
Date: November 8, 2021

To: Board of Directors
Member Agency Managers

From: Adel Hagekhalil, General Manager

Subject: Discussion of Proposed Drought Emergency Resolution (Action Item 7-8) at WP&S Committee

This afternoon the Water Planning & Stewardship Committee deliberated on action item 7-8. During the discussion, Director Smith referenced a letter that had been sent from the San Diego County Water Authority General Manager, Sandy Kerl, earlier in the day. Director Smith recommended changes to the drought emergency resolution consistent with those included in the letter from Sandy Kerl. Finally, Director Barry Pressman also proposed changes to the resolution. Upon completion of the deliberations, item 7-8 passed out of WP&S Committee with these amendments. The Committee also directed staff to send out a revised version of the resolution for the Board to review in advance of the Board meeting tomorrow.

Please find attached three documents pertinent to the discussion:

Item 1: Letter from SDCWA General Manager, Sandy Kerl

Item 2: Proposed Revised Drought Emergency Resolution (Clean Version)

Item 3: Proposed Revised Drought Emergency Resolution (Redline Version)

The committee also discussed having the general manager report back to the Board regarding any use of his expanded authorities granted by the emergency resolution. Please note that Item 4 on the final page of the resolution addresses this with the following language:

(4) “For purposes of this delegation of authority, any provisions of Administrative Code requiring prior Board review and approval are hereby waived. However, the General Manager shall report to the Board at its next regularly scheduled meeting the specific details of and justification for any actions taken, agreements entered, or permits and authorizations secured under this delegation of authority.”

Staff will be prepared to address questions on action item 7-8 at the Board meeting tomorrow.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
RECOGNIZING A STATEWIDE DROUGHT EMERGENCY, DECLARING SPECIFIED
EMERGENCY CONDITIONS WITHIN THE METROPOLITAN SERVICE AREA, AND DIRECTING
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.

Water year 2021 (October 1, 2020 to September 30, 2021) exhibited extreme temperature and lack of precipitation, and it followed water year 2020 that was likewise warm and dry.

Warm temperatures and arid soils depleted the expected runoff water from the Upper Colorado River Basin snowpack and Northern Sierra snowpack into SWP reservoirs.

The two-year sequence of water years 2020 and 2021 (October 1, 2019 through September 30, 2021) was the driest on record in California for statewide precipitation.

The Colorado River is experiencing a prolonged 21-year warming and drying trend.

The United States Bureau of Reclamation announced a first-ever shortage declaration for 2022 for the Colorado River System.

WHEREAS, a State of Emergency ~~Exists~~ Has Been Declared in All California Counties Due to These Severe Drought Conditions.

On October 19, 2021, Governor Gavin Newsom proclaimed that a state of emergency now exists in all California counties due to severe drought conditions.

Governor Newsom's drought proclamation re-doubled a call for all Californians to voluntarily reduce their water use by 15 percent immediately.

The proclamation directed the State Water Resources Control Board to develop regulations prohibiting wasteful water use and the California Department of Water Resources (DWR) to assist local agencies implement solutions to alleviate acute potable water shortages.

The proclamation called on local and regional water agencies to implement the Water Shortage Contingency Plans (WSCPs) to conserve water at a level appropriate for local conditions taking into account the possibility of a third consecutive dry year.

WHEREAS, Metropolitan's State Water Project Supplies Are Curtailed.

Storage in Lake Oroville, the largest and principal storage reservoir for the State Water Project (SWP), reached record low levels in August 2021. Storage in many other reservoirs across the state remains well below average.

DWR's SWP Table A Allocation for calendar year 2021 remains at only five percent of contract amounts. A zero percent initial SWP Allocation is expected for calendar year 2022, and current projections indicate that the final allocation will likely only reach 25 percent under a normal-weather scenario.

Considering these projections, DWR is preparing to deliver the minimum needs contractors may have for domestic supply, fire protection, and sanitation, while under a zero percent Table A allocation. In preparing for

this operation under a severe dry condition for 2022, DWR expects contractors receiving these deliveries to mandate substantial reductions in water use consistent with an emergency circumstance.

WHEREAS, Metropolitan's State Water Project Supplies Are Essential to Meet ~~the Needs of All~~ Metropolitan's Total- Member Agency Demands.

Over the past 20 years, the State Water Project 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 State Water Project supplies since the discovery of Quagga mussels in Colorado River water.

Under a zero percent SWP Allocation, insufficient SWP supplies exist to meet normal potable demands in areas where Metropolitan depends on the SWP to meet its agencies' demands, nor can it serve SWP supplies to other 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.

