

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
S. Goldberg
C. Kurtz
R. Lefevre
J. Lewitt
C. Miller
B. Pressman
N. Sutley

One Water and Stewardship Committee

Meeting with Board of Directors *

August 19, 2024

2:15 p.m.

Monday, August 19, 2024 Meeting Schedule

**09:00 a.m. EOT
11:15 a.m. Break
11:45 a.m. LEG
01:15 p.m. LEGAL
02:15 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: 873 4767 0235.

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](#).

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

Teleconference Locations:

525 Via La Selva • Redondo Beach, CA 90277

Cedars-Sinai Imaging Medical Group • 8700 Beverly Boulevard • Los Angeles, CA 90048

Allendale Insurance Agency • 337 W. Foothill Blvd. • Glendora, CA 91740

3008 W. 82nd Place • Inglewood, CA 90305

Long Beach Water Department • 1800 E. Wardlow Road • Long Beach, CA 90807

Lobby Conference Room • San Diego County Water Authority • 4677 Overland Avenue • San Diego, CA 92123

148 Lighthouse Road • Hilton Head Island, SC 29928

7 Upper Meadow Lane • Oak Bluffs, MA 02568

* 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))

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

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the One Water and Stewardship Committee for July 8, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) [21-3647](#)

Attachments: [08192024 OWS 2A \(07082024\) Minutes](#)

3. CONSENT CALENDAR ITEMS - ACTION

NONE

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

4. OTHER BOARD ITEMS - ACTION

- 8-1** Authorize the General Manager to enter into: (1) a forbearance agreement with Coachella Valley Water District, Imperial Irrigation District, Palo Verde Irrigation District, and the City of Needles to allow water conserved under the U.S. Bureau of Reclamation's conservation program to be added to Lake Mead; and (2) agreements with Imperial Irrigation District and San Diego County Water Authority under U.S. Bureau of Reclamation's conservation program to add water conserved by Imperial Irrigation District to Lake Mead that would otherwise accrue to San Diego County Water Authority; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA [21-3681](#)

Attachments: [08202024 OWS 8-1 B-L](#)
[08192024 OWS 8-1 Presentation](#)

5. BOARD INFORMATION ITEMS

- 9-2** Update on proposed agreements with the Plumas Community Protection I Forest Resilience Bond LLC, North Feather I Forest Resilience Bond LLC, and Upper Butte Creek I Forest Resilience Bond LLC to establish watershed partnerships and forest health pilot investigations in the Northern Sierra Nevada; each agreement will not exceed \$200,000 per year for a maximum of two years **21-3631**

Attachments: [08202024 OWS 9-2 B-L](#)
[08192024 OWS 9-2 Presentation](#)

6. COMMITTEE ITEMS

- a. Science Update: Salmon Reorienting to Recovery Project **21-3682**

Attachments: [08192024 OWS 6a Presentation](#)

- b. Approaches for Securing Dry-Year Water Transfers **21-3683**

Attachments: [08192024 OWS 6b Presentation](#)

- c. Update on Chino Basin Program Development with Metropolitan and Inland Empire Utilities Agency **21-3684**

Attachments: [08192024 OWS 6c Presentation](#)

- d. Update on Conservation **21-3649**

Attachments: [08192024 OWS 6d Presentation](#)

- e. CAMP4W Policies and Initiatives **21-3651**

Attachments: [08192024 OWS 6e Presentation](#)

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Bay-Delta Resources activities **21-3652**
 Colorado River Resources activities
 Sustainability, Resilience and Innovation activities
 Water Resource Management activities

Attachments: [08192024 OWS 7a Bay-Delta Activities](#)
[08192024 OWS 7a Colorado River Resources Activities](#)
[08192024 OWS 7a Sustainability, Resilience and Innovation activities](#)
[08192024 OWS 7a Water Resource Management activities](#)

8. COMMITTEE REPORTS

- a. Report on the Delta Conveyance Design and Construction Authority Meeting [21-3653](#)
- b. Report on Delta Conveyance Finance Authority Meeting [21-3654](#)
- c. Report on the Bay-Delta Ad Hoc Meeting [21-3655](#)

9. SUBCOMMITTEE REPORTS AND DISCUSSION

- a. Discuss and provide direction to Subcommittee on Demand Management and Conservation Programs and Priorities [21-3656](#)

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.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
MINUTES

ONE WATER AND STEWARDSHIP COMMITTEE

July 8, 2024

Chair Quinn called the meeting to order at 3:33 p.m.

Members present: Directors Alvarez, Armstrong, Cordero, De Jesus (teleconference posted location), Erdman, Faessel, Goldberg, Kurtz, Lefevre, Lewitt, Miller, Pressman (teleconference posted location), and Quinn.

Members absent: Directors Ackerman, Fong-Sakai, and Sutley.

Other Board Members present: Directors Bryant, Dennstedt, Luna, Morris, Ortega, and Seckel.

Committee Staff present: Chapman, Crosson, Goshi, Hasencamp, Hawk, Munguia, Schlotterbeck, and Wheeler.

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

None.

Chair Quinn announced a reordering of the Agenda and stated that item 6a would be heard first.

6. COMMITTEE ITEMS

a. Subject: Update on the State Water Project

Presented by: John Yarbrough, Deputy Director,
California Department of Water Resources

Mr. Goshi, Interim Group Manager, Water Resource Management provided background information and introductory comments.

Mr. Yarbrough gave a presentation on the State Water Project (SWP). He provided background information and explained the SWP physical system and operational reliability as well as financial reliability, and SWP contractor engagement.

The following Directors provided comments or asked questions:

1. Quinn
2. Ortega
3. Erdman
4. Miller
5. Lewitt

CONSENT CALENDAR ITEMS -- ACTION

2. CONSENT CALENDAR OTHER ITEMS -- ACTION

- A.** Approval of the Minutes of the One Water and Stewardship Committee Meeting for June 10, 2024.

3. CONSENT CALENDAR ITEMS – ACTION

Director Armstrong read a disclosure statement regarding item 7-8, stating that he may participate in the item.

Director Miller read a disclosure statement regarding item 7-5, stating that he would not vote, including abstaining.

Director Cordero read a disclosure statement regarding item 7-6, stating that she would not vote, including abstaining.

Director Goldberg read a disclosure statement regarding item 7-5, stating that she may participate in the item.

Director Lewitt read a disclosure statement regarding item 7-8, stating that he would not vote, including abstaining.

Chair Quinn read a disclosure statement regarding item 7-7, stating that she may participate in the item.

Director Pressman read a disclosure statement regarding item 7-7, recusing himself from the item, as the City of Los Angeles is a business client.

7-3 **Subject:** Authorize entering into a not-to-exceed \$401,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Chino Basin Advanced Water Purification Demonstration Facility; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: Authorize entering into a not-to-exceed \$401,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Chino Basin Advanced Water Purification Demonstration Facility.

- 7-4** Subject: Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.
- 7-5** Subject: Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the FSA Program for the Lake Henshaw Oxygenation Pilot Study.
- 7-6** Subject: Authorize entering into a not-to exceed \$499,802 funding agreement with the City of Long Beach under the Future Supply Actions Funding Program for the Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Authorize entering into a not-to-exceed \$499,802 funding agreement with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.
- 7-7** Subject: Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion: Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the FSA Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

- 7-8** **Subject:** Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the Future Supply Actions Funding Program for the OceanWell Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Motion:** Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the FSA Program for the OceanWell Pilot Study.

No presentations were given. Director Erdman made a motion, seconded by Director Alvarez to approve the consent calendar consisting of items 2A, 7-3, 7-4, 7-5, 7-6, 7-7, and 7-8.

The vote was:

- Ayes:** Directors Alvarez, Armstrong, Cordero, De Jesus, Erdman, Faessel, Goldberg, Kurtz, Lefevre, Lewitt, Miller, Pressman, and Quinn
- Noes:** None
- Abstentions:** None
- Not voting:** Cordero (item 7-6), Miller (item 7-5), Lewitt (item 7-8), and Pressman (item 7-7)
- Absent** Directors Ackerman, Fong-Sakai, and Sutley

The motion for the consent calendar passed by a vote of 13 ayes, 0 noes, 0 abstentions, 1 not voting on 7-5, 1 not voting on 7-6, 1 not voting on 7-7, 1 not voting on 7-8, and 3 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

- 8-2** **Subject:** By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for fiscal year 2024/25 and up to \$4.30 million for fiscal year 2025/26; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA
- Presented by:** Jaime Dalida, Resource Specialist, Water Resource Management
- Motion:** By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for FY 2024/25 and up to \$4.30 million for FY 2025/26.

Ms. Dalida provided a presentation on the proposed action to continue funding and participating in the State Water Contractors. Participation in this organization allows Metropolitan to advocate for effective operations and management of the State Water Project (SWP), with an emphasis on the reliability of the SWP infrastructure, managing electrical power resources, and the Sacramento-San Joaquin Bay/Delta.

After completion of the presentation, Director Lefevre made a motion, seconded by Director Erdman, to approve option 1 of the board letter.

The following Directors provided comments or asked questions:

1. Alvarez
2. Ortega

Staff responded to the comments and questions.

The vote was:

Ayes: Directors Alvarez, Armstrong, Cordero, De Jesus, Erdman, Faessel, Goldberg, Kurtz, Lefevre, Lewitt, Miller, Pressman, and Quinn.

Noes: None.

Abstentions: None.

Absent: Directors Ackerman, Fong-Sakai, and Sutley.

The motion for item 8-2 passed by a vote of 13 ayes, 0 noes, 0 abstentions, and 3 absent.

5. BOARD INFORMATION ITEMS

None

Chair Quinn announced that there would be adjustments to the meeting agenda – noting that item 6d would be heard next, followed by the remaining committee Items.

6. COMMITTEE ITEMS

d. Subject: Palo Verde Valley Regenerative Farming Studies

Presented by: Cynthia Daly, California State University of Chico
Tim LaSalle, California State University of Chico

Liz Crosson, Chief, Sustainability, Resiliency, and Innovation provided introductory remarks.

Mr. La Salle's portion of the presentation explained background information on regenerative farming.

Ms. Daly's portion of the presentation discussed updated project data and explained the benefits of the study's management strategy that focuses on rebuilding soil health compared to standard land fallowing practices.

The following Directors provided comments or asked questions:

1. Erdman
2. Lefevre
3. Quinn

Staff responded to the comments and questions.

Ms. Crosson and Bill Hasencamp, Manager, Colorado River Resources provided additional comments related to land fallowing and water conservation.

- b. Subject: Delta Levee Real-Time Monitoring

Presented by: Russ Ryan, Sr. Engineer, Bay Delta Initiatives

Mr. Ryan gave a presentation on Delta Levee real-time monitoring and Metropolitan's work on the Bay Delta.

- c. Subject: Science Update: Salmon Reorienting to Recovery Project

Presented by: This item was deferred.

- d. Subject: Update on Conservation Program

Presented by: This item was deferred.

- e. Subject: Update on Conservation

Presented by: Karina Sandique, Associate Resource Specialist,
Water Resource Management

Mr. Goshi highlighted that Metropolitan successfully met the goal of fully investing the biennial budget for Conservation and credited WRM's Water Use Efficiency Team staff as well as External Affairs staff.

Ms. Sandique provided an update on expenditures of incentives as well as May Conservation Program Activity.

Chair Quinn relayed a request from Vice Chair Faessel for a report on the amount of tree replacement incentives that Metropolitan has funded.

7. MANAGEMENT ANNOUNCEMENTS

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

Presented by: Nina Hawk, Bill Hasencamp, and Brandon Goshi

Ms. Hawk reported on Bay-Delta group's new staff member, State Water Resources Control Board's Sites water rights schedule, SB 147 extending CEQA exemptions for habitat restoration projects through 2030, preliminary injunction stalling geotechnical work on Delta Conveyance.

Mr. Hasencamp reported on Glen Canyon Dam bypass tubes and water releases, Palo Verde Irrigation District agreements status, and lower basin and upper basin discussions.

Mr. Goshi noted that, in addition to his written report, the State Water Project allocation remains at 40 percent for the year and that surplus amounts will be managed in Metropolitan's storage portfolio in an environmentally and economically responsible way.

8. COMMITTEE REPORTS

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

Director Levefre provided a report from the Delta Conveyance Design and Construction Authority Meeting held on June 20, 2024.

- b. Report on Delta Conveyance Finance Authority Meeting

There was none.

- c. Report on Bay-Delta Ad Hoc Meeting

Chair Quinn provided a report on Bay-Delta Ad Hoc Meetings held on May 20, 2024, and June 17, 2024.

9. SUBCOMMITTEE REPORTS AND DISCUSSION

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

None.

10. FOLLOW-UP ITEMS

None.

11. FUTURE AGENDA ITEMS

None.

12. ADJOURNMENT

The next meeting will be held on August 19, 2024.

The meeting adjourned at 5:52 p.m.

Tracy Quinn
Chair



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

8/20/2024 Board Meeting

8-1

Subject

Authorize the General Manager to enter into: (1) a forbearance agreement with Coachella Valley Water District, Imperial Irrigation District, Palo Verde Irrigation District, and the City of Needles to allow water conserved under the U.S. Bureau of Reclamation's conservation program to be added to Lake Mead; and (2) agreements with Imperial Irrigation District and San Diego County Water Authority under U.S. Bureau of Reclamation's conservation program to add water conserved by Imperial Irrigation District to Lake Mead that would otherwise accrue to San Diego County Water Authority; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

Staff seeks authorization for the General Manager to enter into agreements to allow water to be added to Lake Mead pursuant to funding provided by the U.S. Bureau of Reclamation's (Reclamation) Lower Colorado Conservation Program (LC Conservation Program). These agreements demonstrate how multi-agency partnerships can benefit the Colorado River. Staff specifically seek authorization to enter the following agreements:

1. A forbearance agreement among Metropolitan, Palo Verde Irrigation District (PVID), Imperial Irrigation District (IID), Coachella Valley Water District (CVWD), and the City of Needles that will cover conservation actions taken by CVWD and IID under the LC Conservation Program in 2024, 2025, and 2026.
2. Agreements among IID, San Diego County Water Authority (SDCWA), and Metropolitan to include up to 100,000 acre-feet of water conserved by IID per year from 2024–2026, that would otherwise be transferred to SDCWA and exchanged under the Exchange Agreement, under IID's system conservation agreement with Reclamation. SDCWA would be required to purchase an equivalent volume of Metropolitan supplies. The General Manager would be delegated authority to execute agreements with IID and SDCWA regarding how much of the 100,000 acre-feet of water to include each year based on water supply conditions.

Timing and Urgency

These agreements would help California achieve the goals set out in the Colorado River Board of California's October 5, 2022, letter, which proposed that California agencies conserve 400,000 AF per year of water to benefit Lake Mead from 2023 through 2026.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to enter into: (1) a forbearance agreement with Coachella Valley Water District, Imperial Irrigation District, Palo Verde Irrigation District, and the City of Needles to allow water conserved under the U.S. Bureau of Reclamation's conservation program to be added to Lake Mead; and (2) agreements with Imperial Irrigation District and San Diego County Water Authority under Reclamation's conservation program to add water conserved by Imperial Irrigation District to Lake Mead that would otherwise accrue to San Diego County Water Authority.

Fiscal Impact: To the extent that IID leaves conserved water in Lake Mead that was planned for transfer to SDCWA, Metropolitan would see revenue from increased water sales to SDCWA. The amount of revenue in any given year would depend on the volume of water left in Lake Mead each year. In 2024, staff expect that 50,000–75,00 acre-feet of water that had been planned for transfer to SDCWA will be left in Lake Mead as conserved water. For this range of volumes, Metropolitan would see revenues ranging from \$16.6 million–\$24.9 million, based on the additional supply rate element that applies to water sales, but does not apply to the SDCWA-Metropolitan Exchange Agreement price. The revenue anticipated under this board action will constitute a portion of the \$60 million in additional revenue generation assumed in the fiscal year 2024/2025 budget. At this time, for 2025 and 2026, staff does not have a projection of the volume of water planned for transfer to SDCWA that would be left in Lake Mead as conserved water.

Business Analysis: The agreements would forbear additional system conservation to augment Colorado River supplies at no additional cost to Metropolitan and would increase revenue from increased sales to SDCWA in 2024 and potentially also increase sales in 2025 and 2026.

Option #2

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

Fiscal Impact: None

Business Analysis: Metropolitan would forego an opportunity to augment Colorado River water supplies to reduce the risk of future curtailment.

Alternatives Considered

Staff considered an alternative with a firm volume commitment for the next three years on including supplies originally intended for transfer from IID to SDCWA (with SDCWA purchasing a like amount from Metropolitan at the full-service rate). However, this option could result in a direct withdrawal from Metropolitan's storage accounts to meet demand in years in which Metropolitan did not have a sufficient surplus of supplies, or a reduction in additions to storage in years with a small volume of surplus supplies. The recommended alternative preserves regional flexibility in the face of unknown future hydrologic conditions over the three-year period.

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.

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

By Minute Item 53447 in November 2023, Metropolitan's Board approved a similar action 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.

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 proposed actions are not defined as a project under CEQA because they involve organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5).) In addition, the proposed actions are not subject to CEQA because they involve 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

Metropolitan often collaborates with other agencies to provide system water to Lake Mead. In 2006, Metropolitan entered into an agreement with Reclamation to provide up to 10,000 AF of conserved Colorado River water during 2006 and 2007 to increase Colorado River system storage. The water was conserved through voluntary fallowing under the Palo Verde Irrigation District Land Fallowing Program. Metropolitan and other Colorado River users benefitted from the resultant increase in system storage. Reclamation provided about \$1.7 million to cover Metropolitan's expenditures associated with the supplemental fallowing.

In 2014, Reclamation initiated the Pilot System Conservation Program, which was a collective effort of the federal government and major urban water agencies to fund water-saving actions to create conserved system water to protect the elevation of Lake Powell and Lake Mead and thus benefit all Colorado River water users. The Pilot System Conservation Program funded projects that created at least 175,000 AF of conserved system water. Metropolitan provided \$5 million, which represented 15 percent of the total funding.

In 2021, Metropolitan entered into a funding agreement with Reclamation, Central Arizona Water Conservation District, and Southern Nevada Water Authority to fund additional land fallowing to conserve Colorado River system water to improve Lake Mead storage. The funding agreement was terminated during the third year to shift participation to the LC Conservation Program starting August 1, 2023.

The LC Conservation Program

The 2021 Bipartisan Infrastructure Law and the 2022 Inflation Reduction Act both seek to fund 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 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.

A total of six conservation agreements have been or are being developed in California under Bucket 1 of the LC Conservation Program to help California conserve 400,000 AF of water annually from 2023–2026. A forbearance agreement among Metropolitan, PVID, IID, CVWD, and the City of Needles is needed to cover conservation from all six conservation agreements from 2024–2026. The Board has previously granted authority to forbear three of the conservation agreements, one each with PVID, Bard Water District, and the Quechan Indian Tribe. Therefore, there are currently three items under the LC Conservation Program for which staff is seeking board authorization.

Forbearance is necessary for these actions because, under the California priority system, Colorado River water conserved by a higher-priority user is available to the next lower-priority user. Thus, as part of a program to fund the conservation of Colorado River water, contractors need to agree to forbear exercising their rights to ensure that the conserved water remains in the Colorado River system rather than becoming available to the next lower-priority user. Before entering into any forbearance agreement, Metropolitan staff will review the underlying agreements between Reclamation and the contractors to ensure that Metropolitan's rights as the junior priority in California are protected. For additional background on the purpose and mechanics of a 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>.

First, forbearance is needed for an agreement between Reclamation and CVWD to fund a reduction in groundwater replenishment by up to 35,000 acre-feet per year in 2024 and 2025 at \$400 per acre-foot.

