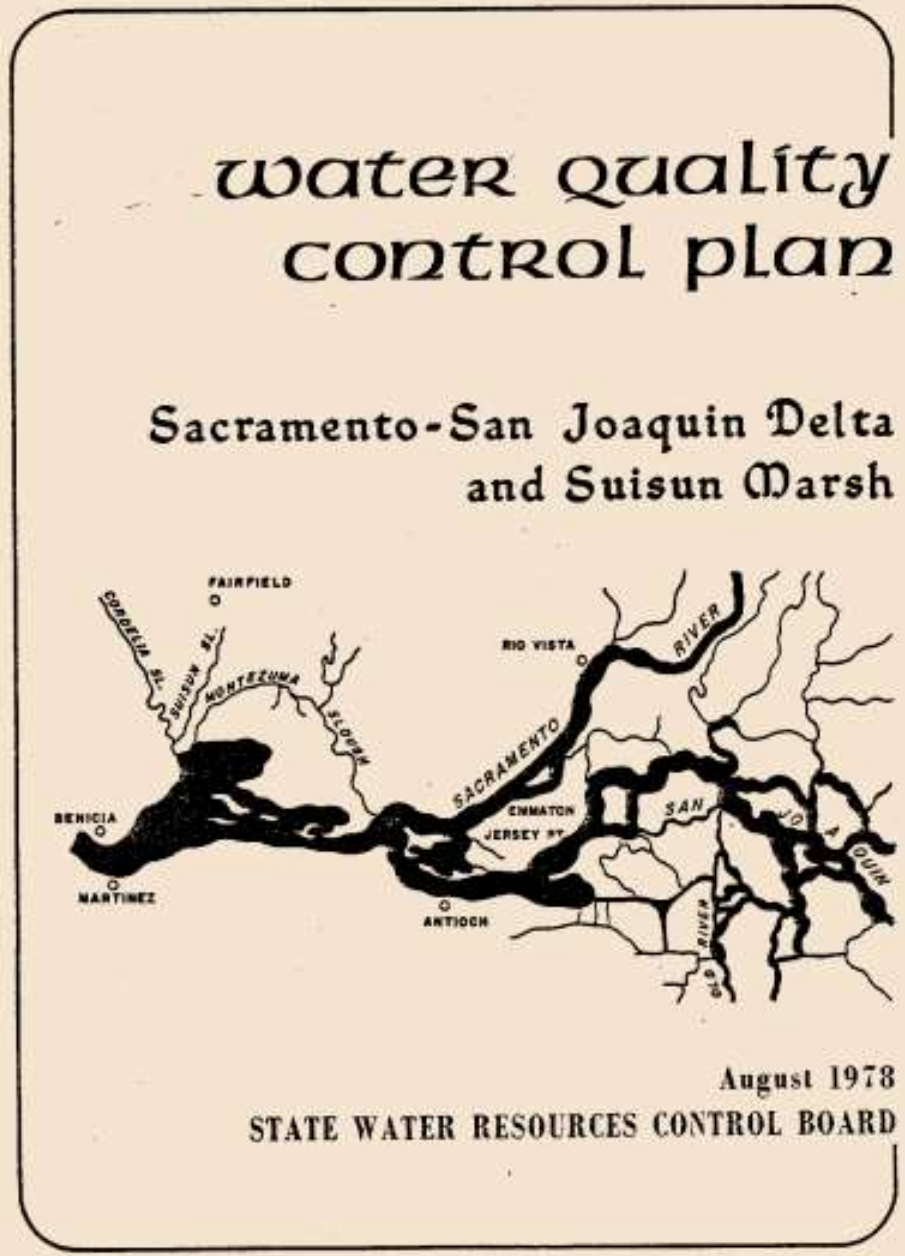


Reinitiation of Consultation on Long-Term Operations

2024 ITP– Remaining Issues

- Technical operational and mitigation requirements that should be further clarified and resolved
- NGO & CVP legal action on EIR/ITP
  - SF Baykeeper
  - California Sportfishing Protection Alliance
  - Tehama-Colusa
  - Central & South Delta Water Agencies

Reinitiation of Consultation on Long-Term Operations



Update and Proposed Healthy Rivers and Landscapes Program

Water Quality Control Plan Background

Why

- Required under the Porter-Cologne and Clean Water Acts

What

- Identifies beneficial uses of water including municipal, agricultural and environmental uses
- Adopts water quality objectives for the reasonable protection of beneficial uses
- Standards impact SWP and CVP operations

When

- Periodic review required under Clean Water Act and Porter Cologne

WQCP Update Timeline

Update to 2006 Water Quality Control Plan begins

2009

Phase 1:

San Joaquin River

December 2018

Phase 2:

Sacramento River & Delta

In-Progress

Implementation Phase:

Assignment of responsibilities for Phase 1 & 2

Future

Water Quality Control Plan Update Recent Activities

HRL Workshops April 2024

- Overview of flow & non-flow measures, science plan, governance, and enforcement

Draft Program of Implementation October 2024

- Describes how water quality objectives will be met
- Workshops in late 2024 and early 2025
- Public comment ends in January 2025

Program of Implementation

Preliminary Concerns, Potential Focus of Comments

- Need to reflect HRL accurately as submitted
- Program of Implementation needs to be actionable
- Improved tribal engagement
- Efficient State Board Oversight
- Appropriate monitoring & reporting
- State Board should not include provisions that would severely limit viability of Sites & DCP
  - Appropriate conditions can be applied during the future hearings for those projects

Update on State and Federal Bay-Delta Regulatory Processes

Next Steps

- Long-Term Operations Process
  - Future updates to the Board as needed
- Water Quality Control Plan Process
  - Submit comment letter
  - Participate in ongoing & future workshops
  - Updated Bay-Delta Plan anticipated in mid 2025


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

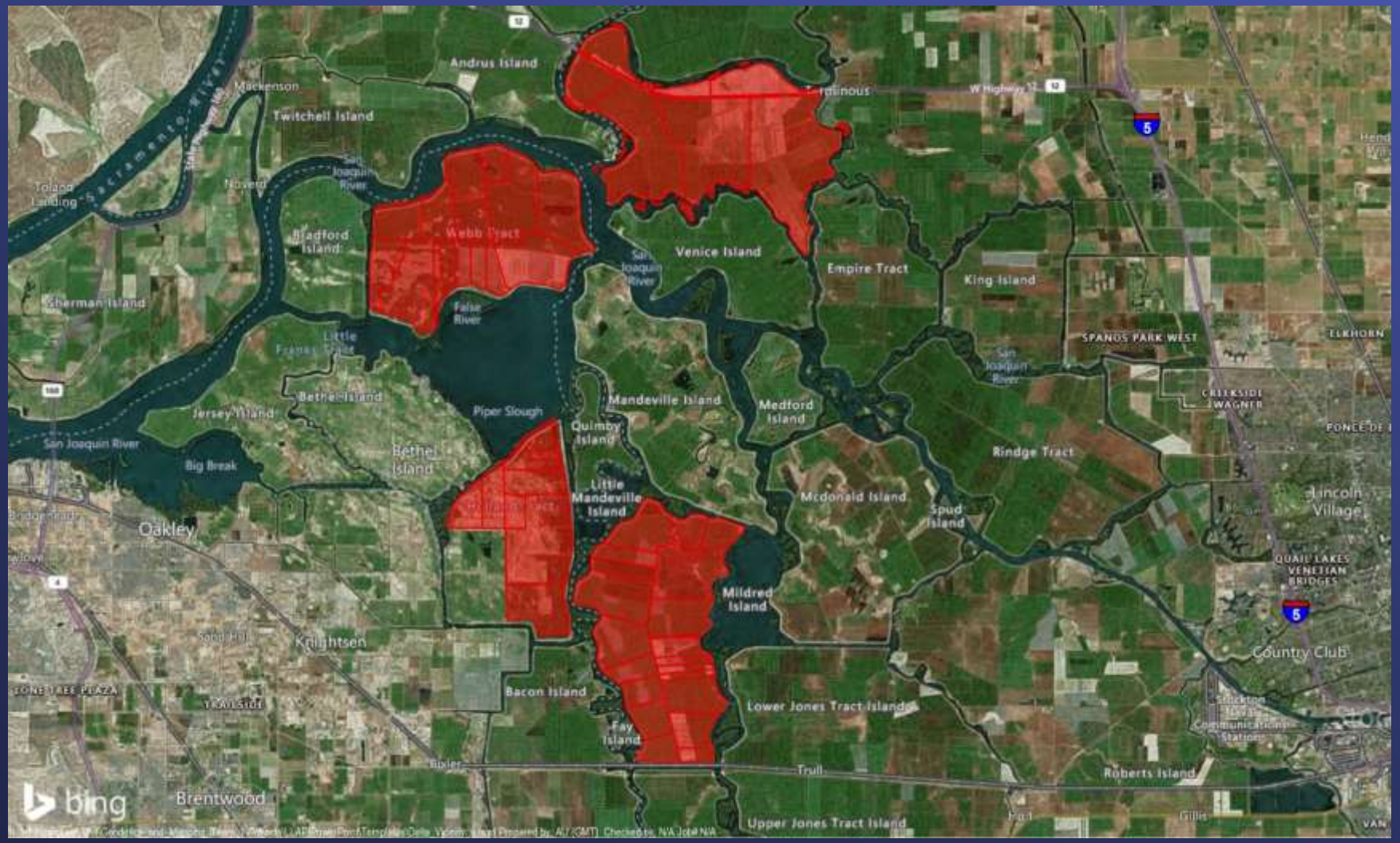
One Water and Stewardship Committee

Update on Bay Delta Agricultural Leases

Item 6b

January 13, 2025

General Location Map



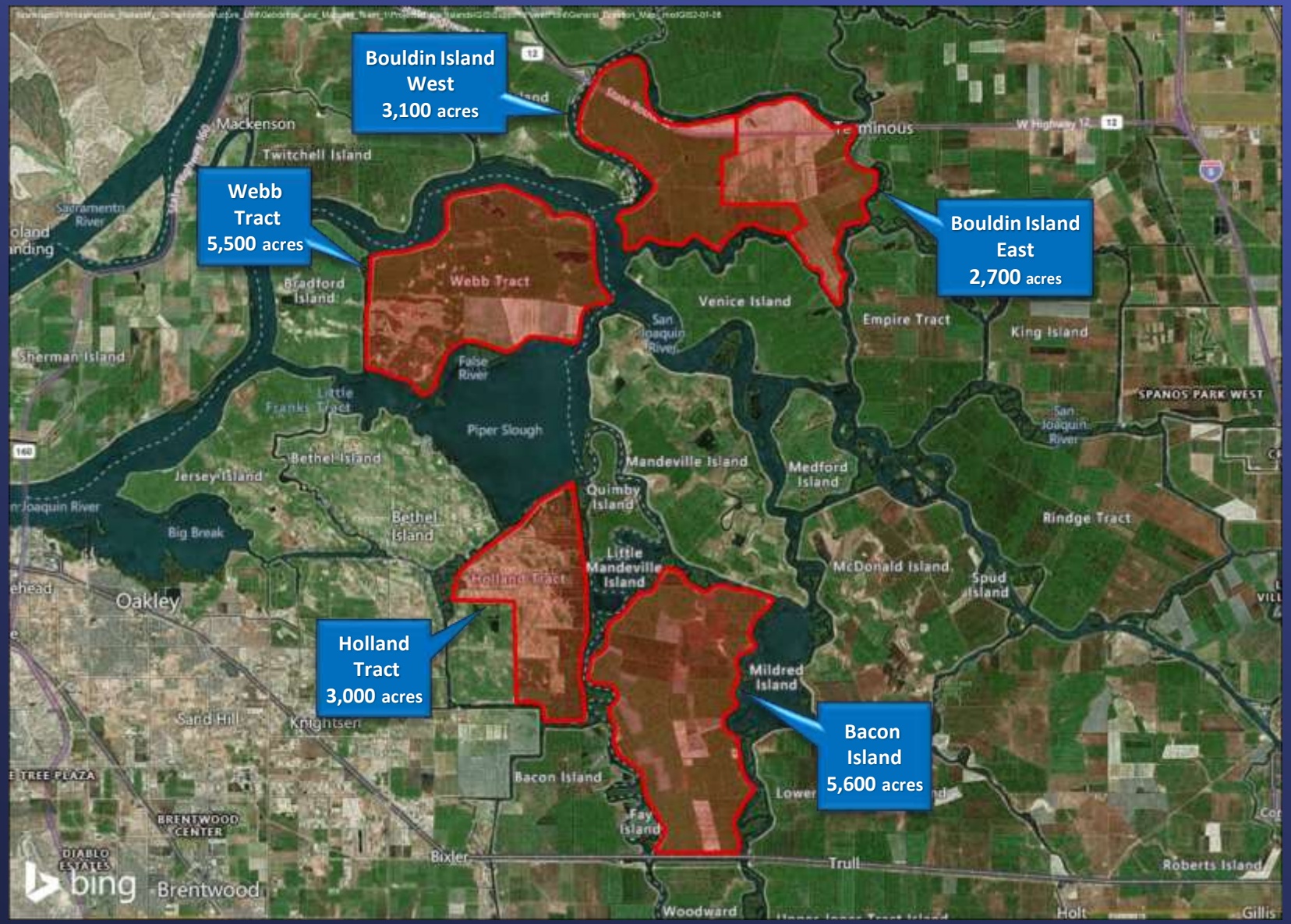
State of Farming in the Delta

- Agriculture ‘Culture' and Economy
- Land Subsidence and Significance
- GHG Emission Sequestered
- Current Market Conditions

Benefits of Rice Farming in the Delta

- Rice in the Delta
  - Current Acreage
  - Cost of Conversion
  - Rice Future Outlook

Delta Islands Leases



Bouldin Island-West

Dinelli Farms

- Current Lease: 2/1/20 to 1/31/25
- Gross Acres: 3,100
- Farmed Acres: 2,009
- Crops: corn, wheat, oats, safflower
- Not interested in rice farming
- Proposed one-year extension
- RFP for rice farming in 2025 or 2026

