

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.

OWA Committee

T. Quinn, Chair
M. Katz, Vice Chair
L. Ackerman
D. Alvarez
J. Armstrong
G. Cordero
D. Erdman
M. Gold
C. Kurtz
J. Lewitt
J. McMillan
C. Miller
B. Pressman

One Water and Adaptation Committee

Meeting with Board of Directors *

April 7, 2025

2:30 p.m.

Monday, April 7, 2025 Meeting Schedule

**09:00 a.m. EOT
11:00 a.m. LEG
12:30 p.m. Break
01:00 p.m. OPE
02:30 p.m. OWA**

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:

3008 W. 82nd Place • Inglewood, CA 90305

Allendale Insurance Agency • 337 West Foothill Boulevard • Glendora, CA 91741

525 Via La Selva • Redondo Beach, CA 90277

* 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 Meeting One Water and Adaptation Committee for March 10, 2025 **21-4449**

Attachments: [04072025 OWA 2A \(03102025\) Minutes](#)

3. CONSENT CALENDAR ITEMS - ACTION

- 7-11 Authorize the General Manager to extend California Contractor Forbearance for Intentionally Created Surplus; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-4442**

Attachments: [04082025 OWA 7-11 B-L](#)
[04072025 OWA 7-11 Presentation](#)

- 7-12 Authorize the General Manager to terminate the Foothill Area Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-4443**

Attachments: [04082025 OWA 7-12 B-L](#)
[04072025 OWA 7-12 to 7-17 Presentation](#)

- 7-13 Authorize the General Manager to terminate the Live Oak Basin Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-4444**

Attachments: [04082025 OWA 7-13 B-L](#)
[04072025 OWA 7-12 to 7-17 Presentation](#)

- 7-14 Authorize the General Manager to terminate the Long Beach Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-4445**

Attachments: [04082025 OWA 7-14 B-L](#)
[04072025 OWA 7-12 to 7-17 Presentation](#)

- 7-15** Authorize the General Manager to terminate the Long Beach Expansion into Lakewood Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4446](#)

Attachments: [04082025 OWA 7-15 B-L](#)
[04072025 OWA 7-12 to 7-17 Presentation](#)

- 7-16** Authorize the General Manager to terminate the Orange County Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4447](#)

Attachments: [04082025 OWA 7-16 B-L](#)
[04072025 OWA 7-12 to 7-17 Presentation](#)

- 7-17** Authorize the General Manager to terminate the Compton Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-4448](#)

Attachments: [04082025 OWA 7-17 B-L](#)
[04072025 OWA 7-12 to 7-17 Presentation](#)

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

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a.** Conservation Quarterly Update [21-4453](#)

Attachments: [04072025 OWA 6a Presentation](#)

- b.** Update on Water Surplus and Drought Management [21-4454](#)

Attachments: [04072025 OWA 6b Report](#)
[04072025 OWA 6b Presentation](#)

- c. Sites Reservoir Project Benefits and Risks Part 1 [21-4450](#)
Attachments: [04072025 OWA 6c Presentation](#)
- d. Update on Basin States Discussions Regarding Post-2026 Operational Guidelines [21-4451](#)
Attachments: [04072025 OWA 6d Presentation](#)
- e. Carbon Sequestration and Capture Opportunities [21-4452](#)
Attachments: [04072025 OWA 6e Presentation](#)
- f. Report on the Delta Conveyance Design and Construction Authority Meeting [21-4460](#)
- g. Report on the Colorado River Board Meeting [21-4461](#)

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Bay-Delta Resources activities [21-4455](#)
Colorado River Resources activities
Sustainability, Resilience and Innovation activities
Water Resources Management activities
Attachments: [04072025 OWA 7a Bay-Delta Resources activities](#)
[04072025 OWA 7a Colorado River Resources activities](#)
[04072025 OWA 7a Sustainability, Resilience and Innovation activities](#)
[04072025 OWA 7a Water Resources Management activities](#)

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. 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 ADAPTATION COMMITTEE

March 10, 2025

Vice Chair Katz called the meeting to order at 2:30 p.m.

Members present: Directors Ackerman, Armstrong, Cordero, De Jesus (teleconference posted location), Erdman, Fong-Sakai, Gold (entered after roll call), Goldberg, Katz, Kurtz, Lefevre (teleconference posted location), Lewitt, Miller, Pressman (entered after roll call, teleconference posted location), and Sutley (entered after roll call).

Members absent: Directors Alvarez and Quinn.

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

Committee Staff present: Bednarski, Crosson, Goshi, Hasencamp, Hawk, Hudson, Munguia, Rubin, Schlotterbeck, and Upadhyay.

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

Public Speakers included:

1. Christine McCaffrey, General Manager, Calleguas Municipal Water District spoke in support of item 7-4.
2. Jennifer Tribo, City of Ventura, spoke in support of item 7-4.
3. Raymond Heimstra, Orange County Coastkeeper, spoke in favor of item 7-6.

CONSENT CALENDAR ITEMS -- ACTION

2. CONSENT CALENDAR OTHER ITEMS -- ACTION

- A. Approval of the Minutes of the Meeting One Water and Stewardship Committee for February 10, 2025

3. CONSENT CALENDAR ITEMS – ACTION

7-4 Subject: Authorize the General Manager to enter into agreements with the City of San Buenaventura and Calleguas Municipal Water District for wheeling and emergency delivery of State Water Project water; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

 Motion: Authorize the General Manager to enter into agreements with the City of San Buenaventura and Calleguas Municipal Water District for wheeling and emergency delivery of State Water Project water.

7-5 Subject: Authorize the General Manager to terminate six inactive Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
[DEFERRED on 3/3/25]

 Motion: Authorize the General Manager to terminate six inactive CUP agreements.

Director Miller requested to see the presentation for item 7-6.

7-6 Subject: Authorize the General Manager to enter into a Stormwater for Recharge Pilot Program agreement with the City of Anaheim with a maximum amount up to \$980,000 for the State College Stormwater Tank Project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

 Motion: Authorize the General Manager to enter into a Stormwater for Recharge Pilot Program agreement with the City of Anaheim with a maximum amount of up to \$980,000 for the State College Stormwater Tank Project.

 Presented by: Christina I. Vallejo, Assistant Resource Specialist II,
Water Resource Management

The following Directors provided comments or asked questions:

1. Ortega
2. Pressman
3. Gold

Directors Pressman and Gold entered the meeting.

7-7 **Subject:** Authorize the General Manager to forbear water conserved by two Coachella Valley Water District projects, thus allowing the conserved water to be added to Lake Mead under U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Motion: Authorize the General Manager to forbear water conserved by two Coachella Valley Water District projects, thus allowing the conserved water to be added to Lake Mead under the U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program.

Director Erdman made a motion, seconded by Director Lewitt, to approve the Consent Calendar consisting of items 2a, 7-4, 7-6, and 7-7.

The vote was:

Ayes: Ackerman, Armstrong, Cordero, DeJesus, Erdman, Fong-Sakai, Gold, Goldberg, Katz, Kurtz, Lefevre, Lewitt, Miller, and Pressman.

Noes: None.

Abstentions: None.

Absent: Directors Alvarez, Quinn, and Sutley.

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

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

8-1 **Subject:** Authorize an increase of the maximum amount payable under the contract with Richardson & Company LLP for auditing services related to State Water Project charges from \$5,125,000 to an amount not to exceed \$8,900,000 and extend the term by three years to March 31, 2028; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Jaime L. Dalida, Sr. Resource Specialist, Water Resource Management

Motion: Authorize an increase in the maximum amount payable under a contract with Richardson & Company LLP for auditing services related to State Water Project charges from \$5,125,000 to an amount not to exceed \$8,900,000 and extend the term by three years to March 31, 2028.

The following Directors provided comments or asked questions.

1. Miller

Director Kurtz made a motion, seconded by Director Erdman, to approve item 8-1.

The vote was:

Ayes: Ackerman, Armstrong, Cordero, DeJesus, Erdman, Fong-Sakai, Gold,
Goldberg, Katz, Kurtz, Lefevre, Lewitt, Miller, and Pressman.

Noes: None.

Abstentions: None.

Absent: Directors Alvarez, Quinn, and Sutley.

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

5. BOARD INFORMATION ITEMS

NONE.

6. COMMITTEE ITEMS

- a. Subject: Update on Water Surplus and Drought Management
Presented by: Larry Lai, Resource Specialist, Water Resource Management

The following Director provided comments or asked questions.

1. Armstrong

- b. Subject: Palo Verde Valley Land Ownership Analysis
Presented by: Lauren Steely, Sr. Resource Specialist,
Water Resource Management

The following Directors provided comments or asked questions.

1. Gold
2. Miller

Staff responded to the Directors' questions and comments.

Director Erdman left the meeting.

7. MANAGEMENT ANNOUNCEMENT AND HIGHLIGHTS

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

John Bednarski, Assistant General Manager, reported on Metropolitan's Regional Supply and Demand balance and steps that staff will be taking to implement surplus actions.

Director Cordero reported on the Colorado River Board and Six Agency Committee meeting on January 15, 2025.

Director De Jesus gave an update on the Community Enhancement Committee with Palo Verde Irrigation District.

Ms. Crosson provided an update on Sustainability, Resilience, and Innovation activities.

8. FOLLOW UP ITEMS

None.

9. FUTURE AGENDA ITEMS

None.

Vice Chair Katz announced the formation of an Imported Water Sub-Committee and its membership.

10. ADJOURNMENT

The next meeting will be held on April 7, 2025

The meeting adjourned at 4:03p.m.

Mel Katz
Vice Chair



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

4/8/2025 Board Meeting

7-11

Subject

Authorize the General Manager to extend California Contractor Forbearance for Intentionally Created Surplus; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff seeks authorization for the General Manager to extend forbearance for Intentionally Created Surplus (ICS) to match the period of time covered by the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead. California forbearance for ICS currently terminates on December 31, 2025, for the creation of ICS and on December 31, 2035, for delivery of ICS. This extension would provide forbearance for ICS creation through December 31, 2026, and through December 31, 2036, for delivery of ICS.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to extend California Contractor Forbearance for Intentionally Created Surplus.

Fiscal Impact: None

Business Analysis: Metropolitan would extend its forbearance for ICS in the Lower Basin Forbearance Agreement to match the 2007 Interim Guidelines for Coordinated Operations of Lake Powell and Lake Mead.

Option #2

Direct the General Manager to not extend California Contractor Forbearance for Intentionally Created Surplus.

Fiscal Impact: None

Business Analysis: Metropolitan would not extend its forbearance for ICS which would increase uncertainty for ICS creation through 2026 and ICS delivery through 2036.

Alternatives Considered

No alternatives were considered.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 47327 in December 2007, Metropolitan's Board approved agreements that included forbearance of ICS Exhibits through December 31, 2025.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves an agreement associated with the operation of existing public water conveyance facilities, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301.)

CEQA determination for Option #2:

None required

Details and Background

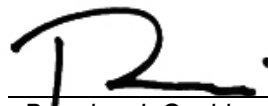
Background

The Record of Decision for the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (2007 Interim Guidelines) govern Colorado River water supply and reservoir operating decisions, including the creation of ICS. These guidelines terminate on December 31, 2025. However, since the Annual Operating Plan for 2026 is adopted in 2025, the operations for 2026 will be determined under the 2007 Interim Guidelines. Therefore, the 2007 Interim Guidelines will effectively govern the system through 2026, with the accounting and delivery of ICS through 2036. The 2007 Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement (2007 Forbearance Agreement), to which Metropolitan and other Colorado River contractors are parties, also terminates on December 31, 2025. However, the 2007 Forbearance Agreement does not have the same mechanism to effect 2026 operations. Thus, despite terminating at the same time, in practice, there is a one-year discrepancy between the 2007 Interim Guidelines and the 2007 Forbearance Agreement regarding the creation and delivery of ICS.

Extending California Forbearance

California contractor forbearance of ICS is necessary because, under the California priority system, Colorado River water conserved by a higher-priority user is available to the next lower-priority user. For additional background on the purpose and mechanics of forbearance by Metropolitan, please see the June 2024 presentation on that subject available at:

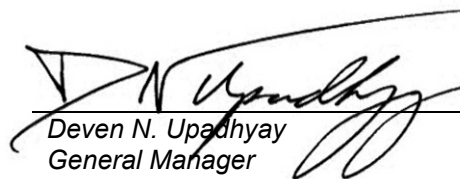
<https://mwdh2o.legistar.com/View.ashx?M=F&ID=13012478&GUID=5C7533D3-F668-4FC6-A12E-EACEF0DF52DD>. Therefore, to ensure Metropolitan's ability to create and deliver ICS through the period in which the 2007 Interim Guidelines effectively govern the Colorado River, staff recommends extending the period of time covered by the 2007 Forbearance Agreement. This extension would provide forbearance for the creation of ICS through 2026 and for delivery of ICS through 2036.



