

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
REAFFIRMING-DECLARING A REGIONAL DROUGHT EMERGENCY
AND CALLING ON MEMBER AGENCIES TO TAKE SPECIFIED ACTIONS**

WHEREAS, Severe Drought Conditions Are Impacting Water Supplies Imported from the Colorado River and Northern California.

Metropolitan's two primary sources of imported water, the Colorado River and the State Water Project (SWP), face continuing drought.

The Colorado River is experiencing a prolonged 22-year warming and drying trend.

The three-year sequence of water years 2020, 2021, and 2022 (October 1, 2019, through September 30, 2022) were the driest in California for statewide precipitation.

According to the National Oceanic and Atmospheric Administration's (NOAA) U.S. Drought Monitor, California remains in almost 100 percent moderate-to-exceptional drought as of November 29, 2022.

In the past three years, warm temperatures and arid soils depleted the expected runoff water from the Upper Colorado River Basin snowpack and Northern Sierra snowpack into SWP reservoirs.

Unregulated inflow into Lake Powell in the water year 2022 (October 2021 through September 2022) was only 63 percent of normal.

The United States Bureau of Reclamation (USBR) announced a first-ever Level 2A shortage declaration for 2022 for the Colorado River System.

On August 11, 2022, Governor Newsom announced California's latest actions to increase water supply and adapt to more extreme weather patterns caused by climate change in a document called "California's Water Supply Strategy, Adapting to a Hotter, Drier Future." The strategy recognizes that the American West is experiencing extreme, sustained drought conditions caused by hotter, drier weather.

WHEREAS, Deteriorating Colorado River Supply Is Focusing Attention on California's Water Use

The Colorado River system has been continuously in drought since 2000. Lake Mead and Lake Powell were nearly full in 2000; however, both reservoirs are now at their lowest levels since initial filling. Without additional action, Lake Mead elevation levels are projected to decline further.

In December 2021, the United States Department of the Interior (DOI) and water agencies within Arizona, California, and Nevada agreed to the 500+ Plan. In the 500+ Plan, water agencies in the three states voluntarily committed to conserving an additional 500,000 acre-feet (AF) in both 2022 and 2023 to protect Lake Mead elevation levels further.

In June 2022, USBR Commissioner Camille Touton announced that Colorado River users need to reduce use by two to four million AF per year to protect Lake Powell and Lake Mead operations.

In August 2022, the USBR declared the first-ever Level 2A shortage for the calendar year 2023. Under a Level 2A shortage, Arizona, Nevada, and Mexico must agreed to contribute water under the Drought Contingency Plan (DCP).

In October 2022, California water agencies submitted a proposal to the USBR to voluntarily reduce an additional 400,000 AF of water in Lake Mead in each of four years, beginning in 2023 and lasting through 2026.

WHEREAS, the State of Emergency Exists in All California Counties Due to Severe Drought Conditions.

On October 19, 2021, Governor Newsom proclaimed a state of emergency in all California counties due to severe drought conditions. This proclamation called for all Californians to voluntarily reduce their water use by 15 percent immediately.

The proclamation further directed: (1) the California State Water Resources Control Board (SWRCB) to develop regulations prohibiting wasteful water use; and (2) the California Department of Water Resources (DWR) to help local agencies alleviate acute potable water shortages.

The SWRCB adopted emergency regulations to prohibit wasteful water use on January 4, 2022, and on November 23, 2022, proposed to extend these regulations for another 12 months.

On March 28, 2022, Governor Gavin Newsom issued Executive Order N-7-22 calling on all Californians to strive to limit summertime water use and to use water more efficiently indoors and out.

Executive Order N-7-22 required that urban water suppliers implement, at a minimum, the shortage response actions of their Water Shortage Contingency Plans (WSCP) for a shortage level of up to twenty percent (Level 2). The Executive Order also encourages urban water suppliers to conserve more than Level 2 target by voluntarily activating more stringent local requirements based on a shortage level of up to thirty percent (Level 3).

WHEREAS, Metropolitan's SWP Supplies Are Curtailed.

Beginning in the fall of 2019, the watersheds supplying the SWP received below-average precipitation. DWR classified the three following water years as dry or critically dry.

The three-year sequence of water years 2020, 2021, and 2022 (October 1, 2019, through September 30, 2022) were the driest in California for statewide precipitation.

On March 18, 2022, DWR reduced the SWP Table A allocation for 2022 from 15 to only five percent of contract amounts. Table A allocations for 2020 and 2021 were 20 and five percent, respectively. The last three years mark the lowest three-year combined deliveries of allocated water in the history of the SWP.

In 2022, DWR used a provision of the SWP Contract (Article 18(a)) to allocate water on a basis other than Table A to meet minimum demands of contractors for domestic supply, fire protection, or sanitation during the year. Contractors that received these human health and safety (HH&S) deliveries are required to pay back to DWR future Table A water on a one AF to one AF basis within five calendar years.

On December 1, 2022, DWR announced an initial allocation for the SWP at five percent of contract amounts. DWR also provisionally allocated additional SWP water to ensure that the SWP contractors can meet their HH&S needs during the year.