Bouldin Island-East

Sierra Cattle

- Current Lease: 2/1/20 to 1/31/25
- Gross Acres: 2,700
- Farmed Acres: 2,241
- Crops: corn, alfalfa, wheat
- Not interested in rice farming
- Proposed one-year extension
- RFP for rice farming in 2025 or 2026

Bacon Island

D&L Farms

- Current Lease: 2/1/20 to 1/31/25
- Gross Acres: 5,600
- Farmed Acres: 4,807
- Crops: corn, wheat, alfalfa
- Interested in rice farming
- Unwilling to accept market rates
- Proposed one-year, move-out period
- RFP for rice farming in 2025

Webb Tract

- RFP Summer 2024
- Grant for up to 1,500 acres of rice
- TI Allowance of $875 per acre
- Unsuccessful negotiations with respondent
- Respondent quoted $2,100-$4,000 per acre
- RFP in 2025 ; Increase TI Allowance

Holland Tract

Lemhi Land & Cattle

- Current Lease: 4/1/24 to 3/31/35
- Gross Acres: 3,000
- 1,000 acres of rice in 5 years
- Up to 1,500 acres of grazing
- Rice Rent: $150/ac/yr + 22-25% net proceeds
- Grazing Rent: $20/ac/yr
- TNC Grant: $800/acre or $280,000


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA

One Water and Stewardship Committee

Update on Basin States Discussions Regarding Post-2026 Operational Guidelines

Item 6c

January 13, 2024

Item 6c
Update on Basin States Discussions Regarding Post-2026 Operational Guidelines

Subject

Development of the Post-2026 Guidelines for operation of Lake Powell and Lake Mead

Purpose

Provide updates regarding development of the U.S. Bureau of Reclamation's (Reclamation) Environmental Impact Statement (EIS) for the Post-2026 Guidelines and the Basin States' related efforts

Next Steps

Continue to work towards a seven-state consensus alternative for the Post-2026 operations of Lake Powell and Lake Mead

Post-2026 Operational Guidelines

The Post-2026 guidelines will determine:

- Releases from Lake Powell
- Water uses/shortages in the Lower Basin
- Storage of conserved water

Post-2026 EIS Timeline

Post-2026 EIS Alternatives

Alternatives Submitted to Reclamation
Upper Division States
Lower Division States
Cooperative Conservation (NGOs)
Gila River Indian Community

Alternatives Reclamation Will Analyze
Federal Authorities
Federal Hybrid
Cooperatives Conservation
Basin Hybrid

Why Alternatives Are Required: When a federal agency proposes an action like developing the Post-2026 Guidelines, under NEPA it must consider reasonable alternatives to the proposed action.
Why the Content of Alternatives Matter: The Record of Decision may only include elements of the alternatives that have been analyzed in the EIS.

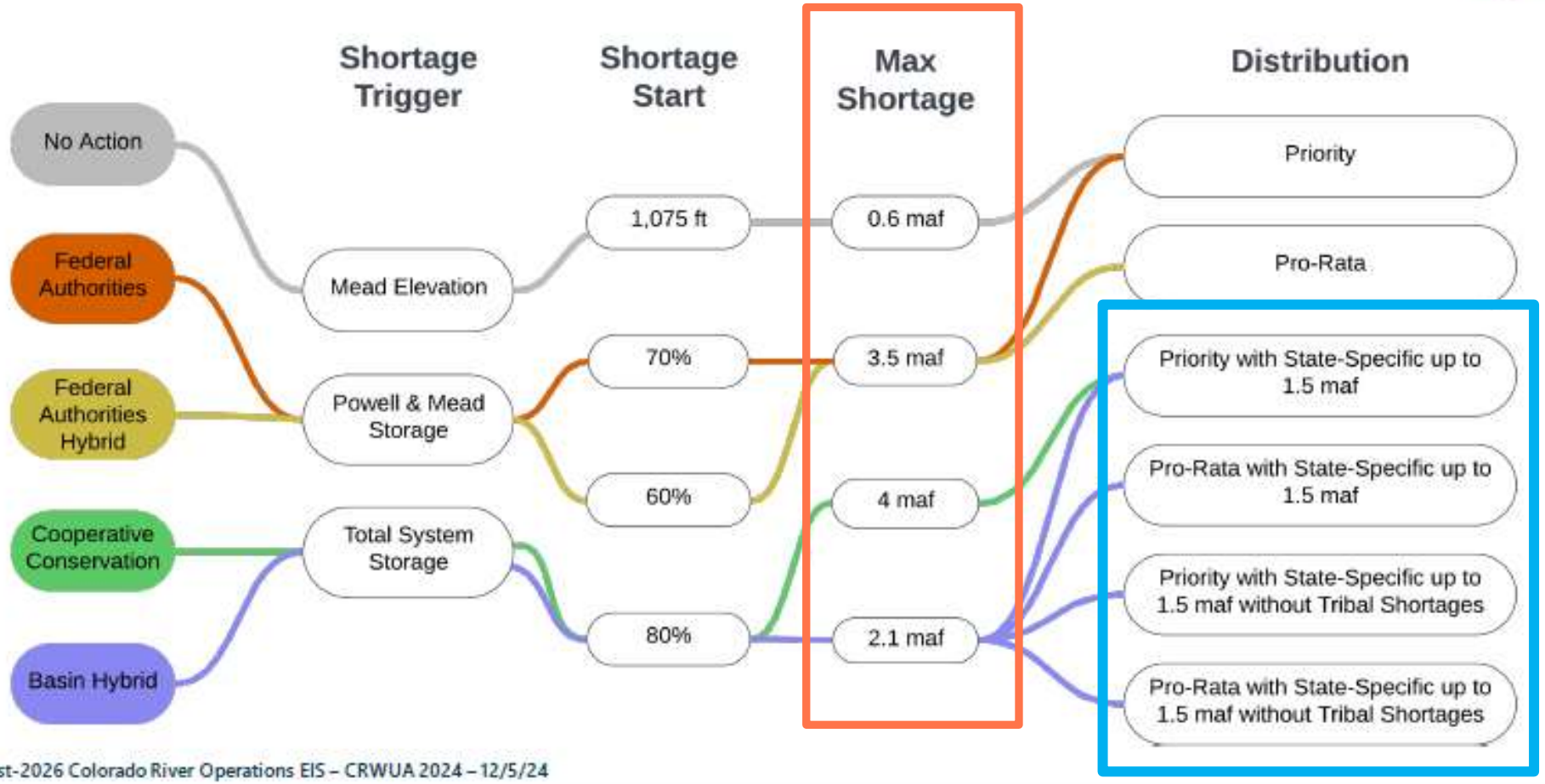
Reclamation's Alternatives

- Federal Authorities – emphasizes infrastructure protection based on existing federal authorities
- Federal Authorities Hybrid – would require new federal authorities and water user agreements
- Cooperative Conservation – based on the alternative submitted by a group of NGOs
- Basin Hybrid – combines elements of the Lower Division States, Upper Division States, and Gila River Indian Community's alternatives

Range of Operations in Reclamation's Alternatives Lake Powell Releases

- Volumes ranging from 4.7 – 12.0 maf
- Releases triggered by various combinations of elevations of Lake Powell, Lake Mead, Colorado River Storage Project contents and recent hydrology

Lower Basin Shortage Guidelines



13 Post-2026 Colorado River Operations EIS – CRWUA 2024 – 12/5/24

Storage & Delivery of Conserved Water

- In three of Reclamation's alternatives stored water may be used for:
  - Offsetting/managing water use reductions
  - Infrastructure protection
- The Federal Authorities Hybrid Alternative includes creation of "Federal Pools" and is Reclamation's only action alternative that permits the type of interstate transaction needed to facilitate partnerships with Southern Nevada Water Authority and Arizona & CAP

Powell Storage : 2 – 3 maf

Mead Storage: 5 – 8 maf

The conserved water stored by the Upper Division States (UDS) through voluntary "parallel activities" becomes part of th

Upper Division States Alternative

On December 30, 2024, the Upper Division States (UDS) requested that Reclamation include the UDS Refined Alternative in Reclamation's Alternatives Report

Upper Division States Refined Alternative

- Includes larger of range of Lake Powell releases 5-12 maf
- Triggers Lower Basin reductions at higher reservoir elevations for both:
  - 1.5 maf ("Static Reduction")
  - >1.5 – 3.9 maf
- Water conserved and stored by the Upper Division States (UDS) through voluntary "parallel activities" becomes part of the system water that can be released from Lake Powell when Lower Basin cuts exceed 1.5 maf
- The volume of conserved water that will be converted to system was will be adjusted downward to account for Upper Basin hydrologic shortages

Lower Basin Request for Compact Compliance Analysis

- Last month the Lower Basin States requested that Reclamation analyze the impacts of Compacts calls on any alternative that does not have seven state consensus
- Assumptions for purposes of Compact compliance:
  - Required deliveries pursuant to Article III of the Compact
  - Compact call by the Lower Division States
  - Upper Basin curtailment or other reductions
  - Related actions by the United States in management of federal reservoirs

No. 6227

United States of America

DEPARTMENT OF STATE

To whom these presents shall come, Greeting:

I Certify That the document annexed is a true copy of the [illegible] River Compact," signed 24th November, 1922, at the [illegible]nta Fe, New Mexico, the original of which is on file [illegible]partment.

In testimony whereof I, Charles E. Hughes, Secretary of State, have hereunto caused the Seal of the Department of State to be affixed and my name subscribed by the Chief Clerk of the said Department, at the City of Washington, this twenty-second day of December, 1922.

Charles E. Hughes
Secretary of State.

By Wm. Phillips
Chief Clerk.

Reclamation's NEPA Alternatives

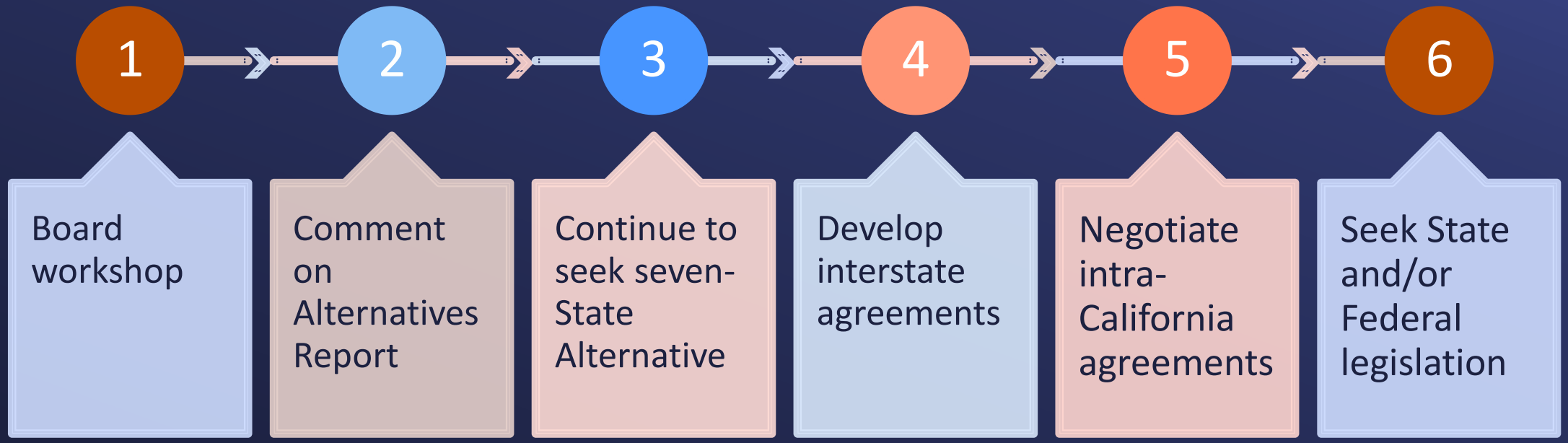
Reclamation anticipates that it will issue the Post-2026 NEPA Alternatives Report on January 15

NEPA Alternatives Report

- The report will provide:
  - More detailed explanations of alternatives
  - Rationale to include elements of submitted proposals rather than carrying forward as submitted
  - Summary of anticipated analysis process for the Draft EIS
- Comments on NEPA Alternative Report
  - Lower Basin States and Contractors, as well as Upper Basin States likely to have significant comments

Next Steps

Continue to provide regular updates and seek Board direction throughout the process




THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
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One Water and Stewardship Committee

Report on Process to Fund Community Enhancement Projects in the Palo Verde Valley

Item 6d
January 13, 2025

Metropolitan and PVID Agreement

Subject

Report on Process to Fund Community Enhancement Projects in the Palo Verde Valley

Purpose

To provide an update on the PVID Community Enhancement Projects

Fast Facts.

- Service area: Palo Verde Irrigation District serves approximately 100,000 acres in the valley
- Metropolitan owns just over 29,000 acres
- Population: 14,800

Fast Facts.

- Palo Verde Valley Community Improvement Fund (CIF)
- Board Makeup
- Loans and Grants

Metropolitan Overview.

Value of Community Involvement.

Supply Reliability

Sound Investments

Regional Benefits

Metropolitan Overview.

Metropolitan and PVID Investment and Benefits.

Metropolitan and PVID have been meeting regularly and planning for new committees.

- Metropolitan and PVID agreement
  - Terms of agreement
  - Defining the two boards
  - Financial Provisions
  - Dispute Resolution
  - General Terms

- Creation of Community Advisory Committee (CAC)
  - Welcome email
  - Creation of application and grant matrix

Metropolitan and PVID.

Next Steps

- Tentative Action by Board in February
- Final Selection Community Advisory Committee (CAC)
- Tracking and Auditing


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

Water Resources Management Group

- **Water Surplus and Drought Management Update Conditions as of 12/12/2024**

Summary

This report provides a preliminary accounting for water supply, demand, and storage conditions for calendar year (CY) 2025 as of December 12, 2024. This report also tracks the hydrologic conditions for water year (WY) 2024-2025. Updated supply and hydrologic information will be provided during the oral report in January.

After a dry start to the water year, a series of storms in late November significantly improved the hydrologic conditions in the Northern Sierra, with snowpack and precipitation levels measuring above normal at 156 percent and 120 percent, respectively, as of December 12, 2024. The Upper Colorado River Basin snowpack and precipitation measured slightly below normal at 95 percent.