Brandon J. Goshi
Acting Manager,
Water Resource Management

3/24/2025

Date



Deven N. Upadhyay
General Manager

3/24/2025

Date



One Water and Adaptation Committee

Authorize Forbearance of Intentionally Created Surplus in 2026

Item 7-11

April 7, 2025

Item 7-11

Authorize Forbearance of Intentionally Created Surplus in 2026

Subject

Authorize the General Manager to extend California Forbearance for Intentionally Created Surplus; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

To obtain Board approval to extend California Forbearance for Intentionally Created Surplus (ICS) in 2026

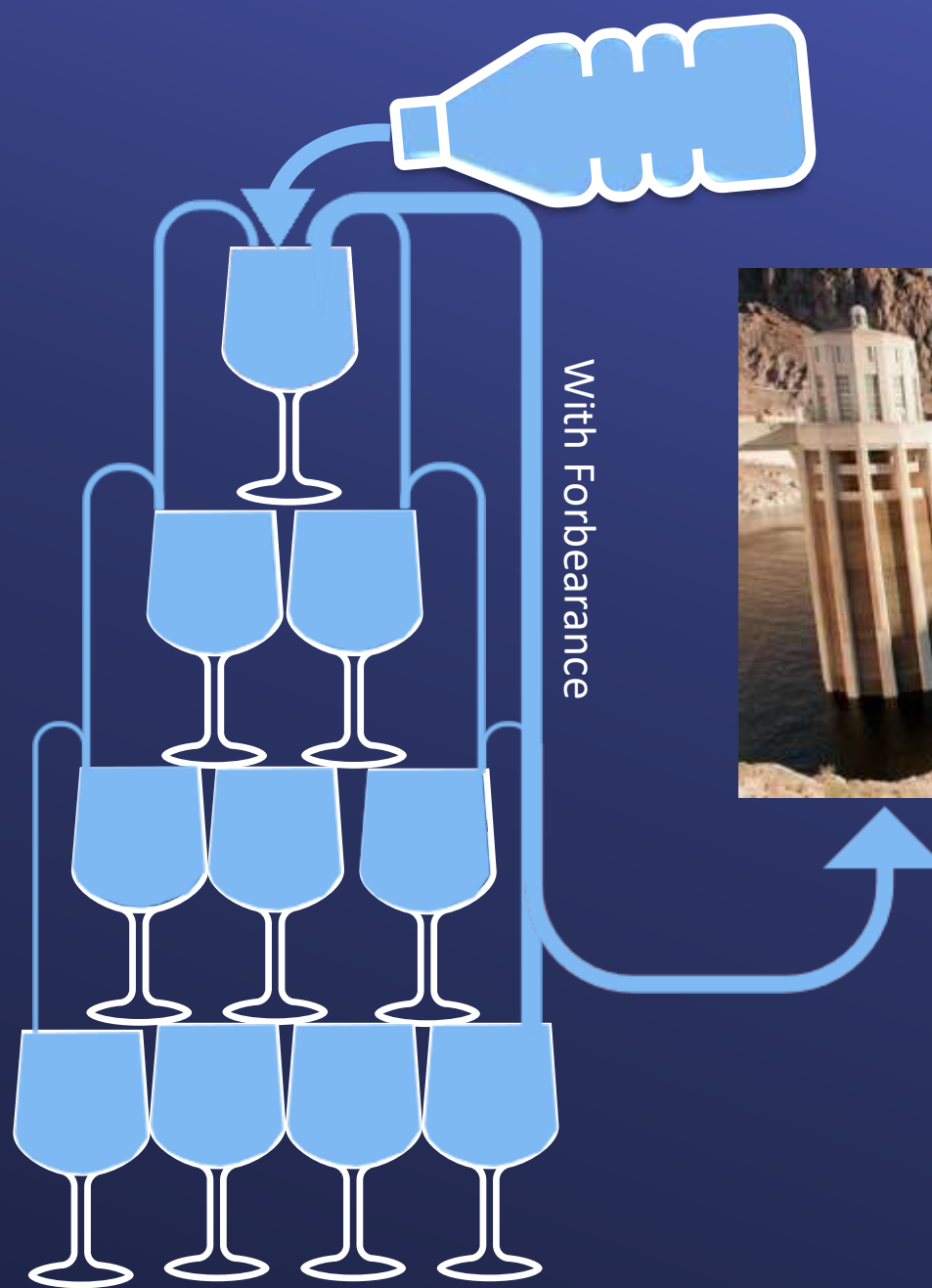
Recommendation and Fiscal Impact

Authorize forbearance the General Manager to extend California Contractor Forbearance for Intentionally Created Surplus

Budget

No budget impact

Forbearance Allows Conserved Water To be Moved Out of Priority



Metropolitan's Forbearance is Necessary

Forbearance agreements are the mechanism for ensuring conserved water stays in Lake Mead under the priority system

Extend California Contractor Forbearance for ICS through 2026

	2007 Interim Guidelines	ICS Forbearance Agreement
Date Agreement Signed	December 13, 2007	December 13, 2007
Expiration Date	December 31, 2025	December 31, 2025
Does it Effect Operations post-Expiration?	Yes	No

Extension achieves consistency
between agreements effective
periods

Board Options

- Option #1

Authorize the General Manager to extend California Contractor Forbearance for Intentionally Created Surplus.

- Option #2

Direct the not to extend California Contractor Forbearance for Intentionally Created Surplus

Staff Recommendation

- Option #1





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

4/8/2025 Board Meeting

7-12

Subject

Authorize the General Manager to terminate the Foothill Area Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the General Manager be authorized to enter into agreements to terminate six inactive Conjunctive Use Program (CUP) agreements. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. The six programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Staff has coordinated with the member agencies involved with the listed projects, and the consensus of both member agencies and staff is to terminate the agreements.

The subject of this board action is to terminate the Foothill CUP agreement. Termination of the Foothill CUP agreement will reduce Metropolitan costs in the current biennium by approximately \$17,000 and \$35,000 in future years due to the elimination of administrative fee payments that would be made by Metropolitan if the agreement remains in effect. A summary of the CUP programs is provided in **Attachment 1**.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to terminate the Foothill Area Conjunctive Use Program Agreement.

Fiscal Impact: Terminating the agreement would relieve Metropolitan of administrative fees and result in a reduction of budgeted Supply Program costs of \$16,882 in FY2025/26 and a total reduction of \$51,923 through the term of the existing agreement.

Business Analysis: This action will reduce Metropolitan costs in the current biennium by approximately \$17,000 and \$35,000 in future years due to the elimination of administrative fee payments that would have been made by Metropolitan if the agreements had remained in effect.

Option #2

Do not authorize the General Manager to terminate the Foothill Area CUP agreement, which would allow the Foothill Area CUP agreement to terminate on its current schedule.

Fiscal Impact: Cost savings or increased revenue in this biennium will not be achieved.

Business Analysis: Not terminating now will leave this agreement on its original schedule, and no cost savings or increased revenue will be realized in this biennium. Revenue generation would be deferred to 2028.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan.

By Minute Item 43860, dated Jan. 11, 2000, the Board approved strategies for implementing Groundwater Storage Programs within Metropolitan's service area.

By Minute Item 44210, dated Oct. 17, 2000, the Board adopted Resolution 8706 to accept the grant for funds from Proposition 13.

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

By Minute Item 44427, dated April 10, 2001, the Board gave authority to finalize agreement terms for Groundwater Conjunctive Use Projects using Proposition 13 funds.

By Minute Item 44871, dated May 14, 2002, the Board approved the Long Beach CUP.

By Minute Item 45035, dated October 8, 2002, the Board approved the Live Oak Basin CUP.

By Minute Item 45205, dated February 11, 2003, the Board approved the Foothill Area CUP.

Board Report dated May 11, 2004, reporting on the selection of Groundwater Storage Programs using remaining Proposition 13 funds.

By Minute Item 46073, dated January 11, 2005, the Board approved the Compton CUP.

By Minute Item 46301, dated July 12, 2005, the Board approved the Long Beach CUP Phase 2 expansion into Lakewood.

Summary of Outreach Completed

Presented to Member Agency Managers Meeting on February 11, 2025

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

The purpose of the CUP program is to store water during wet years and extract the stored water during dry years upon a call by Metropolitan. Since 2002, more than 350,000 acre-feet has been stored in the nine CUP programs. Also, the CUP program has generated a total of about 266,000 acre-feet of yield that has benefited Metropolitan during drought and emergencies.

Metropolitan seeks ways to streamline the current program and identify measures to reduce costs and generate revenue in the CUP program. To achieve this goal, Metropolitan proposes to terminate six inactive CUP programs during this fiscal year to reduce future administrative and reimbursement costs and to generate revenue. This proposed action would terminate the Foothill Area CUP agreement.

History of the CUP Program

The 1996 Integrated Resources Plan (IRP) identified groundwater storage as an important part of Metropolitan's future water resource mix. The IRP also identified that the remaining need for long-term storage is 450,000 acre-feet, with 150,000 acre-feet per year of dry-year production.

In January 2000 (Board Item 9-5), the Board approved a hybrid framework for the development of in-region dry-year CUP. This hybrid framework for CUP included two components:

- **A case-by-case approach** where member agencies could submit proposals to Metropolitan based upon their needs and expected benefits, or Metropolitan may approach a member agency based upon an assessment of potential regional benefits; and
- **A request for proposal (RFP) approach** where member agencies would submit proposals that would be competitively ranked against specific criteria. This approach tries to standardize all Groundwater Storage Programs; however, experience has shown that not all local groundwater programs are alike. Local issues such as water quality, basin adjudication or management, and local and regional benefits are all unique, making it difficult to rank projects using specific criteria.

In January 2000, the Board also established principles for the development of conjunctive use in the service area. These principles are summarized in **Attachment 1**.

In March 2000, 65 percent of California voters approved Proposition 13 (Prop. 13), authorizing the state of California to sell \$1.97 billion in general obligation bonds for water-related projects throughout the state. In May 2020, the Governor's Annual Budget Act appropriated to the Department of Water Resources local assistance grant funds from Prop 13. From these funds, the state allocated \$45 million to Metropolitan to help finance Southern state Water Reliability Projects targeting conjunctive use projects within the Metropolitan's service area.

In November 2000, Metropolitan released an RFP for the CUP Program. Nine CUP programs were selected and approved by the Board and received funding from Prop 13 in the amount of \$45 million and Metropolitan in the amount of \$27 million. These CUP programs included: the Chino Basin, Compton, Elsinore, Foothill Area, Live Oak, Long Beach, Long Beach Expansion into Lakewood, Orange County, and Upper Claremont CUPs. Each CUP agreement has a term of 25 years with termination between 2027 and 2031, depending upon when the agreement was executed. This proposed action would terminate the Foothill Area CUP. Without this action, the Foothill Area CUP would terminate on February 11, 2028. Each agreement also includes provisions for capital facilities needed to perform for the program. Program facilities included treatment facilities, new wells, conveyance systems, and recharge facilities. The final disbursement of the Prop 13 and Metropolitan funding for the completion of all funded CUP facilities was achieved in May 2009.

The total storage of the CUP programs is 211,889 acre-feet with a dry-year yield of 70,296 acre-feet per year. The current balance in the CUP program is 83,607 acre-feet. Storage amounts for all the CUP programs are shown in **Attachment 1**.

Need for Action

Six CUP programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Over time, Metropolitan has developed alternative approaches and programs for coordinated groundwater storage management that can continue to provide regional benefits that have previously come from these inactive CUP programs. Metropolitan has discussed the termination of these programs with the affected member agencies. As a result of these discussions, the program partners have expressed interest in terminating their programs early. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. Regional dry-year storage levels are currently at a record high of 3.8 million acre-feet. The proposed action is not likely to significantly impact the availability of dry-year supplies. Further, termination of the inactive programs does not impact the requirements of the Prop 13 funding received and disbursed to the participating agencies for the development of the programs.

Proposed Action and General Terms

Staff recommends that the Board authorize the General Manager to enter into agreements to terminate six inactive CUP agreements. New agreements are currently required to allow for termination of the existing agreements. This proposed action would terminate the Foothill Area CUP agreement. The existing CUP agreements do not include standard termination language, which would have allowed the parties to initiate early terminations upon written notice.

General Terms

The following conditions will apply to the agreements:

- Metropolitan and the six participating member agencies will enter into individual agreements.
- Termination of the six agreements will be effective by June 30, 2025.
- The participating member agency would not be required to pay back any funds received from Metropolitan during the term of the agreement.
- No money would be due upon termination by either party unless there is water remaining in a CUP account.
- Since there is no water in the Foothill CUP account, no money is due.

Project Milestone(s)

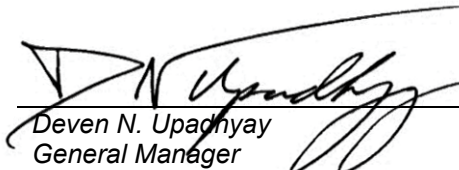
Termination of the Foothill Area CUP will be effective June 30, 2025.



