



- Board of Directors  
*Water Planning and Stewardship Committee*

8/17/2021 Board Meeting

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7-5

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## Subject

Adopt resolution to declare a “Condition 2 – Water Supply Alert”; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

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## Executive Summary

A second consecutive dry year is impacting California’s water supplies. Worsening conditions led to a State Water Project allocation for 2021 of only 5 percent, tied for the lowest in history. With drought widespread throughout much of the state, Governor Newsom declared drought emergencies in 50 of 58 counties (which do not include the six counties in Metropolitan’s service area). On July 8, 2021, the governor issued an executive order that called upon all Californians to voluntarily reduce their water use by 15 percent.

This letter recommends the Board adopt a Water Supply Alert Resolution. The recommended action would move Metropolitan’s Water Supply Condition from a “Water Supply Watch” to a more severe “Water Supply Alert” and communicate increasingly serious drought conditions affecting the state’s water supplies and drafting of Metropolitan’s regional storage reserves. The resolution, which does not implement the Water Supply Allocation Plan, provides a basis for the outreach, communication, and collaboration in Metropolitan’s service area needed to effectively support Governor Newsom’s drought emergency proclamations and his call for Californians to voluntarily conserve.

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## Details

### Background

A second consecutive year of exceptionally low precipitation, snowpack, and runoff is impacting California’s water supplies. Due to persistently dry conditions, the Department of Water Resources (DWR) set the allocation of State Water Project (SWP) water to 5 percent for 2021. This followed a low allocation of only 20 percent in 2020. Worsening conditions prompted Governor Newsom to declare three sets of expanding drought emergencies across the state.

The overall sequence of actions can be summarized as follows:

- On April 21, Governor Newsom proclaimed a regional drought emergency in Mendocino and Sonoma counties.
- On May 10, a second proclamation expanded the drought emergency to an additional 39 counties.
- On June 9, the California Public Utilities Commission, the State Water Resources Control Board, and the California Department of Water Resources called on local and regional suppliers to increase their conservation efforts, to develop a contingency plan in the event of water supply problems, and to urge Californians to save water amid ongoing dry conditions and in anticipation of another dry year in 2022.
- On July 8, Governor Newsom expanded the drought state of emergency once again, which applied to a total of 50 counties covering 42 percent of the state’s population. The drought state of emergency does not include the six counties in Metropolitan’s service area. On the same day, the governor also issued Executive Order N-10-21, calling for all Californians to voluntarily reduce their water use by 15 percent.

Paralleling the Newsom Administration's measured response and increasing actions in response to the drought, Metropolitan initiated numerous drought actions earlier this year. Beginning in January 2021, Metropolitan adjusted distribution system operations to minimize SWP use and to draw more heavily on Colorado River and stored supplies. In April, Metropolitan increased pumping on the Colorado River Aqueduct to the full capacity of eight pumps for the first time since the depths of the last drought in 2015. In May, the Board approved the Operational Shift Cost Offset Program, which removed a barrier to agencies receiving Metropolitan service from Colorado supplies instead of SWP supplies. Also, in May—for the first time in history—the source water feed to the Mills water treatment plant was switched from SWP to Diamond Valley Lake storage. In June, staff began operating the fully rebuilt Greg Avenue pump facility allowing Colorado River and stored supplies to be pumped at a rate of about 50 cubic feet per second (cfs) into the western portion of the distribution system. Along with this sampling of actions, as well as continued coordination with member agencies and identification of new actions moving forward, the proposed Water Supply Alert would be a next step to advance the region's messaging to water users.

As a result of prior local and regional investments in local supplies and conservation, and the region's actions described above, the counties in Metropolitan's service area were not included in the emergency drought proclamations to date. The drought state of emergency applied to counties already experiencing imminent and urgent water supply impacts this year. Metropolitan's water supplies and storage are being affected by two years of extreme drought, but current impacts are mitigated by the reliability investments made locally and regionwide. Metropolitan has invested \$1.5 billion in regional conservation, local water recycling, and local groundwater recovery projects since 1990, and Metropolitan's programs and planning led to high regional storage reserves entering this drought. On the water use efficiency side, Southern California consumers and water agencies have long done their part to make conservation a way of life and to prepare for the future. The value of the region's past preparedness, actions, and commitment to conservation is evident today. In fact, the California Natural Resources Agency submitted a report to the Legislature in March 2021 outlining lessons from the drought of 2012-2016, which recognized that "The storage projects put in place by MWD and the San Diego County Water Authority greatly improve regional capacity to endure drought."