Second, forbearance is needed for an agreement between Reclamation and CVWD to fund agricultural conservation from 2024–2026 at \$400 per acre-foot. Under the agreement with CVWD, up to 10,000 acre-feet of conserved water from a new agricultural conservation program will be left in Lake Mead as system water each year. The new conservation program currently covers full-season fallowing and retirement of permanent crops.

Third, forbearance is needed for an agreement being developed between Reclamation and IID to fund agricultural conservation from 2024-2026 at a rate that is based on the rate paid by SDCWA to IID for SDCWA's transfer supplies. Under the proposed agreement, IID would conserve and leave in Lake Mead as system water, up to 300,000 acre-feet per year with a three-year cumulative maximum of 700,000 acre-feet. This conserved water could come from IID's existing on-farm conservation program, a new deficit irrigation program, or an updated farm-unit fallowing program. IID's board approved a supplemental payment to their existing On-Farm Efficiency Conservation Program to incentivize increased conservation savings from the existing on-farm program. IID's board also approved the implementation of a new deficit irrigation program where farmers would cease irrigation on alfalfa, bermuda, or klein grass for a period of 45–60 days.

In addition to a forbearance agreement, staff is seeking board authorization to enter into agreements with IID and SDCWA for joint participation in IID's system conservation agreement with Reclamation. This joint participation would be under the same system conservation agreement described above for forbearance. Under this partnership, water conserved by IID that would otherwise be transferred to SDCWA and exchanged under the Exchange Agreement would be made available as system conservation as a part of IID's system conservation agreement with Reclamation. Staff seek authorization for the General Manager to execute agreements that would include up to 100,000 acre-feet per year from 2024–2026 with IID's and SDCWA's consent. To the extent that water otherwise intended for transfer to SDCWA and exchange under the Exchange Agreement is made available as system water, SDCWA would be required to purchase a like amount of water from Metropolitan at the full-service rate. Each year, IID, Metropolitan, and SDCWA would mutually agree on the volume of water, if any, from the IID-SDCWA transfer program that would be made available as system conservation under IID's system conservation agreement for that year. Each year, the parties will consider water supply conditions and IID's status in developing conserved water. This flexibility allows all parties to adapt to evolving hydrologic conditions over the next three years. The parties anticipate this volume in 2024 will be from 50,000 to 75,000 acre-feet. At this time, there are no projected amounts for 2025 or 2026.

Benefits

With forbearance of these three additional conservation programs, over 800,000 AF of water will be added to Lake Mead over three years, increasing elevation by approximately 10 feet. All parties benefit from increased Lake Mead elevation, power generation, and reliability of Colorado River water supplies. Metropolitan also directly benefits from increased revenues through full-service sales to SDCWA rather than exchange deliveries under the Exchange Agreement.

Summary

Metropolitan continues to expand and support opportunities to conserve Colorado River system water. This action reduces the risk of Lake Mead falling to elevations that trigger shortages and Drought Contingency Plan contributions. It also helps implement the proposed goals in the Colorado River Board of California's October 5, 2022, letter. All Lower Basin water users benefit from delaying the timing and depth of shortages, DCP contributions, and preserving hydroelectric generation at Hoover Dam.

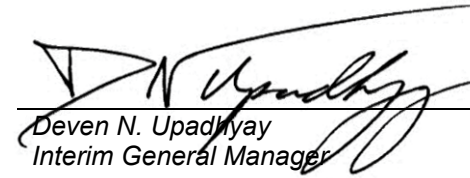
Project Milestone

No independent project milestones. Savings from conservation actions will be verified annually as is current practice.



Brandon J. Goshi
Interim Manager
Water Resource Management

8/15/2024

Date

Deven N. Upadhyay
Interim General Manager

8/15/2024

Date

Ref# wrm12693575



One Water and Stewardship Committee

Authorize Colorado River System Conservation Agreements

Item 8-1

August 19, 2024

Item 8-1

Authorize Colorado River System Conservation Agreements

Subject

Authorize the General Manager to enter into (1) a forbearance agreement with Coachella Valley Water District, Imperial Irrigation District, Palo Verde Irrigation District, and the City of Needles to allow water conserved under the U.S. Bureau of Reclamation's conservation program to be added to Lake Mead, and (2) agreements with Imperial Irrigation District and San Diego County Water Authority under Reclamation's conservation program to add water conserved by Imperial Irrigation District to Lake Mead that would otherwise accrue San Diego County Water Authority

Purpose

To obtain Board approval for agreements allowing water conserved by CVWD and IID to be added to Lake Mead under Reclamation's LC Conservation Program in 2024-26.

Recommendation and Fiscal Impact

Authorize entering into agreements to allow water to be added to Lake Mead under Reclamation's LC Conservation Program in 2024-26.

Budget

Not budgeted.

Metropolitan would benefit from increased revenues through increased full-service sales to SDCWA.

Background

November 2023

**MWD Board approves
forbearance for IID and
CVWD Lower Colorado
System Conservation
projects for 2023**

December 2023

**MWD Board approves PVID,
Bard, and Quechan Lower
Colorado System
Conservation projects**

June 2024

**Update on status of
additional conservation
projects under development
and forbearance**



Two Agreements for Board Approval

1

Forbearance Agreement with CVWD, IID, PVID,
and City of Needles

2

Implementing Agreements with IID and SDCWA

2024-2026 Forbearance Agreement for System Conservation Projects

Forbearance Agreements



- PVID System Conservation Project
- Bard System Conservation Project
- Quechan System Conservation Project

- IID Irrigation Reduction System Conservation Project
- CVWD's Agricultural System Conservation Project
- CVWD's Groundwater Replenishment System Conservation Project

**MWD Approved Forbearance
in Previous Board Actions**

**MWD Approval for
Forbearance Still Needed**

Groundwater Replenishment Reduction in CVWD



CVWD System Conservation Project

- ❖ Project: Reduction in groundwater replenishment
- ❖ Volume: 35,000 acre-feet per year
- ❖ Duration: 2024 and 2025

No Impact to MWD's Advanced Delivery Account

Agricultural Conservation in CVWD



CVWD System Conservation Project

- ❖ Project: Fallowing
- ❖ Volume: Up to 10,000 acre-feet per year
- ❖ Duration: 2024, 2025, 2026

Irrigation Reduction in Imperial Irrigation District

IID System Conservation Project

❖ Projects:

- IID's Existing On-Farm Conservation Program
 - Including water planned for transfer to SDCWA
- New Deficit Irrigation Program
- Potential Fallowing Program

❖ Volume:

- Annual: Up to 300,000 AF
- Cumulative: Up to 700,000 AF

❖ Duration: 2024, 2025, 2026

Implementing Agreements with IID and SDCWA

Terms

- Source: IID/SDCWA Transfer
- Volumes :
 - 2024: Up to 100,000 AF
 - 2025: Up to 100,000 AF
 - 2026: Up to 100,000 AF
- SDCWA agrees to purchase a like amount of MWD water

Financial Impact

- Additional revenue dependent on volumes
 - Expected 50-75 TAF in 2024, would result in \$16.6M - \$24.9 M in extra revenue

Part of \$60M
Revenue Target
for FY24-25

Board Options

- Option #1

Authorize the General Manager to enter into: (1) a forbearance agreement with Coachella Valley Water District, Imperial Irrigation District, Palo Verde Irrigation District, and the City of Needles to allow water conserved under the U.S. Bureau of Reclamation's conservation program to be added to Lake Mead, and (2) agreements with IID and San Diego County Water Authority under Reclamation's conservation program to add water conserved by Imperial Irrigation District to Lake Mead that would otherwise accrue to San Diego County Water Authority

- Option #2

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

Staff Recommendation

- Option #1





THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Information

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

8/20/2024 Board Meeting

9-2

Subject

Update on proposed agreements with the Plumas Community Protection I Forest Resilience Bond LLC, North Feather I Forest Resilience Bond LLC, and Upper Butte Creek I Forest Resilience Bond LLC to establish watershed partnerships and forest health pilot investigations in the Northern Sierra Nevada; each agreement will not exceed \$200,000 per year for a maximum of two years

Executive Summary

Staff proposes that Metropolitan enter agreements with Plumas Community Protection I Forest Resilience Bond (FRB) LLC, North Feather I FRB LLC, and Upper Butte Creek I FRB LLC (LLCs) in amounts not to exceed \$200,000 per year each for a maximum of two years. These agreements would be funded from the approved FY 2024/25-FY 2025/26 Bay-Delta Initiatives Grant/Donation budget.

Staff has been exploring upper Bay-Delta watershed partnerships in support of Metropolitan's One Water approach and Bay-Delta Policies to improve water supply resiliency in the face of climate change. Supplies from the Bay-Delta watershed are integral to implementing Metropolitan's water supply portfolio and Metropolitan's One Water approach. Impacts of climate change include changes in hydrology (wetter and drier periods than experienced historically) and wildfire risk threatening water supply reliability and water quality that Metropolitan relies upon. Investments in watershed health in the Bay-Delta watershed could help to protect or enhance, inform and improve water source resilience for the State Water Project, along with other source supplies from the Bay-Delta watershed that Metropolitan relies upon, such as critical dry year supplemental supplies (e.g. Yuba Accord transfer water).

Metropolitan staff, consistent with the Board's adopted Bay-Delta Policies, has advanced efforts to participate in three distinct and complimentary watershed partnerships to assess the potential water supply and water quality benefits of various watershed management techniques (pilot investigations). The proposed pilot investigations would be facilitated by Blue Forest, a 501(c)(3) nonprofit and developer of the FRB conservation finance model. Metropolitan would enter into agreements with LLCs which are subsidiaries of Blue Forest and were developed to finance portions of larger watershed programs and projects being led by the U.S. Department of Agriculture (USDA Forest Service). The primary purpose of the proposed programs and projects led by the USDA Forest Service is to reduce the risk of wildfire impacts to communities and critical infrastructure (including State Water Project infrastructure). Metropolitan staff and Blue Forest have identified a suite of potential water supply and water quality benefits that could accrue once the programs and projects have been implemented. Metropolitan's investment at this time would ensure that the programs and projects, subject to the agreements, would be implemented such that the potential water supply and water quality benefits would be assessed and reported. Evaluating the potential water supply and water quality benefits of watershed health treatments over the next two years would provide valuable information to guide: Metropolitan's future policies, potential and existing investments related to the State Water Project or supplemental water supplies, future legislative and regulatory development by state and federal administrations and agencies. Other funding partners are specific to each LLC and are listed below. Blue Forest has successfully implemented similar watershed partnerships in the upper Yuba and Mokelumne watersheds in the past.

- Upper Butte Creek I FRB LLC - up to \$200,000 per year in FY 2024/25 and FY 2025/26
- North Feather I FRB LLC - up to \$200,000 per year in FY 2024/25 and FY 2025/26
- Plumas Community Protection I FRB LLC – up to \$200,000 per year in fiscal year (FY) 2024/25 and FY 2025/26

The key deliverable for each agreement will be an Annual Impact Report. These reports will summarize pilot investigation outcomes, including those associated with water supply and other key information. In addition, these pilot investigations will create opportunities for additional science, foster collaborative relationships in the upper watersheds, and establish a methodology for valuing ecosystem services to help inform Metropolitan’s potential future participation in upper watershed health initiatives to help inform Metropolitan’s future policies, potential and existing investments related to the State Water Project or supplemental water supplies, future legislative and regulatory development by state and federal administrations and agencies. Staff plans to bring the proposed agreements for the watershed pilot investigations to the Board for approval in September 2024.

Fiscal Impact

If the Board approves the agreements, the total fiscal impact would be \$1.2 million over the term of the biennial budget; \$200,000 per year, per agreement, for two years. These funds were included in the approved FY 2024/25-FY 2025/26 Bay-Delta Initiatives Grant/Donation budget and therefore would not require a budget adjustment.

Applicable Policy

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

Metropolitan Water District Administrative Code Section 8140: Competitive Procurement

By Minute Item 53012, dated October 11, 2022, the Board adopted the revision and restatement of Bay-Delta Policies.

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

Staff plans to bring the three proposed agreements for watershed pilot investigations to the Board for approval in September 2024.

Details and Background

Background

Over the past few years, staff has been exploring upper watershed partnerships in support of Metropolitan’s One Water approach and Bay-Delta Policies to improve water supply resiliency in the face of climate change. Staff has kept the Board apprised of developments related to watershed health and watershed partnerships. In September and October 2022, these concepts were discussed as part of the Revision and Restatement of Bay-Delta Policies process. In January 2023, Yuba Water Agency General Manager Willie Whittlesey presented on their North Yuba Forest Partnership Resilience Bond investments at One Water and Stewardship Committee. And in March 2023, staff provided an update at One Water and Stewardship Committee seeking direction from the Board to pursue pilot investigations in the Northern Sierra Nevada. The three proposed agreements funding pilot investigations represent a first step towards building better relationships in the upper watersheds, furthering science related to quantifying the benefits of forest management actions and valuing the potential benefits to Metropolitan of investments that promote improved forest health in the upper watersheds of the Bay-Delta.

Overview of Importance/Relevance of Watershed Health

State Water Project supplies and water transfers from the Bay-Delta watershed are integral to implementing Metropolitan’s One Water approach. Such supplies are foundational to the One Water approach as they meet demands in Metropolitan’s service area, help ensure drought resilience in conjunction with Metropolitan’s storage portfolio and provide a high level of water quality that supports salinity management goals and the production of key local supply sources in the region. With much of the state’s water supply originating in the mountains, the

health and management of the upper watersheds are critically important to California's water quality and water supply.

Metropolitan's water supplies from the Bay-Delta watershed are already facing increasing pressures from the impacts of climate change, including reduced snowpack, increased drought severity and frequency, changing precipitation patterns, degradation of habitat and ecosystems, and sea level rise. In addition, wildfires in the Western United States are becoming more frequent, larger, and more severe due to a combination of climate change and overly dense forest conditions resulting from modern forest management and fire suppression practices. Over the last decade, major catastrophic wildfires including the Camp Fire (2018), North Complex Fire (2020), Dixie Fire (2021) and Beckwourth Complex Fire (2021) have burned more than 1.5 million acres of land in the Feather River Watershed, which is more than 65 percent of the watershed. Investments in watershed health in the Northern Sierra Nevada that reduce the risk of catastrophic wildfire may contribute to improved imported water source resilience for the State Water Project and sources of water transfers. Potential benefits of investments in watershed health include:

- Resilience to Climate Variability – Healthy forests are more resilient to climate extremes, such as droughts and heavy rains, ensuring more stable and reliable water supplies.
- Enhanced Water Supply – Forests regulate the flow of water by absorbing rainfall, reducing runoff, and increasing groundwater recharge. This helps maintain water supplies during dry periods.
- Improved Water Quality – Healthy forests filter pollutants, reduce sedimentation, and enhance water quality.
- Biodiversity and Ecosystem Services – Forests support diverse ecosystems that provide essential services, such as cold-water habitats for temperature-sensitive aquatic species.
- Carbon Sequestration – Forests act as carbon sinks, capturing CO₂ from the atmosphere and helping to mitigate climate change impacts.
- Fire Risk Reduction - Healthy, well-managed forests are less susceptible to catastrophic wildfires, which can damage watersheds and infrastructure, leading to costly repairs and water contamination.

Metropolitan's Guiding Policies

The proposed watershed partnerships and associated pilot investigations support several elements of Metropolitan's Bay-Delta Policy Objectives and Framework that were adopted by the Board in October 2022 include:

- Promoting a sustainable Bay-Delta within Metropolitan's One Water approach.
- Addressing the risks associated with climate change.
- Protecting and restoring aquatic species and habitats based on best available science.
- Partnering in watershed-wide approaches to develop comprehensive solutions.
- Maintaining and pursuing cost-effective financial investments.
- Fostering broad and inclusive engagement of Delta interests and beneficiaries.
- Promoting innovative and multi-benefit initiatives.

Overview of Funding

Metropolitan has the opportunity to participate in three distinct and complimentary watershed partnerships. Funding would come from Bay-Delta Initiatives' Grant/Donation Expense funds, which were approved under the current biennial budget. This budget category is intended for cost-share contributions through collaborative partnerships with other agencies and academic institutions that pursue studies that are of interest to Metropolitan.

The proposed pilot investigations would be facilitated by Blue Forest, a 501(c)(3) nonprofit and developer of the FRB. The FRB is a conservation finance model specifically designed to add new revenue streams to fund forest

restoration and finance project costs. The three partnerships would be contracted through sole-source agreements with three different FRB LLCs. Each is a separate and distinct subsidiary of Blue Forest.

- Upper Butte Creek I Forest Resilience Bond LLC – The pilot Upper Butte Creek I FRB LLC will be launched in early 2025, contingent upon a signed National Environmental Policy Act (NEPA) record of decision for the Upper Butte Creek Forest Health Initiative. Funding would be provided by Metropolitan to the Upper Butte Creek I FRB LLC to support financing of the Upper Butte Creek I FRB. Metropolitan’s maximum funding contribution would be \$400,000 over FY 2024/25 and FY 2025/26, and the Upper Butte Creek I FRB would finance up to \$5 million of initial work on the landscape. Upon success, this initial investment could unlock further opportunities within the Upper Butte Creek Watershed. A scaled FRB could finance up to \$40 million to restore and protect 20,000 acres. Other potential FRB financing partners currently include the Wildlife Conservation Board, CalFire, the National Fish and Wildlife Foundation, and the Sierra Nevada Conservancy. As the project is implemented, Metropolitan would work with Blue Forest to assess the potential water flow, water quality and aquatic ecosystem benefits and economic impacts within the Upper Butte Creek Watershed.
- North Feather I Forest Resilience Bond LLC – The pilot North Feather I FRB LLC will be launched in late 2024 or early 2025, contingent upon a signed NEPA record of decision for the North Fork Forest Recovery Project. Funding would be provided by Metropolitan to the North Feather I FRB LLC to support financing of the North Feather I FRB. Metropolitan’s maximum funding contribution would be \$400,000 over FY 2024/25 and FY 2025/26. While funding commitments are still being finalized, we expect The North Feather I FRB would leverage public and private funds to finance up to \$3.5 million of initial work on the landscape. Upon success, this initial investment could unlock further opportunities within the Feather River Watershed. A scaled FRB could finance up to \$50 million of restoration activities to restore up to 12,000 priority acres within the 167,000-acre North Fork Forest Recovery Project. Other potential FRB financing partners currently include USDA Forest Service - Plumas National Forest, Cal Fire, Sierra Institute, Pacific Gas & Electric Company (PG&E), and the California Department of Water Resources (DWR). As the project is implemented, Metropolitan would work with Blue Forest to conduct pilot investigations to assess the potential water supply and quality benefits and economic impacts within the Feather River Watershed.
- Plumas Community Protection I Forest Resilience Bond LLC– The pilot Plumas Community Protection I FRB LLC will be launched in late 2024 or early 2025, contingent upon a signed NEPA record of decision. Funding would be provided by Metropolitan to the Plumas Community Protection I FRB LLC to support financing of the Plumas Community Protection I FRB. Metropolitan’s maximum funding contribution would be \$400,000 over FY 2024/25 and FY 2025/26. Similar to the other two pilot projects, a pilot Plumas Community Protection I FRB would finance critical restoration and protection work on the landscape. While pilot footprint and funding commitments are still being finalized, it is estimated the Plumas Community Protection I FRB could finance the restoration activities to protect 9,000 to 39,000 acres within the 240,000-acre Plumas Community Protection Project. Other potential FRB financing partners currently include the USDA Forest Service Wildlife Crisis Strategy, PG&E, and DWR. As the project is implemented, Metropolitan would work with Blue Forest to conduct pilot investigations to assess the potential water supply and quality benefits and economic impacts within the Feather River Watershed.

Although there was a structured decision-making process used to select these specific partnership opportunities, these contracts would be made through sole-source agreements per Administrative Code Section 8140(1)(d). As described in Section 8140(1)(d), Metropolitan may enter sole-source agreements “[i]f competitive procurement could not produce an advantage, or it is impracticable to obtain what is required subject to the competitive procurement provisions because of the unique, exploratory, or experimental nature of the work.” Blue Forest created the FRB financing model and is the only entity currently facilitating this type of investment in the Northern Sierra Mountains.