Brandon J. Goshi
Interim Manager,
Water Resource Management

3/24/2025

Date



Deven N. Upadhyay
General Manager

3/24/2025

Date

Attachment 1 – Summary of Conjunctive Use Programs

Ref# wrm12707942

Summary of Conjunctive Use Programs

Program	Current Balance (AF)	Start Date	Original Termination Date	Active or Inactive	Proposed Termination Date
Chino	63,838	2003	2028	Active	—
Compton	0	2005	2030	Inactive	2025
Elsinore	11,891	2006	2031	Active	—
Foothill Area	0	2003	2028	Inactive	2025
Live Oak	0	2002	2027	Inactive	2025
Long Beach Phase 1	6,678	2002	2027	Inactive	2025
Long Beach Phase 2 (Lakewood)	0	2005	2030	Inactive	2025
Orange County	0	2003	2028	Inactive	2025
Upper Claremont	1,200	2005	2030	Active	—
Total	83,607	—	—	—	—



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

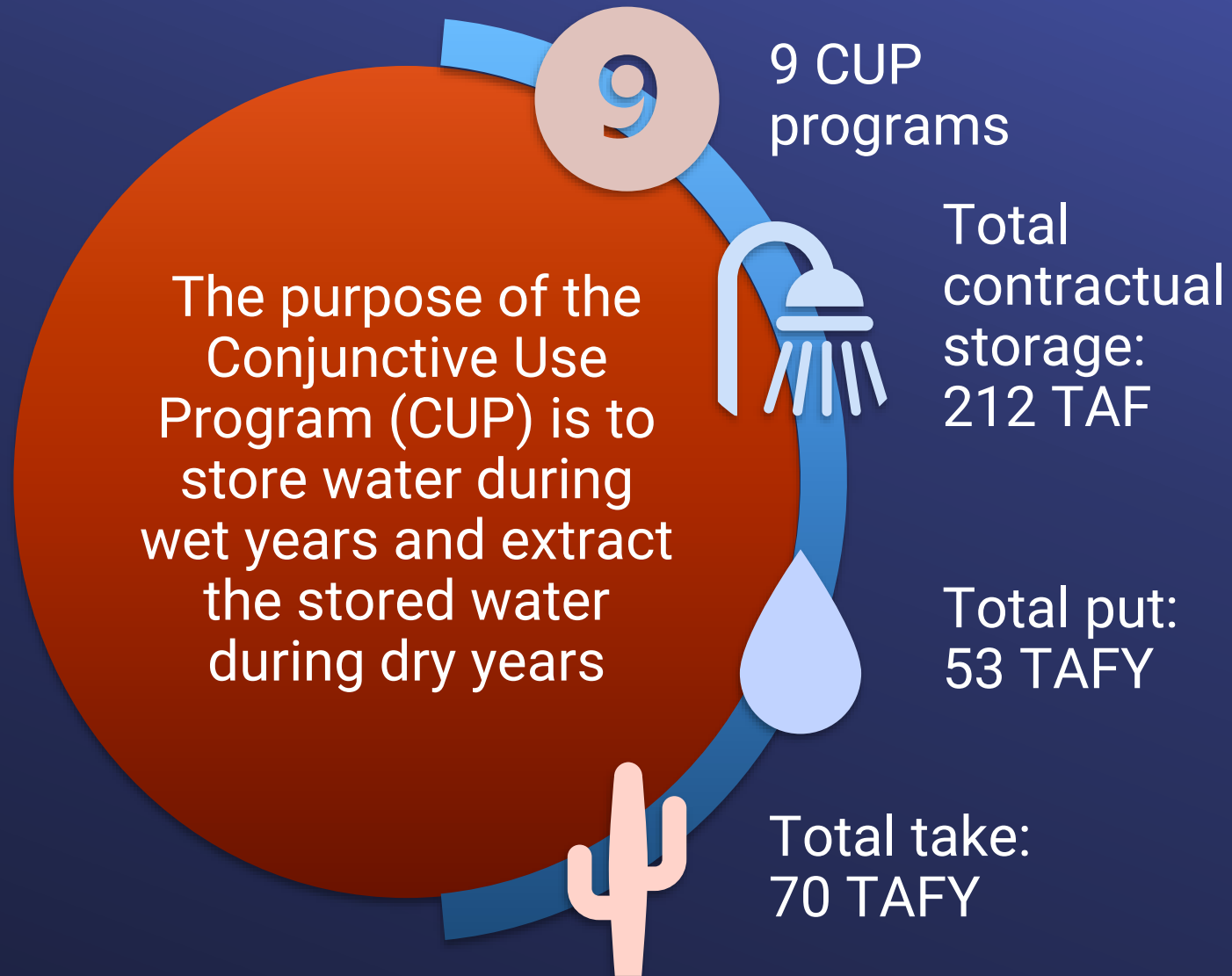
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination


Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.



The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Cost savings

- \$2.1 million
- Savings of future annual administrative fees
- Cost share of future O&M and power credits

Additional Revenue

- \$9.3 million
- Sale of remaining water in Long Beach CUP account (6,678 AF) in this biennium

Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1





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

4/8/2025 Board Meeting

7-13

Subject

Authorize the General Manager to terminate the Live Oak Basin Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the General Manager be authorized to enter into agreements to terminate six inactive Conjunctive Use Program (CUP) agreements. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. The six programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Staff has coordinated with the member agencies involved with the listed projects, and the consensus of both member agencies and staff is to terminate the agreements.

The subject of this board action is to terminate the Live Oak CUP agreement with the Three Valleys Municipal Water District. Termination of the Live Oak CUP agreement will reduce Metropolitan costs in the current biennium by approximately \$4,000 and \$4,000 in future years due to the elimination of administrative fee payments that would be made by Metropolitan if the agreement remains in effect. A summary of the CUP programs is provided in **Attachment 1**.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to terminate the Live Oak Basin Conjunctive Use Program Agreement.

Fiscal Impact: Terminating the agreement would relieve Metropolitan of administrative fees and result in a reduction of budgeted Supply Program costs of \$4,000 in FY2025/26 and a total reduction of \$8,000 through the term of the existing agreement.

Business Analysis: This action will reduce Metropolitan costs in the current biennium by approximately \$4,000 and \$4,000 in future years due to the elimination of administrative fee payments that would have been made by Metropolitan if the agreements had remained in effect.

Option #2

Do not authorize the General Manager to terminate the Live Oak CUP agreement, which would allow the Live Oak CUP agreement to terminate on its current schedule.

Fiscal Impact: Cost savings or increased revenue in this biennium will not be achieved.

Business Analysis: Not terminating now will leave this agreement on its original schedule, and no cost savings or increased revenue will be realized in this biennium. Revenue generation would be deferred to 2027.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan

By Minute Item 43860, dated Jan. 11, 2000, the Board approved strategies for implementing Groundwater Storage Programs within Metropolitan's service area.

By Minute Item 44210, dated Oct. 17, 2000, the Board adopted Resolution 8706 to accept the grant for funds from Proposition 13.

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

By Minute Item 44427, dated April 10, 2001, the Board gave authority to finalize agreement terms for Groundwater Conjunctive Use Projects using Proposition 13 funds.

By Minute Item 44871, dated May 14, 2002, the Board approved the Long Beach CUP.

By Minute Item 45035, dated October 8, 2002, the Board approved the Live Oak Basin CUP.

By Minute Item 45205, dated February 11, 2003, the Board approved the Foothill Area CUP.

Board Report dated May 11, 2004, reporting on the selection of Groundwater Storage Programs using remaining Proposition 13 funds.

By Minute Item 46073, dated January 11, 2005, the Board approved the Compton CUP.

By Minute Item 46301, dated July 12, 2005, the Board approved the Long Beach CUP Phase 2 expansion into Lakewood.

Summary of Outreach Completed

Presented to Member Agency Managers Meeting on February 11, 2025

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

The purpose of the CUP program is to store water during wet years and extract the stored water during dry years upon a call by Metropolitan. Since 2002, more than 350,000 acre-feet has been stored in the nine CUP programs. Also, the CUP program has generated a total of about 266,000 acre-feet of yield that has benefited Metropolitan during drought and emergencies.

Metropolitan seeks ways to streamline the current program and identify measures to reduce costs and generate revenue in the CUP program. To achieve this goal, Metropolitan proposes to terminate six inactive CUP programs

during this fiscal year to reduce future administrative and reimbursement costs and to generate revenue. This proposed action would terminate the Live Oak CUP agreement.

History of the CUP Program

The 1996 Integrated Resources Plan (IRP) identified groundwater storage as an important part of Metropolitan's future water resource mix. The IRP also identified that the remaining need for long-term storage is 450,000 acre-feet, with 150,000 acre-feet per year of dry-year production.

In January 2000 (Board Item 9-5), the Board approved a hybrid framework for the development of in-region dry-year CUP. This hybrid framework for CUP included two components:

- **A case-by-case approach** where member agencies could submit proposals to Metropolitan based upon their needs and expected benefits, or Metropolitan may approach a member agency based upon an assessment of potential regional benefits; and
- **A request for proposal (RFP) approach** where member agencies would submit proposals that would be competitively ranked against specific criteria. This approach tries to standardize all Groundwater Storage Programs; however, experience has shown that not all local groundwater programs are alike. Local issues such as water quality, basin adjudication or management, and local and regional benefits are all unique, making it difficult to rank projects using specific criteria.

In January 2000, the Board also established principles for the development of conjunctive use in the service area. These principles are summarized in **Attachment 1**.

In March 2000, 65 percent of California voters approved Proposition 13 (Prop. 13), authorizing the state of California to sell \$1.97 billion in general obligation bonds for water-related projects throughout the state. In May 2020, the Governor's Annual Budget Act appropriated to the Department of Water Resources local assistance grant funds from Prop 13. From these funds, the state allocated \$45 million to Metropolitan to help finance Southern state Water Reliability Projects targeting conjunctive use projects within the Metropolitan's service area.

In November 2000, Metropolitan released an RFP for the CUP Program. Nine CUP programs were selected and approved by the Board and received funding from Prop 13 in the amount of \$45 million and Metropolitan in the amount of \$27 million. These CUP programs included: the Chino Basin, Compton, Elsinore, Foothill Area, Live Oak, Long Beach, Long Beach Expansion into Lakewood, Orange County, and Upper Claremont CUPs. Each CUP agreement has a term of 25 years with termination between 2027 and 2031, depending upon when the agreement was executed. Each agreement also includes provisions for capital facilities needed to perform for the program. Program facilities included treatment facilities, new wells, conveyance systems, and recharge facilities. The final disbursement of the Prop 13 and Metropolitan funding for the completion of all funded CUP facilities was achieved in May 2009.

The total storage of the CUP programs is 211,889 acre-feet with a dry-year yield of 70,296 acre-feet per year. The current balance in the CUP program is 83,607 acre-feet. Storage amounts for all the CUP programs are shown in **Attachment 1**.

Need for Action

Six CUP programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Over time, Metropolitan has developed alternative approaches and programs for coordinated groundwater storage management that can continue to provide regional benefits that have previously come from these inactive CUP programs. Metropolitan has discussed the termination of these programs with the affected member agencies. As a result of these discussions, the program partners have expressed interest in terminating their programs early. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. This action would terminate the Live Oak CUP agreement. Without this action, the Live Oak CUP agreement would terminate on October 21, 2027. Regional dry-year storage levels are currently at a record high of 3.8 million acre-feet. The proposed action is not likely to significantly impact the availability of dry-year supplies.

Further, termination of the inactive programs does not impact the requirements of the Prop 13 funding received and disbursed to the participating agencies for the development of the programs.

Proposed Action and General Terms

Staff recommends that the Board authorize the General Manager to enter into agreements to terminate six inactive CUP agreements. New agreements are currently required to allow for termination of the existing agreements. The existing CUP agreements do not include standard termination language, which would have allowed the parties to initiate early terminations upon written notice.

General Terms

The following conditions will apply to the agreements:

- Metropolitan and the six participating member agencies will enter into individual agreements.
- Termination of the Live Oak CUP agreement will be effective by June 30, 2025.
- The participating member agency would not be required to pay back any funds received from Metropolitan during the term of the agreement.
- No money would be due upon termination by either party unless there is water remaining in a CUP account.
- No water is remaining in the Live Oak CUP account. Therefore, no reimbursement for extraction costs will be required.

Project Milestone

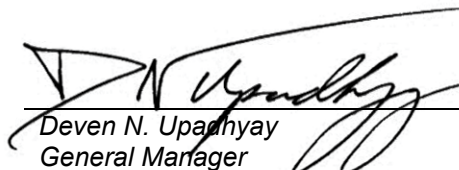
Termination of the Live Oak CUP will be effective June 30, 2025.