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

Metropolitan 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.

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.

Local water suppliers and communities have also made multi-billion dollar strategic and forward-looking investments in water conservation (within and outside the MWD service area), water recycling, stormwater capture and reuse, groundwater storage, 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 will provide greater resilience if the drought continues in future years.

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

Metropolitan recently invested in its delivery system to reduce dependency on SWP supplies and to improve operational flexibility allowing delivery of water from either of its two imported supply sources to most of the service area.

Metropolitan member agencies invested billions of dollars in investments to maintain existing, produce new and increase the utilization of local supplies and therefore decrease the use of SWP supplies.

Metropolitan member agencies have, where feasible, operated their systems to reduce Metropolitan's dependency on SWP supplies.

WHEREAS, Additional Actions Are Needed to Manage and Preserve SWP 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 supplies.

As part of their required Urban Water Management Plans, all urban water suppliers and water wholesalers have identified voluntary and mandatory actions in their Water Shortage Contingency Plans (WSCPs) to prepare for and address various water shortage conditions. The Metropolitan Board of Directors believes that member agencies should review such WSCPs and immediately implement mandatory conservation measures to help address the SWP supply shortages.

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, in general, and the SWP supply shortages, in particular, and to grant the General Manager certain additional powers and authorities to assist in carrying out such actions promptly.

NOW, THEREFORE, BE IT RESOLVED that, pursuant to the express and implied powers and authorities granted under The Metropolitan Water District Act (Statutes 1969, ch.209, as amended), the Board of Directors of The Metropolitan Water District of Southern California **HEREBY RECOGNIZES A STATEWIDE DROUGHT EMERGENCY AND DECLARES THAT SPECIFIED A REGIONAL DROUGHT EMERGENCY CONDITIONS EXIST WITHIN THE METROPOLITAN SERVICE AREA** ~~encompassing the District's entire service area.~~ Per this Declaration, the Board calls on all member agencies to:

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

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

- (1) Develop an appropriate unified regional message to communicate the status of ~~theis statewide regional~~ drought emergency and specified emergency conditions within the Metropolitan service area and the need for continued conservation to the general public, businesses, stakeholders, industries, and public officials.
- (2) Expand regional water use efficiency programs for the duration of this regional drought emergency, provided budget or grant funding is available.
- (3) Identify and implement 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.
- (4) Seek state funding and other resources for the region to accelerate conservation and supply programs.

BE IT FURTHER RESOLVED that notwithstanding anything in Metropolitan's Administrative Code to the contrary:

- (1) The General Manager is hereby delegated authority to take such actions, enter such agreements, and secure such permits and approvals as he deems necessary to address ~~theis statewide regional~~ drought emergency and specified emergency conditions within the Metropolitan service area to carry out the directives listed above, including:
 - a. Agreements with member agencies and/or other public agencies to enhance local water production, recycling, conservation, and storage.
 - b. Agreements with member agencies and/or other public agencies to purchase, transfer or exchange water supplies.
 - c. Contracts to procure equipment, materials, services, and supplies.

- d. Agreements to provide media buying and placement services for a water awareness and conservation advertising campaign.
- (2) The General Manager is hereby designated as the decision-making body with respect to any actions taken, agreements entered, or permits and approvals secured pursuant to the above delegation of authority. In consultation with the General Counsel, the General Manager shall conduct any review and prepare, approve and/or certify any documentation that may be required under the California Environmental Quality Act.
- (3) This delegation of authority is limited to drought-related actions and agreements that individually are less than \$5,000,000 and collectively are less than \$25,000,000.
- (4) For purposes of this delegation of authority, any provisions of Administrative Code requiring prior Board review and approval are hereby waived. However, the General Manager shall report to the Board at its next regularly scheduled meeting the specific details of and justification for any actions taken, agreements entered, or permits and authorizations secured under this delegation of authority.
- (5) Nothing in this delegation of authority shall be construed as waiving any other applicable requirements related to public and non-public works contracts as set forth in the state Public Contracts Code or Metropolitan's Administrative Code.

BE IT FURTHER RESOLVED that the duration of requested actions and the delegation of authority will automatically terminate when the drought state of emergency declared by the Governor has been lifted for all counties within Metropolitan's service area.

BE IT FURTHER RESOLVED that, should drought conditions persist or worsen in the coming months, Metropolitan's Board of Directors will consider declaring a water shortage emergency condition and imposing appropriate regulations, restrictions and penalties pursuant to California Water section 350 et seq., so as to conserve Metropolitan's water supplies for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

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 November 9, 2021.

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

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