The Forest Resilience Bond Model

To launch an FRB, Blue Forest partners with communities, land managers, governments and nonprofits to develop a finance plan and facilitate the development of an implementation team to manage the work on the ground that will ultimately improve forest and watershed health. Blue Forest also works with beneficiaries to evaluate the benefits of a potential project and uses this information to establish an economic, social and environmental case for funding. The FRB is then brought to private investors, like foundations and institutional asset managers, who provide capital to finance the project work. This means critical financing is available up-front for restoration projects, enabling them to happen at a faster pace and larger scale. The primary goals of the FRB model are to:

- Provide up-front funding needed for project work to enable faster implementation.
- Smooth cash flows to enable consistent and ongoing work.
- Blend public and private funding sources to streamline administration.
- Quantify ecosystem benefits to attract new, flexible funding streams for the implementation of forest and watershed restoration projects.
- Develop long-term contracts that support local restoration economies.
- Leverage federal and state funding sources.

The use of the FRB financing model to implement large-scale forest health initiatives has been increasing, with several projects completed, underway, and under development in California, Oregon, and Washington. For example, the Yuba I and Yuba II FRBs helped catalyze the formation of the North Yuba Forest Partnership, a partnership of nine federal, Tribal, state, local government agencies, and nonprofits focused on forest restoration across 275,000 acres of public and private lands in the North Yuba River Watershed. The Yuba I FRB was launched in 2018, and restoration work was completed in 2023. The Yuba I FRB protected and restored 15,000 acres in the upper headwaters of the North Yuba River Watershed. Building on the success of the Yuba I FRB, the Yuba II FRB was launched in 2021 and finances an additional 28,000 acres of treatment activities such as thinning, prescribed burning, hardwood regeneration, invasive species removal, and other forms of ecological restoration.

Proposed Pilot Investigations

The selection of these watershed partnership opportunities was facilitated through a structured decision-making process (**Attachment 1 and Attachment 2**). Each partnership targets different aspects of potential watershed management activities that could improve water supply resiliency of supplies from the Bay-Delta watershed, including conditions for anadromous fish, water quality, water supply and improved forest health.

Upper Butte Creek I Forest Resilience Bond LLC

Funding would be provided by Metropolitan to the Upper Butte Creek I FRB LLC to support financing of the Upper Butte Creek I FRB. As the project is implemented, Metropolitan would work with Blue Forest to conduct pilot investigations to assess the potential benefits of the project to Metropolitan. Butte Creek supports the largest self-sustaining, naturally spawning, wild population of spring-run Chinook salmon in the Central Valley. This investment would also complement past investments made by Metropolitan and others to improve fish passage on lower Butte Creek.

The Upper Butte Creek Forest Health Initiative will restore and protect 20,000 acres within the Upper Butte Creek Watershed. The Upper Butte Creek Watershed was specifically chosen because this area has high biodiversity values, proximity to communities, committed partnership opportunities, and risk of severe wildfire. Other potential FRB financing partners include the Wildlife Conservation Board, CalFire, the National Fish and Wildlife Foundation, and the Sierra Nevada Conservancy. Potential local partners include the Lassen National Forest, the South Lassen Watershed Group and the Butte County Resource Conservation District.

Forest health treatments planned through the Upper Butte Creek I FRB include general forest thinning, prescribed fire, meadow and aspen restoration, and trail development. A quarter of the project area will restore and reforest areas burned by the 2021 Dixie Fire. These treatments yield numerous benefits to the Lassen National Forest and nearby communities by restoring overly dense forests to a resilient state, encouraging a more natural fire return interval, protecting water supply and increasing carbon sequestration.

North Feather I Forest Resilience Bond LLC

Funding would be provided by Metropolitan to the North Feather I FRB LLC to support financing of the North Feather I FRB. As the project is implemented, Metropolitan would work with Blue Forest to conduct pilot investigations to assess the potential benefits of the project to Metropolitan.

The North Fork Recovery Project will restore and protect up to 12,000 acres as part of the 167,000-acre North Fork Forest Recovery Project. This project provides an opportunity to accelerate post-Dixie Fire recovery to build resilience for the landscape and surrounding communities. Other potential FRB financing partners include USDA Forest Service - Plumas National Forest, Cal Fire, Sierra Institute, PG&E and DWR. Potential local partners include the Sierra Institute and the Plumas National Forest.

Forest health treatments planned through the North Feather I FRB include general forest thinning, prescribed fire, fuels reduction, reforestation, invasive species management, stream restoration, and recreation improvements. These treatments yield numerous benefits to the Plumas National Forest and nearby communities by restoring overly dense forests to a resilient state, encouraging a more natural fire return interval, protecting water supply, and increasing carbon sequestration. The post-fire nature of this project makes it vital for activities to happen as quickly as possible, making funding available to speed along implementation even more critical than in some other projects.

Plumas Community Protection I Forest Resilience Bond LLC

Funding would be provided by Metropolitan to the Plumas Community Protection I FRB LLC to support financing of the Plumas Community Protection I FRB. As the project is implemented Metropolitan would work with Blue Forest to conduct pilot investigations to assess the potential benefits of the project to Metropolitan. As the source of much of State Water Project water supplies, the Feather River Watershed is of significant importance to Metropolitan's current and future water supplies.

At its full scale, the FRB would finance the restoration and protection of up to 39,000 acres within the total 240,000-acre Plumas Community Protection Project. In addition to directly supporting long-term reliability of the State Water Project, the Feather River Watershed was specifically chosen as this area has high biodiversity values, proximity to communities, committed partnership opportunities, and risk of severe wildfire. Potential FRB financing partners include PG&E and DWR. In addition, the Plumas National Forest has received Wildfire Crisis Strategy funding for the Plumas Community Protection Project, and there is \$278 million in federal funding that requires a 5 percent match to deploy. Potential local partners include the National Forest Foundation, the Feather River Resource Conservation District, the Mule Deer Foundation and the Plumas National Forest.

Forest health treatments planned through the Plumas Community Protection I FRB include general forest thinning, prescribed fire, meadow and aspen restoration, and trail development. These treatments yield numerous benefits to the Plumas National Forest and nearby communities by restoring overly dense forests to a resilient state, encouraging a more natural fire return interval, protecting water supply, and increasing carbon sequestration.

Benefits to Metropolitan

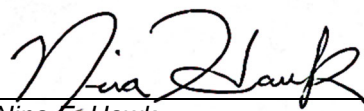
The deliverables for each cost-share agreement will be a FRB Annual Impact Report developed by Blue Forest. These Reports will summarize pilot investigation outcomes, including those associated with water supply and other key information. For each pilot investigation, Blue Forest will analyze and report in the FRB Annual Impact Report the annual and cumulative quantities of:

- Water supply protected.
- Contributions to local economic growth and job creation.
- Contributions to local community protection.
- Plant and animal species protected.
- Land area of forest, meadow, and invasive plant treatments implemented.
- Terrestrial ecosystems restored and protected.

In addition, these pilot investigations will create opportunities for additional science, foster collaborative relationships in the upper watersheds, and establish a methodology for valuing ecosystem services to help inform Metropolitan's potential future participation in upper watershed health initiatives.

Project Milestones

The FRB Annual Impact Report for each pilot investigation will be provided to Metropolitan annually beginning in 2025.



Nina E. Hawk
Chief, Bay-Delta Resources

7/31/2024

Date



Deven Upadhyay
Interim General Manager

8/7/2024

Date

Attachment 1 – Project Decision-Making Memo

Attachment 2 – Benefit Analysis Results

Ref# eo12699486

Memo: Project Decision Making Process Utilized on August 16, 2023

Created by Blue Forest for Metropolitan Water District

Blue Forest developed a decision-making process to help Metropolitan Water District (Met Water) members narrow down the list of potential projects to consider funding through a Forest Resilience Bond (FRB). Seven projects were initially considered based on their proximity to the State Water Project and potential impacts on the Bay Delta. Met Water worked with Blue Forest to prioritize four projects for further consideration and analysis using a number of materials, including a spreadsheet of information about each project as well as maps depicting the wildfire hazard potential and water benefits on each project's landscape.

This memo details this process and the rationale behind the selection of the four projects about which Met Water and Blue Forest will continue discussions.

Step One: Determining Criteria Importance

In the spring of 2023, Met Water and Blue Forest discussed various components of restoration projects that might make a project a funding priority for Met Water. Eight criteria were identified through these discussions: Primary Benefits to Met Water, Collaboration, Terrestrial Species Benefitted, ESA-listed Salmonids, Tributaries, Service Area Connection, Other Project Benefits, and Timeline.

The first step of the decision-making process utilized on August 16 was for Met Water members to consider the relative importance of each of these project criteria, culminating in an assignment of scores ranging from 1-3 for each criterion (with 3 being assigned to the criteria of most importance, and 1 to the criteria of least importance). Met Water staff assigned the following weights to each of the eight criteria: 3 to the Primary Benefits to Met and ESA-listed Salmonids criteria, 2.5 to Collaboration, 2 to Service Area Connection and Other Project Benefits, 1.5 to Timeline, and 1 to Terrestrial Species Benefitted. The Tributaries category was not weighted (and therefore discarded as a criterion), as the information conveyed by this criterion was already captured by the ESA-listed Salmonids criterion.

Step Two: Identifying Projects That Best Meet Criteria

Each Met Water member individually considered the spreadsheet of information and maps of water benefits and wildfire hazard potential provided by Blue Forest for each project area to narrow down the top two projects that they believed best met each criterion.

These decisions were visually depicted through colored-coded sticky notes: each Met Water member received 14 sticky notes, with two of each color according to the seven criterion (again, Tributaries was no longer being used as a criterion). In each color pair, one sticky note had a "1" on it (indicating best), and the other had a "2" on it (indicating second-best). Eight sticky notes, each with a project name on it, had been set up by Blue Forest on a wall of the conference room, and Met Water members put sticky notes under the projects corresponding to what they believed were the best and second-best project for

meeting each of the seven criteria. A picture of this process can be seen in *Appendix A: Sticky Note Activity*.

Four projects (West Lassen Headwaters, Upper Butte Creek Forest Health Initiative, West Shore Community Protection Project, and Plumas National Forest Community Protection Project) dominated in terms of the numbers of sticky notes corresponding with them — meaning that these four were the most preferred according to the seven criterion.

Met Water members discussed their choices for each project criterion. Following this discussion, it was unanimously agreed that the three projects that had *not* received the majority of sticky note votes would no longer be considered. The few votes cast for these projects were then reassigned to the top four projects (for example, the “1” that the Texas Vegetation Management/Nyack project received in the “Other Project Benefits” category was reassigned to a different project, in this case the Plumas National Forest Community Protection Project). The completion of this vote reassignment resulted in six votes *per criterion* across the top four projects, with three votes designating projects that best met the criterion, and three votes designating projects that second best met the criterion. This can be seen in *Appendix B: Results of Sticky Note Activity*.

Step Three: Scorecard Ranking Activity

Each of the voting assignments were converted into a score. Votes of 1 (best) were assigned a score of 2, and votes of 2 (second-best) were assigned a score of 1, such that higher scores indicated better-ranked projects. Following this conversion, the scores in each box of the matrix were added up (for example, three sticky notes labeled “1” would translate to a combined score of 6), resulting in a matrix in which each of the four projects was given a score for how well it met each criterion, with higher scores indicating a project that better met a certain criterion.

These scores were then multiplied by the criterion weighting assigned in step 1, and these products were summed, to determine a final score for each of the projects, again with higher scores indicating better projects. As shown in *Appendix C: Final Scores Matrix*, Upper Butte Creek Forest Health Initiative scored the highest, with Plumas National Forest Community Protection Project coming in second, West Lassen Headwaters a close third, and West Shore Community Protection Project coming in a rather distant fourth.

Step Four: Final Scores Discussion

Met Water members agreed with the scores and project rankings given their thinking around how well each project met the different criteria. To get a better sense of how criterion weighting affected these scores, the criterion weights were toggled to perform a sensitivity analysis (for example, Service Area Connection being bumped from a 2 to a 3), and results consistently indicated that the Plumas Community Protection Project, Upper Butte Creek, and West Lassen Headwaters were all the most-preferred, although toggling the scores sometimes switched the order of first, second, and third place ranking among these projects.

The initial intention of the exercise was to determine the top two or three projects for Met Water to consider for contributing funding. However, although the West Shore Community Protection Project was ranked lower than all the others, after some discussion it was decided that this project would continue to be considered as well as the other three. This decision was made for three reasons:

1. The project performed well in meeting some of the most important criteria, as evidenced by the fact that toggling of criteria importance decreased the gap in scores between this project and the other projects.
2. Given the smaller size of the project, Met Water's potential funding contribution to the project could close a larger portion of the funding gap compared to some of the other larger projects.
3. The project is already in implementation whereas the other three projects won't begin implementation until late 2024 or early 2025.

The decision-making activities resulted in four projects that Met Water will further consider for potential funding contributions. With this narrowed-down list, Blue Forest will now provide Met Water with more detailed scientific and economic analyses to help determine which one or two of these projects might best meet Met Water's financial, ecological, and other organization goals.

Appendix

Appendix A: Sticky Note Activity



Appendix B: Results of Sticky Note Activity (Screenshot)

	A	B	C	D	E	F	G	H
1	<i>Weighting</i>	2	3	2.5	1	3	2	1.5
2		Other Project Benefits	Primary Benefits to Met	Collaboration	Species Benefitted	ESA-Listed Salmonids	Service Area Connection	Timeline
3	West Lassen Headwaters	2,2	1,2	2,2	2,2,2	1,2,2	2	
4	Upper Butte Creek Forest Health Initiative	2		1,1	1,1,1	1,1,2		1 2,2
5	West Shore Community Protection Project		1, 2	2			1,1	1,1
6	Community Protection Project	1,1,1	1,2	1			1 2,2	2

Appendix C: Final Scores Matrix (Screenshot)

	A	B	C	D	E	F	G	H	I
1	<i>Weighting</i>	2	3	2.5	1	3	2	1.5	
2		Other Project Benefits	Primary Benefits to Met	Collaboration	Species Benefitted	ESA-Listed Salmonids	Service Area Connection	Timeline	Score
3	West Lassen Headwaters	2	3	2	3	4	1		35
4	Upper Butte Creek Forest Health Initiative	1		4	6	5		4	39
5	West Shore Community Protection Project		3	1			4	4	25.5
6	Community Protection Project	6	3	2			4	1	35.5

Benefit Analysis Results

Created by Blue Forest for Metropolitan Water District

July 2024

Overview of Modeling and Analysis

Blue Forest's analysis focused on three benefits associated with the planned activities of each project: water volume (via reduced evapotranspiration), water quality (via reduced sedimentation risk), and decreased risk of high-severity wildfire. Analysis activities were completed using the Natural Climate Solutions (NCS) Toolbox developed by the [Center for Ecosystem Climate Solutions](#) (CECS). See Appendix 1 for more information about the NCS Toolbox.

The tables in the following section summarize contextual information about each project and benefit analysis results. Please note that, while the models used are built on sophisticated and rigorous research, the actual benefit values that result from project implementation may vary from the values presented in this document.

Summary of Benefits Analyzed:

- **Water Volume:** increased water yield as measured by decreased evapotranspiration.
- **Water Quality:** the decrease in sediment deposition in bodies of water, which in turn affects infrastructure that processes and intakes water. The tool has some limitations and these numbers should only be used as a comparative metric between projects. See Appendix 1 for more information.
- **Flame Length:** a metric that informs the wildfire hazard potential (WHP) and rate of spread from a potential wildfire. Decreased flame length indicates a lower WHP and rate of spread.

Project Profiles and Analysis Results

Upper Butte Creek Forest Health Initiative (Lassen National Forest)		
Basic information	<ul style="list-style-type: none">20,079 acres in the Lassen NFForest thinning, prescribed fire, meadow/aspen restoration, trail developmentA quarter of the project area will restore and reforest areas burned by the 2021 Dixie FireNEPA decision expected spring 2025, implementation can begin soon thereafter	
Notable details	<ul style="list-style-type: none">This project scored the highest during the August 16, 2023 Met prioritization exercise	
Funding and collaboration	<ul style="list-style-type: none"><u>Current funder(s)</u>: Wildlife Conservation Board Forest Conservation Program, Dept of Conservation Forest Health Watershed Coordinator funding, private foundations, National Fish and Wildlife Foundation CA Forests & Watersheds Program, seeking additional funding from Sierra Nevada Conservancy<u>Local partners</u>: South Lassen Watershed Group, Butte County RCD	
Salmonids & habitat impact	<ul style="list-style-type: none">Additional water flows and water quality protection for ecological purposes (largest self-sustaining, naturally spawning, wild population of spring-run Chinook salmon in the Central Valley)TNC's Salmonscape map shows that the Butte Creek watershed is a high priority for salmonid conservation, particularly the northeastern portion of the watershed (adjacent to the Lower Feather watershed)Protected spotted owl and goshawk habitat	
Estimate of Benefits		
Wildfire Benefits	Average Flame Length Reduction (percent): 77%	
Water Benefits	Volume: 2,500 acre feet (AF) of reduced evapotranspiration (0.12 AF/acre)	Quality: 37% decrease in post-fire sedimentation risk

North Fork Forest Recovery Project (Plumas National Forest)	
Basic information	<ul style="list-style-type: none"> • 166,889 acres in the Plumas NF • Post-fire restoration activities: prescribed fire, thinning, hazard tree removal, reforestation, invasive species management, and hydrological improvements • Within the Feather River Watershed • NEPA decision expected in spring 2025, implementation to begin soon thereafter
Notable details	<ul style="list-style-type: none"> • This project is almost entirely comprised of post-fire restoration activities, following the 2021 Dixie Fire
Funding and collaboration	<ul style="list-style-type: none"> • <u>Current funders</u>: FS Wildfire Crisis Strategy funding, CALFIRE • <u>Local partners</u>: Sierra Institute • Other potential beneficiaries have expressed interest in this project, including PG&E and CA DWR
Salmonids & habitat impact	<ul style="list-style-type: none"> • TNC's Salmonscape map shows a portion of the Lower Feather watershed along the Sacramento River as high priority for salmonid conservation
Estimate of Benefits	
Wildfire Benefits	Average Flame Length Reduction: 9.18%
Water Benefits	Volume: 26,317 AF of reduced evapotranspiration (0.16 AF/acre)

Plumas Community Protection Project (Plumas National Forest)		
Basic information	<ul style="list-style-type: none">250,000 acres in the Plumas NFFocused on reducing the potential for extreme fire behavior in the wildland urban interface and improving road systems for community egressImplementation will begin in 2025	
Notable details	<ul style="list-style-type: none">Acreage will be further refined over time, likely larger than 250k when the Forest finalizes planning	
Funding and collaboration	<ul style="list-style-type: none"><u>Current Funders</u>: Plumas NF has \$278M in federal funds that will require a 5% match to deployPG&E is also considering funding contributions on this landscapeAdding resources would help leverage an already well-funded project	
Salmonids & habitat impact	<ul style="list-style-type: none">TNC's Salmonscape map shows portions of the Lower Feather, Battle, Paynes, Singer, and Big Chico watersheds as high priority for salmonid conservation (steelhead and Chinook salmon)	
Estimate of Benefits		
Wildfire Benefits	Average Flame Length Reduction: 80%	
Water Benefits	Volume: 36,400 AF of reduced evapotranspiration (0.48 AF/acre)	Quality: 4% decrease in post-fire sedimentation risk

Appendix 1: Information and Resources about the CECS Tool¹

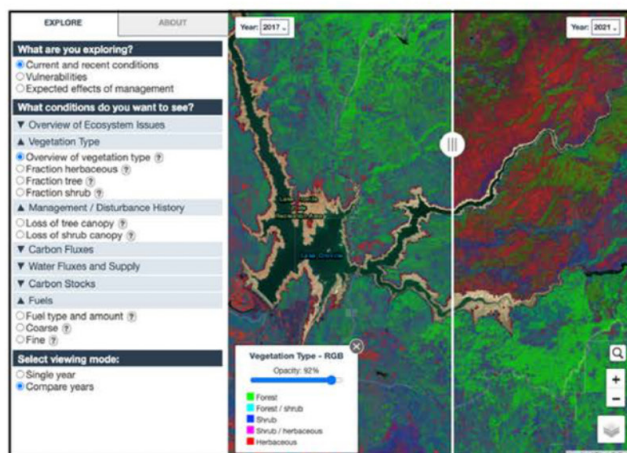


Figure 2: The DataAtlas tool visualizes CECS-original data.