Brandon J. Goshi
Interim Manager,
Water Resource Management

3/24/2025

Date



Deven N. Upadhyay
General Manager

3/24/2025

Date

Attachment 1 – Summary of Conjunctive Use Programs

Ref# wrm12701210

Summary of Conjunctive Use Programs

Program	Current Balance (AF)	Start Date	Original Termination Date	Active or Inactive	Proposed Termination Date
Chino	63,838	2003	2028	Active	—
Compton	0	2005	2030	Inactive	2025
Elsinore	11,891	2006	2031	Active	—
Foothill Area	0	2003	2028	Inactive	2025
Live Oak	0	2002	2027	Inactive	2025
Long Beach Phase 1	6,678	2002	2027	Inactive	2025
Long Beach Phase 2 (Lakewood)	0	2005	2030	Inactive	2025
Orange County	0	2003	2028	Inactive	2025
Upper Claremont	1,200	2005	2030	Active	—
Total	83,607	—	—	—	—



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

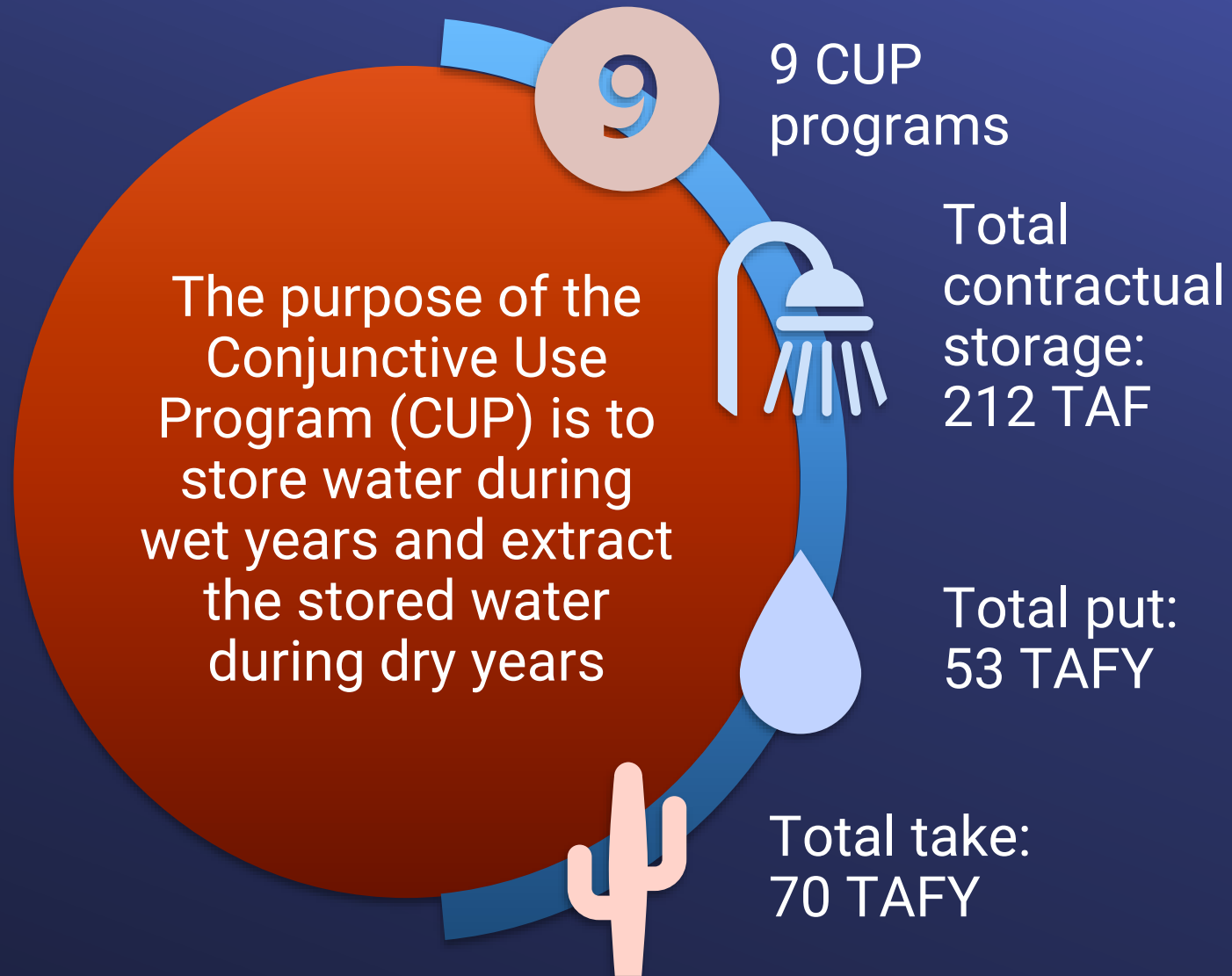
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination


Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.



The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Cost savings

- \$2.1 million
- Savings of future annual administrative fees
- Cost share of future O&M and power credits

Additional Revenue

- \$9.3 million
- Sale of remaining water in Long Beach CUP account (6,678 AF) in this biennium

Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1





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

4/8/2025 Board Meeting

7-14

Subject

Authorize the General Manager to terminate the Long Beach Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the General Manager be authorized to enter into agreements to terminate six inactive Conjunctive Use Program (CUP) agreements. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. The six programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Staff has coordinated with the member agencies involved with the listed projects, and the consensus of both member agencies and staff is to terminate the agreements.

The subject of this board action is to terminate the Long Beach CUP agreement. Termination of the Long Beach CUP agreement will reduce Metropolitan costs in the current biennium by approximately \$26,000 and \$27,000 in future years due to the elimination of administrative fee payments, and approximately \$1.6 million in avoided costs related to the sharing of extraction costs that would otherwise be made by Metropolitan to Long Beach if the agreement were to remain in effect. This action will also result in \$9.3 million in additional revenue from the sale of the remaining water to Long Beach in the current biennium. A summary of the CUP programs is provided in **Attachment 1**.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to terminate the Long Beach Conjunctive Use Program Agreement.

Fiscal Impact: Terminating the agreement would relieve Metropolitan of administrative fees and result in a reduction of budgeted Supply Program costs of \$26,409 in FY2024/25 and \$53,478 through the term of the existing agreement. In addition, the cost-sharing agreement for financial credits offsetting O&M and power costs will result in a total reduction of \$1.6 million in expected expenditures from the Supply Program budget.

Business Analysis: This action will reduce Metropolitan costs in the current biennium by approximately \$1.7 due to the elimination of administrative fee payments and share of the extraction credits that would have been made by Metropolitan if the agreements had remained in effect. In addition, Metropolitan would generate an additional \$9.3 million in revenue due to the sale of the 6,678 acre-feet remaining in the account.

Option #2

Do not authorize the General Manager to terminate the Long Beach CUP agreement, which would allow the Long Beach CUP agreement to terminate on its current schedule.

Fiscal Impact: Cost savings or increased revenue in this biennium will not be achieved.

Business Analysis: Not terminating now will leave this agreement on its original schedule, and no cost savings or increased revenue will be realized in this biennium. Revenue generation would be deferred to 2027.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan

By Minute Item 43860, dated Jan. 11, 2000, the Board approved strategies for implementing Groundwater Storage Programs within Metropolitan's service area.

By Minute Item 44210, dated Oct. 17, 2000, the Board adopted Resolution 8706 to accept the grant for funds from Proposition 13.

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

By Minute Item 44427, dated April 10, 2001, the Board gave authority to finalize agreement terms for Groundwater Conjunctive Use Projects using Proposition 13 funds.

By Minute Item 44871, dated May 14, 2002, the Board approved the Long Beach CUP.

By Minute Item 45035, dated October 8, 2002, the Board approved the Live Oak Basin CUP.

By Minute Item 45205, dated February 11, 2003, the Board approved the Foothill Area CUP.

Board Report dated May 11, 2004, reporting on the selection of Groundwater Storage Programs using remaining Proposition 13 funds.

By Minute Item 46073, dated January 11, 2005, the Board approved the Compton CUP.

By Minute Item 46301, dated July 12, 2005, the Board approved the Long Beach CUP Phase 2 expansion into Lakewood.

Summary of Outreach Completed

Presented to Member Agency Managers Meeting on February 11, 2025

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

The purpose of the CUP program is to store water during wet years and extract the stored water during dry years upon a call by Metropolitan. Since 2002, more than 350,000 acre-feet has been stored in the nine CUP programs. Also, the CUP program has generated a total of about 266,000 acre-feet of yield that has benefited Metropolitan during drought and emergencies.

Metropolitan seeks ways to streamline the current program and identify measures to reduce costs and generate revenue in the CUP program. To achieve this goal, Metropolitan proposes to terminate six inactive CUP programs during this fiscal year to reduce future administrative and reimbursement costs and to generate revenue. This proposed action would terminate the Long Beach CUP.

History of the CUP Program

The 1996 Integrated Resources Plan (IRP) identified groundwater storage as an important part of Metropolitan's future water resource mix. The IRP also identified that the remaining need for long-term storage is 450,000 acre-feet, with 150,000 acre-feet per year of dry-year production.

In January 2000 (Board Item 9-5), the Board approved a hybrid framework for the development of in-region dry-year CUP. This hybrid framework for CUP included two components:

- **A case-by-case approach** where member agencies could submit proposals to Metropolitan based upon their needs and expected benefits, or Metropolitan may approach a member agency based upon an assessment of potential regional benefits; and
- **A request for proposal (RFP) approach** where member agencies would submit proposals that would be competitively ranked against specific criteria. This approach tries to standardize all Groundwater Storage Programs; however, experience has shown that not all local groundwater programs are alike. Local issues such as water quality, basin adjudication or management, and local and regional benefits are all unique, making it difficult to rank projects using specific criteria.

In January 2000, the Board also established principles for the development of conjunctive use in the service area. These principles are summarized in **Attachment 1**.

In March 2000, 65 percent of California voters approved Proposition 13 (Prop. 13), authorizing the state of California to sell \$1.97 billion in general obligation bonds for water-related projects throughout the state. In May 2020, the Governor's Annual Budget Act appropriated to the Department of Water Resources local assistance grant funds from Prop 13. From these funds, the state allocated \$45 million to Metropolitan to help finance Southern state Water Reliability Projects targeting conjunctive use projects within the Metropolitan's service area.

In November 2000, Metropolitan released an RFP for the CUP Program. Nine CUP programs were selected and approved by the Board and received funding from Prop 13 in the amount of \$45 million and Metropolitan in the amount of \$27 million. These CUP programs included: the Chino Basin, Compton, Elsinore, Foothill Area, Live Oak, Long Beach, Long Beach Expansion into Lakewood, Orange County, and Upper Claremont CUPs. Each CUP agreement has a term of 25 years with termination between 2027 and 2031, depending upon when the agreement was executed. Without this action, the Long Beach CUP agreement will terminate on June 30, 2027. Each agreement also includes provisions for capital facilities needed to perform for the program. Program facilities included treatment facilities, new wells, conveyance systems, and recharge facilities. The final disbursement of the Prop 13 and Metropolitan funding for the completion of all funded CUP facilities was achieved in May 2009.

The total storage of the CUP programs is 211,889 acre-feet with a dry-year yield of 70,296 acre-feet per year. The current balance in the CUP program is 83,607 acre-feet. Storage amounts for all the CUP programs are shown in **Attachment 1**.

Need for Action

Six CUP programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Over time, Metropolitan has developed alternative approaches and programs for coordinated groundwater storage management that can continue to provide regional benefits that have previously come from these inactive CUP programs. Metropolitan has discussed the termination of these programs with the affected member agencies. As a result of these discussions, the program partners have expressed interest in terminating their programs early. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. This

action would terminate the Long Beach CUP agreement. Regional dry-year storage levels are currently at a record high of 3.8 million acre-feet. The proposed action is not likely to significantly impact the availability of dry-year supplies. Further, termination of the inactive programs does not impact the requirements of the Prop 13 funding received and disbursed to the participating agencies for the development of the programs.

Proposed Action and General Terms

Staff recommends that the Board authorize the General Manager to enter into agreements to terminate six inactive CUP agreements. New agreements are currently required to allow for termination of the existing agreements. The existing CUP agreements do not include standard termination language, which would have allowed the parties to initiate early terminations upon written notice.


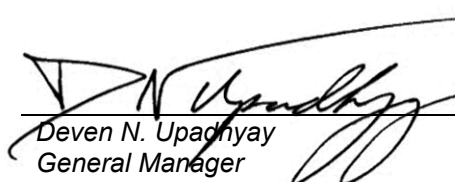
General Terms

The following conditions will apply to the agreements:

- Metropolitan and the six participating member agencies will enter into individual agreements.
- Termination of the Long Beach CUP agreement will be effective by June 30, 2025.
- The participating member agency would not be required to pay back any funds received from Metropolitan during the term of the agreement.
- No money would be due upon termination by either party unless there is water remaining in a CUP account.
- If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account at the full-service rate would occur on June 30, 2025, with Metropolitan providing a share of the projected cost to extract the stored water. The Long Beach CUP currently has a balance of 6,678 acre-feet. The City of Long Beach would purchase the full 6,678 acre-feet at the full-service treated water rate. Metropolitan would agree to share the operations and maintenance, and power credits with the City of Long Beach for producing the 6,678 acre-feet of water remaining in the Long Beach account.

Project Milestone

Termination of the Long Beach CUP will be effective June 30, 2025.