However, Metropolitan recognizes the need for coordinated drought response and supports the governor's statewide call for voluntary conservation from all Californians. As with the rest of the state, Southern California's water supplies are reduced by the drought. Looking ahead, there are multiple threats to the region's water supply outlook over the next few years. This year's extremely low 5 percent SWP allocation highlights the challenges that constrained SWP supplies create in areas not readily served by Colorado River supplies. These SWP-specific constraints require heavy reliance on storage reserves to replace the low SWP allocation resulting in a sharp drop in the overall water storage that is accessible to these areas. It is expected that next year's 2022 SWP allocation will start at 0 percent and could even stay at that level if the drought persists. These severe projections incorporate recognition of depleted storage in the SWP's Lake Oroville and San Luis Reservoir and how parched soils in the Sierra watersheds may deplete next year's runoff.

Metropolitan often relies on the Colorado River Aqueduct and Colorado River storage and supply programs to compensate for SWP supply fluctuations, but it cannot be taken for granted that Metropolitan will be able to take its full amount of Colorado River supplies into the future. The Colorado River will experience its first-ever shortage declaration next year based on the long-term drought in that watershed. A prolonged 21-year warming and drying trend pushed Lake Mead and Lake Powell to record low levels. For all these reasons, it is crucial for the region to take appropriate actions now to safeguard its water storage reserves as conditions continue to change and the outlook worsens.

Conservation has long underpinned Metropolitan's long-term water supply reliability strategy. The governor's timely and measured call for voluntary conservation from agricultural and urban water users in Californian presents an opportune moment to review and refresh consumer commitment to using water responsibly statewide. In the end and on the whole, the water use ethic, behavior, and decisions of individual consumers can tip the precarious balance of supply and demand. Agencies such as Metropolitan can play a key function in supporting

and amplifying the governor’s message and assisting consumers to make their good faith effort to use water responsibly.

### **Recommendation for Water Supply Alert Resolution**

Staff recommends the Board adopt a Water Supply Alert Resolution, the third of a four-step water supply condition. Adopting the Water Supply Alert Resolution would communicate the increasingly serious drought conditions affecting the state’s water supplies by moving Metropolitan’s Water Supply Condition Framework from a “Condition 1 – Water Supply Watch” to a “Condition 2 – Water Supply Alert.” The resolution, included as **Attachment 1**, provides a basis for the outreach, communication and collaboration in Metropolitan’s service area needed to effectively support Governor Newsom’s drought emergency proclamations and his call for voluntary conservation. **Attachment 2** provides examples of practicable actions that help the region’s consumers to immediately redouble their efforts to save water through voluntary conservation.

The Board adopted the Water Supply Condition Framework (Framework) in June 2008 to help communicate the urgency of the region’s water supply situation. Consistent with the Water Supply and Drought Management (WSDM) Plan, the Framework communicates and encourages proactive steps that water agencies and consumers could take to reduce the region’s water demand and mitigate the need for more severe actions. The Framework has four conditions, each calling for an increasingly heightened level of response:

<b>Baseline:</b> Water Use Efficiency	Ongoing implementation of conservation, recycling and outreach programs to achieve permanent increases in water use efficiency and build storage reserves.
<b>Condition 1:</b> Water Supply Watch	Local agency voluntary dry-year conservation measures and use of regional storage reserves.
<b>Condition 2:</b> Water Supply Alert	Regional call for cities, counties, member agencies, and retail water agencies to implement extraordinary conservation through drought ordinances and other measures to mitigate the use of storage reserves.
<b>Condition 3:</b> Water Supply Allocation	Implement Metropolitan’s Water Supply Allocation Plan.

Metropolitan has remained in “Condition 1: Water Supply Watch” since April 2017, which reflects continued impacts experienced in the 2012-2016 drought. A Condition 2 Water Supply Alert acknowledges the heightened urgency of the supply situation both regionwide and statewide and provides a launching point for outreach and collaboration with local agencies to support Californians in Metropolitan’s service area to voluntarily conserve.