Currently, the estimated amount of imported supply available from the State Water Project (SWP) and Colorado River, prior to withdrawing water from storage, is 1.05 million acre-feet (MAF) for CY 2025. The SWP portion is 96 thousand acre-feet (TAF) based on the initial SWP Table A allocation of five percent. In determining the initial allocation, the California Department of Water Resources (DWR) considered the dry conditions leading up to November 1, 2024, and assumed a conservative estimate for precipitation going forward. DWR is assessing the impacts of the improved hydrologic conditions on the SWP Table A allocation and may update the allocation accordingly. For Metropolitan's Colorado River supply, the Lower Basin is at a Level 1 shortage in CY 2025, which does not impact Metropolitan's operations and water supply. Metropolitan's Colorado River supply is currently estimated at 958 TAF. This supply may change based on higher priority water use in California and future water management actions taken by Metropolitan.

The demand on Metropolitan is currently estimated to be 1.39 MAF for CY 2025. With currently estimated Colorado River supplies and the current SWP Table A allocation of 5 percent there is a supply gap of approximately 335 TAF, prior to utilizing stored supplies. Holding currently estimated demand on Metropolitan and Colorado River supplies constant, a SWP Table A allocation of 25 would balance supplies and demands and eliminate the need to utilize stored supplies. It is early in the year and a wide range of supply and demand outcomes remain possible. Should supplies remain low, Metropolitan has sufficient dry-year storage available to satisfy the potential supply gap for CY 2025, including for the SWP Dependent Area.

Purpose

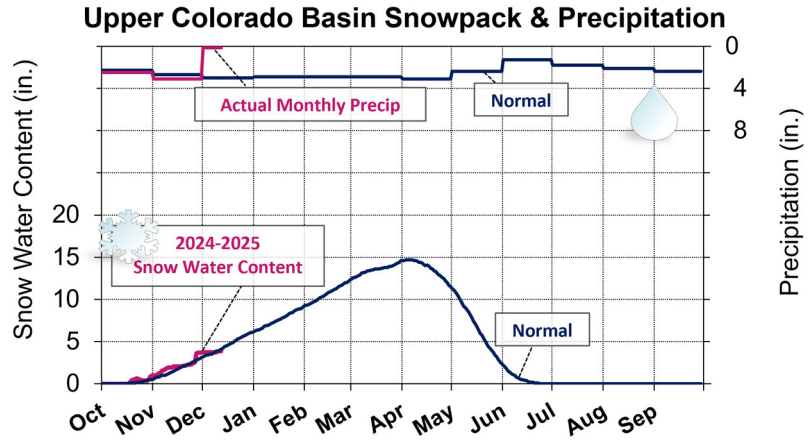
Informational

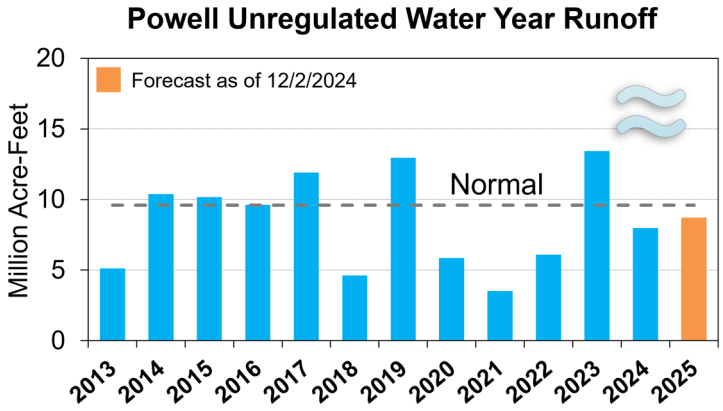
Attachments

Attachment 1: Projected 2025 WSDM Storage Detail (5 percent SWP Table A allocation)
Attachment 2: Future Contributions and Obligations and Cyclic Program

Detailed Report

This Water Surplus and Drought Management (WSDM) report provides the preliminary water supply and demand estimates for CY 2025 and developing hydrologic conditions for water year (WY) 2024-2025.



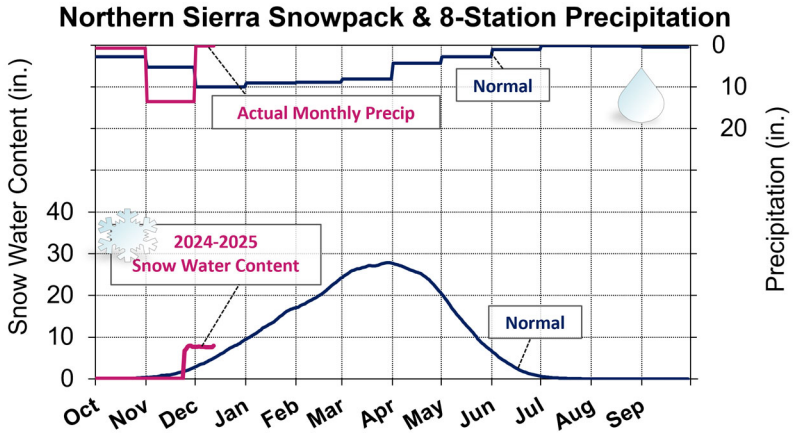


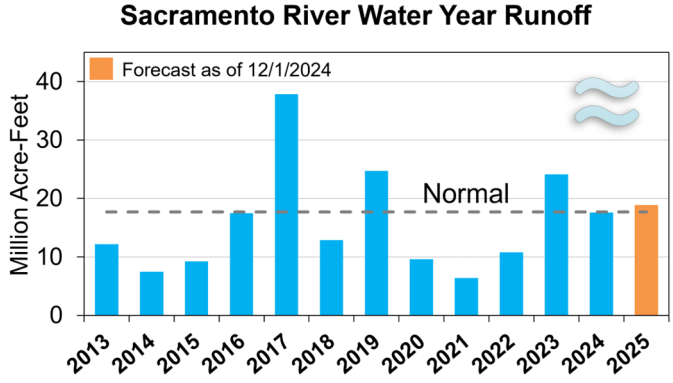
Upper Colorado River Basin

❄ Below normal snowpack water content for this date: 3.9 inches or 95% of normal. Snow data early in the season may not provide a valid measure of conditions.

💧 Below normal precipitation to date: 5.8 inches or 95% of normal.

≈ Runoff into Lake Powell for WY 2025 is forecasted at 91% of normal.





Sacramento River Basin

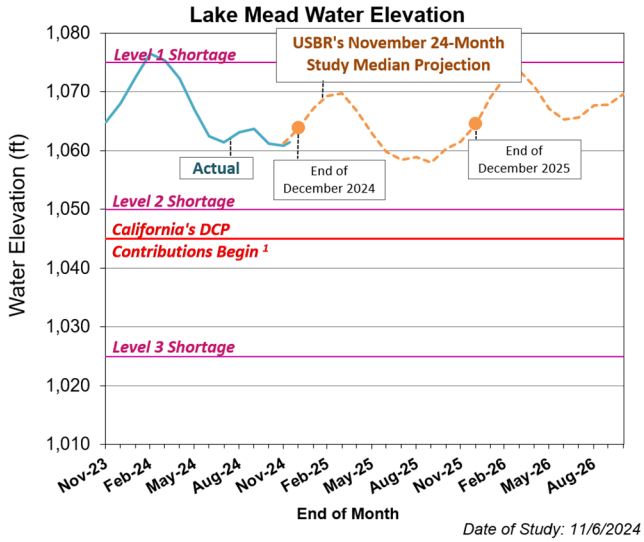
❄ Above normal snowpack water content for this date: 7.9 inches or 156% of normal. Snow data early in the season may not provide a valid measure of conditions.

💧 Above normal precipitation to date: 14.4 inches or 120% of normal.

≈ Runoff forecast for WY 2025 is forecasted at 107% of normal.

CRA Supplies	Acre-Feet
Basic Apportionment	*550,000*
IID/MWD Conservation Program	*105,000*
CVWD - 2nd Amendment, Exchange of Additional Water	*0*
PVID Fallowing Program [1]	*0*
Exchange w/ SDCWA (IID/Canal Lining)	*278,000*
Exchange w/ USBR (San Luis Rey Tribe)	*16,000*
Lower Colorado Water Supply Project	*9,000*
Bard Seasonal Fallowing Program [1]	*0*
Quechan Diversion Forbearance [1]	*0*
Quechan Seasonal Fallowing Program [2]	*0*
Higher Priority Water Use Adjustment	*0*
Total CRA Supplies [3]	**958,000**

[1] Not a supply for Metropolitan in 2025. Water generated from these programs becomes system water as part of USBR's Lower Colorado Conservation Program to help protect Lake Mead.
[2] Program available to Metropolitan in 2025. An estimate will be provided when more information becomes available.
[3] Supplies based on Metropolitan's submitted water order to USBR. Total may not sum due to rounding.

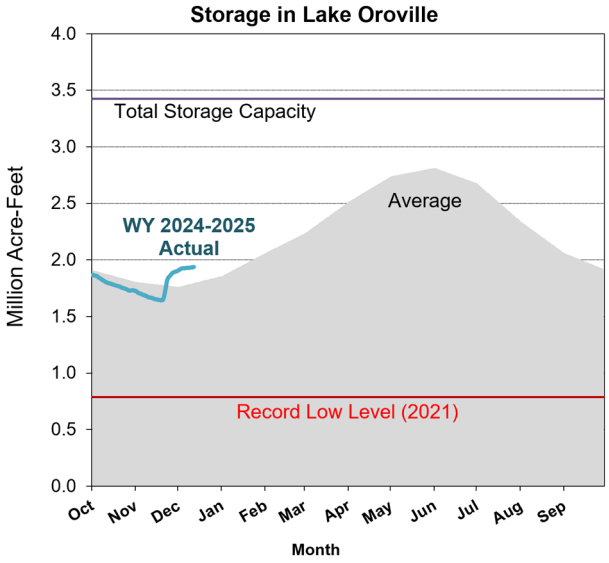


[1] Metropolitan is not required to make Drought Contingency Plan (DCP) contributions in 2025 because the August 2024 24-month Study projected Lake Mead's elevation to be above 1,045 feet on January 1, 2025. This figure reflects the latest 24-month study (November 2024) available at the time of this report.

- Lake Mead storage is currently 8.5 MAF or elevation 1061.4 feet (33 percent of total capacity).
- The Lower Basin is at a Level 1 shortage in CY 2025. Under this level, Metropolitan's operations and water supply are not impacted.

SWP Supplies	Acre-Feet
Table A (5% SWP allocation)	*96,000*
Port Hueneme [1]	*0*
Total SWP Supplies [2]	**96,000**
Total Supplies (CRA + SWP) (Prior to storage actions) [2]	**1,053,000**

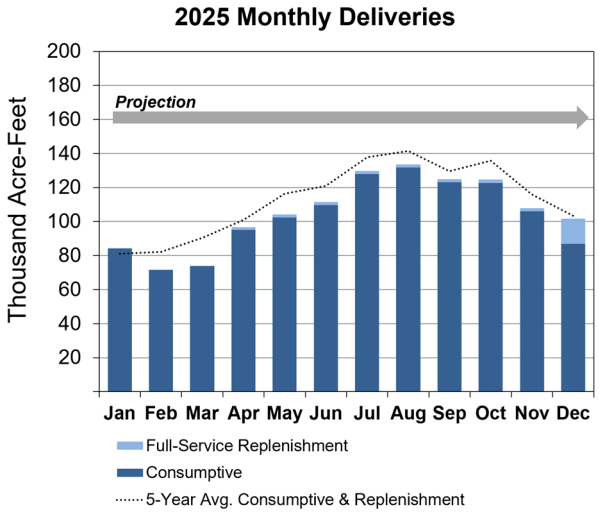
[1] Rounded to the nearest thousand. Supply is 93 AF.
[2] Total may not sum due to rounding.



- The initial SWP Table A allocation for CY 2025 is five percent. Further increases to the SWP allocation are possible and will depend on future hydrologic conditions. The final allocation is typically determined in May or June.
- Lake Oroville is currently at 1.94 MAF (57 percent of total capacity) or 108 percent of historical average, as of the date of this report.

Current Demand	Acre-Feet
Member Agency Consumptive [1]	*1,278,000*
Member Agency Replenishment	*30,000*
Coachella Valley Water District Agreement	*15,000*
Imperial Irrigation District Return	*0*
Exchange w/ San Luis Rey Tribe	*16,000*
System and Storage Losses	*50,000*
Cyclic Deliveries	*0*
2022 Reverse Cyclic Deliveries	*0*
Total Demands [2]	**1,388,000**

[1] Includes exchange w/ SDCWA (IID/Canal Lining) and CUP sales.
[2] Total may not sum due to rounding.

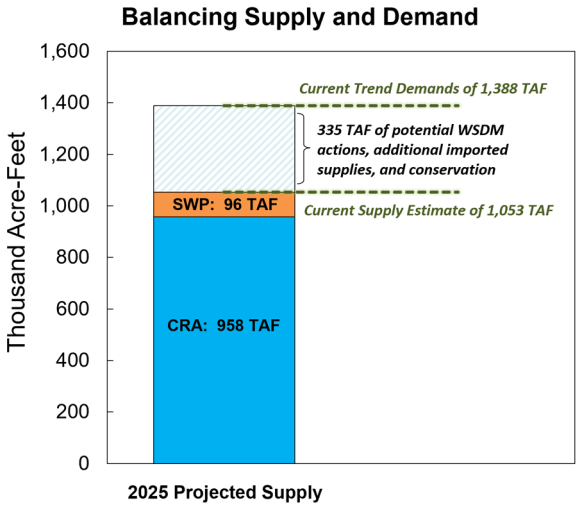


Member agency demands for CY 2025 are forecasted to be slightly below the 5-year average due to higher initial local supplies.

MANAGING REGIONAL SUPPLY AND DEMAND

Supply/Demand Balance	Acre-Feet
Total Supplies	*1,053,000*
Total Demands	*1,388,000*
Current Balance Estimate [1]	**-335,000**

[1] Total may not sum due to rounding.