 _____ Brandon J. Goshi Interim Manager, Water Resource Management	3/24/2025 _____ Date
 _____ Deven N. Upadhyay General Manager	3/24/2025 _____ Date

Attachment 1 – Summary of Conjunctive Use Programs

Ref# wrm12700431

Summary of Conjunctive Use Programs

Program	Current Balance (AF)	Start Date	Original Termination Date	Active or Inactive	Proposed Termination Date
Chino	63,838	2003	2028	Active	—
Compton	0	2005	2030	Inactive	2025
Elsinore	11,891	2006	2031	Active	—
Foothill Area	0	2003	2028	Inactive	2025
Live Oak	0	2002	2027	Inactive	2025
Long Beach Phase 1	6,678	2002	2027	Inactive	2025
Long Beach Phase 2 (Lakewood)	0	2005	2030	Inactive	2025
Orange County	0	2003	2028	Inactive	2025
Upper Claremont	1,200	2005	2030	Active	—
Total	83,607	—	—	—	—



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

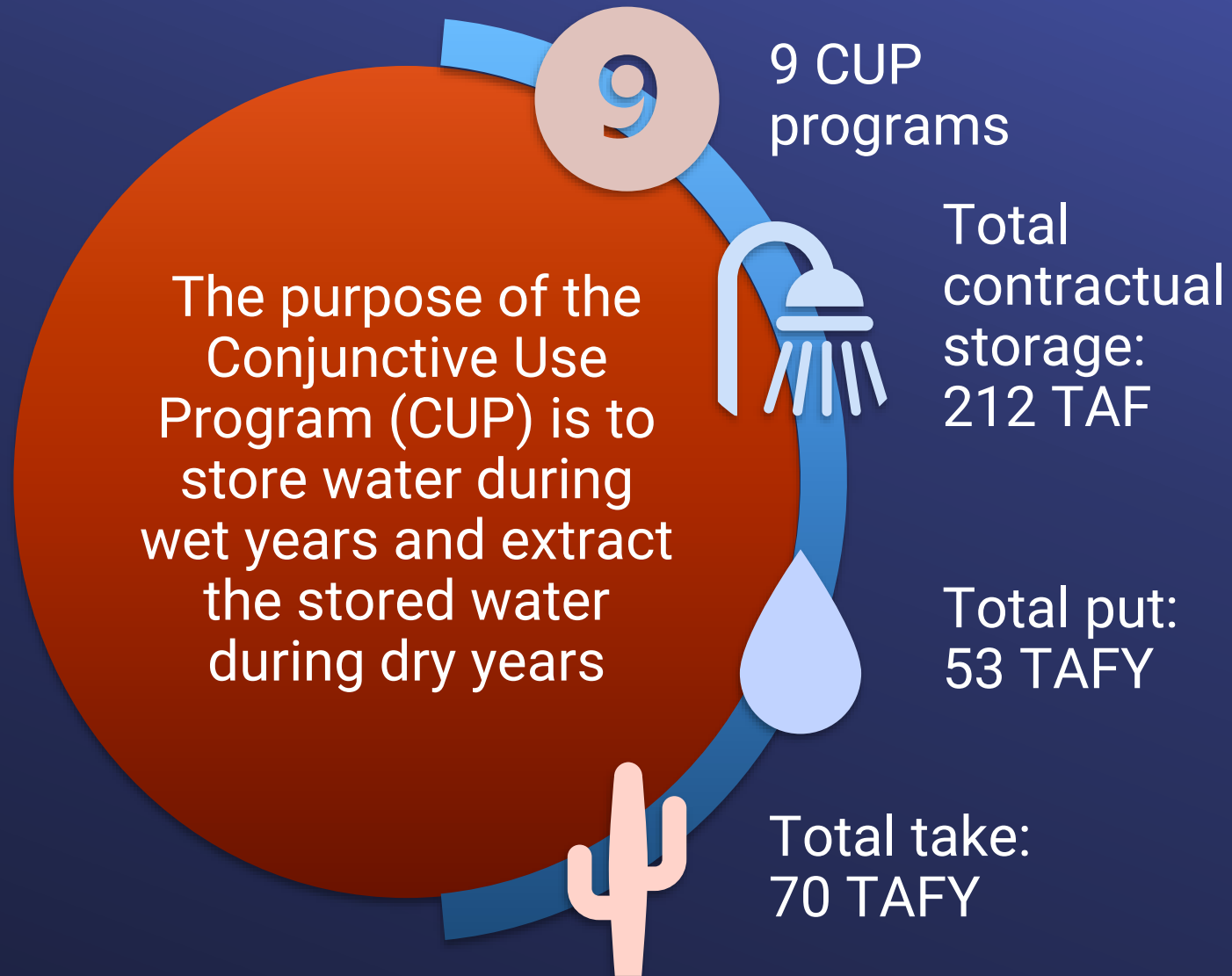
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination


Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.



The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Cost savings

- \$2.1 million
- Savings of future annual administrative fees
- Cost share of future O&M and power credits

Additional Revenue

- \$9.3 million
- Sale of remaining water in Long Beach CUP account (6,678 AF) in this biennium

Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1





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

4/8/2025 Board Meeting

7-15

Subject

Authorize the General Manager to terminate the Long Beach Expansion into Lakewood Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the General Manager be authorized to enter into agreements to terminate six inactive Conjunctive Use Program (CUP) agreements. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. The six programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Staff has coordinated with the member agencies involved with the listed projects, and the consensus of both member agencies and staff is to terminate the agreements.

The subject of this board action is to terminate the Long Beach Expansion into the Lakewood CUP agreement. Termination of the Long Beach Expansion into Lakewood CUP agreement will reduce Metropolitan costs in the current biennium by approximately \$6,000 and \$7,000 in future years due to the elimination of administrative fee payments that would be made by Metropolitan if the agreement remains in effect. A summary of the CUP programs is provided in **Attachment 1**.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to terminate the Long Beach Expansion into the Lakewood Conjunctive Use Program Agreement.

Fiscal Impact: Terminating the agreement would relieve Metropolitan of administrative fees and result in a reduction of budgeted Supply Program costs of \$6,119 in FY 2025/26 and a total reduction of \$12,391 through the term of the existing agreement.

Business Analysis: This action will reduce Metropolitan costs in the current biennium by approximately \$6,000 and \$7,000 in future years due to the elimination of administrative fee payments that would have been made by Metropolitan if the agreement had remained in effect.

Option #2

Do not authorize the General Manager to terminate the Long Beach Extension into the Lakewood Conjunctive Use Program Agreement, which would allow the Long Beach-Lakewood CUP Agreement to terminate on its current schedule.

Fiscal Impact: Cost savings or increased revenue in this biennium will not be achieved.

Business Analysis: Not terminating now will leave this agreement on its original schedule, and no cost savings or increased revenue will be realized in this biennium. Revenue generation would be deferred to 2031.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan

By Minute Item 43860, dated Jan. 11, 2000, the Board approved strategies for implementing Groundwater Storage Programs within Metropolitan's service area.

By Minute Item 44210, dated Oct. 17, 2000, the Board adopted Resolution 8706 to accept the grant for funds from Proposition 13.

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

By Minute Item 44427, dated April 10, 2001, the Board gave authority to finalize agreement terms for Groundwater Conjunctive Use Projects using Proposition 13 funds.

By Minute Item 44871, dated May 14, 2002, the Board approved the Long Beach CUP.

By Minute Item 45035, dated October 8, 2002, the Board approved the Live Oak Basin CUP.

By Minute Item 45205, dated February 11, 2003, the Board approved the Foothill Area CUP.

Board Report dated May 11, 2004, reporting on the selection of Groundwater Storage Programs using remaining Proposition 13 funds.

By Minute Item 46073, dated January 11, 2005, the Board approved the Compton CUP.

By Minute Item 46301, dated July 12, 2005, the Board approved the Long Beach CUP Phase 2 expansion into Lakewood.

Summary of Outreach Completed

Presented to Member Agency Managers Meeting on February 11, 2025

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

The purpose of the CUP program is to store water during wet years and extract the stored water during dry years upon a call by Metropolitan. Since 2002, more than 350,000 acre-feet has been stored in the nine CUP programs. Also, the CUP program has generated a total of about 266,000 acre-feet of yield that has benefited Metropolitan during drought and emergencies.

Metropolitan seeks ways to streamline the current program and identify measures to reduce costs and generate revenue in the CUP program. To achieve this goal, Metropolitan proposes to terminate six inactive CUP programs during this fiscal year to reduce future administrative and reimbursement costs and to generate revenue.

History of the CUP Program

The 1996 Integrated Resources Plan (IRP) identified groundwater storage as an important part of Metropolitan's future water resource mix. The IRP also identified that the remaining need for long-term storage is 450,000 acre-feet, with 150,000 acre-feet per year of dry-year production.

In January 2000 (Board Item 9-5), the Board approved a hybrid framework for the development of in-region dry-year CUP. This hybrid framework for CUP included two components:

- **A case-by-case approach** where member agencies could submit proposals to Metropolitan based upon their needs and expected benefits, or Metropolitan may approach a member agency based upon an assessment of potential regional benefits; and
- **A request for proposal (RFP) approach** where member agencies would submit proposals that would be competitively ranked against specific criteria. This approach tries to standardize all Groundwater Storage Programs; however, experience has shown that not all local groundwater programs are alike. Local issues such as water quality, basin adjudication or management, and local and regional benefits are all unique, making it difficult to rank projects using specific criteria.

In January 2000, the Board also established principles for the development of conjunctive use in the service area. These principles are summarized in **Attachment 1**.

In March 2000, 65 percent of California voters approved Proposition 13 (Prop. 13), authorizing the state of California to sell \$1.97 billion in general obligation bonds for water-related projects throughout the state. In May 2020, the Governor's Annual Budget Act appropriated to the Department of Water Resources local assistance grant funds from Prop 13. From these funds, the state allocated \$45 million to Metropolitan to help finance Southern state Water Reliability Projects targeting conjunctive use projects within the Metropolitan's service area.

In November 2000, Metropolitan released an RFP for the CUP Program. Nine CUP programs were selected and approved by the Board and received funding from Prop 13 in the amount of \$45 million and Metropolitan in the amount of \$27 million. These CUP programs included: the Chino Basin, Compton, Elsinore, Foothill Area, Live Oak, Long Beach, Long Beach Expansion into Lakewood, Orange County, and Upper Claremont CUPs. Each CUP agreement has a term of 25 years with termination between 2027 and 2031, depending upon when the agreement was executed. Without this action, the Long Beach-Lakewood CUP agreement will terminate on April 10, 2031. Each agreement also includes provisions for capital facilities needed to perform for the program. Program facilities included treatment facilities, new wells, conveyance systems, and recharge facilities. The final disbursement of the Prop 13 and Metropolitan funding for the completion of all funded CUP facilities was achieved in May 2009.

The total storage of the CUP programs is 211,889 acre-feet with a dry-year yield of 70,296 acre-feet per year. The current balance in the CUP program is 83,607 acre-feet. Storage amounts for all the CUP programs are shown in **Attachment 1**.

Need for Action

Six CUP programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Over time, Metropolitan has developed alternative approaches and programs for coordinated groundwater storage management that can continue to provide regional benefits that have previously come from these inactive CUP programs. Metropolitan has discussed the termination of these programs with the affected member agencies. As a result of these discussions, the program partners have expressed interest in terminating their programs early. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach-Lakewood, and Orange County CUPs. This action would terminate the Long Beach-Lakewood CUP agreement. Regional dry-year storage levels are currently

at a record high of 3.8 million acre-feet. The proposed action is not likely to significantly impact the availability of dry-year supplies. Further, termination of the inactive programs does not impact the requirements of the Prop 13 funding received and disbursed to the participating agencies for the development of the programs.

Proposed Action and General Terms

Staff recommends that the Board authorize the General Manager to enter into agreements to terminate six inactive CUP agreements. This action would terminate the Long Beach-Lakewood CUP. New agreements are currently required to allow for the termination of the existing agreements. The existing CUP agreements do not include standard termination language, which would have allowed the parties to initiate early terminations upon written notice.


General Terms

The following conditions will apply to the agreements:

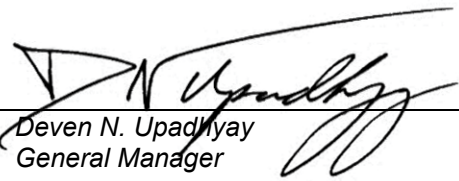
- Metropolitan and the six participating member agencies will enter into individual agreements.
- Termination of the Long Beach-Lakewood CUP agreement will be effective by June 30, 2025.
- The participating member agency would not be required to pay back any funds received from Metropolitan during the term of the agreement.
- No money would be due upon termination by either party unless there is water remaining in a CUP account.
- Since there is no water remaining in the Long Beach-Lakewood CUP account, no money is due.

Project Milestone

Termination of the Long Beach CUP will be effective June 30, 2025.