Importantly, conservation programs are already up and running by Metropolitan and local agencies throughout the service area. This Water Supply Alert would enhance the speed and scale of consumer and agency actions rather than signaling a new direction. Approximately 250 wholesale and retail water suppliers serve the region. As a practical step, the resolution would highlight timely opportunities identified in their recently adopted Urban Water Management Plans (UWMPs). The UWMPs adopted this year include specific Water Shortage Contingency Plans that contain an array of water supply and demand management measures that can be used as water supply conditions change. As a result of this action, Metropolitan would ask local agencies to consider the actions identified in their Water Shortage Contingency Plans as appropriate for their local conditions. The proposed resolution recognizes this improved toolbox of potential actions and would encourage agencies to use those appropriate demand reduction actions to help their consumers voluntarily save water and preserve regional storage reserves. The region’s water agencies are well positioned to support their consumers in voluntarily conserving additional water.

Moving forward, the Conservation as a California Way of Life legislation that was enacted in 2018 is now being implemented, with annual shortage reporting to the state on track to begin next year. The new standard Annual Water Supply and Demand Assessments will provide important information on specific localized drought impacts and response actions that can better inform the state in the future.

Metropolitan would coordinate with its member agencies to develop a unified regional message in the media and outreach campaigns in order to communicate the need for continued conservation to the general public, businesses, stakeholders, industries, and public officials. In line with Governor Newsom's May 10, 2021 announcement of a \$5.1 billion plan for water infrastructure, drought response, and improved climate resilience, Metropolitan will work to obtain state funding and other resources to accelerate conservation and supply programs.

## Policy

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Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 47393, dated February 12, 2008, the Board adopted the Water Supply Allocation Plan.

By Minute Item 48376, dated August 17, 2010, the Board adopted proposed adjustments to the Water Supply Allocation Plan, and the allocation of seawater barrier supplies for the 2010/11 Allocation Year.

By Minute Item 48803, dated September 13, 2011, the Board adopted adjustments to the Water Supply Allocation Plan.

By Minute Item 49979, dated December 9, 2014, the Board adopted adjustments to the Water Supply Allocation Plan.

By Minute Item 50824, dated May 9, 2017, the Board adopted a resolution which declared a "Condition 1 – Water Supply Watch."

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action may have a significant impact on the environment, the action is not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the proposed Water Supply Alert Resolution.

**Fiscal Impact:** Upon adoption of the Water Supply Alert Resolution, expenditures in Metropolitan's conservation programs will likely increase to levels of activity still within the adopted budget as customers respond to the call for voluntary conservation.

**Business Analysis:** The local city, county, member agency, and retail water agency actions called for in Water Supply Alert will help the region preserve storage, reduce the magnitude of a potential shortage in 2022, and assist the state of California in achieving Governor Newsom's call for voluntary conservation.

**Option #2**

Adopt the proposed Water Supply Alert Resolution with modifications to the actions called for within the resolution.

**Fiscal Impact:** Upon adoption of the Water Supply Alert Resolution, expenditures in Metropolitan's conservation programs will likely increase to levels of activity still within the adopted budget as customers respond to the call for voluntary conservation.

**Business Analysis:** The local city, county, member agency, and retail water agency actions called for in Water Supply Alert will help the region preserve storage, reduce the magnitude of a potential shortage in 2022, and assist the state of California in achieving Governor Newsom's call for voluntary conservation.

**Option #3**

Do not adopt the proposed Water Supply Alert Resolution.

**Fiscal Impact:** Metropolitan may need to purchase more transfer water or take additional financial actions to protect storage reserves.

**Business Analysis:** The magnitude of a potential shortage in 2022 may increase and may trigger emergency declarations for Southern California Counties. Less support would be provided to achieve Governor Newsom's call for voluntary conservation.

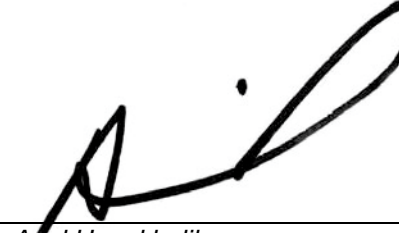
**Staff Recommendation**

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## Option #1

  
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Brad Coffey  
Manager, Water Resource Management

8/10/2021  
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Date

  
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Adel Hagekhalil  
General Manager

8/10/2021  
\_\_\_\_\_  
Date

**Attachment 1 – Water Supply Alert Resolution**

**Attachment 2 –Recommended Water Conservation Actions**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA  
CALLING FOR A WATER SUPPLY ALERT**

WHEREAS, Metropolitan's two main sources of imported water, the Colorado River and Northern California, face continuing drought conditions; and

WHEREAS, the Colorado River is experiencing a prolonged 21-year warming and dry trend and California is in a second consecutive dry year; and