The **DataAtlas** is an online visualization tool that displays select ecosystem data at 30-m resolution statewide. Every data layer within this tool is an original CECS product, and was created using the DataEngine. The DataAtlas allows users to get an overview of ecosystem conditions, compare years, forecast general outcomes of potential management, and identify areas of interest for further analysis using the DataBridge.

View the DataAtlas here:
<https://cecs.ess.uci.edu/data-atlas/>

The **DataBridge** tools allow a user to select and export ecosystem data from the DataEngine to a user's preferred analysis software. Users select data based on their needs, including for planning, prioritization, or monitoring. Data files can be statewide or for a specific area. The DataBridge creates formatted tables, time series, or shapefiles that can be imported into software such as ArcGIS, QGIS, Excel, R, or ForSys. This tool is best for advanced users with working knowledge of one of these software tools, as well as experience in landscape. Contact CECS for more information.

Figure 3: The DataBridge tool extracts data based on a user's needs.



We'd like to collaborate!

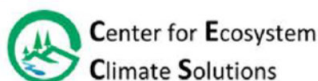
Please reach out with your input and ideas.

Contact: ecosystemclimate@ess.uci.edu

Director: Michael Goulden, UC Irvine, mgoulden@uci.edu

Co-Director: Roger Bales, UC Merced, rbales@ucmerced.edu

<https://california-ecosystem-climate.solutions/>
 @CA CECS



CECS is supported by the California Strategic Growth Council's Climate Change Research Program with funds from California Climate Investments—Cap-and-Trade Dollars at Work.



Rev. August 2022



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One Water and Stewardship Committee

Update on proposed agreements with the Plumas Community Protection I Forest Resilience Bond LLC, North Feather I Forest Resilience Bond LLC, and Upper Butte Creek I Forest Resilience Bond LLC to establish watershed partnerships and forest health pilot investigations in the Northern Sierra Nevada; each agreement will not exceed \$200,000 per year for a maximum of two years

Item 9-2

August 19, 2024

Item 9-2

Update on Proposed Watershed Agreements

Subject

Update on proposed agreements with the Plumas Community Protection I Forest Resilience Bond LLC, North Feather I Forest Resilience Bond LLC, and Upper Butte Creek I Forest Resilience Bond LLC to establish watershed partnerships and forest health pilot investigations in the Northern Sierra Nevada; each agreement will not exceed \$200,000 per year for a maximum of two years.

Purpose

The proposed watershed agreements would help Metropolitan assess the potential benefits and value of investments in watershed health through pilot investigations, while advancing the relevant science and building relationships within the watersheds.

Next Steps

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

Overview

- Three proposed Pilot Investigations at a maximum of \$200,000 each in FY's 2024/25 and 2025/26
 - Upper Butte Creek I Forest Resilience Bond LLC
 - North Feather I Forest Resilience Bond LLC
 - Plumas Community Protection I Forest Resilience Bond LLC
- Funding would come from approved Bay-Delta science budget
- Objectives are to evaluate potential benefits to Metropolitan, advance science, and develop watershed partnerships

Update on Proposed Watershed Agreements

Watersheds Provide Valuable Ecosystem Services



**Water
Quality**



**Water
Supply**



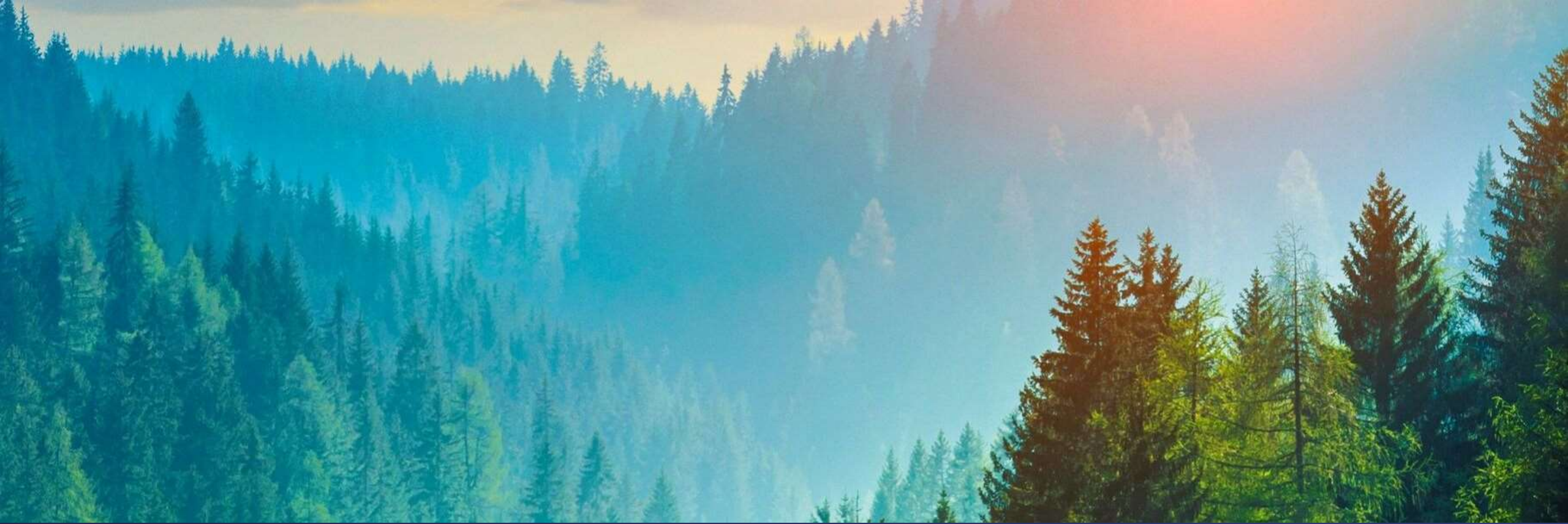
**Fire
Protection**



**Carbon
Security**



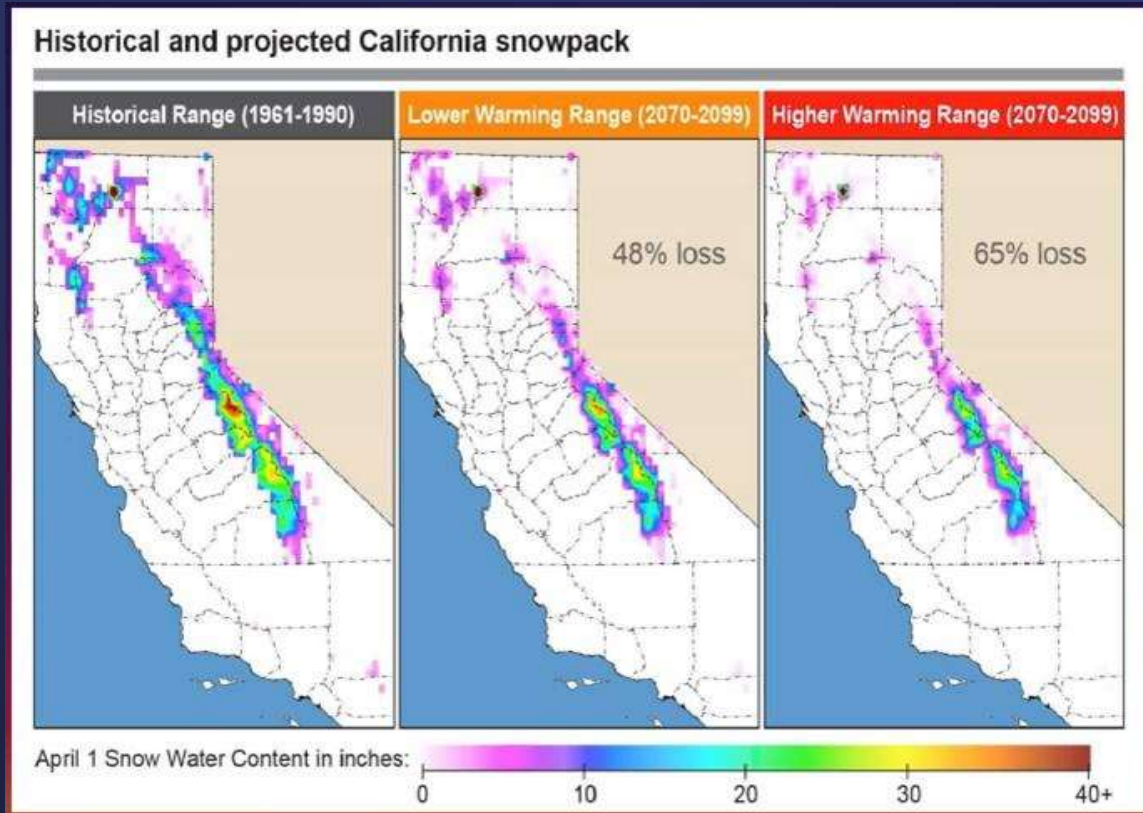
**Habitat &
Biodiversity**



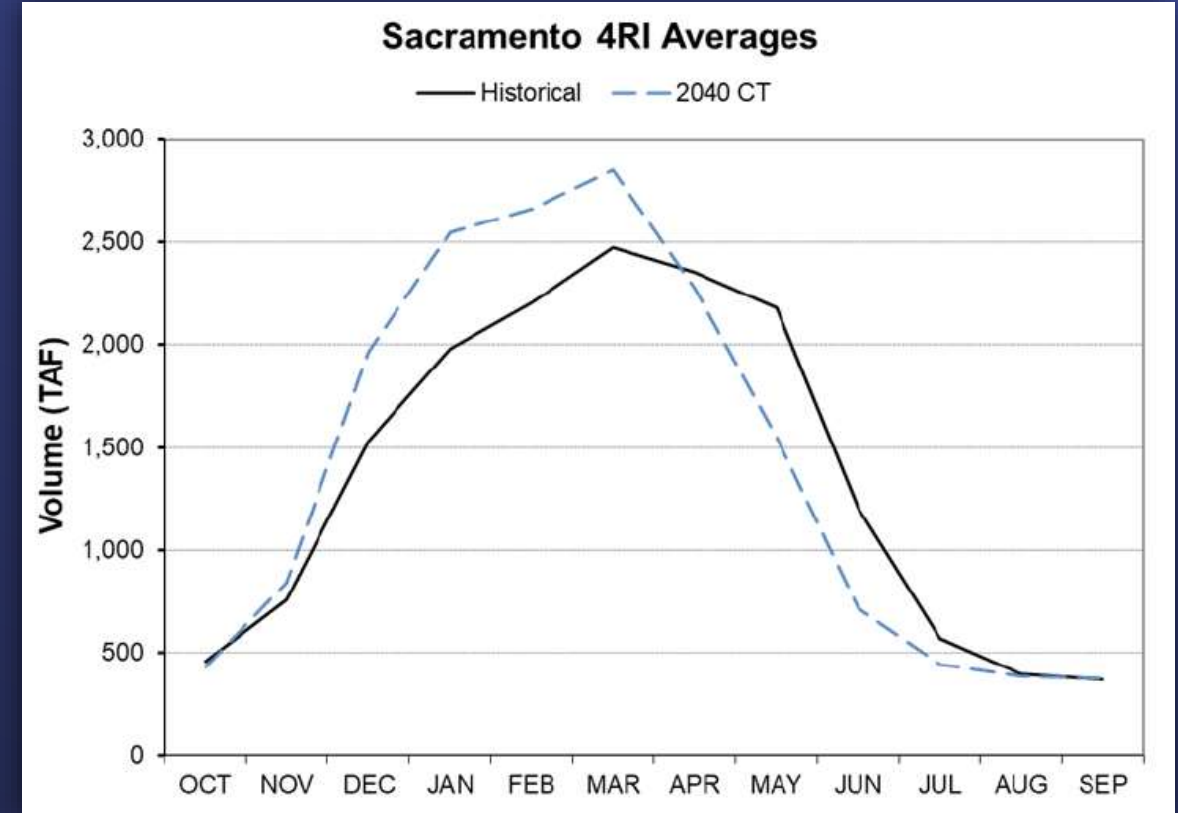
Background

Modeling California's Water Supply

Significant Changes in Snowpack and Runoff Timing and Quantity are Projected

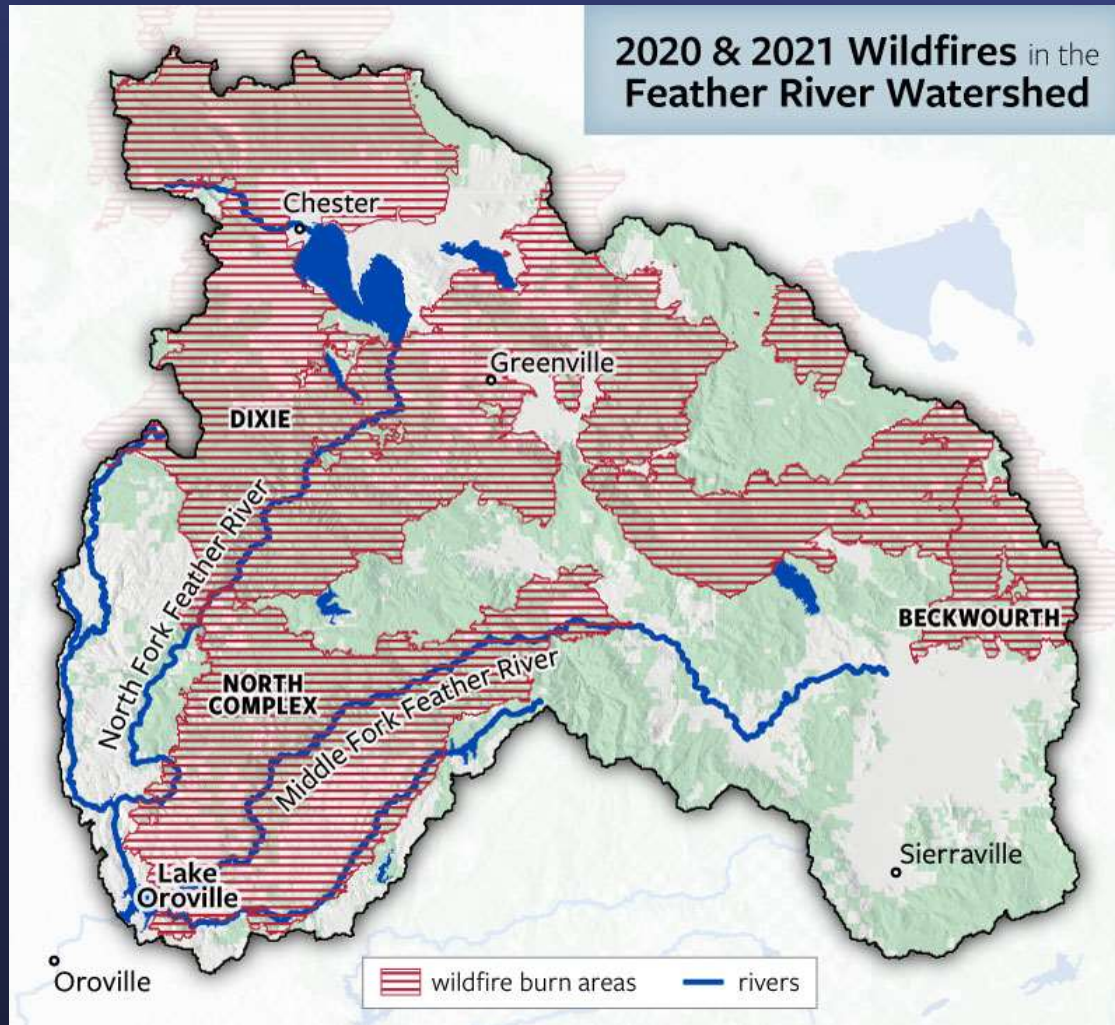


Source: CA Department of Water Resources



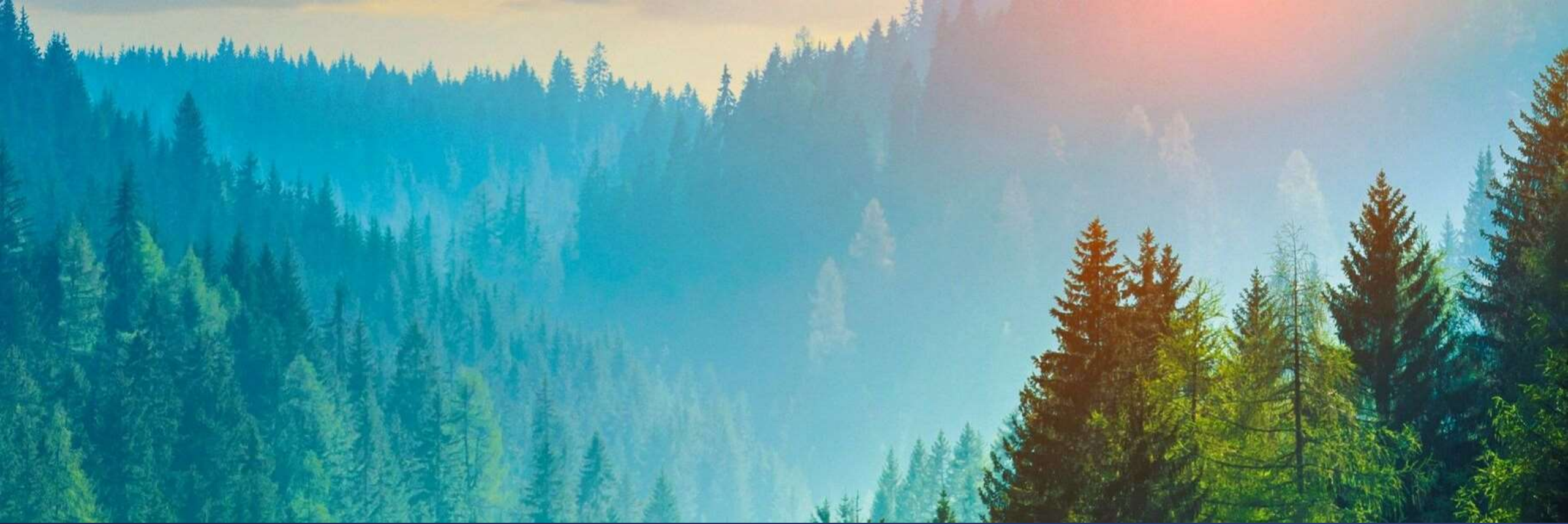
Source: Delta Conveyance Project EIR

Feather River Watershed Forest Health



Source: Sierra Nevada Conservancy

- The frequency, size, and severity of wildfire in California has increased
 - Past fire suppression practices have led to dense forests with high fuel loads
 - Severe heat and drought resulting from climate change have increased aridity of forest fuels