Brandon J. Goshi
Interim Manager,
Water Resource Management
3/24/2025
Date



Deven N. Upadhyay
General Manager
3/24/2025
Date

Attachment 1 – Summary of Conjunctive Use Programs

Ref# wrm12708145

Summary of Conjunctive Use Programs

Program	Current Balance (AF)	Start Date	Original Termination Date	Active or Inactive	Proposed Termination Date
Chino	63,838	2003	2028	Active	—
Compton	0	2005	2030	Inactive	2025
Elsinore	11,891	2006	2031	Active	—
Foothill Area	0	2003	2028	Inactive	2025
Live Oak	0	2002	2027	Inactive	2025
Long Beach Phase 1	6,678	2002	2027	Inactive	2025
Long Beach Phase 2 (Lakewood)	0	2005	2030	Inactive	2025
Orange County	0	2003	2028	Inactive	2025
Upper Claremont	1,200	2005	2030	Active	—
Total	83,607	—	—	—	—



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

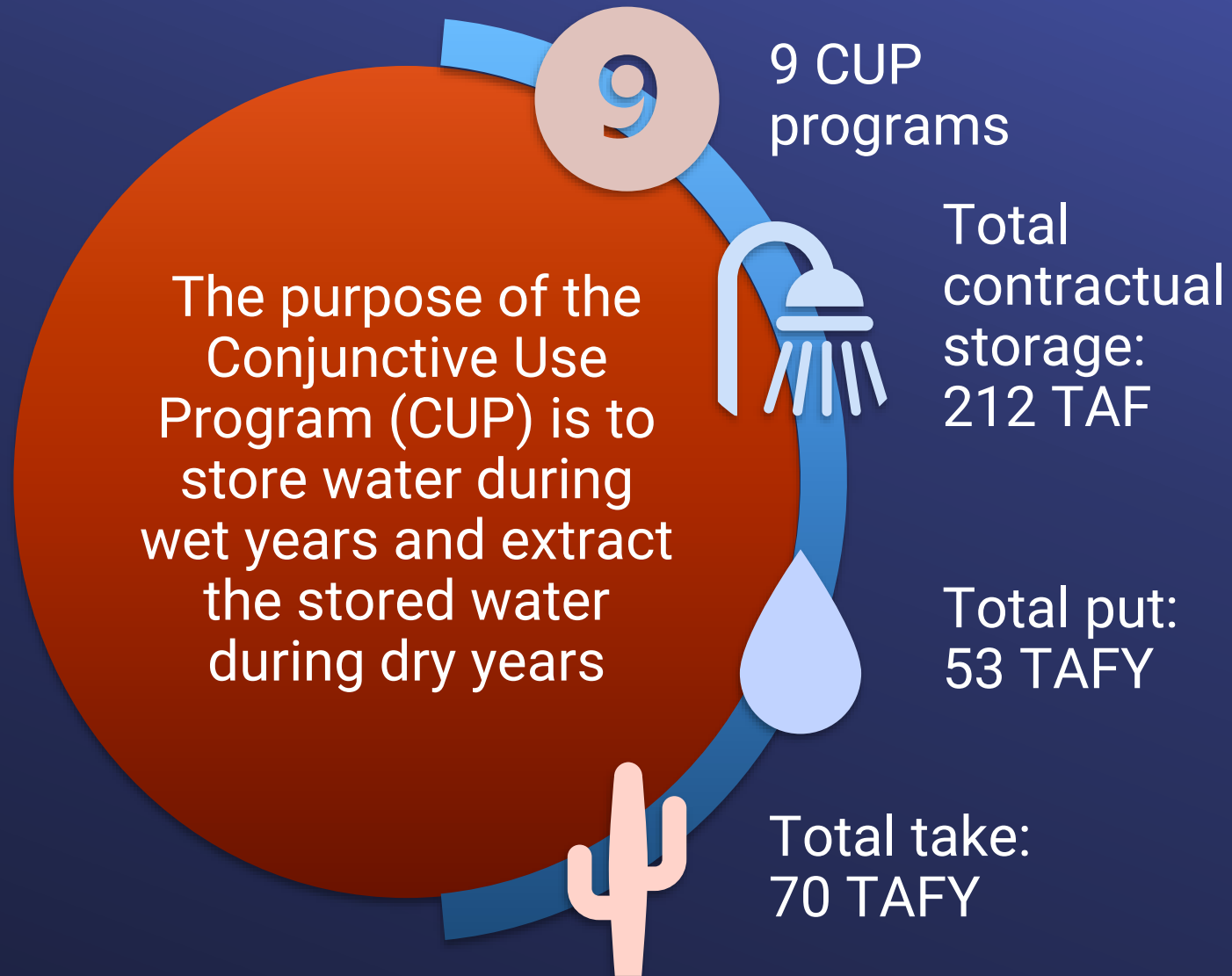
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination


Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.



The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Cost savings

- \$2.1 million
- Savings of future annual administrative fees
- Cost share of future O&M and power credits

Additional Revenue

- \$9.3 million
- Sale of remaining water in Long Beach CUP account (6,678 AF) in this biennium

Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1





- **Board of Directors**
One Water and Adaptation Committee (OWA)

4/8/2025 Board Meeting

7-16

Subject

Authorize the General Manager to terminate the Orange County Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the General Manager be authorized to enter into agreements to terminate six inactive Conjunctive Use Program (CUP) agreements. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. The six programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Staff has coordinated with the member agencies involved with the listed projects, and the consensus of both member agencies and staff is to terminate the agreements.

The subject of this board action is to terminate the Orange County CUP agreement. Termination of the Orange County CUP agreement will reduce Metropolitan costs in the current biennium by approximately \$118,000 and \$245,000 in future years due to the elimination of administrative fee payments that would be made by Metropolitan if the agreement remains in effect. A summary of the CUP programs is provided in **Attachment 1**.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to terminate the Orange County Conjunctive Use Program Agreement.

Fiscal Impact: Terminating the agreement would relieve Metropolitan of administrative fees and result in a reduction of budgeted Supply Program costs of \$118,154 in FY2025/26 and a total reduction of \$363,398 through the term of the existing agreement.

Business Analysis: This action will reduce Metropolitan's costs in the current biennium by approximately \$118,000 and \$245,000 in future years due to the elimination of administrative fee payments that would have been made by Metropolitan if the agreement had remained in effect.

Option #2

Do not authorize the General Manager to terminate the Orange County CUP agreement, which would allow the Orange County CUP agreement to terminate on its current schedule.

Fiscal Impact: Cost savings or increased revenue in this biennium will not be achieved.

Business Analysis: Not terminating now will leave this agreement on its original schedule, and no cost savings or increased revenue will be realized in this biennium. Revenue generation would be deferred to 2028.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan.

By Minute Item 43860, dated Jan. 11, 2000, the Board approved strategies for implementing Groundwater Storage Programs within Metropolitan's service area.

By Minute Item 44210, dated Oct. 17, 2000, the Board adopted Resolution 8706 to accept the grant for funds from Proposition 13.

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

By Minute Item 44427, dated April 10, 2001, the Board gave authority to finalize agreement terms for Groundwater Conjunctive Use Projects using Proposition 13 funds.

By Minute Item 44871, dated May 14, 2002, the Board approved the Long Beach CUP.

By Minute Item 45035, dated October 8, 2002, the Board approved the Live Oak Basin CUP.

By Minute Item 45205, dated February 11, 2003, the Board approved the Foothill Area CUP.

Board Report dated May 11, 2004, reporting on the selection of Groundwater Storage Programs using remaining Proposition 13 funds.

By Minute Item 46073, dated January 11, 2005, the Board approved the Compton CUP.

By Minute Item 46301, dated July 12, 2005, the Board approved the Long Beach CUP Phase 2 expansion into Lakewood.

Summary of Outreach Completed

Presented to Member Agency Managers Meeting on February 11, 2025

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

The purpose of the CUP program is to store water during wet years and extract the stored water during dry years upon a call by Metropolitan. Since 2002, more than 350,000 acre-feet has been stored in the nine CUP programs. Also, the CUP program has generated a total of about 266,000 acre-feet of yield that has benefited Metropolitan during drought and emergencies.

Metropolitan seeks ways to streamline the current program and identify measures to reduce costs and generate revenue in the CUP program. To achieve this goal, Metropolitan proposes to terminate six inactive CUP programs

during this fiscal year to reduce future administrative and reimbursement costs and to generate revenue. This proposed action would terminate the Orange County CUP agreement.

History of the CUP Program

The 1996 Integrated Resources Plan (IRP) identified groundwater storage as an important part of Metropolitan's future water resource mix. The IRP also identified that the remaining need for long-term storage is 450,000 acre-feet, with 150,000 acre-feet per year of dry-year production.

In January 2000 (Board Item 9-5), the Board approved a hybrid framework for the development of in-region dry-year CUP. This hybrid framework for CUP included two components:

- **A case-by-case approach** where member agencies could submit proposals to Metropolitan based upon their needs and expected benefits, or Metropolitan may approach a member agency based upon an assessment of potential regional benefits; and
- **A request for proposal (RFP) approach** where member agencies would submit proposals that would be competitively ranked against specific criteria. This approach tries to standardize all Groundwater Storage Programs; however, experience has shown that not all local groundwater programs are alike. Local issues such as water quality, basin adjudication or management, and local and regional benefits are all unique, making it difficult to rank projects using specific criteria.

In January 2000, the Board also established principles for the development of conjunctive use in the service area. These principles are summarized in **Attachment 1**.

In March 2000, 65 percent of California voters approved Proposition 13 (Prop. 13), authorizing the state of California to sell \$1.97 billion in general obligation bonds for water-related projects throughout the state. In May 2020, the Governor's Annual Budget Act appropriated to the Department of Water Resources local assistance grant funds from Prop 13. From these funds, the state allocated \$45 million to Metropolitan to help finance Southern state Water Reliability Projects targeting conjunctive use projects within the Metropolitan's service area.

In November 2000, Metropolitan released an RFP for the CUP Program. Nine CUP programs were selected and approved by the Board and received funding from Prop 13 in the amount of \$45 million and Metropolitan in the amount of \$27 million. These CUP programs included: the Chino Basin, Compton, Elsinore, Foothill Area, Live Oak, Long Beach, Long Beach Expansion into Lakewood, Orange County, and Upper Claremont CUPs. Each CUP agreement has a term of 25 years with termination between 2027 and 2031, depending upon when the agreement was executed. Without this action, the Orange County CUP agreement will terminate on June 25, 2028. Each agreement also includes provisions for capital facilities needed to perform for the program. Program facilities included treatment facilities, new wells, conveyance systems, and recharge facilities. The final disbursement of the Prop 13 and Metropolitan funding for the completion of all funded CUP facilities was achieved in May 2009.

The total storage of the CUP programs is 211,889 acre-feet with a dry-year yield of 70,296 acre-feet per year. The current balance in the CUP program is 83,607 acre-feet. Storage amounts for all the CUP programs are shown in **Attachment 1**.

Need for Action

Six CUP programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Over time, Metropolitan has developed alternative approaches and programs for coordinated groundwater storage management that can continue to provide regional benefits that have previously come from these inactive CUP programs. Metropolitan has discussed the termination of these programs with the affected member agencies. As a result of these discussions, the program partners have expressed interest in terminating their programs early. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach-Lakewood, and Orange County CUPs. This action would terminate the Orange County CUP agreement. Regional dry-year storage levels are currently at a record high of 3.8 million acre-feet. The proposed action is not likely to significantly impact the availability of

dry-year supplies. Further, termination of the inactive programs does not impact the requirements of the Prop 13 funding received and disbursed to the participating agencies for the development of the programs.

Proposed Action and General Terms

Staff recommends that the Board authorize the General Manager to enter into agreements to terminate six inactive CUP agreements. This action would terminate the Orange County CUP. New agreements are currently required to allow for the termination of the existing agreements. The existing CUP agreements do not include standard termination language, which would have allowed the parties to initiate early terminations upon written notice.


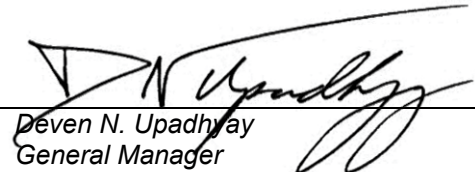
General Terms

The following conditions will apply to the agreements:

- Metropolitan and the six participating member agencies will enter into individual agreements.
- Termination of the Orange County CUP agreement will be effective by June 30, 2025.
- The participating member agency would not be required to pay back any funds received from Metropolitan during the term of the agreement.
- No money would be due upon termination by either party unless there is water remaining in a CUP account.
- Since there is no water remaining in the Orange County CUP account, no money is due.

Project Milestone

Termination of the Orange County CUP will be effective June 30, 2025.