WHEREAS, precipitation and snowpack in the Upper Colorado River Basin and in California are below normal to date; and

WHEREAS, warm temperatures and extremely dry soils have depleted the expected runoff water from the Upper Colorado River Basin snowpack and Northern Sierra snowpack into reservoirs; and

WHEREAS, storage in Lake Powell, Lake Mead, and Lake Oroville are each at record low levels and that many reservoirs throughout the state are well below average conditions at this date; and

WHEREAS, the California Department of Water Resources State Water Project Table A Allocation is at only five percent of contract amounts; and

WHEREAS, a zero percent initial State Water Project Allocation is anticipated for 2022 due to severe drought conditions; and

WHEREAS, the United States Bureau of Reclamation studies indicate a first shortage declaration for 2022 for the Colorado River System; and

WHEREAS, Metropolitan has invested \$1.5 billion in conservation, local water recycling, and local groundwater recovery since 1990 resulting in the cumulative savings of nearly 7.3 million acre-feet; and

WHEREAS, Metropolitan member agencies have invested billions of dollars in these and other investments to increase the utilization of local supplies; and

WHEREAS, these programs increase water supply reliability and reduce the region's need to import water supplies; and

WHEREAS, Metropolitan has made recent investments in its delivery system to add flexibility, allowing Metropolitan to deliver water from either of its imported water sources to most of the service area; and

WHEREAS, Metropolitan has been actively adjusting system operations and partnering with its member agencies to minimize Metropolitan's use of SWP supplies; and

WHEREAS, the California Natural Resources Agency submitted a report to the Legislature in March 2021 outlining lessons from the drought of 2012-2016 which recognized that "storage projects put in place by MWD and the San Diego County Water Authority greatly improve regional capacity to endure drought" and "large urban water agencies have more capacity to prepare for and respond to drought than smaller systems, and most have historically experienced drought primarily in the form of financial impacts that are ultimately passed on to ratepayers;" and

WHEREAS, on April 21, May 10, and July 8, 2021, Governor Gavin Newsom issued proclamations that a state of emergency exists in a total of 50 of 58 counties due to severe drought conditions, including a call for Californians to voluntarily reduce their water use; and

WHEREAS, the state of emergency does not exist in Metropolitan's service area; and

WHEREAS, action by Californians now to conserve water and to extend local groundwater and surface water supplies will provide greater resilience if the drought continues in future years; and

WHEREAS, Metropolitan supports actions by the state to address droughts in California with programs to promote water use efficiency; and

WHEREAS, water conserved throughout the service area, among other things, helps preserve storage levels in Metropolitan's diverse storage portfolio for next year should dry conditions persist; and

WHEREAS, Metropolitan supports state actions which recognize and value prior investments in water supply reliability and drought preparedness

WHEREAS, variations among communities, regions, and counties means that a "one-size fits all" drought response may unintentionally disincentivize future investment in water supply reliability; and

WHEREAS, local water suppliers and communities have made strategic and forward-looking investments in water recycling, stormwater capture and reuse, groundwater storage and other strategies to improve drought resilience; and

WHEREAS, further investment is needed to improve water supply reliability for all Californians; and

WHEREAS, Governor Gavin Newsom announced a \$5.1 billion plan for water infrastructure, drought response and improved climate resilience and Metropolitan strongly advocates for its use of state funds to accelerate conservation and supply programs; and

WHEREAS, Metropolitan's Water Surplus and Drought Management Plan guides Metropolitan's water supply management actions and includes provisions for implementing water conservation; and

WHEREAS, Metropolitan intends to help the region support the Governor's call for voluntary conservation; and

NOW THEREFORE BE IT RESOLVED that the Board of Directors of The Metropolitan Water District of Southern California, under its Water Surplus and Drought Management Plan, declares that Southern California in Metropolitan's service area is in a Water Supply Alert condition; and

BE IT FURTHER RESOLVED that Metropolitan encourages all cities, counties, member agencies (consisting of wholesale and retail water agencies), and all retail water agencies to review their past drought response measures and their newly-adopted state Water Shortage Contingency Plans and implement voluntary conservation measures that support retail customer in reducing their water use and continue to preserve regional storage reserves; and

BE IT FURTHER RESOLVED that Metropolitan will coordinate with the member agencies to develop a unified regional message in the media and outreach campaigns in order to communicate the need for continued conservation to the general public, businesses, stakeholders, industries and public officials; and

BE IT FURTHER RESOLVED that Metropolitan will work to obtain state funding and other resources to accelerate conservation and supply programs.