WSDM Strategies/Actions

Metropolitan is monitoring supply development and updated demand projections. Appropriate WSDM actions will be taken to satisfy any supply/demand gap. Should supplies remain low, Metropolitan has sufficient dry-year storage available to satisfy the potential supply gap for CY 2025, including for the SWP Dependent Area.

2025 WSDM Storage Detail

WSDM Storage	1/1/2025 Estimated Storage Levels [1]	CY 2025 Take Capacity [2]	2025 Total Storage Capacity
Colorado River Aqueduct Delivery System	**1,595,000**	**194,000**	**1,622,000**
Lake Mead ICS	1,595,000 [3]	194,000 [4]	1,622,000 [3]
State Water Project System	**1,165,000**	**676,000**	**2,339,000**
MWD & DWCV Carryover	386,000	386,000	530,000 [5]
MWD Articles 14(b) and 12(e)	0	0	0
Castaic and Perris DWR Flex Storage	219,000	219,000	219,000
Arvin-Edison Storage Program	100,000	0	350,000
Semitropic Storage Program	226,000	45,000	350,000
Kern Delta Storage Program	141,000	26,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	47,000	0	280,000
In-Region Supplies and WSDM Actions	**1,062,000**	**648,000**	**1,246,000**
Diamond Valley Lake	788,000	531,000	810,000
Lake Mathews and Lake Skinner	187,000	75,000	226,000
Conjunctive Use Programs (CUP)	87,000	42,000	210,000 [6]
Other Programs	**761,000**	**19,000**	**1,181,000**
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	380,000	19,000	800,000
Total	**4,584,000**	**1,537,000**	**6,388,000**
Emergency	750,000	0	750,000
Total WSDM Storage (AF) [7]	**3,834,000**	**1,537,000**	**5,638,000**

[1] Preliminary start of year balances, subject to DWR adjustments and USBR final accounting in May 2025.

[2] Take capacity assumed under a five percent SWP Table A Allocation. Storage program losses included where applicable.

[3] This amount is net of the water Metropolitan stored for IID in Lake Mead in an ICS sub-account.

[4] Take capacity will be based on planned maintenance activities and current CRA supply estimate.

[5] Total storage capacity varies year-to-year as the contractual annual storage limit, based on the SWP Table A allocation, is combined with the remaining balance from the previous year. There is a potential risk that Metropolitan's stored water be converted to SWP contractor water if San Luis Reservoir approaches full capacity.

[6] Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western.

[7] Total WSDM Storage level subject to change based on accounting adjustments. Total may not sum due to rounding.

Future Contributions and Obligations and Cyclic Programs

Table 1: Future Obligations [1]

	Beginning of Year 2025 Balance
Water Stored for IID under the California ICS Agreement and its Amendment or the 2021 Settlement Agreement with IID	258,000 [2]
Storage and Interstate Release Agreement with Southern Nevada Water Authority (SNWA)	330,000 [3]
Coachella Valley Water District Agreement	70,000 [4]
2022 Reverse Cyclic	3,000 [5]
Total (AF) [6]	**660,000**

[1] Rounded to the nearest thousand AF. Subject to change based on accounting adjustments.

[2] Reflects final accounting under USBR's 2023 Water Accounting Report released May 15, 2024. IID can request a return in any year, conditional on agreement terms.

[3] SNWA may request up to 30,000 AF per year.

[4] Obligation must be met by the end of 2026.

[5] Deferred delivery from Calleguas Municipal Water District in 2022. Metropolitan is required to meet this obligation by 2027.

[6] Total may not sum due to rounding.

Table 2: Potential Magnitude of California's Drought Contingency Plan Contribution

	2025	2026
Likelihood of Required California Drought Contingency Plan Contribution [1]	0%	0%
Average Metropolitan DCP Contribution When Contributions Are Required (AF)	0	0

[1] Results from USBR's November 2024 Colorado River Mid-Term Modeling System (CRMMS) model run.

Table 3: Cyclic Program Activity [1]

CY	Starting Balance (AF)	CY Actions (AF)				Ending Balance (AF)
		Cyclic Pre-Delivery	Cyclic Cost-Offset Pre-Delivery	Total Pre-Delivery	Sale Out of Cyclic to Date	
2019	51,000	147,000	19,000	166,000	91,000	126,000
2020	126,000	2,000	0	2,000	50,000	79,000
2021	79,000	0	0	0	28,000	51,000
2022	51,000	0	0	0	27,000	24,000
2023	24,000	33,000	14,000	48,000	72,000	0
2024	0	77,000	0	77,000	0	77,000

[1] This table is updated with actual Cyclic Program activity on a monthly basis. Total may not sum due to rounding.

One Water and Stewardship Committee

Update on WSDM

Item 6e
January 13, 2025

Item 6e Update on WSDM

Subject

Update on Oral Report on Water Surplus and Drought Management

Purpose

Provide updated supply and hydrologic information

WSDM Update

SWP Table A Allocation Increases to 15%

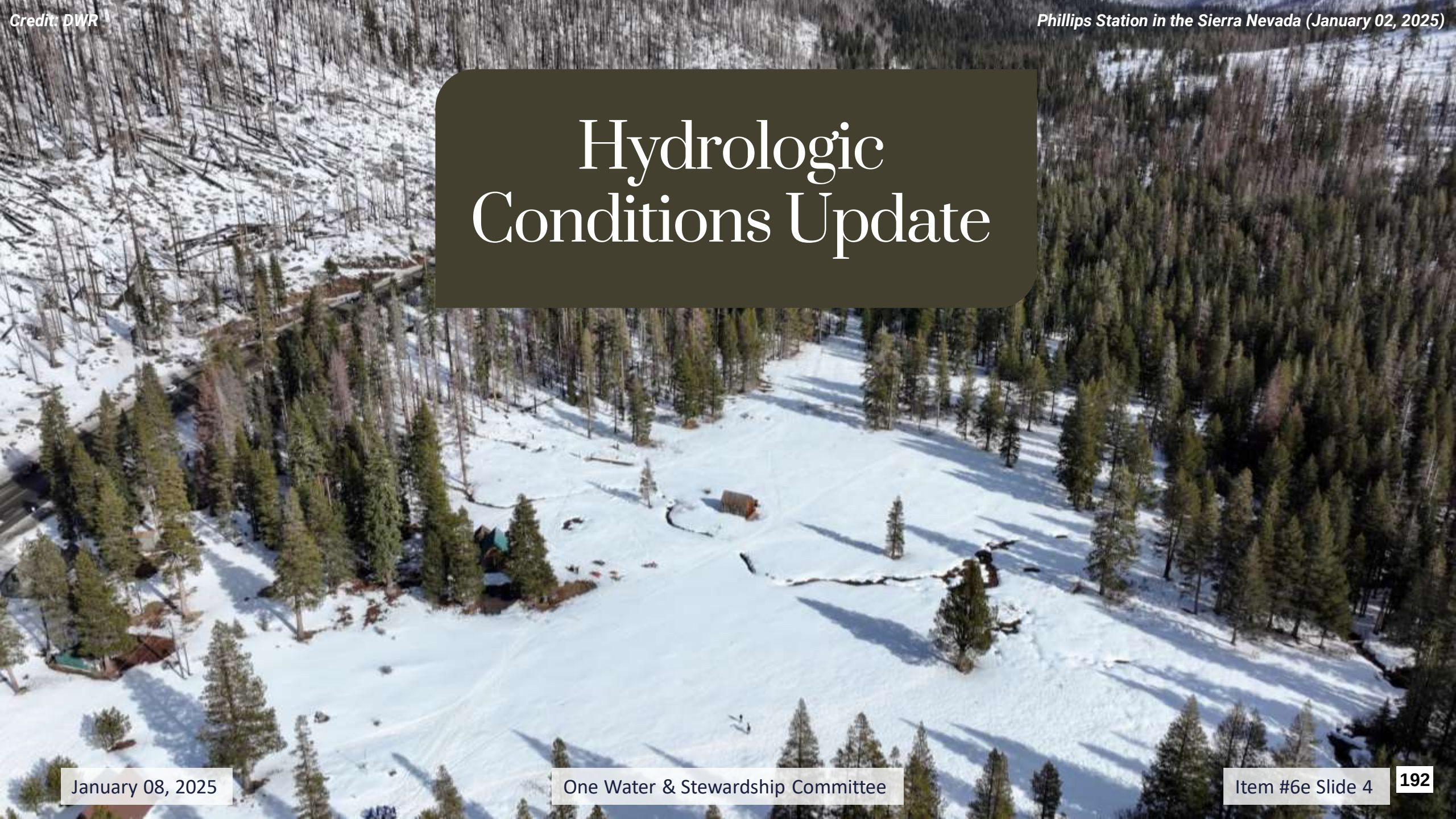
- SWP Allocation increased from 5% to 15%
  - Update reflected improved hydrologic conditions from late November and early December 2024 storm events
  - Incorporated latest storage level information
- Additional increases to the SWP Allocation may occur
  - DWR continues to assess precipitation, snowpack, and storage levels as Water Year 2025 conditions develop


Phillips Station (January 02, 2024)

Credit: DWR


Lake Oroville (December 20, 2024)

Credit: DWR



Credit: DWR

Phillips Station in the Sierra Nevada (January 02, 2025)