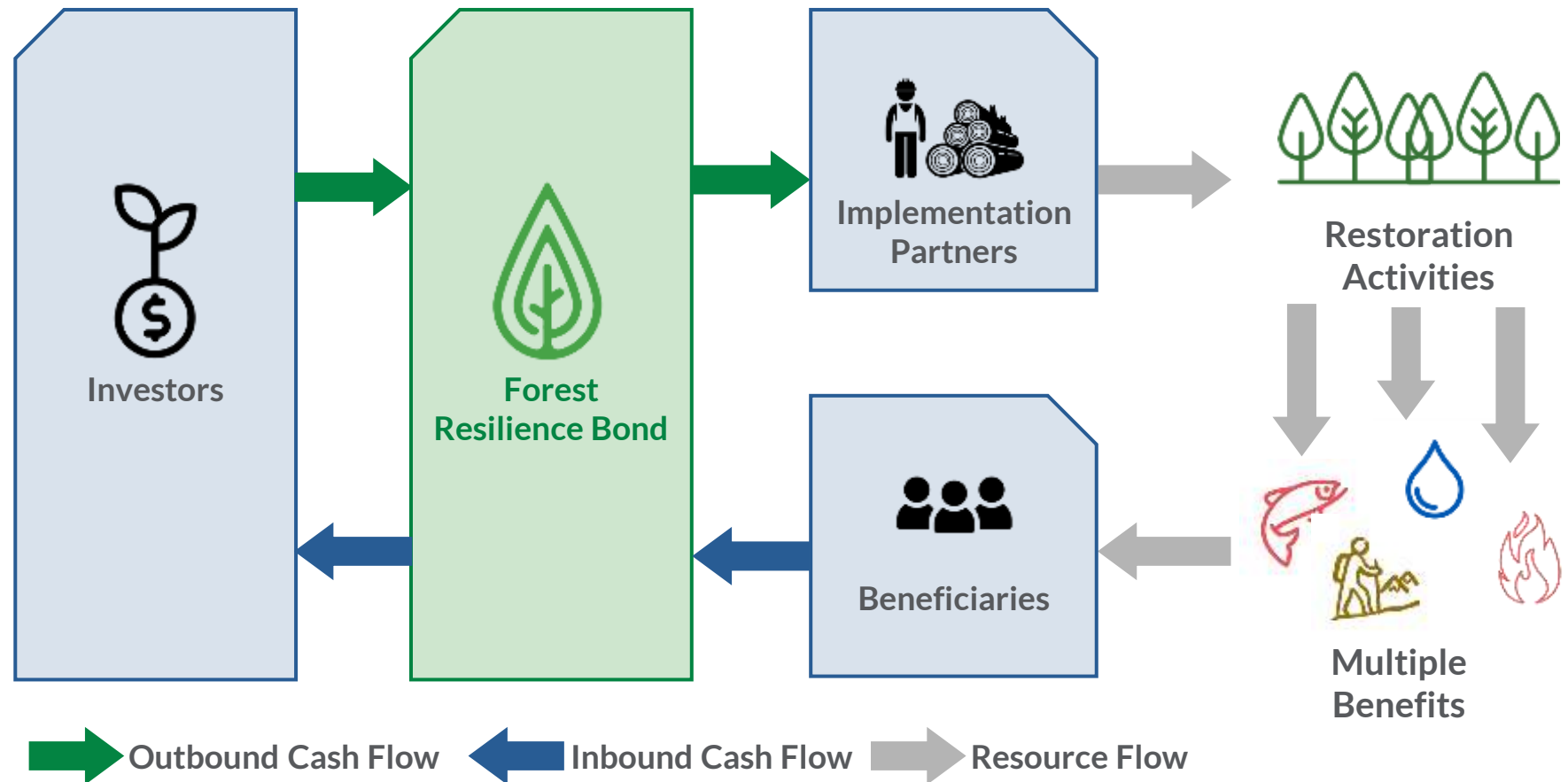


Proposed Watershed Agreements

Blue Forest



Forest Resilience Bond



Full Project
20,000 acres

Initial FRB
~\$5 million

Potential FRB
Partners

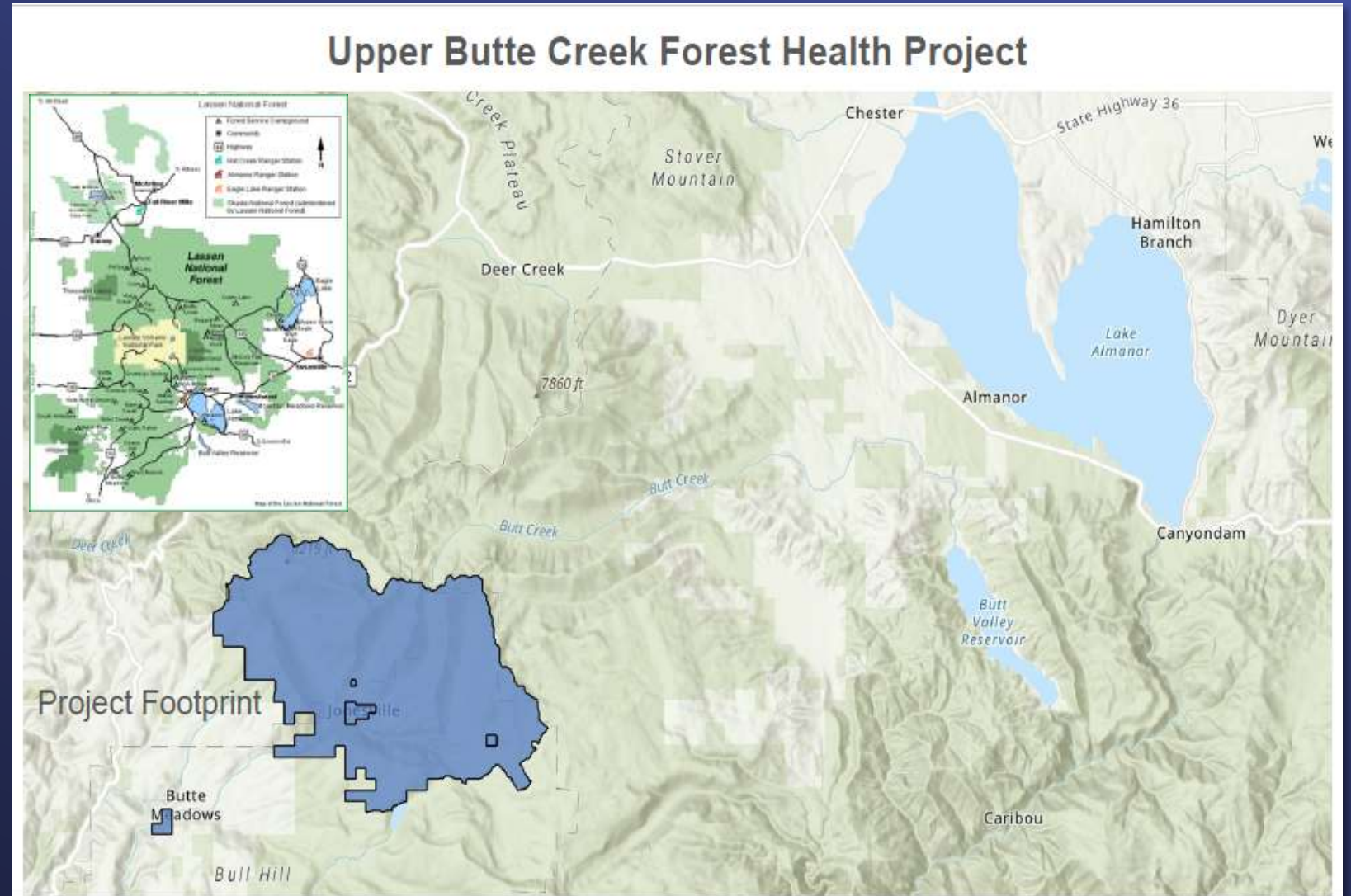
CalFire, NFWF,
Wildlife Conservation
Board, Sierra Nevada
Conservancy

Local Partners

Lassen NF, South
Lassen Watershed
Group, Butte County
RCD

August 19, 2024

Upper Butte Creek I Forest Resilience Bond



North Feather I Forest Resilience Bond

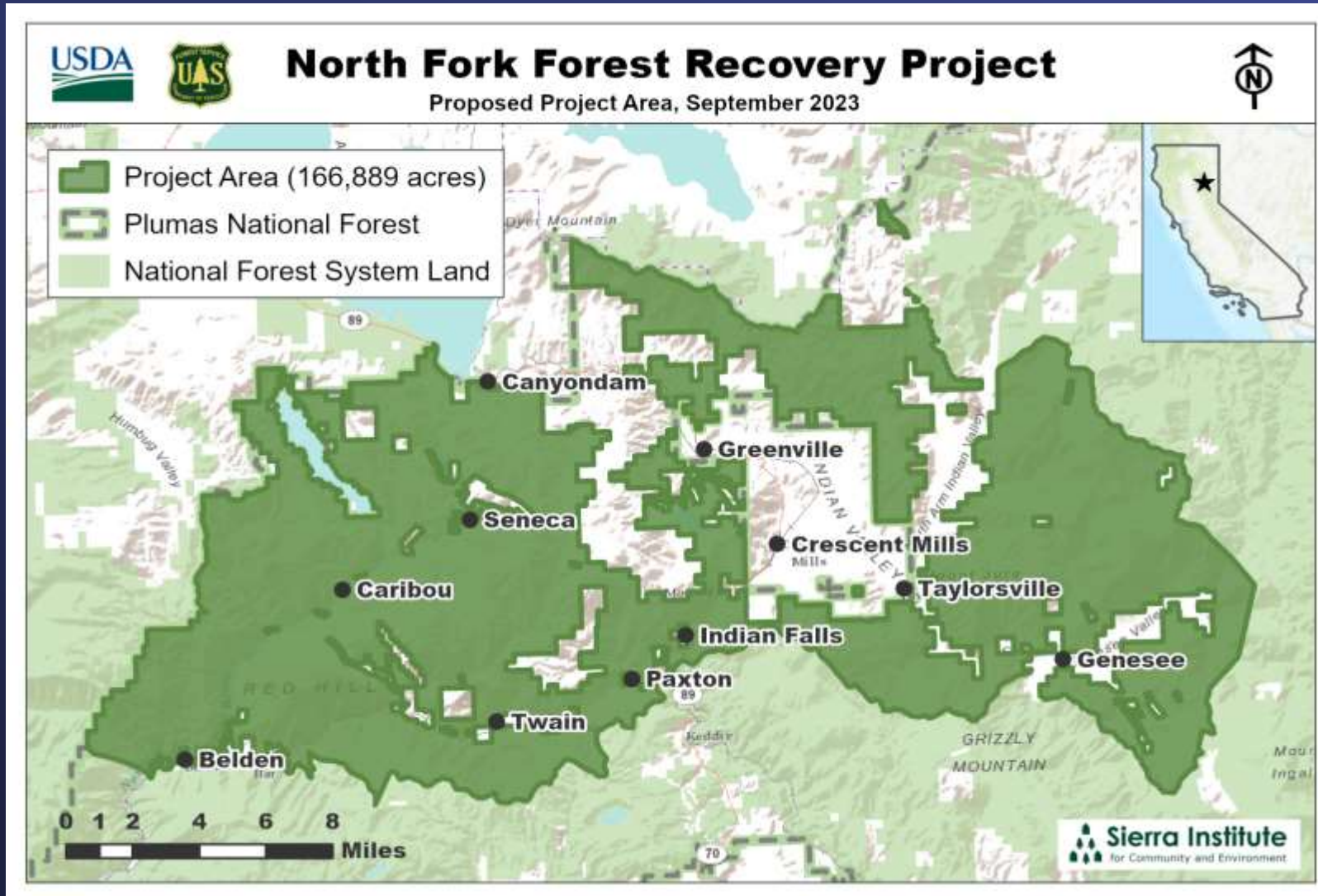
Full Project
167,000 acres

Initial FRB
~\$3.5 million

Potential FRB
Partners

Plumas NF, CalFire,
Sierra Institute,
PG&E, DWR

Local Partners
Sierra Institute,
Plumas NF



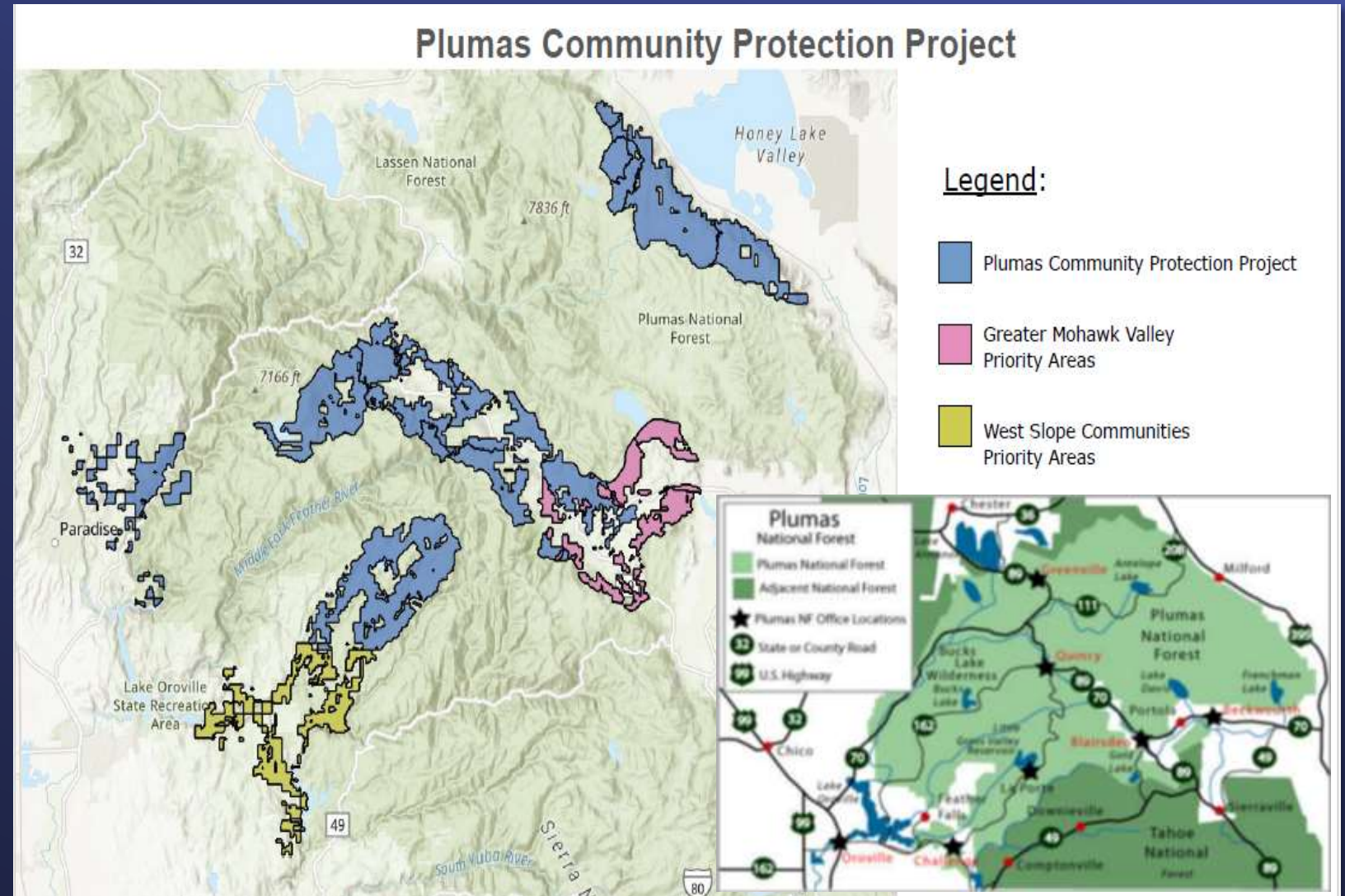
Full Project
240,000 acres

Initial FRB
Up to 39,000 acres

Potential FRB
Partners
PG&E, DWR

Local Partners
National Forest
Foundation, Feather
River RCD, Mule
Deer Foundation,
Plumas NF

Plumas Community Protection I FRB



Key Takeaways

- Improvements in watershed health could help
 - protect water supply, quality, and aquatic ecosystems
 - lessen some impacts of climate change longer-term
- Pilot investigations would help assess the potential benefits and value
- Participation would help build relationships and advance supporting science
- Investments would help larger projects proceed at a faster pace

Update on
Proposed
Watershed
Agreements

Next Steps

- September One Water and Stewardship action letter and oral report
- Future updates on progress and Pilot Investigation findings

Update on
Proposed
Watershed
Agreements





One Water and Stewardship Committee

Salmonid Recovery Project

Item 6a

August 19, 2024

Item # 6c
Science
Update /
Salmon
Reorienting to
Recovery
Project

Subject

Science Update: Salmon Reorienting to Recovery Project

Purpose

Update on project status

ESA listed
species limit
water supply
reliability

Metropolitans' Interest

- GM Business Plan FY 25, Outcome 3.2.6 and 5.2.2

Revised Bay-Delta Policy Objectives		
<ul style="list-style-type: none">• Promote a Sustainable Bay-Delta Within Metropolitan's One Water Approach• Support Statewide and Regional Actions that Further the Coequal Goals Established in the Delta Reform Act• Address the Risks Associated with Climate Change		
Revised Bay-Delta Policy Framework		
Science and Watershed Management	Water Supply Reliability and Resilience	Partnerships and Cost-Effective Investments
Protect and restore aquatic species and habitats based on best available science	Protect water supply reliability and quality while reducing reliance consistent with the Delta Reform Act	Maintain and pursue cost-effective financial investments
Partner in watershed-wide approaches to develop comprehensive solutions	Invest in actions that provide seismic and climate resiliency	Foster broad and inclusive engagement of Delta interests and beneficiaries
Advance responsible stewardship of Metropolitan's Delta islands	Seek flexible operations, water management actions, and infrastructure solutions	Promote innovative and multi-benefit initiatives

Goal: identify preferred, broadly supported scenarios that recover salmonids

Reorienting to Recovery



- Salmon populations declining
- Opportunities for coordinated efforts
- Engaging state and federal resource agencies, non-governmental organizations, Tribal Governments, & water, agricultural, and fishery industries

Diverse planning team

Organization	Staff Name
Trout Unlimited	Rene Henery, Natalie Stauffer-Olsen
California Indian Environmental Alliance	Michelle Rivera, Sherri Norris
Compass Resource Management	Brian Crawford, Michael Harstone
Essex Partnership	Bruce DiGennaro
FlowWest	Erin Cain, Mark Tompkins, Liz Stebbins
Kearns & West	Marlys Jeane, Rafael Silberblatt
Qeda Consulting	Noble Hendrix
Metropolitan Water District	Alison Collins
NMFS Southwest Fisheries Science Center	Ann Marie Osterback
State Water Contractors	Darcy Austin
Formally The Bay Institute	Gary Bobker

Project Overview

PHASE 1

Define Salmonid Recovery (Q2 – Q4 2021)

Engage scientists to define salmonid biological objectives and thresholds of recovery

PHASE 2

Engagement (Q1-Q3 2022)

Engaging interested parties to define other ecological, social, and economic interests