WHEREAS, Metropolitan's SWP Supplies Are Essential to Meet the Needs of All Member Agencies.

Over the past 20 years, the SWP provided about 30 percent of the region's water needs.

Diamond Valley Lake, Metropolitan's largest surface water reservoir and source of dry-year and emergency water supplies, has only been replenished with SWP supplies since the discovery of Quagga mussels in Colorado River water. As of December 1, 2022, storage in Diamond Valley Lake was 497,000 AF, or 61 percent of capacity.

A SWP allocation of less than 15 percent would be insufficient to meet normal potable demands in areas where Metropolitan depends on the SWP to meet its member agencies' needs, nor can it serve SWP supplies to other member agencies or replenish storage in Diamond Valley Lake.

WHEREAS, Metropolitan, Its Member Agencies, and Others in the Region Have Taken Extraordinary Steps to Reduce Demands and Bolster Supplies.

In conjunction with its member agencies, counties, cities, and wholesale and retail water suppliers, the Metropolitan service area has decreased its potable water demands ~~within its service area~~ by 40 percent, roughly 80 gallons per person per day, since 1990.

Metropolitan invested \$1.6 billion in conservation, local water recycling, and local groundwater recovery since 1990, resulting in cumulative savings of nearly 7.9 million AF.

Metropolitan invested more than \$3.1 billion in increasing storage capacity with Diamond Valley Lake and conveyance capacity with the Inland Feeder to capture SWP supply when available for later use in dry years.

Metropolitan and its Member Agencies and Local-local water suppliers and communities have also made strategic and forward-looking investments in water recycling, stormwater capture and reuse, surface and groundwater storage, seawater desalination, and other strategies to improve drought resilience.

Water conserved throughout the service area, among other things, helped preserve storage in Metropolitan's diverse storage portfolio during these dry conditions.

Continued action by Southern California residents to conserve water and extend local groundwater and surface water supplies, along with continued investments to secure additional water supplies will provide greater resilience if the drought continues in future years.

WHEREAS, Metropolitan and Its Member Agencies Have Taken Specific Actions to Preserve SWP and Colorado River Supplies.

On August 17, 2021, by Minute Item 52481, Metropolitan's Board adopted a resolution declaring a "Condition 2 – Water Supply Alert" to preserve Metropolitan's supply for the region.

On November 9, 2021, by Minute Item 52581, Metropolitan's Board adopted a resolution recognizing the statewide drought emergency, declaring specified emergency conditions to exist within portions of its service area, and calling on member agencies to take various actions to preserve Metropolitan's supply from the SWP.

On April 26, 2022, by Minute Item 52802, Metropolitan's Board adopted a resolution declaring a Water Shortage Emergency Condition and established an Emergency Water Conservation Program (EWCP) for member agencies within the SWP Dependent Area.

On June 30, 2022, Metropolitan submitted its Annual Water Supply and Demand Assessment to DWR. This assessment showed a potential shortage of 44 percent without WSCP actions. Metropolitan's actions under the Board-adopted WSCP to date include: (1) withdrawing water from storage accounts; (2) executing flexible supplies such as water transfers; and (3) implementing voluntary demand reduction programs.

On October 11, 2022, Metropolitan's Board adopted a resolution that strongly recommended cities and water agencies across Southern California pass ordinances permanently prohibiting the installation and irrigation of non-functional turf.

On November 16, 2022, more than 30 water agencies in the Upper and Lower Colorado River Basins, including Metropolitan, signed a Memorandum of Understanding (MOU) committing to voluntarily reduce demand on the Colorado River. As part of the MOU, each water agency will enforce its appropriate demand management programs to help curtail the need for Colorado River water and protect elevation levels at both Lake Powell and Lake Mead.

WHEREAS, Additional Actions Are Needed to Manage and Preserve SWP and Colorado River Supplies.

Despite the efforts made to date by Metropolitan, member agencies, and others in the region, additional actions are needed to manage and preserve SWP and Colorado River supplies.

The Metropolitan Board of Directors believes that member agencies should review their WSCPs and immediately implement ~~mandatory~~ conservation measures to help address the SWP and Colorado River supply shortages. This call conforms to Governor Newsom's Executive Order N-7-22 requiring, at a minimum, the shortage response actions of their WSCPs at a Level 2 (up to 20 percent) and reaffirms Governor Newsom's call for voluntary Level 3 (up to 30 percent) WSCP conservation actions.

The Metropolitan Board of Directors understands that while each agency must conform to the shortage response actions required by Executive Order N-7-22 at a Level 2 (up to 20 percent), the local conditions faced and prior investments made by each agency will drive their specific selection of shortage response actions at the mandated Level 2 or voluntary Level 3 (up to 30 percent).

The Metropolitan Board of Directors further believes that it is necessary and desirable to work closely with member agencies in identifying near-term actions that could be taken to address this regional drought emergency and the SWP supply shortages. On August 16, 2022, Metropolitan's Board adopted a resolution affirming a Call to Action and a Commitment to Regional Reliability for All Member Agencies to further this effort. This resolution directed the General Manager to identify a portfolio of projects and programs in coordination with the member agencies to address the need to connect and serve each member agency with more than one supply source. This portfolio of actions was to be provided for Board approval in February 2023.