	3/24/2025
Brandon J. Goshi Interim Manager, Water Resource Management	Date
	3/24/2025
Deven N. Upadhyay General Manager	Date

Attachment 1 – Summary of Conjunctive Use Programs

Ref# wrm12706054

Summary of Conjunctive Use Programs

Program	Current Balance (AF)	Start Date	Original Termination Date	Active or Inactive	Proposed Termination Date
Chino	63,838	2003	2028	Active	—
Compton	0	2005	2030	Inactive	2025
Elsinore	11,891	2006	2031	Active	—
Foothill Area	0	2003	2028	Inactive	2025
Live Oak	0	2002	2027	Inactive	2025
Long Beach Phase 1	6,678	2002	2027	Inactive	2025
Long Beach Phase 2 (Lakewood)	0	2005	2030	Inactive	2025
Orange County	0	2003	2028	Inactive	2025
Upper Claremont	1,200	2005	2030	Active	—
Total	83,607	—	—	—	—



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

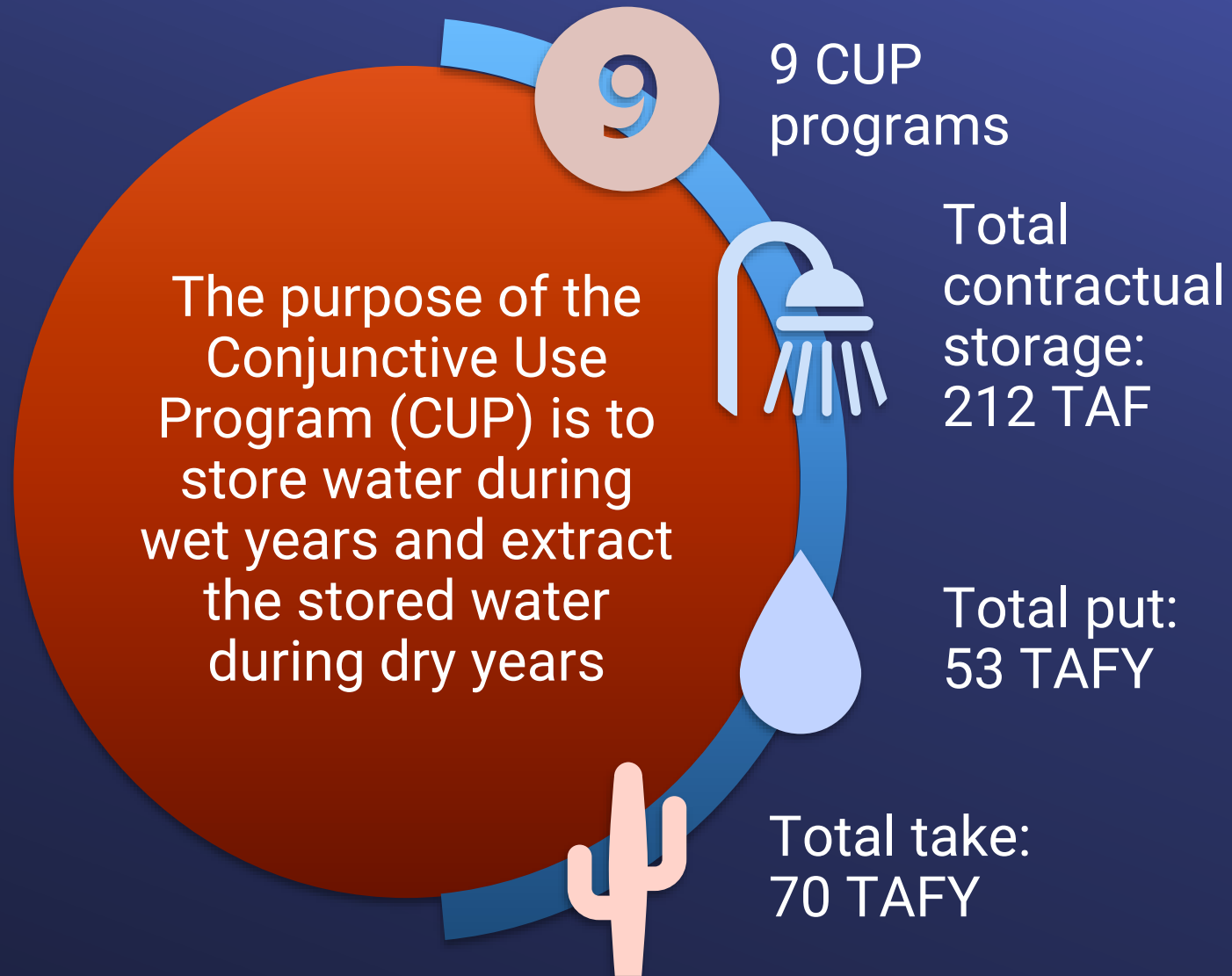
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination


Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.



The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Cost savings

- \$2.1 million
- Savings of future annual administrative fees
- Cost share of future O&M and power credits

Additional Revenue

- \$9.3 million
- Sale of remaining water in Long Beach CUP account (6,678 AF) in this biennium

Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1





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

4/8/2025 Board Meeting

7-17

Subject

Authorize the General Manager to terminate the Compton Conjunctive Use Program Agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends that the General Manager be authorized to enter into agreements to terminate six inactive Conjunctive Use Program (CUP) agreements. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach Expansion into Lakewood, and Orange County CUPs. The six programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Staff has coordinated with the member agencies involved with the listed projects, and the consensus of both member agencies and staff is to terminate the agreements.

The subject of this board action is to terminate the Compton CUP agreement. Termination of the Compton CUP agreement will reduce Metropolitan costs in the current biennium by approximately \$4,000 and \$19,000 in future years due to the elimination of administrative fee payments that would be made by Metropolitan if the agreement remains in effect. A summary of the CUP programs is provided in **Attachment 1**.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to terminate the Compton Conjunctive Use Program Agreement.

Fiscal Impact: Terminating the agreement would relieve Metropolitan of administrative fees and result in a reduction of budgeted Supply Program costs of \$4,304 in FY2025/26 and a total reduction of \$22,623 through the term of the existing agreement.

Business Analysis: This action will reduce Metropolitan's costs in the current biennium by approximately \$4,000 and \$19,000 in future years due to the elimination of administrative fee payments that would have been made by Metropolitan if the agreement had remained in effect.

Option #2

Do not authorize the General Manager to terminate the Compton CUP agreement, which would allow the Compton CUP agreement to terminate on its current schedule.

Fiscal Impact: Cost savings or increased revenue in this biennium will not be achieved.

Business Analysis: Not terminating now will leave this agreement on its original schedule, and no cost savings or increased revenue will be realized in this biennium. Revenue generation would be deferred to 2030.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4507: Billing and Payment of Water Deliveries

By Minute Item 43514, dated April 13, 1999, the Board adopted the Water Surplus and Drought Management Plan.

By Minute Item 43860, dated Jan. 11, 2000, the Board approved strategies for implementing Groundwater Storage Programs within Metropolitan's service area.

By Minute Item 44210, dated Oct. 17, 2000, the Board adopted Resolution 8706 to accept the grant for funds from Proposition 13.

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

By Minute Item 44427, dated April 10, 2001, the Board gave authority to finalize agreement terms for Groundwater Conjunctive Use Projects using Proposition 13 funds.

By Minute Item 44871, dated May 14, 2002, the Board approved the Long Beach CUP.

By Minute Item 45035, dated October 8, 2002, the Board approved the Live Oak Basin CUP.

By Minute Item 45205, dated February 11, 2003, the Board approved the Foothill Area CUP.

Board Report dated May 11, 2004, reporting on the selection of Groundwater Storage Programs using remaining Proposition 13 funds.

By Minute Item 46073, dated January 11, 2005, the Board approved the Compton CUP.

By Minute Item 46301, dated July 12, 2005, the Board approved the Long Beach CUP Phase 2 expansion into Lakewood.

Summary of Outreach Completed

Presented to Member Agency Managers Meeting on February 11, 2025

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

The purpose of the CUP program is to store water during wet years and extract the stored water during dry years upon a call by Metropolitan. Since 2002, more than 350,000 acre-feet has been stored in the nine CUP programs. Also, the CUP program has generated a total of about 266,000 acre-feet of yield that has benefited Metropolitan during drought and emergencies.

Metropolitan seeks ways to streamline the current program and identify measures to reduce costs and generate revenue in the CUP program. To achieve this goal, Metropolitan proposes to terminate six inactive CUP programs during this fiscal year to reduce future administrative and reimbursement costs and to generate revenue. This proposed action would terminate the Compton CUP agreement.

History of the CUP Program

The 1996 Integrated Resources Plan (IRP) identified groundwater storage as an important part of Metropolitan's future water resource mix. The IRP also identified that the remaining need for long-term storage is 450,000 acre-feet, with 150,000 acre-feet per year of dry-year production.

In January 2000 (Board Item 9-5), the Board approved a hybrid framework for the development of in-region dry-year CUP. This hybrid framework for CUP included two components:

- **A case-by-case approach** where member agencies could submit proposals to Metropolitan based upon their needs and expected benefits, or Metropolitan may approach a member agency based upon an assessment of potential regional benefits; and
- **A request for proposal (RFP) approach** where member agencies would submit proposals that would be competitively ranked against specific criteria. This approach tries to standardize all Groundwater Storage Programs; however, experience has shown that not all local groundwater programs are alike. Local issues such as water quality, basin adjudication or management, and local and regional benefits are all unique, making it difficult to rank projects using specific criteria.

In January 2000, the Board also established principles for the development of conjunctive use in the service area. These principles are summarized in **Attachment 1**.

In March 2000, 65 percent of California voters approved Proposition 13 (Prop. 13), authorizing the state of California to sell \$1.97 billion in general obligation bonds for water-related projects throughout the state. In May 2020, the Governor's Annual Budget Act appropriated to the Department of Water Resources local assistance grant funds from Prop 13. From these funds, the state allocated \$45 million to Metropolitan to help finance Southern state Water Reliability Projects targeting conjunctive use projects within the Metropolitan's service area.

In November 2000, Metropolitan released an RFP for the CUP Program. Nine CUP programs were selected and approved by the Board and received funding from Prop 13 in the amount of \$45 million and Metropolitan in the amount of \$27 million. These CUP programs included: the Chino Basin, Compton, Elsinore, Foothill Area, Live Oak, Long Beach, Long Beach Expansion into Lakewood, Orange County, and Upper Claremont CUPs. Each CUP agreement has a term of 25 years with termination between 2027 and 2031, depending upon when the agreement was executed. Without this action, the Compton CUP agreement will terminate on June 30, 2030. Each agreement also includes provisions for capital facilities needed to perform for the program. Program facilities included treatment facilities, new wells, conveyance systems, and recharge facilities. The final disbursement of the Prop 13 and Metropolitan funding for the completion of all funded CUP facilities was achieved in May 2009.

The total storage of the CUP programs is 211,889 acre-feet with a dry-year yield of 70,296 acre-feet per year. The current balance in the CUP program is 83,607 acre-feet. Storage amounts for all the CUP programs are shown in **Attachment 1**.

Need for Action

Six CUP programs have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes. Over time, Metropolitan has developed alternative approaches and programs for coordinated groundwater storage management that can continue to provide regional benefits that have previously come from these inactive CUP programs. Metropolitan has discussed the termination of these programs with the affected member agencies. As a result of these discussions, the program partners have expressed interest in terminating their programs early. The six inactive agreements include Compton, Foothill Area, Live Oak Basin, Long Beach, Long Beach-Lakewood, and Orange County CUPs. This action would terminate the Orange County CUP agreement. Regional dry-year storage levels are currently at a record high of

3.8 million acre-feet. The proposed action is not likely to significantly impact the availability of dry-year supplies. Further, termination of the inactive programs does not impact the requirements of the Prop 13 funding received and disbursed to the participating agencies for the development of the programs.

Proposed Action and General Terms

Staff recommends that the Board authorize the General Manager to enter into agreements to terminate six inactive CUP agreements. This action would terminate the Compton CUP. New agreements are currently required to allow for the termination of the existing agreements. The existing CUP agreements do not include standard termination language, which would have allowed the parties to initiate early terminations upon written notice.

General Terms

The following conditions will apply to the agreements:

- Metropolitan and the six participating member agencies will enter into individual agreements.
- Termination of the Compton CUP agreement will be effective by June 30, 2025.
- The participating member agency would not be required to pay back any funds received from Metropolitan during the term of the agreement.
- No money would be due upon termination by either party unless there is water remaining in a CUP account.
- Since there is no water remaining in the Compton CUP account, no money is due.

Project Milestone(s)

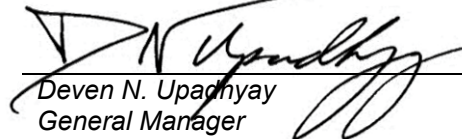
Termination of the Compton CUP will be effective June 30, 2025.



3/24/2025

Brandon J. Goshi
Interim Manager,
Water Resource Management

Date



3/24/2025

Deven N. Upadhyay
General Manager

Date

Attachment 1 – Summary of Conjunctive Use Programs

Ref# wrm12708186

Summary of Conjunctive Use Programs

Program	Current Balance (AF)	Start Date	Original Termination Date	Active or Inactive	Proposed Termination Date
Chino	63,838	2003	2028	Active	—
Compton	0	2005	2030	Inactive	2025
Elsinore	11,891	2006	2031	Active	—
Foothill Area	0	2003	2028	Inactive	2025
Live Oak	0	2002	2027	Inactive	2025
Long Beach Phase 1	6,678	2002	2027	Inactive	2025
Long Beach Phase 2 (Lakewood)	0	2005	2030	Inactive	2025
Orange County	0	2003	2028	Inactive	2025
Upper Claremont	1,200	2005	2030	Active	—
Total	83,607	—	—	—	—