PHASE 3

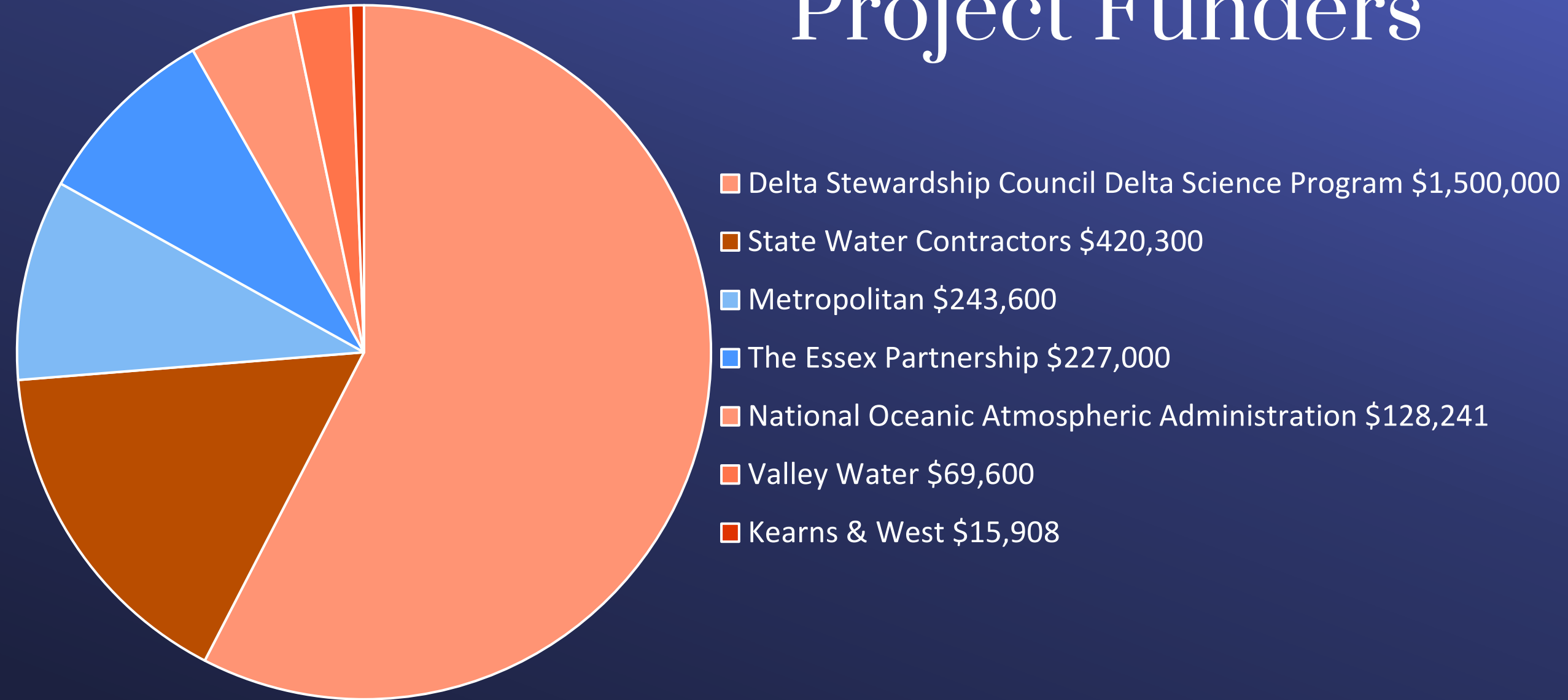
Decision Support (Q4 2022 – Q4 2024)

Adapting salmonid life-cycle models to assess the performance of different suites of actions

Identify a Suite of Actions to achieve salmonid recovery

Goal

Project Funders



Engaging with >110 agencies to collect feedback

Science Advisory Team



Bruce Herbold Consulting
Hanson Environmental
Douglas Engineering

Forum
>110 agencies
Open to
everyone
Identify
values and
projects

Working Group



Phase 1 (2021): Salmonid experts defined recovery

27 scientists
15 organizations
6 meetings
12 objectives



Bruce Herbold Consulting
Hanson Environmental

- Objectives: abundance, productivity, spatial structure, diversity
- Performance measures
- Quantitative targets

Example Objective	Example Performance Measure
Abundance	# of fish spawning

3 part workshop
65 individuals
47 organizations
>550 value
statements
24 objectives

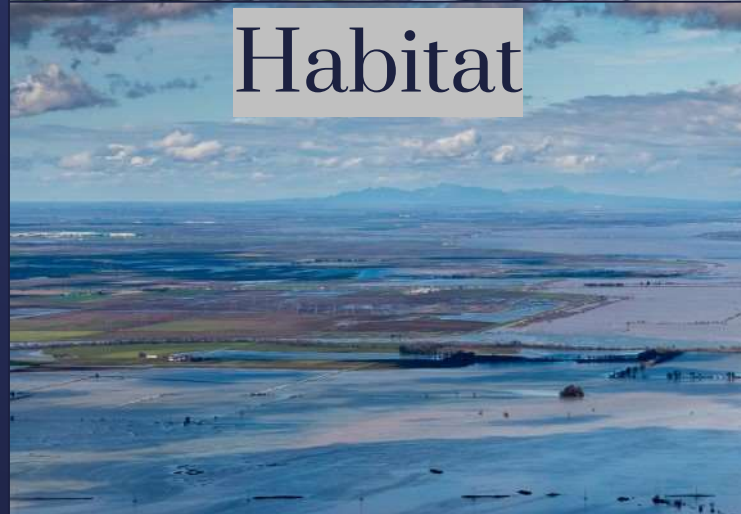
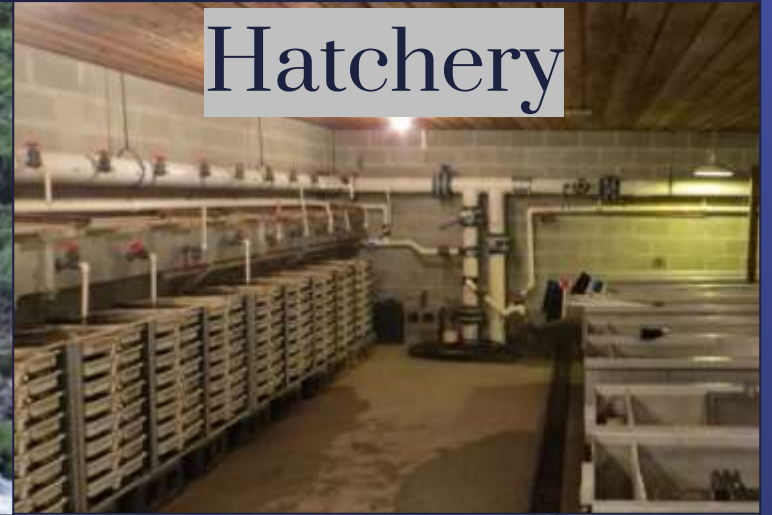
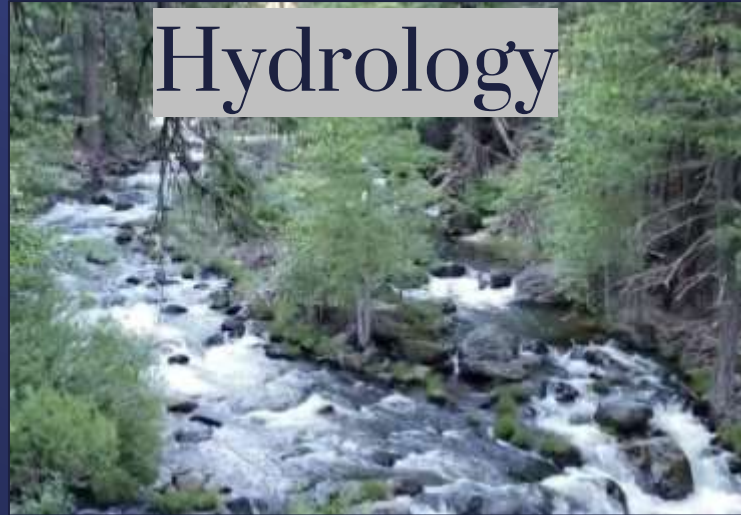
Phase 2 (2022): Forum participants defined other values and identify planned projects

5 Major Value Categories	Example Objectives	Performance Measure
Habitat & ecological processes	Ecosystem health	Marine derived nutrients
Access to land & water	Managed wetlands	Deliveries to refuges
Harvest	Ocean harvest	Harvestable adults
M&I, agriculture, and refuge	Water supply	Water delivery
Regulatory, public health & infrastructure	Flood risk	Difference in flow

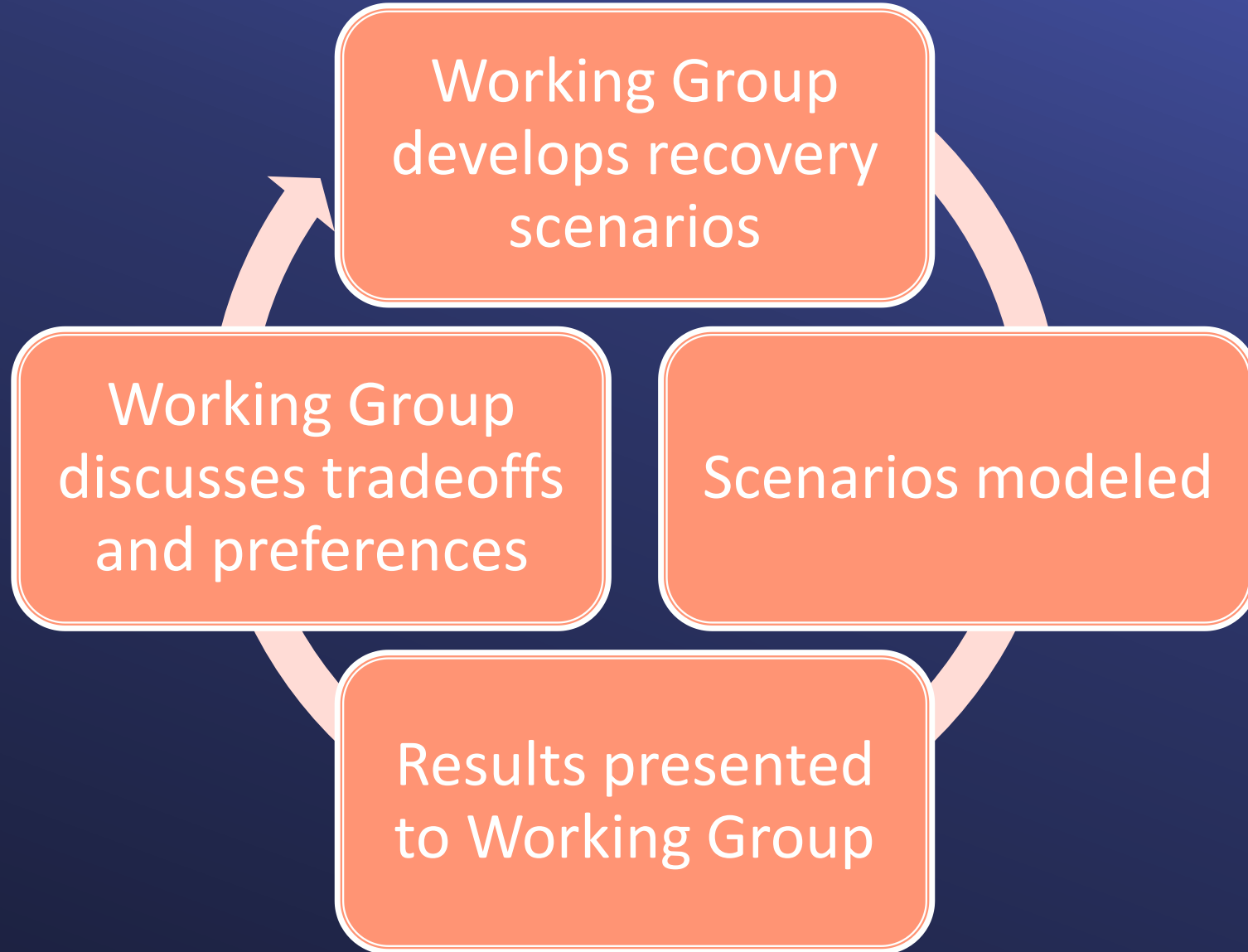
Phase 3 (2023-now): Working Group developing preferred recovery scenarios

Scenarios are combination of actions from 4H's

Decision support model predicts consequences on objectives



Scenario development is an iterative process



Modeled outcomes predict scenario performance, tradeoffs discussed, scenarios refined

Legend

More preferred

Less preferred

Example Objectives	Preferred direction	Scenario 1	Scenario 2
Adult abundance	Higher	↑	↓
Ecosystem health	Higher	↑	↓
Managed wetlands	Higher	↓	↑
Ocean harvest	Higher	↓	↑
Water supply	Higher	↓	↑
Flood risk	Lower	↓	↑

Support for a suite of actions to recover salmonids

Next Steps

- July finalize scenarios
- Aug modeling final scenarios
- Fall workshop 2024
- November final report
- Applying for implementation funding





One Water & Stewardship Committee

Approaches for Securing Dry-Year Water Transfers

Item 6b

August 19, 2024

Item #6b

Approaches for Securing Dry- Year Water Transfers

Subject

Approaches for Securing Dry-Year Water Transfers

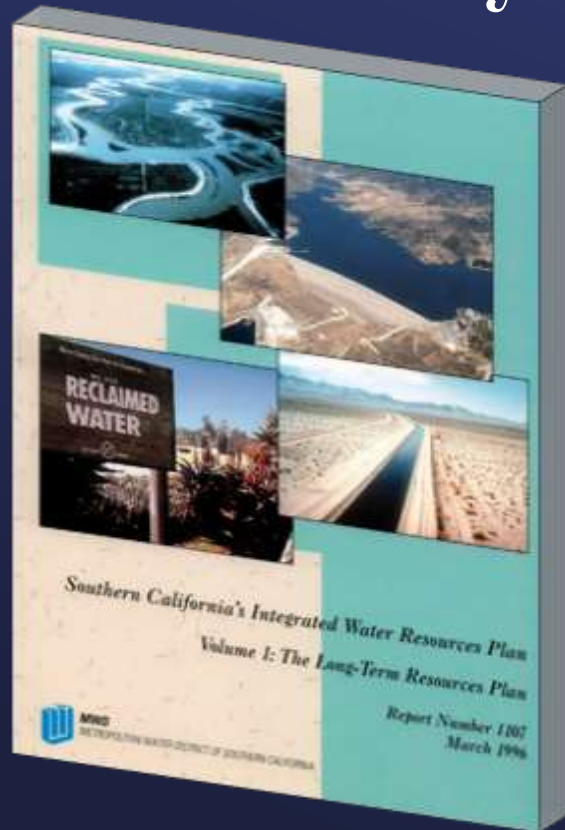
Purpose

Inform board on past practices in securing dry-year water transfers via State Water Project facilities and discuss current challenges

Next Steps

Update the board in future months with information and action on potential new agreements

History



Water Transfers

- Metropolitan stepped up strategic planning efforts towards diversification of supplies following the 1986 - 1991 drought
 - Long-term Colorado River transfers
 - SWP banking program development
 - **SWP annual transfers**

Metropolitan Administrative Code

Section 4203

Adopted January 1992

Metropolitan Water Transfer Policy

- To meet its public water supply objectives in the future, Metropolitan will vigorously pursue the development of water transfers subject to the following considerations:
 - Voluntary basis with willing partners
 - Full range of options and partners
 - Protection of environment
 - Avoidance of groundwater overdraft
 - Avoidance of unreasonable impacts to agricultural community
 - Addressing potential community impacts

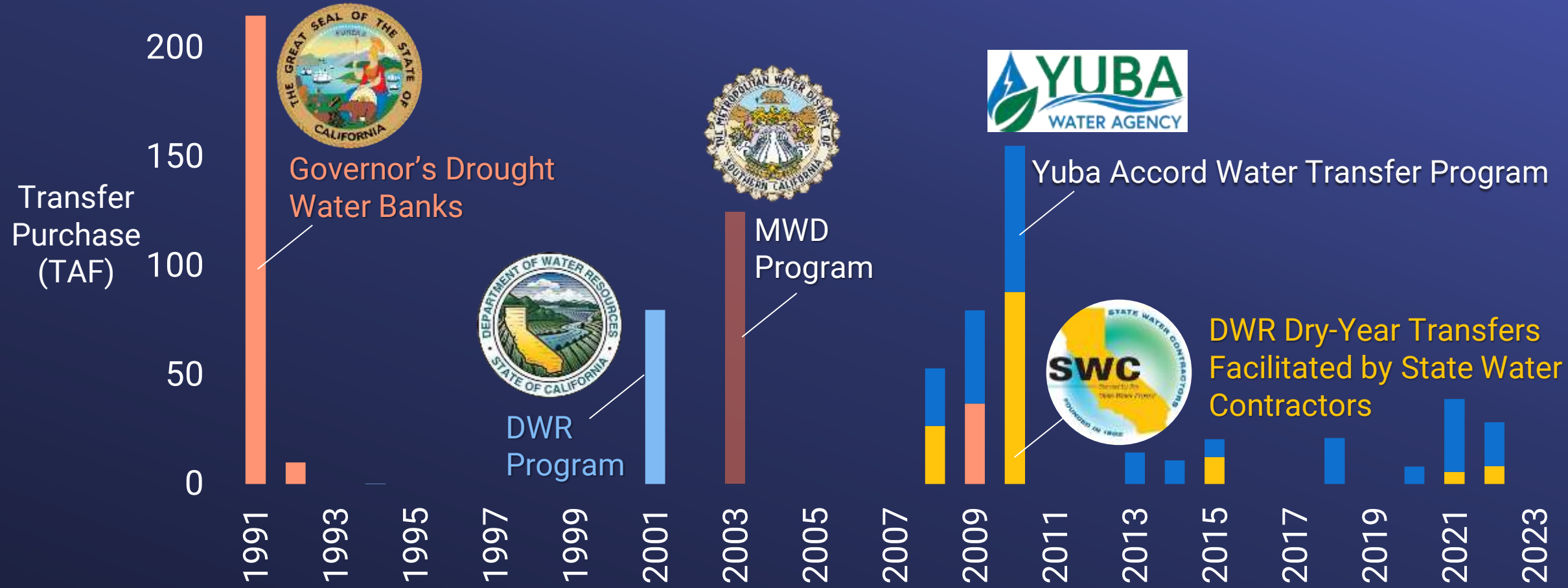
Triggers and Hurdles

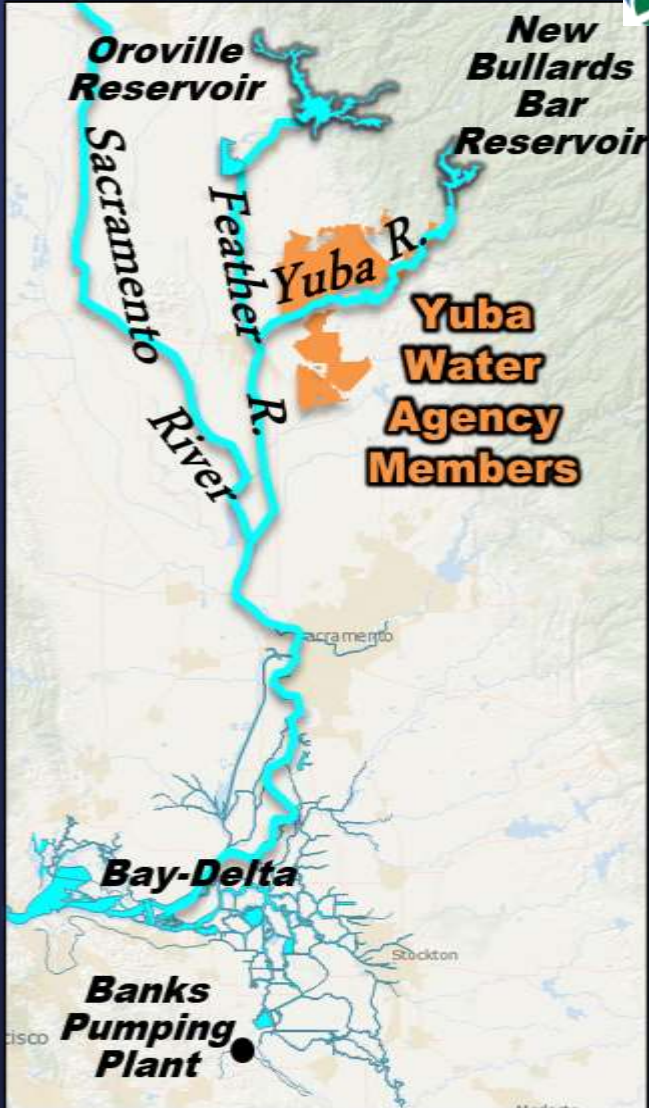


Considerations for Purchase Decisions

- Need for water under a low SWP allocation
- Ability to store water at higher SWP allocations
- Ability to convey water across Delta
- Cost
- Political considerations

Annual SWP Transfers Purchased by Metropolitan





Yuba Accord Transfers Background

- Yuba Accord is a SWRCB settlement implemented in 2008 comprised of fishery flow release and transfer agreements
- Yuba Water Agency provides transfer supplies to DWR which are sold to participating SWP and CVP contractors
- Long-term transfer agreement with DWR expires 2025; extension planned through 2050



Yuba Accord Transfers Background (cont.)