Hydrologic Conditions Update

Hydrologic Conditions Summary

State Water Project

Northern Sierra Precipitation

26.4 in.
As of 01/09

127%
% of Normal for this Date

Northern Sierra Snowpack

15.2 in.
As of 01/09

139%
% of Normal for this Date

Lake Oroville

2.45 MAF
As of 01/08

72%
% of Total Capacity

SWP Share of San Luis Reservoir

889 TAF
As of 01/08

84%
% of Total Capacity

Colorado River

Upper Colorado River Basin Precipitation

8.5 in.
As of 01/09

96%
% of Normal for this Date

Upper Colorado River Basin Snowpack

6.6 in.
As of 01/09

95%
% of Normal for this Date

Lake Powell

8.58 MAF
As of 01/08

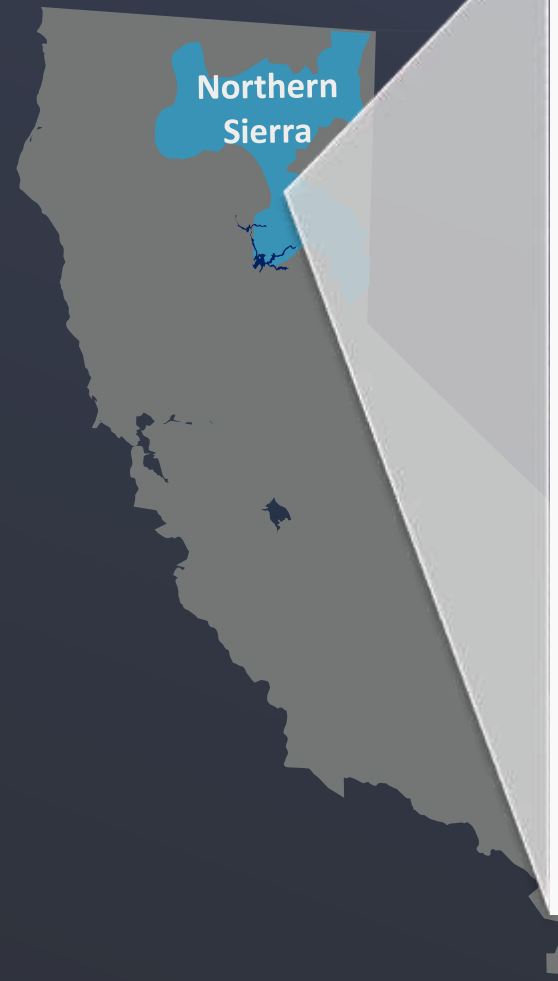
37%
% of Total Capacity

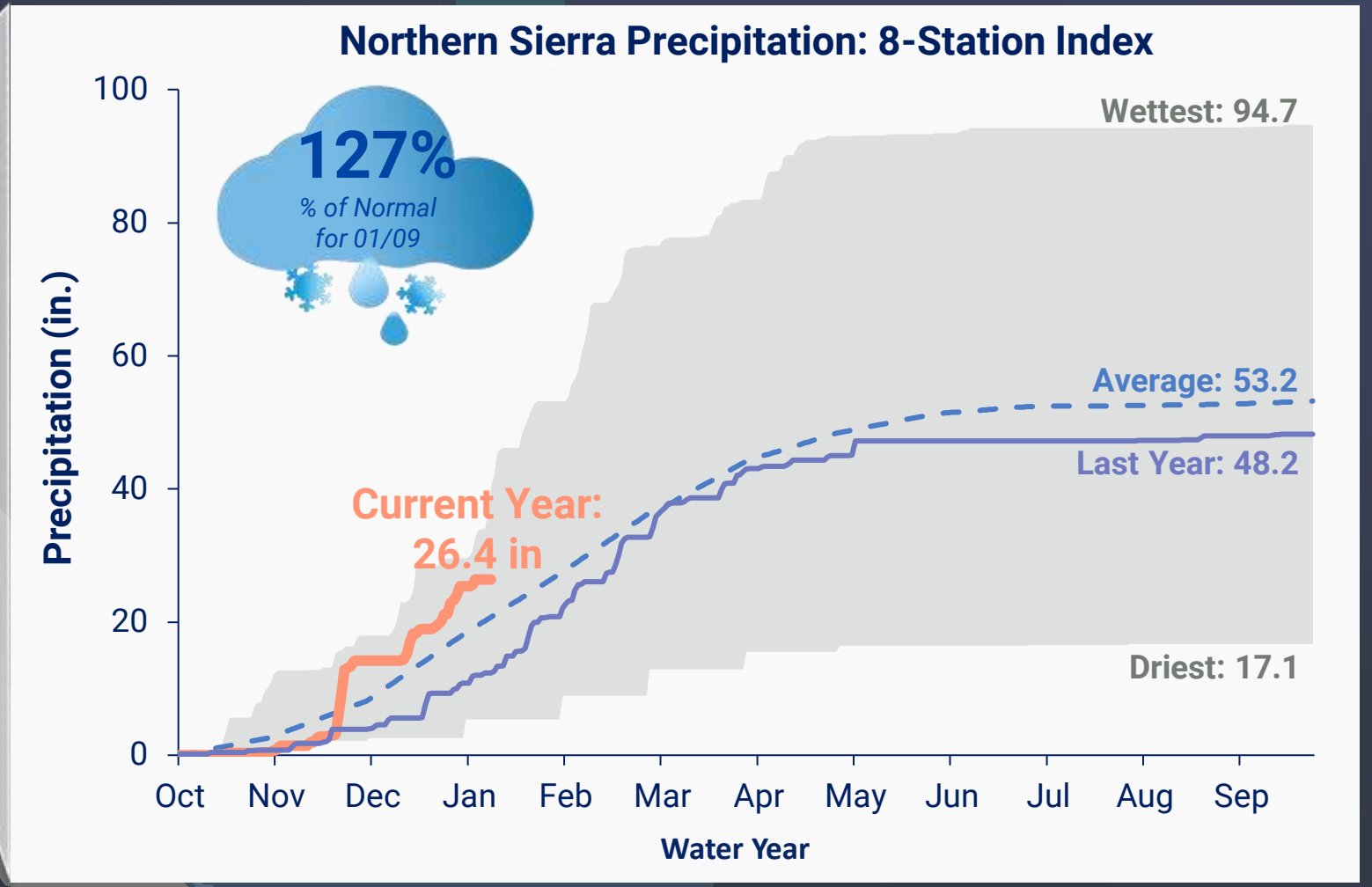
Lake Mead

8.74 MAF
As of 01/08

33%
% of Total Capacity

Above Average Precipitation for Northern Sierra

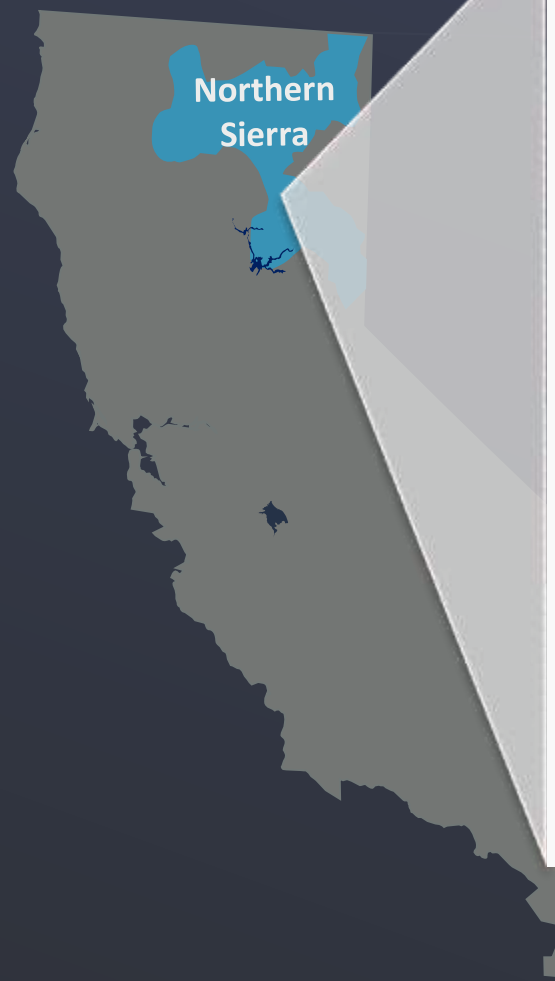


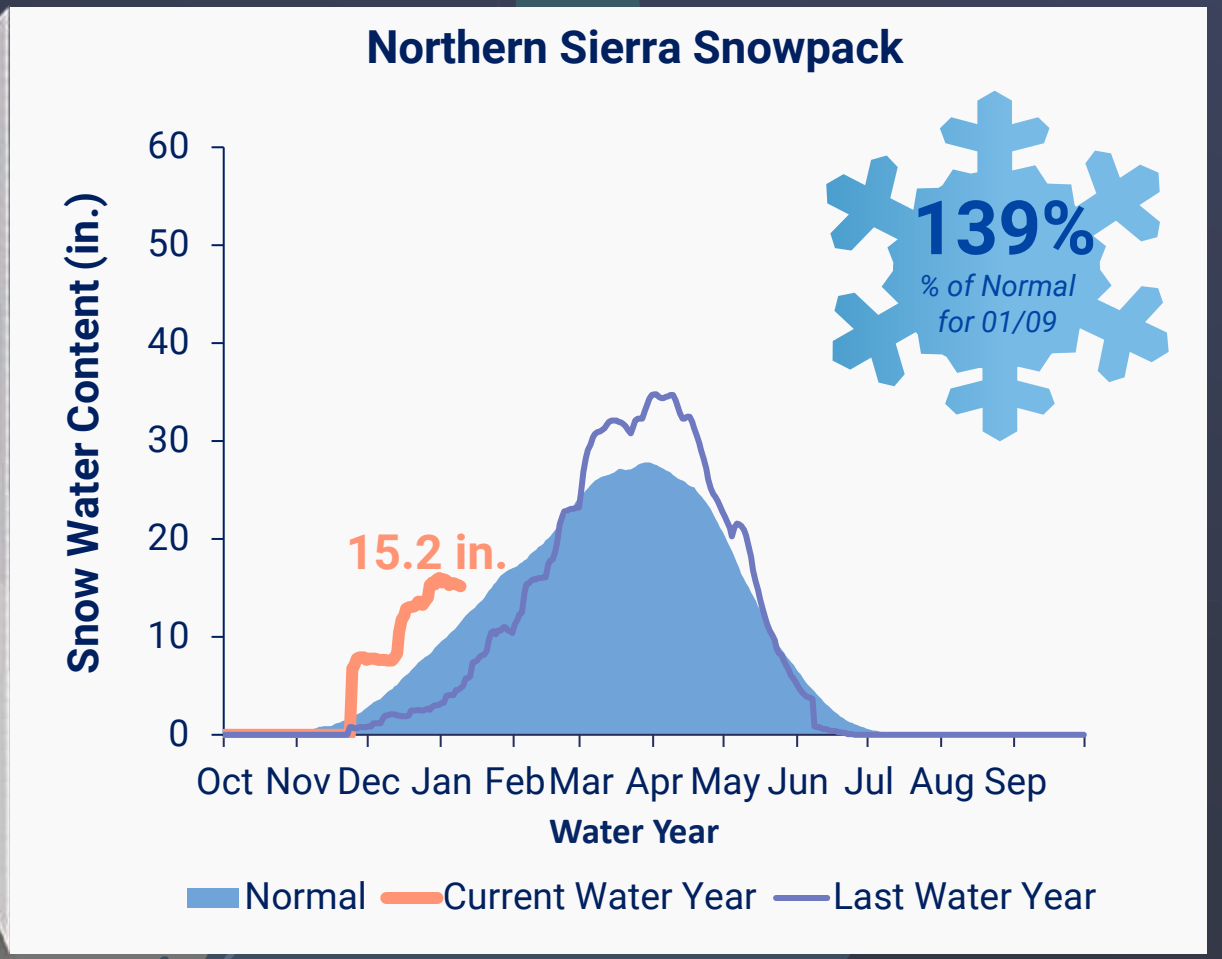


MEXICO

Note: Images not drawn to scale.

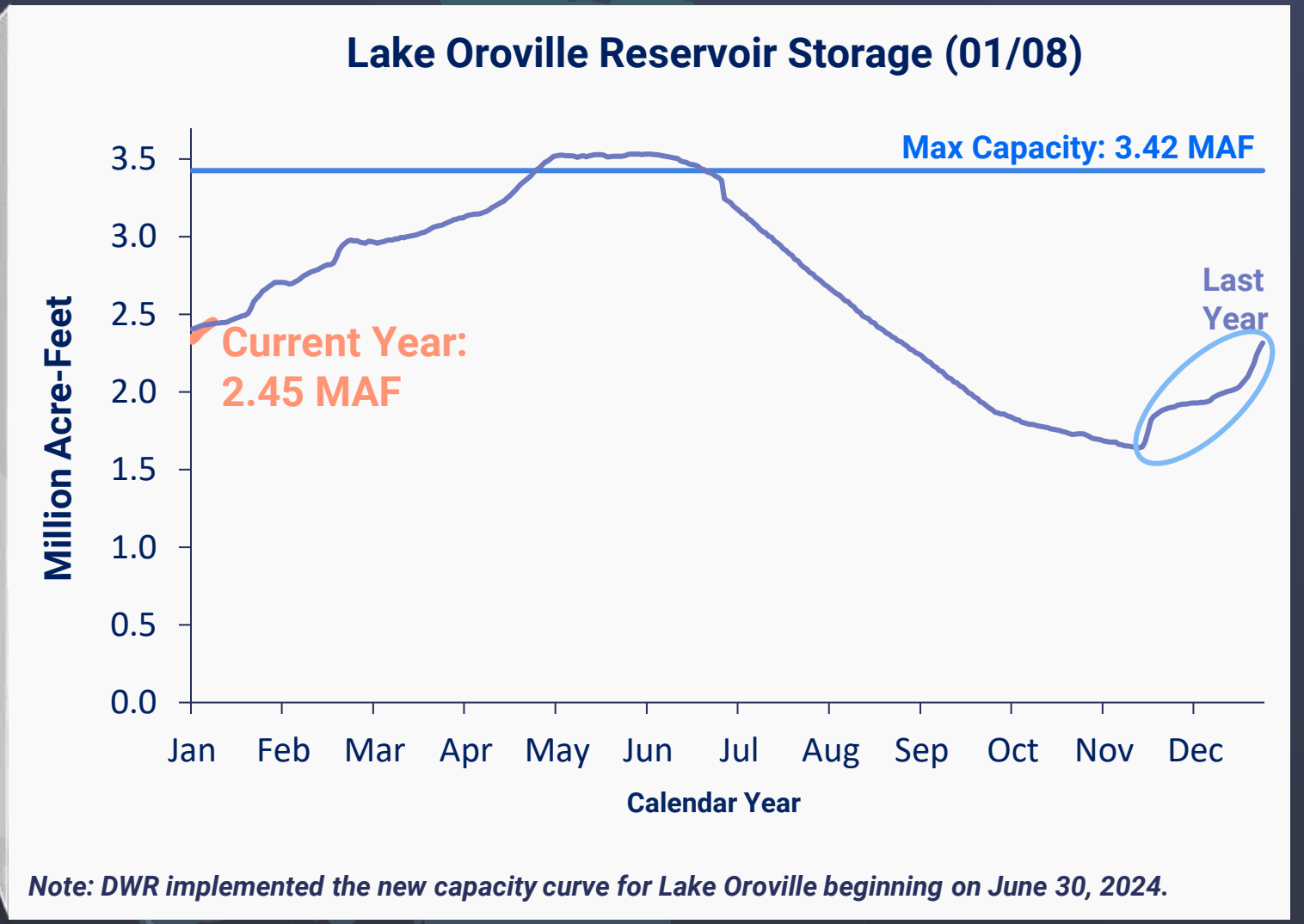
Late 2024 Storms Improve Snowpack in Northern Sierra





Note: Images not drawn to scale.

Winter Storms Bolster Storage Levels in Lake Oroville



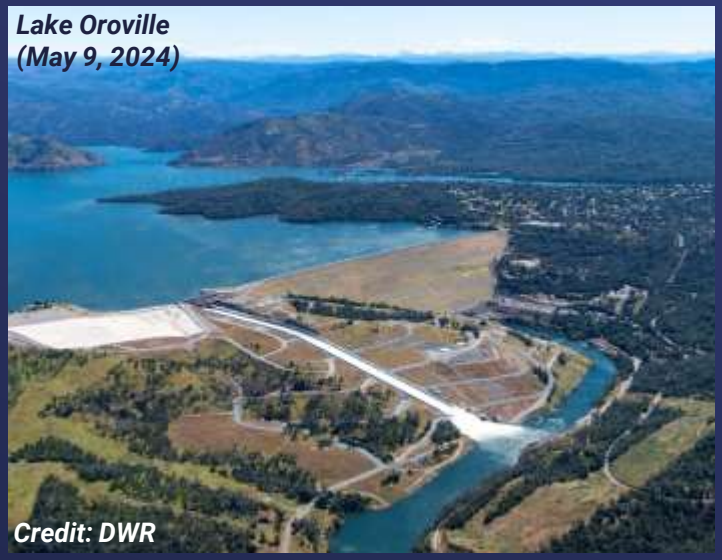
Note: DWR implemented the new capacity curve for Lake Oroville beginning on June 30, 2024.

Note: Images not drawn to scale.