WHEREAS, the Emergency Water Conservation Program Has Successfully Reduced Use of SWP during 2022 and Will Continue Implementation through June 2023

The Board authorized the EWCP in April 2022 to adaptively preserve supplies by reducing non-essential uses of water delivered through the SWP system. EWCP implementation began on June 1, 2022, and continues through June 30, 2023.

Six member agencies within the SWP Dependent Area, serving approximately 6.9 million people, participated in the EWCP in 2022. These member agencies were monitored against outdoor watering restrictions or volumetric limits for the seven months between June and December 2022.

Because of the SWP Dependent Area member agencies' extraordinary efforts, the EWCP achieved its objective of reducing demands within the limited SWP supply available as of November 2022.

During June-December 2022, the SWP Dependent Area member agencies took mandatory water supply cuts from their expected SWP use by an average of 35 percent, with some facing reductions of up to 73 percent. As of December 1, 2022, these member agencies surpassed this objective and used 35 percent less than was expected without emergency conservation and 3 percent less SWP supply than the total volumetric limit. No penalties were issued under the EWCP as of November 2022.

WHEREAS, the Water Supply Allocation Plan Is Metropolitan's Board-Approved Approach for Managing Regionwide Water Supply Shortages

Metropolitan's Board first adopted the Water Supply Allocation Plan (WSAP) in February 2008. Under this plan, the Board may determine a regional shortage, establish a shortage level, and implement a surcharge for water use above a member agency's annual allocation.

The Water Supply Allocation is adopted during regional water shortages to conserve scarce water supplies.

California Water Code section 375 authorizes public agencies to adopt programs and rate structures to encourage water conservation after holding a public hearing and making appropriate findings of necessity.

NOW, THEREFORE, BE IT RESOLVED that under the express and implied powers and authorities granted by The Metropolitan Water District Act (Statutes 1969, ch.209, as amended), the Board of Directors of The Metropolitan Water District of Southern California hereby **expands the geographic area of the emergency conditions declared in November 2021 and now REAFFIRMS THE**~~DECLARES A~~ **REGIONAL DROUGHT EMERGENCY** ~~declared in November 2021~~ encompassing the District's entire service area. Per this Declaration, the Board calls on all member agencies to continue actions to:

- (1) Review the adequacy of their current drought response measures.
- (2) Make all reasonably practicable changes in their operations to reduce their use of Metropolitan's SWP and Colorado River supplies, including those already in storage.
- (3) Immediately mandate and implement such conservation requirements, water-use efficiency measures, and drought-related limitations as appropriate to reduce the use of Metropolitan's SWP and Colorado

River supplies, including those already in storage. These measures should reflect actions identified in adopted WSCPs at a minimum Level 2 and recommended Level 3 as appropriate for their specific local conditions.

BE IT FURTHER RESOLVED that Metropolitan's General Manager is hereby directed to continue coordinating with the member agencies and bringing to the Board for authorization, as appropriate, the following actions:

- (1) A unified message to communicate the status of this regional drought emergency and the need for continued conservation to the general public, businesses, stakeholders, industries, and public officials.
- (2) An aggressive pursuit of all available short-term water transfer exchange opportunities to reduce the existing water supply constraints imposed on the member agencies.
- (3) Expanded regional water use efficiency programs for this regional drought emergency, provided budget or grant funding is available.
- (4) Measures to ensure all portions of the service area attain a high level of reliability against multi-year, severe droughts. Measures include, but are not limited to, system improvements, local water supply development, new water storage opportunities, and water efficiency gains.
- (5) State and federal funding and resources for the region to accelerate conservation and supply programs.

BE IT FURTHER RESOLVED that, should drought conditions persist or worsen in the coming months, Metropolitan's Board of Directors will consider implementing the regional Water Supply Allocation Plan for all member agencies in March 2023 to be effective from July 2023 to June 2024.

BE IT FURTHER RESOLVED that notwithstanding anything in Metropolitan's Administrative Code to the contrary, direction and authorities previously delegated to the General Manager under the November 2021 Regional Drought Emergency resolution, the April 2022 Water Shortage Emergency Condition resolution, and the August 2022 Call to Action and Commitment to Reliability Resolution continue.

BE IT FURTHER RESOLVED that the duration of requested actions and the delegation of authority will continue until further Board action.

BE IT FURTHER RESOLVED that the Emergency Water Conservation Program (EWCP) will continue implementation in the SWP Dependent Area through June 2023. SWP Dependent Area member agencies under the EWCP will receive new volumetric limits for January through June 2023.

BE IT FURTHER RESOLVED that the Board acknowledges that Metropolitan's staff continues to work cooperatively and productively with member agencies and that collectively they will recommend a portfolio of actions to address the disparity in water reliability for SWP-dependent agencies in a month later than the February 2023 resolution adopted by the Board on August 16, 2022.

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 December 13, 2022.

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