- Prices negotiated every five years other than groundwater substitution supply (annual)
- Available quantities to SWP contractors shared by Table A proportions
 - Buyers can opt out if there are other purchasers
- Buyers only pay for transfer supply that can be conveyed and exported by DWR

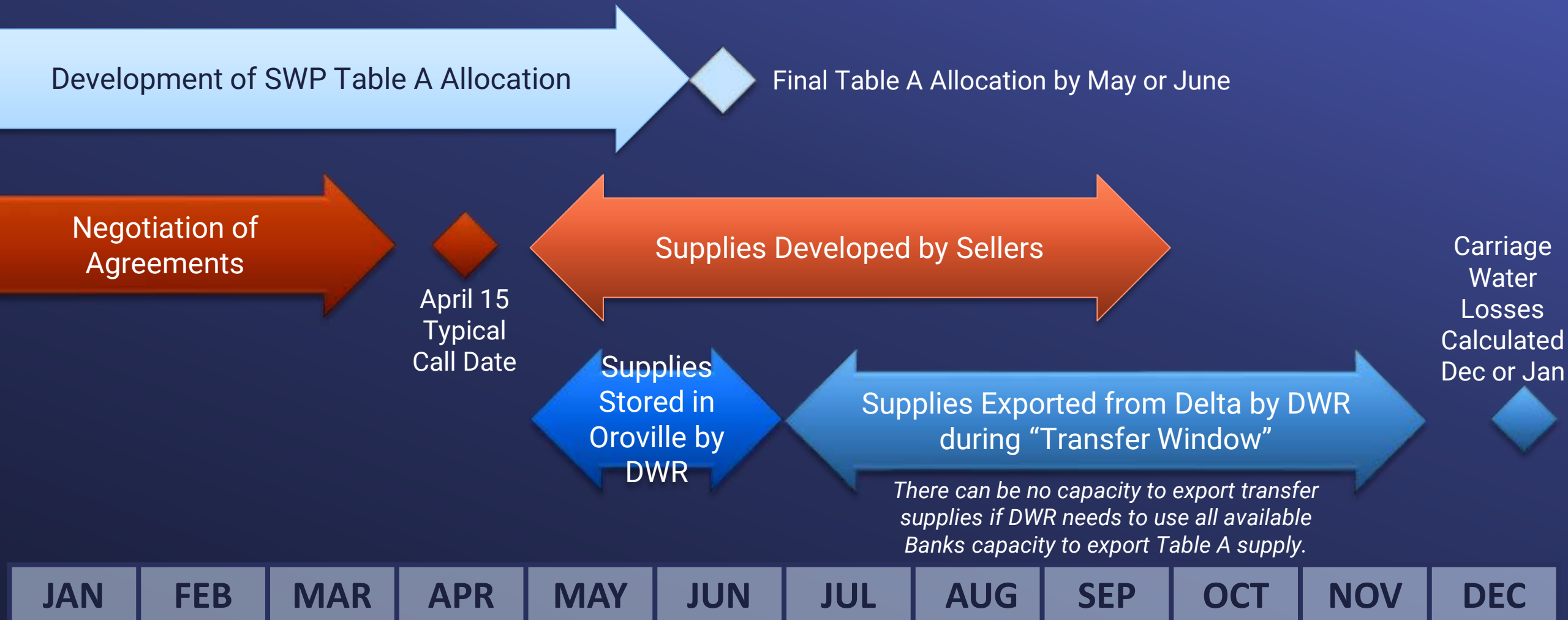


Annual SWP Transfer Background



- Agreements negotiated annually facilitated by State Water Contractors (“Buyers Group”)
- Sellers are agricultural water districts in the Feather River area
- Three types of transfer supplies
 - Crop idling
 - Groundwater Substitution
 - Reservoir Re-operation

Timing Considerations for Annual SWP Transfers



Challenges



Limited Conveyance for North of Delta

- Reduced ability for DWR to convey transfer supplies during the transfer window
- Export restrictions for fishery protection in winter and spring mean that summer exports are for Table A contract supplies

Challenges



Limited Supply Quantities in Dry Years

- Sellers may be curtailed during drought
- Increasing needs for Delta outflow may limit available supply in the future
- Increasing competition for limited dry-year transfer supplies

Exploring Options

Multi-Year Agreements

- Potential streamlining of administration
- Greater certainty
- May be additional regulatory hurdles

Exploring Options

First Right of Refusal Agreements

- Prioritize access to limited supply
- Insurance for meeting demands in SWP-dependent area

Next Steps

- Continue to identify structures and partnerships
- Board information item on potential new agreements in future months
- Action items on potential new agreements in future months





One Water & Stewardship Committee

Update on Chino Basin Program Development with Metropolitan and Inland Empire Utilities Agency

Item 6c

August 19, 2024

Item 6c Update on Chino Basin Program

Subject

Update on the Chino Basin Program Development
with Metropolitan and Inland Empire Utilities
Agency

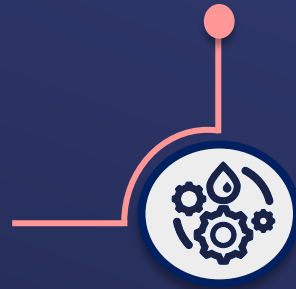
Purpose

Provide update on Chino Basin Program
activities

Previous Board Briefings

June 2021

Update on Prop 1 Water Storage Investment Program (WSIP) projects and an overview of the Chino Basin Program (CBP); Metropolitan provided a letter of intent



April 2022

Board authorized General Manager to negotiate an agreement consistent with draft terms of Metropolitan/IEUA Exchange Agreement



March 2022

Update on the CBP and pending terms of agreement with IEUA



April 2023

Update on CBP activities and Augmented CBP study



Proposition 1 Overview

- Proposition 1 approved \$7.5 billion of funding in November 2014
 - \$2.67 billion allocated for water storage projects with public benefits
- California Water Commission (CWC) administers this funding through the Water Storage Investment Program (WSIP)
- Inland Empire Utilities Agency (IEUA) proposed the Chino Basin Program
 - CBP was awarded conditional funding of \$215M
 - Metropolitan is a facilitating partner and is not providing direct financial contribution to project costs

Chino Basin Program WSIP Framework



CBP accomplishes three main goals:

- Provides storage of advanced treated recycled water in the Chino Basin
- Allows for environmental pulse flows for fishery benefit
- Provides replacement water supply in Metropolitan service area

Metropolitan's participation is two-fold:

- Transfer a portion of MWD's SWP Table A (max 40 TAF) to the State in a pulse flow call year
- Take delivery of stored CBP groundwater in substitution for the transferred SWP Table A

Benefits for Metropolitan

- Emergency Use provision for up to 50 TAF (40 TAF in a single year)
- Improve regional reliability and system flexibility in Metropolitan's service area
 - New infrastructure in an otherwise SWP Dependent area
- CBP facilities could potentially be used for a regional storage and recovery program once pulse flow program term is completed

Program Execution

- Total CBP pulse flow obligation to the State is 375 TAF over 25-year period
 - Maximum 40 TAF of Metropolitan Table A supplies provided for pulse flows per call year
 - Repayment to Metropolitan from CBP achieved through in-lieu delivery (30 TAF) and direct pump-in (10 TAF)
- Pulse flow exchange would not be requested in critical dry years
 - Exchange limited to below normal and dry years
 - Program being developed under tenet of “No Harm”

Program Execution

- IEUA/Metropolitan joint operating committee will be formed to coordinate exchange
 - Annual assessment to decide whether a pulse flow exchange can be accommodated depending on SWP allocation, storage conditions, etc.
- If agreed to, pulse flow would likely occur in April-May
 - Metropolitan transferred supplies to be used for physical pulse flow release
- Delivery of CBP supplies to Metropolitan would likely begin in July to the following June

Recent Activity

- Developing agreement language consistent with April 2022 Board-approved draft terms
 - Metropolitan/IEUA Exchange Agreement
- Coordinating with DWR on appropriate mechanism to transfer Table A supplies for pulse flow
- Determining agreements necessary for program implementation, in conjunction with IEUA

Next Steps

- Finalize agreement language for Metropolitan/IEUA Exchange Agreement
 - Agreement will be brought to both IEUA and Metropolitan Board for approval
- Coordinate with DWR on necessary agreements
- Provide as needed input on CBP TAKE Facilities Preliminary Design Report
 - Includes decision on potential upsized facilities as part of Augmented CBP





One Water & Stewardship Committee

Conservation Update

Item 6d

August 19, 2024

Item 6d Conservation Update

Subject

Conservation Update

Purpose

Provide monthly update to the Board on conservation expenditures and activity from July 1, 2022 – June 30, 2024

Current Conservation Program Expenditures FYs 2022/23 & 2023/24⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$15.3 M	\$2.3 M
Member Agency Administered	\$12.0 M	\$1.6 M
Turf Replacement	\$47.9 M	\$17.0 M
Advertising	\$9.6 M	\$0.9 M
Other	\$4.8 M	\$1.6 M
TOTAL	\$89.6 M	\$23.4 M

(1) The Conservation Program biennial expenditure authorization is \$86M.

(2) Paid as of 7/1/2022 - 6/30/2024. Financial reporting on cash basis.

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

Current Conservation Program Activity FYs 2022/23 & 2023/24



Turf Replacement Rebates:

June: 619,690 ft² replaced

FY2022/23-FY2023/24: 22,296,299 ft² replaced



Toilets:

June: 4,467 units rebated

FY2022/23-FY2023/24: 48,892 units rebated



Smart Controllers:

June: 648 units rebated

FY2022/23-FY2023/24: 20,287 units rebated

Lifetime Water Savings to be achieved by all rebates in June 2024: 7,182 AF

FY2022/23-FY2023/24: 138,740 AF lifetime water savings

Tree Rebate Update



- Rebate added to Turf Replacement Program for Residential and Commercial, Industrial, and Institutional properties
- 1 new tree = 3 plants
- \$100 rebate per tree planted; max 5 trees
 - 15 gallon minimum size
 - Edible fruit trees allowed in residential projects

Tree Rebate Update



Residential

146 trees rebates
972 trees reserved



Commercial

20 trees rebates
317 trees reserved





One Water and Stewardship Committee

CAMP4W Policies, Initiatives, and Partnerships Discussion

Item 6e

August 19, 2024

Item 6e

CAMP4W Policies, Initiatives, and Partnerships Discussion

Subject

Discuss the development of a Climate Adaptation Policy Framework for Board Approval in early 2025

Purpose

Seek input from the One Water and Stewardship Committee on the value of developing a Climate Adaptation Policy Framework that translates CAMP4W thematic priorities into Policies, Initiatives and Partnerships

Next Steps

Oct 2024 - Seek CAMP4W Task Force input on a Draft Climate Adaptation Policy Framework

Dec 2024 – Present Climate Adaptation Policy Framework as a component of the Draft CAMP4W Master Plan

CAMP4W Task Force Charter

CAMP4W Task Force

Joint Task Force of Board Members and Member Agencies has been chartered to produce a regional plan (CAMP4W) that will develop and establish a master plan that includes:

- Climate and Growth Scenarios
- Time-bound Targets
- Framework for Climate Decision-Making and Reporting
- Policies, Initiatives, and Partnerships
- Business Models and Funding Strategies

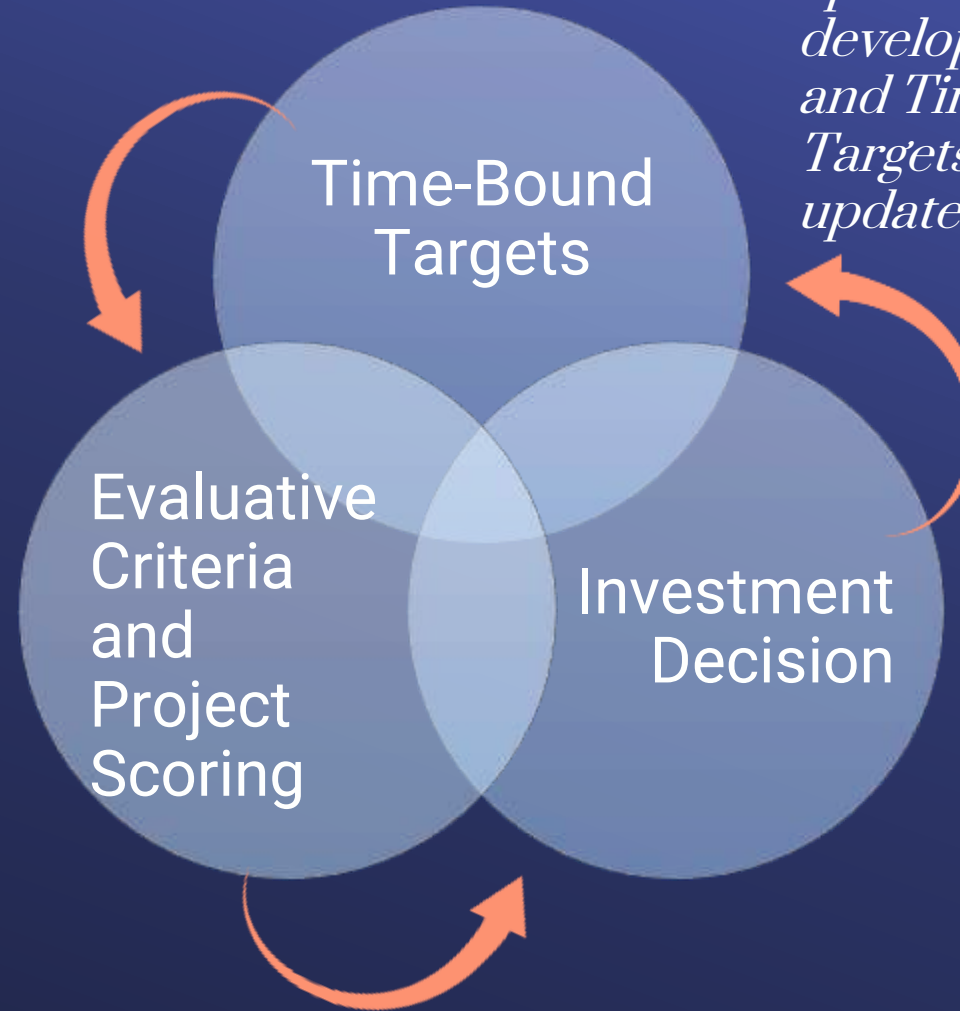


Climate Decision-Making Framework focused on Projects and Programs

Integrated Elements:
Time-Bound Targets, Evaluative Criteria and Investment Decisions function together



Time-Bound Targets guide project development and inform scoring of projects



Adaptive Management: update resource development needs and Time-Bound Targets based on updated projections

Scores and Time-Bound Targets inform decision-making

Purpose of Climate Adaptation Policy Framework

Systemically enhance Metropolitan's ability to adaptively manage, strengthen regional climate resilience, and further Metropolitan's mission of providing 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



A Policy Framework to systemically integrate Climate Adaptation

DRAFT Policy Framework Objectives

1. Systemically integrate climate adaptation to increase preparedness and improve response
2. Update existing and set new policies to strengthen the role of adaptive management and climate adaptation in Metropolitan's initiatives and decision making
3. Underscore the value of the Metropolitan Member Agency cooperative and other partnerships in achieving regional climate resilience












Policy and Initiative areas identified in Year One Progress Report



SHAPING OUR FUTURE

Policies that focus on being equitable, forward-thinking, and environmentally sustainable can shape the direction Metropolitan takes into the future, impacting investment decisions and the footprint we leave behind.

 EQUITABLE SUPPLY RELIABILITY While Metropolitan's Resource-Development targets identify the supply and storage needs for long-term reliability, the decision to specifically focus on areas experiencing inequity is driven by policy-based targets. Metropolitan's policy goals can further identify the types of measures it will prioritize towards meeting these goals.	 LOCAL AGENCY SUPPLY DEVELOPMENT The IRP Needs Assessment assumes a certain amount of local supply will remain available overtime. By developing policies that focus on supporting Member Agencies in their efforts to protect, preserve, and share those supplies, Metropolitan will define its preference towards continuing to support local supply reliability as a key resource.	 CONSERVATION AND EFFICIENCY Metropolitan embraces Making Conservation a California Way of Life, by considering policies and programs that capture the true value of water efficiency and conservation to achieve our goals of long-term reliability, resilience and financial sustainability. This includes policies to support Member Agency compliance with SWRCB standards.
 RESILIENT INFRASTRUCTURE Assessing climate risks and expanding Metropolitan's current robust process of asset protection is critical. As our climate and risks shift, policies that direct Metropolitan to identify and address risks based on future conditions will help guide investment decisions.	 SUSTAINABILITY As an environmental steward, current and new Metropolitan policies can contribute to long-term environmental sustainability including reducing our greenhouse gas emissions, increasing energy and water efficiency, pursuing renewable energy and reducing waste.	 SURPLUS WATER MANAGEMENT Policies can support Metropolitan's management of surplus water such as during flooding events or when excess recycled water is available, by developing additional storage within existing basins and reservoirs and through new opportunities.
 ECOSYSTEM AND HABITAT BENEFITS Healthy ecosystems can impact water quality, water supply, and infrastructure resilience. Policies can drive investment to make the ecosystem more resilient to fires, flooding and other risks, protect the water quality coming from the watershed, influence supply reliability, and protect infrastructure from risk of loss or damages.	 COMMUNITY EQUITY AND AFFORDABILITY Metropolitan is committed to diversity, equity, and inclusion, through policies such as mitigating impacts to disadvantaged communities or engaging underrepresented communities in workforce development, and those that consider affordability and Metropolitan's role as a wholesaler.	 WORKFORCE DEVELOPMENT Preparing for a future with increased climate extremes drives the need for critical policies surrounding workforce development goals and Metropolitan's process for protecting employees operating under extreme or otherwise risky conditions.