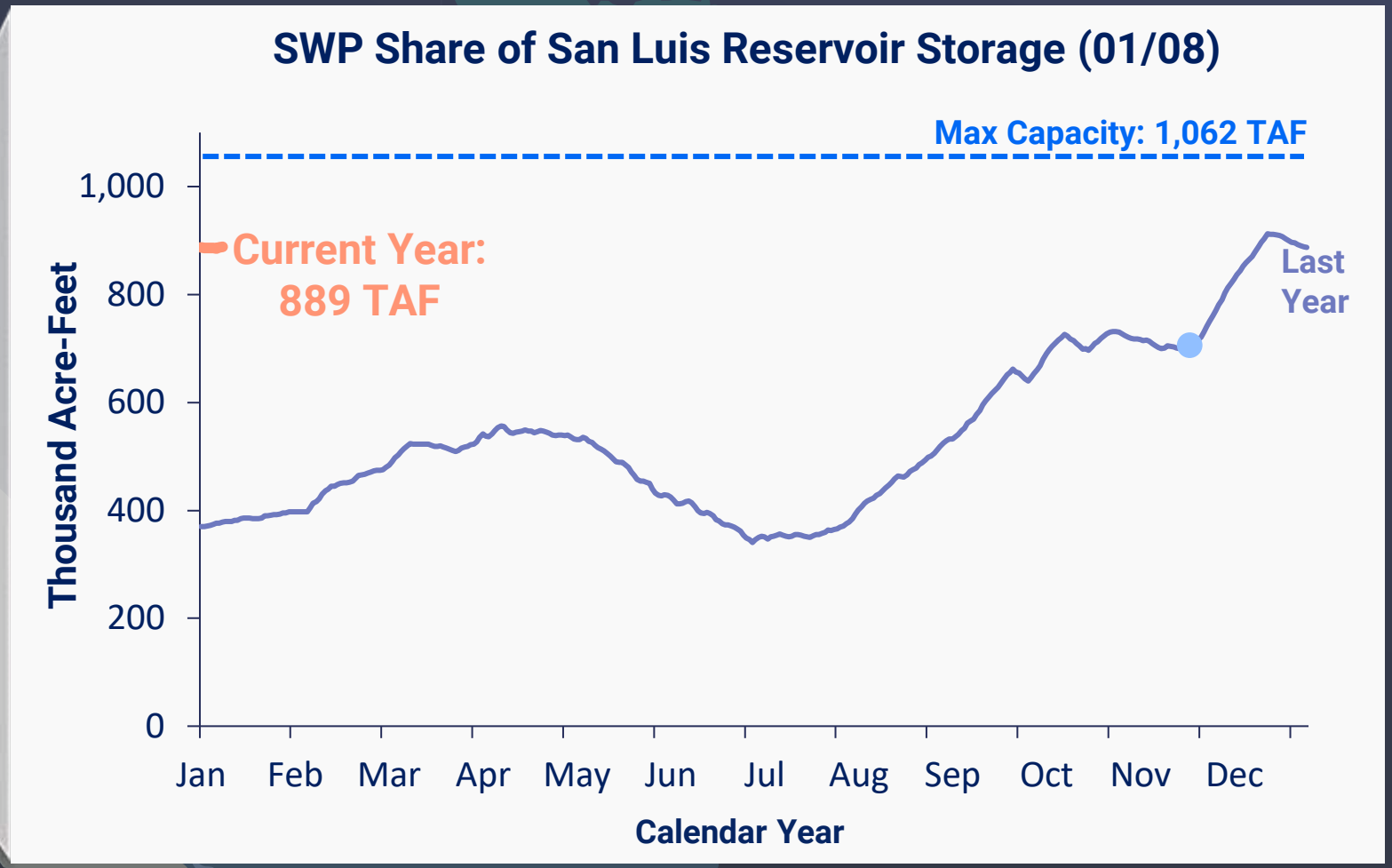
Updated Oroville Capacity Curve

New Reservoir Capacity: 3.42 MAF

- In 2022, DWR began to assess Oroville's original storage capacity curve
  - 3% reduction in capacity, mainly due to sedimentation and more accurate measurements
- Impacts to SWP allocations likely to be minimal
  - Estimated average annual decrease in deliveries: < 20 TAF
  - Impacts mainly to occur in dry and below normal years



SWP Share of San Luis Storage Meets 2024 EOY Target



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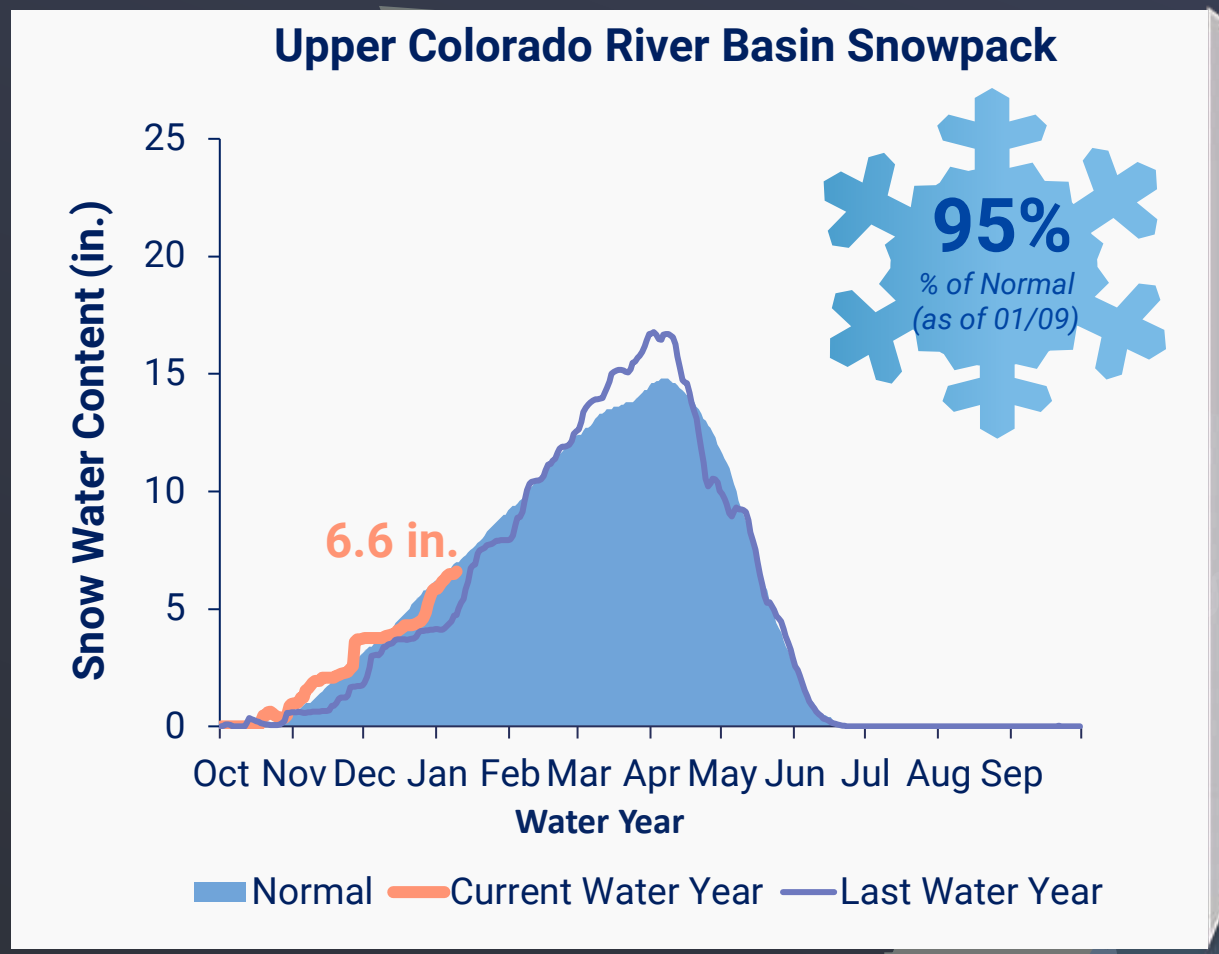
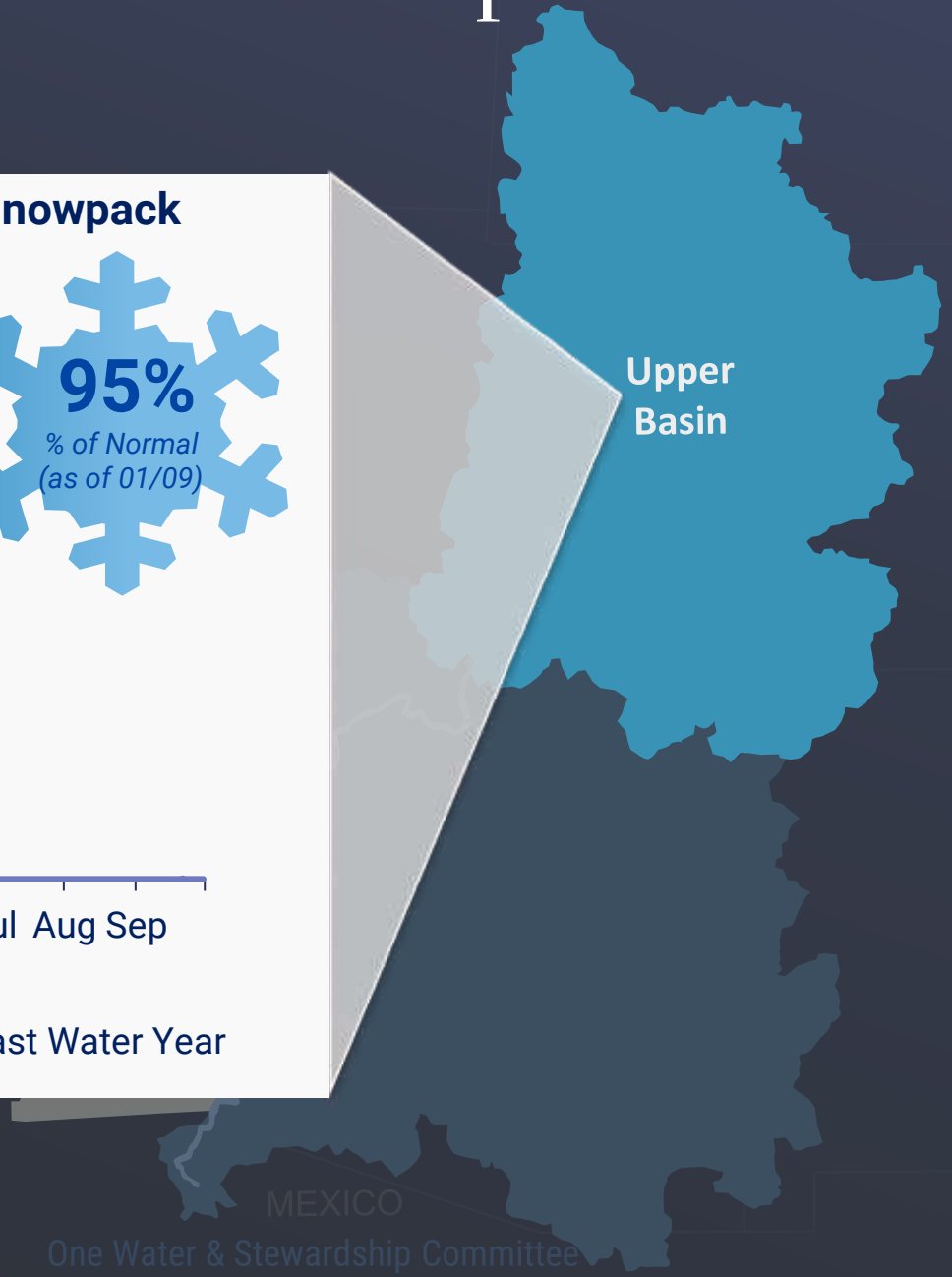
Note: Images not drawn to scale.

Upper Colorado River Basin Snowpack Continuing to Climb

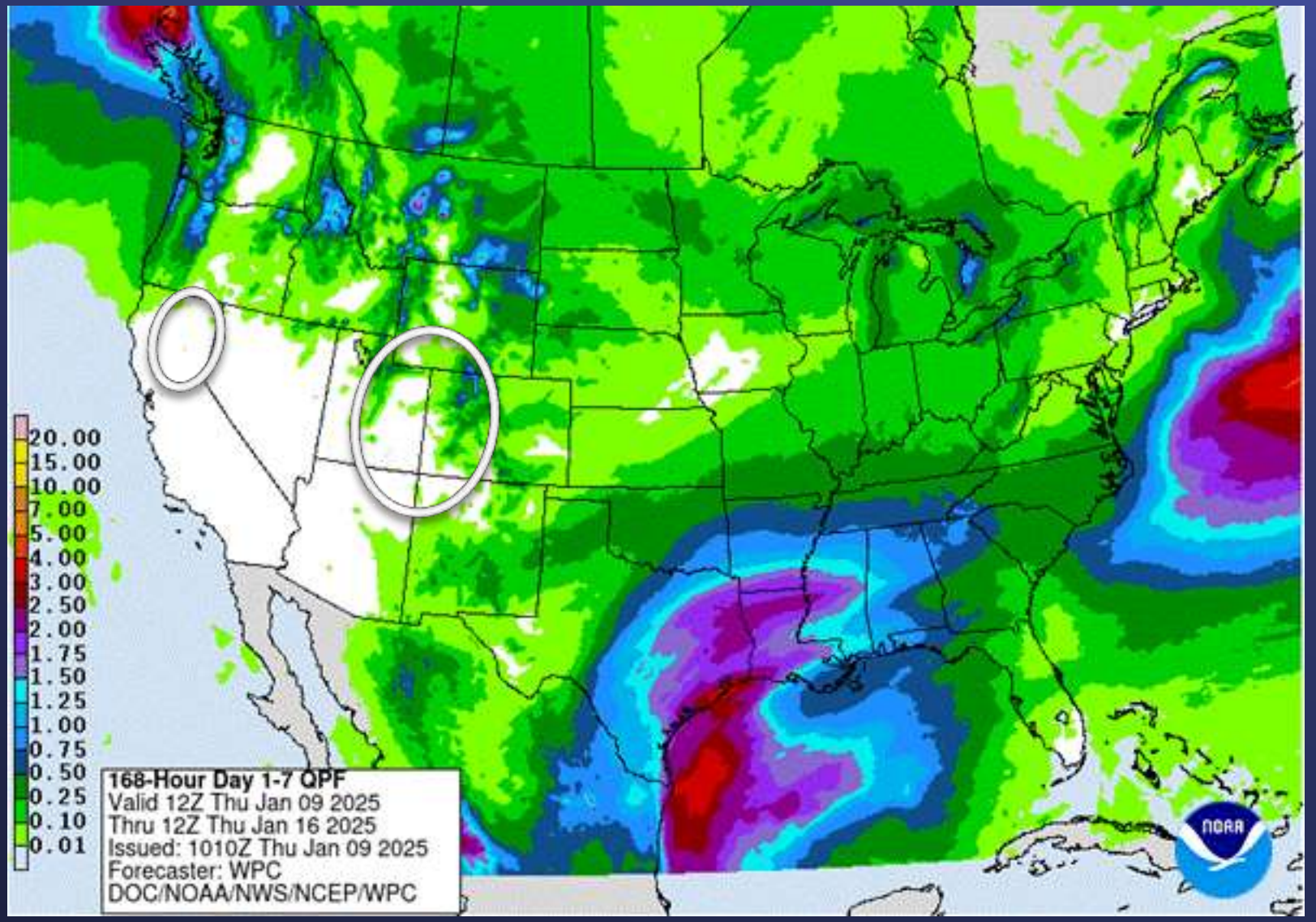




Note: Images not drawn to scale.