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 August 17, 2021.

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



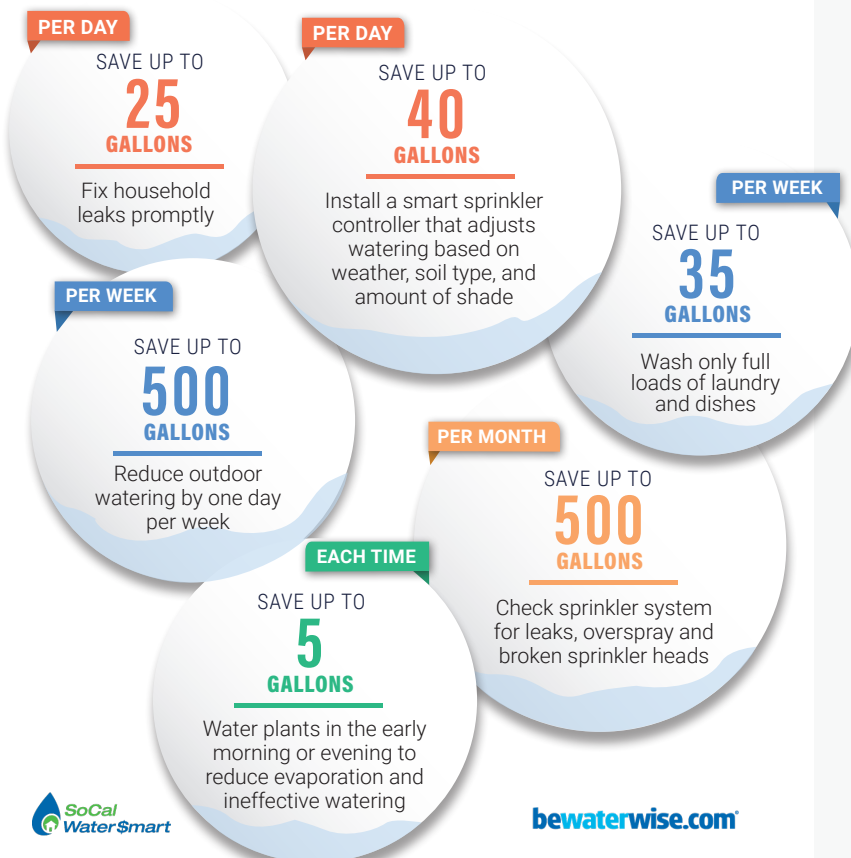
THE METROPOLITAN WATER DISTRICT  
of SOUTHERN CALIFORNIA

## One Water Many Ways to Save

Water conservation has become a way of life in Southern California. Residents have reduced their water use over the past three decades, and we are one as we meet the challenges created by this year's historic drought and climate change. Metropolitan, along with its member agencies, offers rebates and incentives to help residents and businesses continue to make saving water a California way of life.

### Everyday Ways to Save

Reducing household water use is simple, here's how much residents can save with the following actions:



## Residential Rebates

### Turf Replacement

Homeowners are eligible for \$2 or more per square foot of lawn converted to California Friendly® and native landscapes. Local water agencies may offer an additional incentive amount. Nearly 200 million square feet of grass has been transformed to more sustainable, water-saving gardens and landscapes with this program.

### Indoor and Outdoor Devices

Residents are encouraged to take advantage of rebates on water-efficient devices including:

- Premium high-efficiency toilets
- High-efficiency clothes washers
- Rotating sprinkler nozzles
- Rain barrels and cisterns
- Weather-based irrigation controllers
- Soil moisture sensor systems
- Flow monitor/leak detection devices

## Commercial Rebates

Businesses, multifamily property owners, institutions and public agencies are also eligible for rebates.

These include:

- Turf replacement
- High-efficiency plumbing fixtures
- HVAC equipment
- Commercial kitchen and food equipment
- Medical and dental equipment

### On-Site Retrofit Program

Provides financial incentives to commercial, industrial and institutional property owners, including Homeowner Associations, who convert potable water irrigation or industrial water systems to recycled water use. This program offers \$195 per acre-foot for five years of estimated water use, up to actual retrofit costs.

### Water Savings Incentive Program

Designed for non-residential customers looking to improve water efficiency through upgraded equipment or services. This program provides an incentive based on the amount of water saved, allowing for unique and custom projects like changing industrial process water system to capture, treat, and re-use wastewater.