DRAFT Policy Framework Structure

CAMP4W Themes

Reliability

Resilience

Financial
Sustainability

Affordability

Equity

Board Policy Statements (Overarching Direction)

Policy Statement to
integrate climate
adaptation into water
supply reliability
efforts

Policy Statement to
achieve climate
resilience of resources
and infrastructure

Policy Statement to
ensure short and long-
term revenues to
adapt to climate
change

Policy Statement to
account for financial
impacts of climate
adaptation
investments

Policy Statement
acknowledging the
role and importance
of communities in
climate adaptation

Initiatives (Specific Implementation Actions)

Policies, Programs, Actions, Studies, Research, Partnerships etc.
to implement Climate Adaptation Policies

CAMP4W Themes Inform Policy Framework and Initiatives

Themes	Example Policy Statements (DRAFTS)
Reliability	➤ Long-term regional water supply reliability requires ongoing consideration of climate risks and integration of climate adaptation strategies into Metropolitan programs, policies, planning, workforce development, budgeting, land management, purchasing, and operations
Resilience	➤ Metropolitan will integrate climate risk and vulnerability assessments for climate-related hazards including drought, extreme heat and precipitation, sea level rise, flooding, and wildfire using the best available climate science and climate change information into planning, implementation and operations
Financial Sustainability	➤ Metropolitan will reduce short-term and long-term climate-related financial risks through its existing reserve policy for emergency response and through enabling investments that help reduce the risks of climate change
Affordability	➤ Supporting retail customer affordability ensures financial sustainability for all water agencies to make necessary water project and program investments
Equity	➤ Increasing community equity and engagement positively impacts Metropolitan's programs, projects, outcomes and partnership and funding opportunities

CAMP4W Themes Inform Policy Framework and Initiatives

Themes	Example Policy Statements (DRAFTS)
Reliability	<ul style="list-style-type: none">➤ Long-term regional water supply reliability requires ongoing consideration of climate risks and integration of climate adaptation strategies into Metropolitan programs, policies, planning, workforce development, budgeting, land management, purchasing, and operations

Example Initiatives:



Revise design standards
to address climate risks



Strengthen local/regional
water and climate resilience
programs



Strengthen
imported supplies



Partner with Member
Agencies

CAMP4W Themes Inform Policy Framework and Initiatives

Themes	Example Policy Statements (DRAFTS)
Resilience	<ul style="list-style-type: none">➤ Metropolitan will integrate climate risk and vulnerability assessments for climate-related hazards including drought, extreme heat and precipitation, sea level rise, flooding, and wildfire using the best available climate science and climate change information into planning, implementation and operations

Example Initiatives:



Manage vulnerabilities to power infrastructure



Collect and track latest climate data



Review workforce safety measures for climate risks



Maintain updated fire management plans for critical facilities

CAMP4W Themes Inform Policy Framework and Initiatives

Themes	Example Policy Statements (DRAFTS)
Financial Sustainability	➤ Metropolitan will reduce short-term and long-term climate-related financial risks through its existing reserve policy for emergency response and through enabling investments that help reduce the risks of climate change

Example Initiatives:



Identify partnership opportunities to share costs and benefits of adaptation strategies

CAMP4W Themes Inform Policy Framework and Initiatives

Themes	Example Policy Statements (DRAFTS)
Affordability	➤ Supporting retail customer affordability ensures financial sustainability for all water agencies to make necessary water project and program investments

Example Initiatives:



Develop water conservation programs, rebates and incentives to increase participation by DACs



Work with Member Agencies to identify funds for statewide low-income rate assistance

CAMP4W Themes Inform Policy Framework and Initiatives

Themes	Example Policy Statements (DRAFTS)
Equity	➤ Increasing community equity and engagement positively impacts Metropolitan’s programs, projects, outcomes and partnership and funding opportunities

Example Initiatives:



Develop environmental justice
and community benefits policy



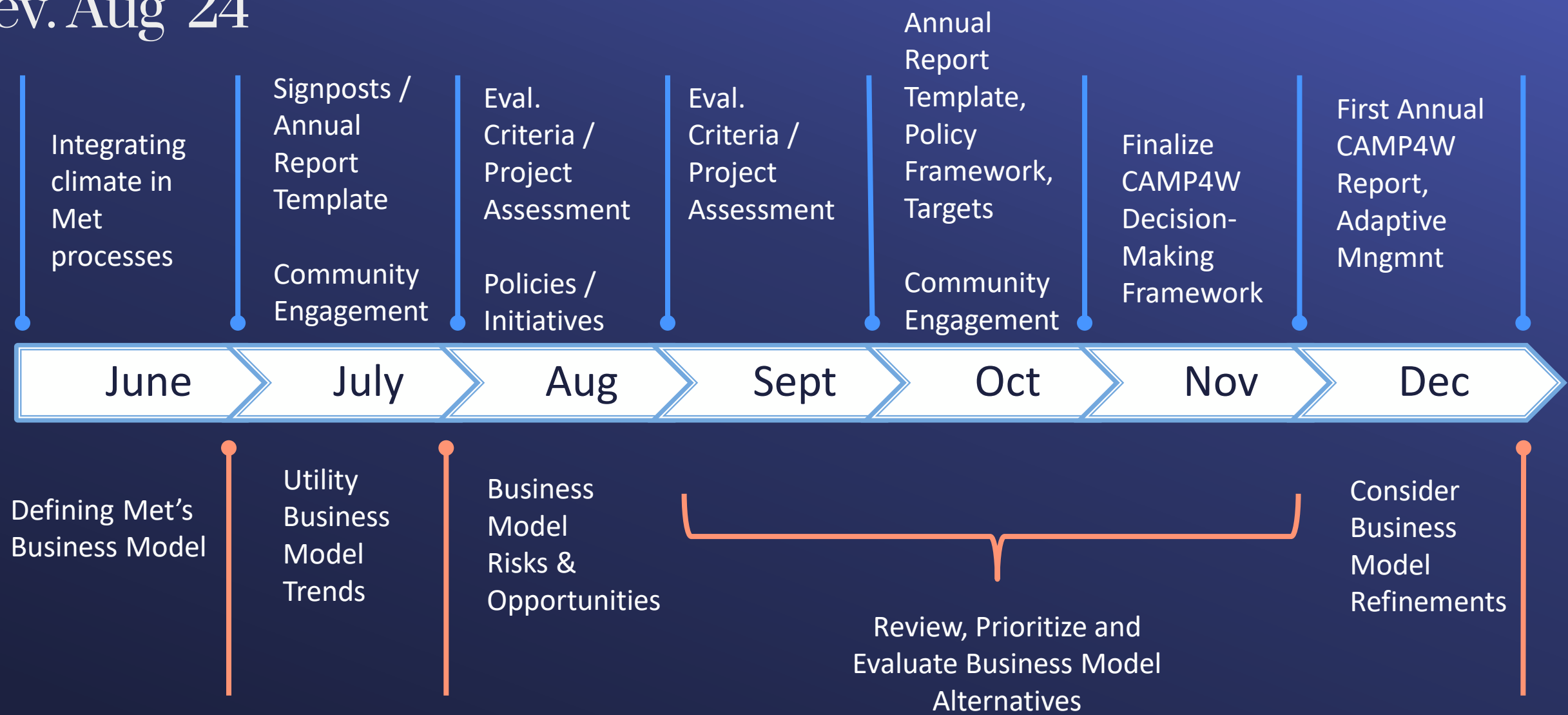
Develop community
engagement standards

Process for Climate Adaptation Policy, Initiatives, and Partnerships Development



2024 Schedule of CAMP4W and Business Model Discussions

rev. Aug '24







Bay-Delta Resources

- **Bay-Delta Management Report**

Summary

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

Purpose

Informational

Detailed Report

Long-Term Delta Actions

Delta Conveyance Related Joint Powers Authorities

There was no Delta Conveyance Design and Construction Authority or Delta Conveyance Finance Authority meeting held in July.

Sites Reservoir

At the July 19 Joint Reservoir Committee and Sites Authority Board meeting, the Reservoir Committee and the Authority Board approved a new asset management policy to establish guidelines for the effective and efficient management of assets owned and operated by the Sites Project Authority in compliance with relevant contractual and regulatory requirements and industry best practices.

Near-Term Delta Action

Regulatory and Science Update

Staff published a paper with researchers at Southern Illinois University and UC Davis on contaminants in the Sacramento Deep Water Ship Channel. The paper, titled “A Baseline Assessment of Contamination in the Sacramento Deep Water Ship Channel” was published in *Environmental Pollution*. Contaminants of concern were detected in the sediment, water column, and fish prey suggesting multiple hazard routes for toxicity.

Staff helped to plan and implement a workshop on cyanobacteria, that forms toxic blooms in the Sacramento-San Joaquin Delta with the Delta Science Program, UC Davis, Restore the Delta, and Little Manila Rising. Restore the Delta and the Delta Science Program were the lead organizers. The one day workshop provided information, materials, and online resources for the communities in the Sacramento-San Joaquin Delta on the cyanobacteria blooms and their potential hazard risks to the communities and wildlife. The workshop received positive feedback. Additional workshops are being planned.

Delta Islands

Staff held the first public meeting for the Webb Tract Wetland Restoration and Rice Conversion projects. The meeting was attended by over thirty interested parties. Two levee improvement projects continue to progress on Bouldin Island and Bacon Island. Staff attended the inaugural Wetlands Preservation Foundation and Restore the Delta’s Rice Field Day.

Board Report Bay-Delta Management Report

Metropolitan Bay Delta Conservation Plan/California WaterFix and California EcoRestore/Delta Conveyance Project (BDCP/CWF-CER/DCP) Expenditure

The following is a summary of Metropolitan's cumulative BDCP/CWF-CER/DCP expenditures updated for the quarter ending June 2024. This report includes the total internal costs related to the BDCP, the CWF-CER, and the subsequent DCP efforts with the state administration.

Staff will continue to provide this report on a quarterly basis in the Bay Delta Management Report.

Total (July 2005 – June 2024)

BDCP/CWF-CER/DCP Internal MWD	Total Costs (19.00 yrs.)
Labor & Benefits ⁽¹⁾	\$ 38.55M
Professional Services	\$ 7.20M
Travel	\$ 1.80M
Other ⁽²⁾	\$ 0.21M
SUBTOTAL	\$ 47.76M
Administrative Overhead	\$ 14.02M
TOTAL	\$ 61.78M

⁽¹⁾ Labor costs include salary, leave and non-leave benefits

⁽²⁾ Other includes charges for materials and supplies, trainings & seminars, conferences & meetings, reprographics, and other incidental expenses

Quarterly Summary (Jul 2023 – Jun 2024)

	FY23-24 Q1	FY23-24 Q2	FY23-24 Q3	FY23-24 Q4
	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024
Labor	0.186M	0.152M	0.249M	0.253M
Professional Services	0.001M	0.006M	0.004M	0.002M
Travel	0.000M	0.001M	0.004M	0.000M
Other	0.000M	0.000M	0.000M	0.000M
SUB-TOTAL	0.187M	0.159M	0.257M	0.184M
Admin. Overhead	0.062M	0.046M	0.048M	0.038M
TOTAL	0.249M	0.205M	0.305M	0.223M

The following is a summary of the Delta Conveyance Finance Authority costs for member's share of administrative expenses:

Quarterly Summary (Jul 2023 – Jun 2024)

	FY23-24 Q1	FY23-24 Q2	FY23-24 Q3	FY23-24 Q4
	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024
TOTAL	0.001M	0.002M	0.001M	0.002M



Colorado River Resources

• Colorado River Management Report

Summary

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

Purpose

Informational

Detailed Report

U.S. Bureau of Reclamation 2025 Annual Operating Plan Consultation

The U.S. Bureau of Reclamation (Reclamation) held the second of three annual consultation meetings regarding its Annual Operating Plan for Colorado River Reservoirs (AOP) for 2025. Each year Reclamation prepares an AOP that reports on operations of Colorado River Reservoirs during the past year, and projects operations and releases for the current year based on current and projected reservoir elevations and hydrologic conditions throughout the basin. The AOP provides Metropolitan with significant operational information regarding projected releases from Lake Powell to Lake Mead and whether the Lower Division States (California, Arizona, and Nevada) will be at normal, surplus, or shortage conditions. Metropolitan uses information in the AOP to plan diversions, Intentionally Created Surplus (ICS) creation and/or delivery, interstate banking determinations, and Drought Contingency Plan Contributions.

Reclamation's draft AOP states that the annual release from Lake Powell is forecast to be 7.48 million acre-feet. The Lower Basin is forecast to be in shortage condition, requiring Nevada, Arizona, and Mexico to take shortages and make Drought Contingency Plan (DCP) contributions. California is not forecast to be required to make DCP contributions in 2025. ICS may be created and delivered, and reservoir protection conservation as provided in the Lower Basin Plan will be implemented consistent with the Supplemental Environmental Impact Statement Record of Decision.

Metropolitan Issues Annual Fallowing Call for Palo Verde Program

By July 31 of each year, Metropolitan is required to make an annual fallowing call for the amount of land it wishes to be fallowed in Palo Verde Valley for the following two years. This year, the call was for 100 percent of the lands to be fallowed from 2025-2026. However, rather than the water being made available to Metropolitan, the water will be added to Lake Mead as system water, per the terms of the System Conservation Agreement executed by Reclamation, Palo Verde Irrigation District (PVID), and Metropolitan. Reclamation is funding the entire cost of the program and will be receiving 117,000 acre-feet per year through 2026. Part of Reclamation's funding will be set aside to fund community improvement projects in the city of Blythe and the surrounding area. A committee of three directors, each from PVID and Metropolitan, will be meeting to determine the process for selecting projects to be funded by the nearly \$7.5 million that was established through an agreement signed by PVID and Metropolitan.



Sustainability, Resilience, and Innovation Group

• Sustainability, Resilience, and Innovation GM Monthly Report

Summary

Sustainability, Resilience, and Innovation Office July 2024 Monthly Activities

Purpose

To report on Sustainability, Resilience, and Innovation Office July 2024 Monthly Activities

Detailed Report

SRI Core Activities

This month, SRI onboarded two new key staff – Carolyn Schaffer as the Sustainability and Resilience Section Manager and Leticia Guzman as SRI Administrative Assistant II. At the One Water Committee, SRI worked with WRM to bring academic partners from Chico State to discuss pilot projects in the Palo Verde Valley on innovative agricultural practices related to water efficiency and carbon sequestration. With the CAMP4W Planning team, SRI helped facilitate the CAMP4W Task Force focused on Signposts, Adaptive Management and Time-Bound Targets and is now working with the team and Member Agencies on evaluative criteria refinement.

Sustainability and Resilience

Sustainability and Resilience Operating Policies (OPs): SRI is currently working on three Metropolitan OPs:

1. G-05, Procurement of Goods and Services is being revised to incorporate a new Sustainable Procurement Guide.
2. G-06, Sustainable Procurement, is a new OP that establishes Metropolitan's commitment to procuring sustainable goods and services, supports sustainability priorities outlined in the Climate Action Plan, and facilitates compliance with environmental laws and regulations.
3. D-03, Sustainability, and Resilience establishes policy and guidance for advancing Metropolitan's sustainability and resilience goals and initiatives and is currently in review by the Legal Department.

Water Utilities Climate Alliance (WUCA) Presentation: On July 15, SRI and the Fleet Services staff conducted a presentation on Metropolitan's transition to zero-emission vehicles (ZEVs) for WUCA. Metropolitan presenters shared challenges and lessons learned as it continues its journey to electrify its fleet.

ZEV Feasibility Study: SRI submitted a Letter of Commitment to participate in a Department of Energy (DOE) grant-funded feasibility study for fleet electrification with the National Electric Highway Coalition (NEHC), a non-profit agency. One of the grant recipients is Everengi, a consulting firm that will provide Metropolitan and other utilities access to fleet transition planning software.

Centralized Grants Management Office

An updated Grants Procedures manual is currently in final review with Legal, Audit, Finance, and Procurement. Upon completion, the updated manual will be disseminated and posted on the IntraMet. The Centralized Grants Management Office has also developed a six-part Grants Administrator training series that will walk and guide staff through the updated manual. The training and certification will be available on MyLearning.

Environmental Planning Services

Core Business: Environmental Planning and Regulatory Compliance Support

Environmental Planning Section staff continued to prepare California Environmental Quality Act (CEQA) documentation for capital projects. The public review periods closed for the Initial Study and Mitigated Negative Declarations for the West Valley Feeder No. 1 Stage 3 Improvements and the Inland Feeder/Foothill Pump Station Intertie projects, as well as the Draft Environmental Impact Report (EIR) for the Garvey Reservoir Rehabilitation Project. Staff also continued to prepare the draft Program EIR for Pure Water Southern California, including reviewing draft technical reports for air quality/greenhouse gas, water quality, and traffic. Staff conducted construction monitoring for PCCP Second Lower Feeder Reach 3B Rehabilitation, Perris Valley Pipeline Interstate 215, Lake Mathews Valve Storage Building, La Verne Shops Upgrades, Weymouth Basins 5 through 8 Rehabilitation, and Weymouth Asphalt Rehabilitation projects, and the Colorado River Aqueduct Structural Protection Program. Staff continued to prepare CEQA environmental documentation and supported a public meeting for the Webb Tract Wetland Restoration Project.



Construction Monitoring along the Perris Valley Pipeline

Critical operations and maintenance activities were supported by Environmental Planning Section staff, including providing CEQA and regulatory clearances, conducting pre-construction and nesting bird surveys, and construction monitoring support for operations and maintenance activities throughout the service area. Staff continued to actively participate in coordination and planning meetings for the Foothill Feeder shutdown.



Southern Coast Mallow observed at Mud Canyon during fieldwork along the Lower Feeder

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 both reserves to prevent trespassing, vandalism, poaching, and theft and to protect the reserves’ natural and cultural resources, facilities, and equipment. Activities at the Lake Mathews Multiple Species Reserve included coordinating with CalFire for the Fire Investigator Training test burn plots, allowing CalFire staff to gain experience identifying ignition sources, burn direction, and other fire indicators. Activities at the Southwestern Riverside County Multi-Species Reserve included removal of non-native plants for fire and habitat management, coordinating with researchers conducting burrowing owl, grasshopper sparrow, and Stephens’ kangaroo rat surveys, and maintaining invasive brown-headed cowbird traps.

Land Management

A new lease has been executed with the existing Palo Verde tenant, Joey Deconinck Farms. The lease was approved by Metropolitan’s Board in September 2023 for a new term of up to 16 years with rent terms to enhance water conservation incentives that mirror the existing rent terms included in the current leases with the original, legacy Palo Verde tenants.

A new lease has been granted to the existing Bay Delta tenant, Lemhi Land and Cattle, LLC, for a term of up to 16 years. The lease was approved by Metropolitan’s Board in March 2024 to support rice farming on Holland Tract, which should lead to land subsidence benefits and other ecological improvements.

Board Report Sustainability, Resilience, and Innovation GM Monthly Report

Southern California Edison (SCE) has been issued an entry permit for the placement of electrical infrastructure underground near Lake Matthews. The permit will help facilitate SCE's wildfire mitigation project.

AECOM and Brown and Caldwell are engineering and project management consultants assisting with Metropolitan's Pure Water Project. Accordingly, a lease has been entered into for said consultants to occupy approximately 3,000 square feet of office space at Metropolitan's headquarters for up to five years.



Group

• WRM July Activities

Summary

The Water Resource Management Group July 2024 Monthly Activities

Purpose

Informational

Detailed Report

Implement Regional Conservation Program

Staff provided a presentation on turf replacement program to 15 San Fernando residents in partnership with the City of San Fernando. The presentation was also streamed live on YouTube and recorded for later viewing. (*Strategic Priority 3 – Goal 3.2 – Outcome 3.2.8: “Increase outdoor water use efficiency.”*)

Implement Future Supply Actions Funding Program

At the June 2024 Member Agency Managers meeting, staff provided an update on the Future Supply Actions Funding Program. Staff reviewed the program background, Round 3 proposals, evaluation process, and the eight selected proposals. In July 2024, the Board approved funding agreements for six proposals over \$250,000 and two proposals under \$250,000. A total of \$2.96 million will fund these proposals, aiming to drive innovation, remove barriers, and provide regional benefits through information exchange and studies.

Promote Metropolitan’s Technical Capabilities and Innovation Efforts to Advance the Understanding of Water Resources Management

On July 9, 2024, the Supply Acquisition Team provided a briefing to Calleguas Municipal Water District staff on Metropolitan’s various local groundwater and reservoir management programs. The following programs were covered: the Conjunctive Use Program, the Cyclic Program, the Cyclic Cost-Offset Program, the Operational Shift Cost-Offset Program, the Reverse Cyclic Program, and the Santa Ana River Conservation and Conjunctive Use Program.

On July 18, 2024, the Supply Acquisition Team presented to the Association of Water Agencies Ventura County on the Antelope Valley East Kern (AVEK) High Desert Water Bank (HDWB) project. Staff covered topics such as background on Metropolitan, AVEK, HDWB program details, project design enhancements, and current project status. (*Strategic Priority 3 – Goal 3.2: “Advance the long-term reliability and resilience of the region’s water sources through a One Water approach that recognizes the interconnected nature of imported and local supplies.”*)