Minimal Precipitation in the Forecast

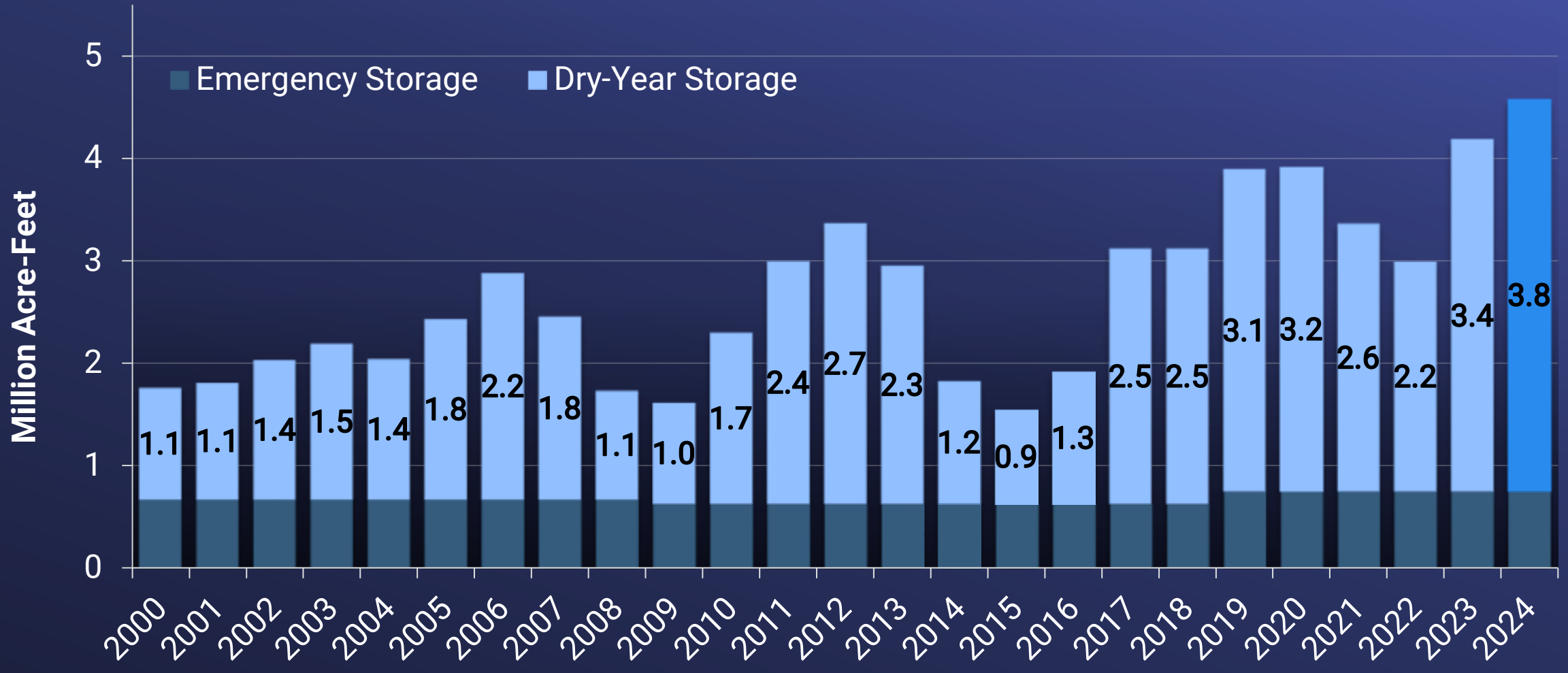
January 09– 15



2025 Water Surplus & Drought Management

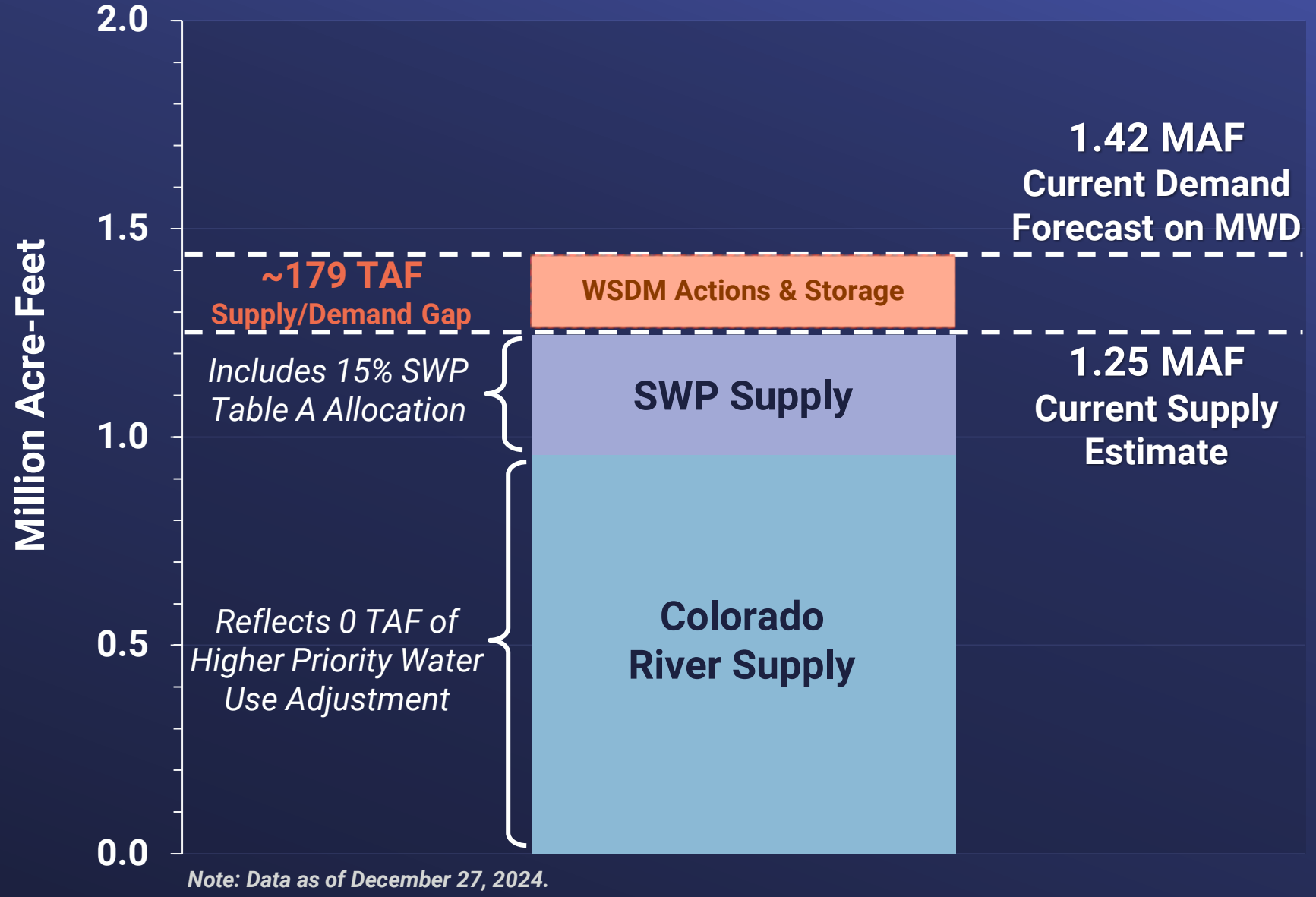
Metropolitan Ends CY 2024 with Record-High Storage

End-of-Year Balances



Note:
2024 end-of-year balance is preliminary as it is subject to USBR final accounting.

2025 Water Supply/Demand Balance: Regional View



Note: Data as of December 27, 2024.


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

One Water and Stewardship Committee

Conservation Update

Item 6f

January 13, 2025

Item 6f
Conservation Update

Subject

Conservation Update

Monthly update on conservation expenditures and activity from July 1, 2024 – November 30, 2024

Current Conservation Program Expenditures

FYs 2024/25 & 2025/26 (1)

	Paid(2)	Committed(3)
Regional Devices	$1.4 M	$1.4 M
Member Agency Administered	$2.9 M	$4.0 M
Turf Replacement	$6.7 M	$22.3 M
Advertising	$0.1 M	$0.9 M
Other	$1.0 M	$1.1 M
TOTAL	**$12.1 M**	**$29.7 M**

(1) The Conservation Program biennial expenditure authorization is $98.2M.

(2) Paid as of 7/1/2024 - 11/30/2024. Financial reporting on cash basis.

(3) Committed dollars as of December 10, 2024.

Current Conservation Program Activity

FYs 2024/25 & 2025/26

Turf Replacement Rebates:

November: 558,354 ft2 replaced

FY2024/25-FY2025/26: 2,824,343 ft^2 replaced

Trees (part of Turf Replacement Program):

November: 241 trees rebated

FY2024/25-FY2025/26: 892 units rebated

Toilets:

November: 1,334 units rebated

FY2024/25-FY2025/26: 5,885 units rebated

Lifetime Water Savings to be achieved by all rebates in November 2024: 3,375 AF

FY2024/25-FY2025/26: 16,472 AF lifetime water savings


THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928

Executive Offices

- **Bay-Delta Management Report**

Summary

This report provides a summary of activities related to the Bay-Delta for December 2024

Purpose

Informational

Detailed Report

Long-Term Delta Actions

Delta Conveyance Project

The California Department of Water Resources (DWR) is moving forward with the next steps in securing various state and federal permits and authorizations, including those required by the State Water Resources Control Board and state Endangered Species Act. In October, DWR filed a certification of consistency with the Delta Plan for geotechnical work planned for 2024-2026. Four appeals were filed with the Delta Stewardship Council (Council), which held a hearing on the appeals on December 19. The Council is anticipated to issue a ruling related to DWR's pursuit of the geotechnical investigations in January 2025. DWR is concurrently preparing a certification of consistency for the DCP, which it anticipates filing by the end of 2025.

At the December 19, Delta Conveyance Design and Construction Authority (DCA) Board of Directors meeting, the DCA Board received the results of the independent audit for the DCA's cash receipts and disbursements statements for the years ended June 30, 2024, and 2023, along with the financial statements.

The board approved an amendment to the Joint Exercise of Powers Agreement (JEPA) with DWR, extending the repayment date for DWR's initial contribution from January 10, 2025, to June 30, 2027. This contribution, currently totaling $43.2 million, provided temporary funding that will be repaid. The amendment also removes language stating that the JEPA would expire during the Planning Phase on June 30, 2025. With the updated definition of the Planning Phase, it will now conclude upon the completion of all design, permitting, and planning efforts required to begin construction and implementation of the DCP.

Sites Reservoir

At the Joint Reservoir Committee and Sites Authority Board meeting on December 20, both the Reservoir Committee and the Authority Board passed a resolution authorizing the Executive Director to sign all necessary documents to close escrow and complete the acquisition of 817.6 acres from Red Stick Colusa LLC, a willing seller.

Near-Term Delta Actions

Delta Islands

On December 12, 2024, staff participated in a conference panel discussion titled *Perspectives on Carbon Farming: Ecocultural values, Economics, and Making Carbon Farming Work on a Delta Island* at the California Resource Conservation Districts' Annual Conference.

Date of Report: 1/14/2025

In December, Metropolitan issued a construction contract for installation of the remaining water diversion measurement meters under the approved 2023 State Water Board "Plan for Phased Measurement Implementation." Completion of this infrastructure improvement will bring Metropolitan into strict compliance of Senate Bill No. 88 (2016) that will provide direct water diversion measurements on Metropolitan's Delta Islands.

General Manager

- **Colorado River Management Report**

Summary

This report provides a summary of activities related to management of Metropolitan's Colorado River resources for December 2024.

Purpose

Informational

Detailed Report

US Bureau of Reclamation Presentation on Post-2026 Alternatives

At the Colorado River Users Water Association (CRUWA) Conference in December, the US Bureau of Reclamation (Reclamation) presented additional details about the alternatives that Reclamation plans to analyze in the Post-2026 Environmental Impact Statement (EIS) for new Colorado River Guidelines. Reclamation aims to finalize operational plans by August 2026 to coordinate management of Lake Powell and Lake Mead, ensure sustainability, and adapt to varying hydrologic conditions. Reclamation identified four action alternatives for full analysis in the draft EIS. Reclamation did not list the Lower Basin Alternative among the alternatives that will be analzyed in the draft EIS. Instead, elements of the Upper Division States Alternative, Lower Basin States Alternative and Gila River Indian Community Alternative were combined into a single "Basin Hybrid Alternative."

Impacts of each of the alternatives on natural and human environments are planned to be analyzed in the draft EIS. Lake Powell releases may be limited by infrastructure constraints, and Lake Mead shortages could extend to Mexico under some scenarios. In addition to the action alternatives, Reclamation will also analyze a No Action Alternative to compare the proposed federal action to taking no action.

Alternatives Overview

No Action Alternative:

- Reverts to pre-2007 operational guidelines – 1970 Long Range Operating Criteria.
- Releases from Lake Powell set at 8.23 million acre-feet (maf) per year unless adjusted for infrastructure protection or equalization of Lake Powell and Lake Mead.

Alternative 1 - Federal Authorities:

- Focuses on Reclamation's existing statutory powers and infrastructure protection.
- Includes shortages up to 3.5 maf in the Lower Basin based on priority systems.
- Assumes reduced releases from Lake Powell and/or additional releases from Upper Colorado River Storage Project (CRSP) units to protect Lake Powell elevation 3,490, the minimum elevation where power can be reliably generated.

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Alternative 2 - Federal Authorities Hybrid:

- Includes shortages up to 3.5 maf in the Lower Basin on a pro rata basis.
- Requires new federal authorities and water user agreements.
- Adds new storage and delivery mechanisms in both Lake Powell and Lake Mead.
- Includes voluntary Upper Basin conservation of up to 200,000 AF after accounting for hydrologic shortages.
- Assumes reduced releases from Lake Powell and/or additional releases from Upper CRSP units to protect Lake Powell elevation 3,490.

Alternative 3 - Cooperative Conservation:

- Emphasizes conservation and environmental stewardship.
- Incorporates voluntary contributions and binational cooperation.
- Assumes reduced releases from Lake Powell and/or additional releases from Upper CRSP units to protect Lake Powell elevation 3,490.

Alternative 4 - Basin Hybrid:

- Makes Lake Powell releases between 5 – 12 maf per year.
- Provides for maximum Lower Basin shortages of 2.1 maf per year.
- Includes voluntary Upper Basin conservation of up to 100,000 AF after accounting for hydrologic shortages.
- Adds new storage and delivery mechanisms in both Lake Powell and Lake Mead.
- Includes both priority and pro-rata distribution of shortages that would and would not be shared by tribes.

Each alternative incorporates mechanisms for addressing Tribal water rights and emphasizes sustainability and flexibility in water management. Reclamation plans to issue the Alternatives Report in early January. National Environmental Policy Act alternative reports describe the process of evaluating and eliminating potential alternatives. The Basin States, Metropolitan, and other contractors are likely to submit comment letters on the Alternatives Report. The alternatives that Reclamation selects for for full analysis will be analyzed in the draft EIS. Only operations that are analzyed in the draft EIS may be included in final EIS and Record of Decision.

Neither Metropolitan nor the state of California support any of the alterantives as currently drafted. California's goal is to continue working with the Basin States to attempt to develop an alternative for the Final EIS that is supported by all seven Basin States. This draft EIS should provide sufficient alalysis of various operational paradyms that could support a new Basin States alternative, if one is developed in 2025.

Celebrations of Service at CRUWA

The Colorado River Board (CRB) honored Reclamation Commissioner Camille Calimlim Toutons' service to the Colorado River Basin over the past four year. Metropolitan, the Los Angeles Department of Water and Power, San Diego County Water Authority, Imerpial Irrigaiton District, Palo Verde Irrigation Distict, and Coachella Valley Water District each gave gifts and made remarks about Commissioner Touton's valuable work with California during her tenure as Commissioner.

Metropolitan, Southern Nevada Water Authority, and Central Ariozna Project cohosted a reception, recognizing our partenship on the River. At the reception, CRB Executive Director Chris Harris's retirement from the CRB was celebrated. Representatives from California and throughout the Lower Basin thanked Chris for his many years of tireless and impactful service on the Colorado River.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Report

Sustainability, Resilience, Innovation Group

- **Sustainability, Resilience, Innovation GM Monthly Report**

Summary

December 2024 Monthly Report

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Sri Core Activities

SRI and the Core Planning Team for the Climate Adaptation Master Plan for Water (CAMP4W) continued work on the 2024 Annual Report, Working Memorandum #7 on integrating climate adaption in Metropolitan's planning processes and Working Memorandum #10 on the Climate Adaptation Policy Framework. Drafts will be provided for review in January. On December 4, 2024, Metropolitan hosted the ReDesign LA cohort of community-based organizations for a tour of the Weymouth Water Treatment plant, Water Quality Lab, and a discussion of CAMP4W. For many, it was their first tour of a water treatment plant and lab, and staff was able to answer questions on water quality and provide tips on how to read a Consumer Confidence Report. On December 17, 2024, Metropolitan hosted the LA County Water Plan Blue Ribbon Panel on Nature-based Solutions. The panel is working to increase the use of nature-based water management solutions to improve the health of communities and ecosystems. Nature-based solutions support CAMP4W's priorities for community equity and projects with environmental co-benefits. This month, the Chief SRI Officer presented on innovative revenue generating solutions at ACWA in Palm Desert and joined the Engineering All-Staff Annual Meeting to share SRI priorities.

Sustainability and Resilience

Zero Emission Vehicle (ZEV) Transition: The ZEV Executive Task Force met on December 12, 2024, to review discussion from the December board meeting that resulted in a $35 million approval for new vehicle purchases over the next two fiscal years to support the ZEV transition. SRI will continue to work with Fleet, Finance, Engineering, and other Metropolitan departments to ensure that the transition continues smoothly while adhering to regulations, making fiscally prudent vehicle purchases, and continuing to monitor evolving ZEV technology that mitigates risk while meeting Metropolitan operational and reliability needs.

Centralized Grants Management Office

Nothing to report.

Innovation, Pilots, and Emerging Technologies

Peer-2-Peer Engagements: Innovation staff hosted staff training on the Knowledge to Implementation (K2i) peer-2-peer exchange. K2i facilitates the exchange of actionable information between global leading utilities by matching agencies sharing common strengths and needs though structured conversations. Around 20 staff members participated in the training and offered feedback on both the K2i platform and Innovation at Metropolitan. One interesting feedback comment was "I've used the K2i platform quite a lot. The water resource management topics are most relevant to my day-to-day activities (Source of Supply, Ops, Water Quality)."

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The Innovation team also brought in a new pilot for using weather forecasting to inform operations and short-term planning. Through a new partnership with Planette AI, the team will evaluate the usefulness of near-term precipitation and temperature forecasting data. Planette uses the latest physics and machine learning to deliver environmental forecasts from 2 weeks to 5 years into the future.

Environmental Planning Services

Environmental Planning Section staff continued to prepare California Environmental Quality Act (CEQA) documentation for capital projects, including finishing preparation and internal review of the first screencheck Draft Environmental Impact Report (EIR) and starting the second screencheck draft EIR for the Pure Water Southern California program. Consultation with state and federal wildlife agencies and development of the mitigation strategy continued for Endangered Species Act permitting for the Inland Feeder/Foothill Pump Station Intertie Project. Following the board action to enter into an agreement with the Department of Water Resources to fund additional preconstruction activities for the Delta Conveyance Project, staff prepared and filed CEQA Notices of Determination with the State Clearinghouse Office of Planning and Research and seven counties. In addition, staff held a meeting with California of Fish and Wildlife (CDFW) and Delta Conservancy staff to discuss project updates to the Webb Tract Wetland Restoration Project and regulatory permitting under Assembly Bill 1582, as well as continued preparation of the CDFW Statutory Exemption Restoration Program application, Good Neighbor Policy Checklist from the Delta Plan, and Long-Term Monitoring and Management Plan. Environmental monitoring of construction activities continued for the Rialto Pipeline Rehabilitation, Perris Valley Pipeline, Prestressed Concrete Cylinder Pipe Second Lower Feeder Reach 3B, Weymouth Basins 5 to 8 Rehabilitation, Weymouth Asphalt Rehabilitation, and La Verne Shops Upgrades projects.

Critical operations and maintenance activities were supported by the Environmental Planning Section. Staff provided CEQA and regulatory clearances and conducted pre-construction biological resource surveys and construction monitoring for maintenance activities throughout the service area, including upcoming shutdowns. Staff reviewed 14 external project CEQA notices and prepared comment letters for proposed projects or actions that may affect Metropolitan facilities and/or operations, including the proposed U.S. Fish and Wildlife Service General Conservation Plan (GCP) for the Desert Tortoise and the California Fish and Game Commission emergency listing of the golden mussel as a species that is prohibited from being transported.

Environmental Planning Section continued oversight of reserve management activities to protect valuable natural resources and meet Metropolitan's mitigation obligations. Security patrols were conducted throughout the Lake Mathews Multiple Species Reserve and the Southwestern Riverside County Multi-Species Reserve (MSR) to prevent trespassing, vandalism, poaching, and theft and to protect the reserves' natural and cultural resources, facilities, and equipment. Specific activities at the Lake Mathews Reserve included removal of invasive vegetation and targeted mowing to remove dense populations of invasive stinket (*Oncosiphon pilulifer*) and Russian thistle (*Salsola tragus*), application of pre-emergent herbicide to mowed areas to prevent regrowth of noxious weeds, installation of wildlife cameras at artificial burrowing owl mounds north of Lake Mathews to document burrowing owl/wildlife activity in the area, and repairs to patrol roads and fencing. Activities at the MSR included planning and hosting the annual Reserve Christmas Bird Count at Diamond Valley Lake, maintaining trees and removing fallen limbs along roads, assessing Engelmann oaks in the Lopez Canyon and Rawson Rift sections of the Reserve and determining that the trees looked the healthiest in years, and installing perimeter fencing to prevent trespassing. Finally, the Alamos Schoolhouse interpretive center at the MSR was open on Saturdays and hosted over 76 visitors in December.

Land Management

Two entry permits have been issued to Brookfield and Masters University for potholing purposes along the San Diego Pipeline 4 and Foothill Feeder right of way in Temecula and Santa Clarita, respectively. The permits will help facilitate two distinct private development projects adjacent to Metropolitan's land and minimize potential impacts to Metropolitan's facilities.

Water Resource Management Group

- **Water Resource Management December Activities**

Summary

The Water Resource Management Group December 2024 Monthly Activities

Purpose

Informational

Detailed Report

Ensure Access to Sufficient Water Supplies to Operate a Full Colorado River Aqueduct in Times of Drought

Staff attended a meeting of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) Technical Work Group (TWG) in Las Vegas, Nevada. The purpose of the meeting was to introduce members of the TWG to the consultant team that will be producing the environmental documentation for the revisions to the LCR MSCP required by the new guidelines that will govern operations of Lake Powell and Lake Mead after 2026. The LCR MSCP is critical to Metropolitan's interests since it provides federal and state endangered species coverage for water diversions, conservation activities, and power generation on the Colorado River. *Strategic Priority 3.2.1: "Advance multiple strategies toward sustainable Colorado River supplies and toward broad agreement in long-term compact negotiations."*

Following Board authorization on December 10, 2024, staff moved forward with executing both the Antelope Valley-East Kern (AVEK) High Desert Water Bank (HDWB) and Turf Replacement System Conservation Implementation Agreements. Under these agreements, Reclamation will provide up to $95.81 million in funding for Metropolitan's Turf Replacement program for commercial, industrial, and institutional properties and up to $82 million in funding for construction of Metropolitan's AVEK HDWB facilities. In exchange, Metropolitan will implement the turf program and construction of groundwater recharge facilities and provide a total of 265,296 acre-feet of system water to increase the elevation at Lake Mead. These agreements were signed on December 12, 2024. *Strategic Priority 3.2.1: "Advance multiple strategies toward sustainable Colorado River supplies and toward broad agreement in long-term compact negotiations."*

Ensure reliable State Water Project (SWP)

Staff facilitated and attended an annual SWP operations workshop with the State Water Contractors and the Department of Water Resources (DWR). The DWR staff presented on several topics, including water supply forecasting process and improvements, the 2024 Incidental Take Permit and Biological Opinions, as well as 2025 water supply outlook. The workshop also included a tour of key SWP facilities to help staff better understand the important components to the SWP operations. This year's tour included sites such as the Delta Cross Channel Gates, Banks Pumping Plant, and the Clifton Court Intake Structure. Staff's participation in these meetings helped ensure full access to Metropolitan's available SWP supplies. The DWR released the initial SWP allocation of 5 percent on December 1, 2024, as required under the SWP contract. This conservative allocation is expected to increase over the course of the water year as more precipitation and snowfall occur in the watershed. *Strategic*

Priority 5.1: "Grow and deepen collaboration and relationships among member agencies, interested parties, and leaders on the issues most important to them and toward mutual and/or regional benefits."

State Water Contractors–Water Operations Committee Fall Workshop Field Trip at Clifton Court Intake Structure

Implement Regional Conservation Program

Staff attended the Colorado River Water Users Association Conference in Las Vegas, Nevada, and were responsible for staffing a table in the exhibit hall where information was shared with the attendees regarding non-functional turf and the turf replacement program.

In addition, staff attended the California Water Efficiency Partnership winter plenary in Sacramento, California. Discussion items included the Conservation as a California Way of Life regulation and innovative technologies.

Water Efficiency staff attended a joint meeting with Los Angeles Department of Water and Power Conservation staff and local Golf Facility staff on Friday, December 13, 2024, at Los Angeles' Sepulveda Golf Complex. The meeting was held to discuss current and pending regulations with respect to water supplies, non-functional turf, and access to utility incentives to increase water use efficiency. Staff presented information about Metropolitan's Water Savings Incentive Program and participated in discussions around the terms and conditions for current water use efficiency incentives and issues for golf course managers and superintendents. Some examples of conservation projects and technologies were also presented, including El Caballero Country Club, a recent One Water Awards recipient. *Strategic Priority 3.2.8: "Increase outdoor water use efficiency."*

Implement Future Supply Actions Funding Program

On December 12, 2024, Metropolitan and the Foothill Municipal Water District entered into a Future Supply Actions (FSA) Funding Program agreement for the Data-Driven Resource Optimization and Planning System (DROPS). Under this agreement, Metropolitan will provide not-to-exceed funding of $54,900 to use DROPS to integrate advanced data analytics and artificial intelligence to enhance water management. Potential sites will be evaluated on the basis of comprehensive geospatial data including aerial and satellite imagery classifications, slope angles, historical rainfall depth, parcel land use, urban planning records, stormwater infrastructure, neighborhood income, and disadvantaged communities. This agreement is the second of seven to be fully executed under the third round of FSA Funding Program.

On December 18, 2024, Metropolitan and the San Diego County Water Authority (SDCWA) entered into an FSA agreement for the Lake Henshaw Oxygenation Pilot Study. Under this agreement, Metropolitan will provide not-to-exceed funding of $500,000 to fund a pilot study that will explore the effectiveness of oxygenation as a method

to prevent Harmful Algal Blooms (HABs) in Lake Henshaw by reducing key nutrients for cyanobacteria growth. This study seeks to provide insights to SDCWA and City of Escondido regarding the effectiveness of oxygenation in controlling HABs and cyanotoxin production, while also assessing the size and cost implications of a permanent system to enhance water quality for both local and downstream users. This agreement is the third of seven to be fully executed under the third round of FSA Funding Program. *Strategic Priority 5.1: "Grow and deepen collaboration and relationships among member agencies, interested parties, and leaders on the issues most important to them and toward mutual and/or regional benefits."*