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

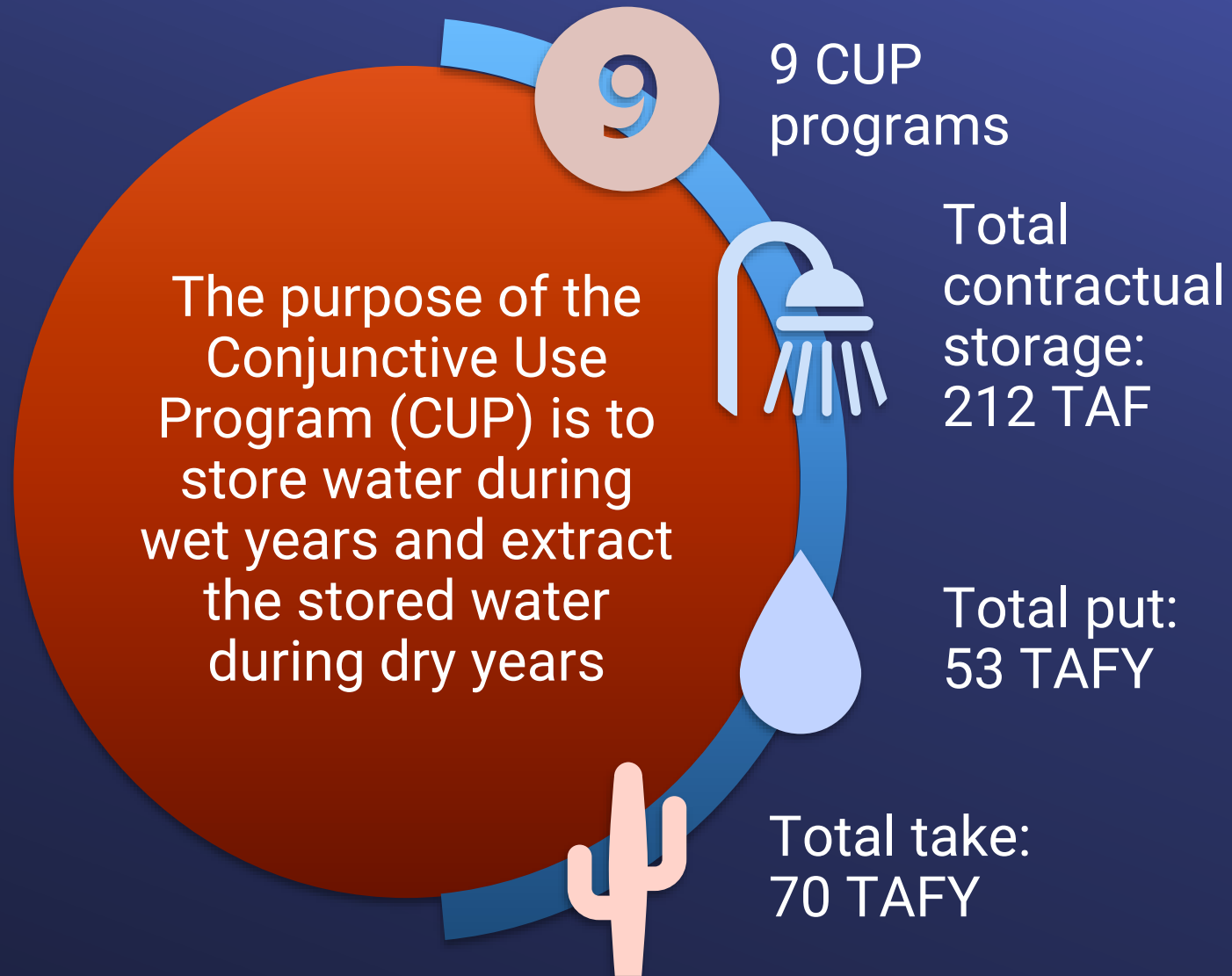
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination


Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.



The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Cost savings

- \$2.1 million
- Savings of future annual administrative fees
- Cost share of future O&M and power credits

Additional Revenue

- \$9.3 million
- Sale of remaining water in Long Beach CUP account (6,678 AF) in this biennium

Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1





One Water & Adaption Committee

Quarterly Conservation Update

Item 6a

April 7, 2025

Item 6a

Quarterly Conservation Update

Subject

Quarterly Conservation Update

Monthly update on conservation expenditures and activity from July 1, 2024 – February 28, 2025

Current Conservation Program Expenditures FYs 2024/25 & 2025/26⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$2.5 M	\$1.0 M
Member Agency Administered	\$4.3 M	\$5.0 M
Turf Replacement	\$9.4 M	\$24.9 M
Advertising	\$0.1 M	\$0.9 M
Other	\$1.3 M	\$1.3 M
TOTAL	\$17.6 M	\$33.1 M

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

(2) Paid as of 7/1/2024 - 2/28/2025. Financial reporting on cash basis.

(3) Committed dollars as of March 10, 2025.

Current Conservation Program Activity FYs 2024/25 & 2025/26



Turf Replacement Rebates:

February: 474,252 ft² replaced

FY2024/25-FY2025/26: 4,507,924 ft² replaced



Trees (part of Turf Replacement Program):

February: 190 trees rebated

FY2024/25-FY2025/26: 1,459 units rebated



Toilets:

February: 3,048 units rebated

FY2024/25-FY2025/26: 11,256 units rebated

Lifetime Water Savings to be achieved by all rebates in February 2025: 4,049 AF

FY2024/25-FY2025/26: 34,200 AF lifetime water savings

Innovative Conservation Program Update



- Launched March 18th
- Total of \$275,000 to award
- Focus area: Commercial, Industrial & Institutional Sectors
- New category: Community benefits

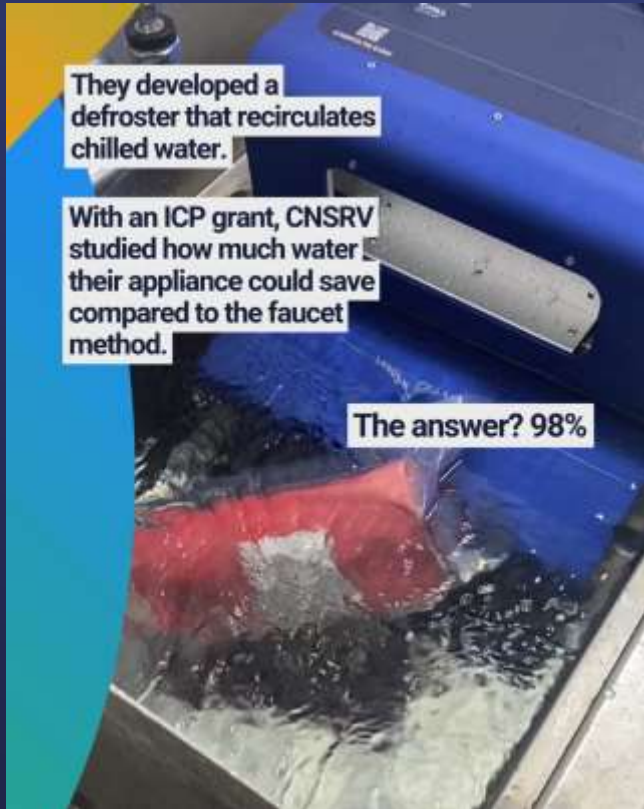
Regional Commercial Rebate Program

New Incentives in the Regional Program

- Expanding leak detection monitor rebate to include devices that serve commercial facilities and irrigation systems
- Adding high efficiency food defrosting devices/systems for commercial kitchen thawing processes









Water Resources Management Group

● **Water Surplus and Drought Management Update** **Conditions as of 3/5/2025**

Summary

This report provides the monthly update in accounting for water supply, demand, and storage conditions for calendar year (CY) 2025 as of March 5, 2025. This report also tracks the water year (WY) 2024-2025 hydrologic conditions. Updated supply and hydrologic information will be provided during the oral report in April.

On February 25, 2025, the California Department of Water Resources (DWR) increased the State Water Project (SWP) Table A Allocation from 20 percent to 35 percent due to improved hydrologic conditions observed through early February. This brings Metropolitan's currently allocated SWP supplies to 670 thousand acre-feet (TAF). Further increases to the SWP allocation are expected and supported by improved hydrologic conditions that have occurred since the allocation study supporting the 35 percent allocation was released in late February. Metropolitan's Colorado River supply is currently estimated at 785 TAF. This reflects (1) agreements that have been signed under the Lower Colorado River Basin System Conservation and Efficiency Program to leave water in Lake Mead; and (2) the United States Bureau of Reclamation's (USBR) daily forecast of water use for California's Colorado River water users for this year, which will change as the year progresses. Combining both supply estimates, Metropolitan's imported supply is estimated to be 1.45 million acre-feet (MAF) for CY 2025 at current allocation levels.

The demand on Metropolitan, which includes member agency consumptive and replenishment demands, obligations, and losses, is currently estimated to be 1.44 MAF for CY 2025. Since current supply estimates exceed current trend demands, Metropolitan is projecting a surplus of 17 TAF to manage this year at the regional level. However, when examining the SWP Dependent Area exclusively, Metropolitan estimates a surplus of approximately 190 TAF for the SWP Dependent Area, based on the current SWP Table A allocation and anticipated demand on Metropolitan from the SWP Dependent Area. Metropolitan is currently projecting to add to storage accessible by the SWP Dependent Area. In addition to storing water in Metropolitan's diverse storage portfolio, as detailed in **Attachment 1**, options to manage surplus supplies include making cyclic deliveries to member agencies and selling water to interested parties outside the service area.

Purpose

Informational

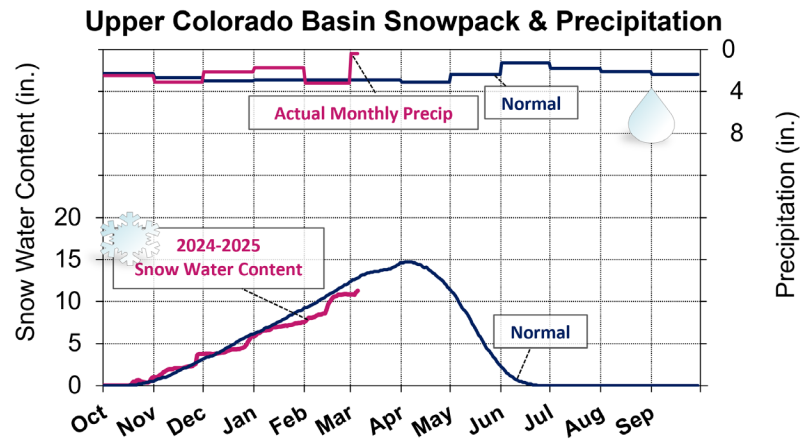
Attachments

Attachment 1: Projected 2025 WSDM Storage Detail (35 percent SWP Table A allocation)

Attachment 2: Future Contributions and Obligations and Cyclic Program

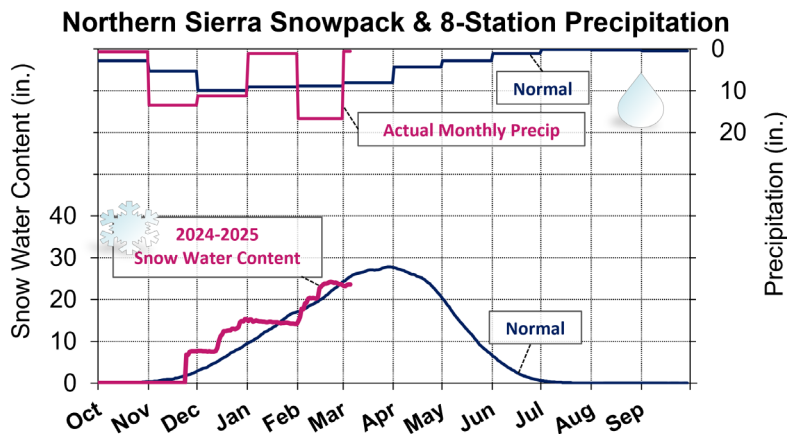
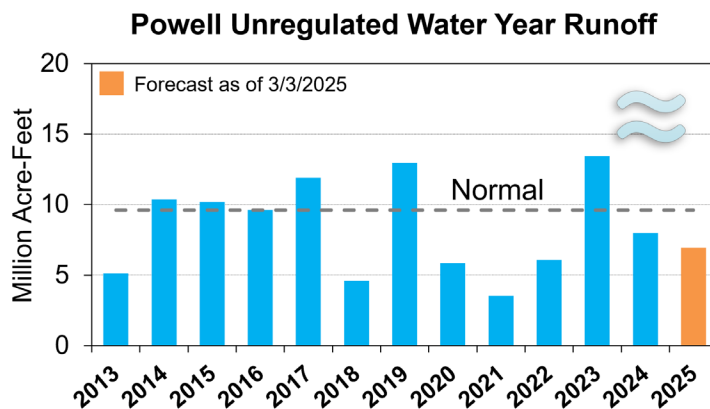
Detailed Report

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



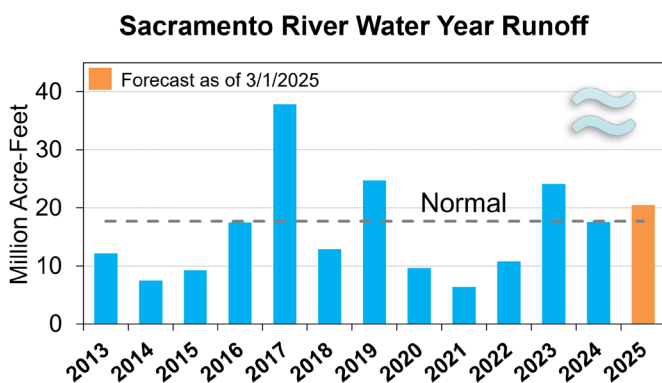
Upper Colorado River Basin

- ❄ Below normal snowpack water content for this date:
11.3 inches or 87% of normal.
- 💧 Below normal precipitation to date:
13.1 inches or 91% of normal.
- ≈ Below normal runoff forecast:
6.9 MAF or 72% of normal.



Sacramento River Basin

- ❄ Near normal snowpack water content for this date:
23.6 inches or 99% of normal.
- 💧 Above normal precipitation to date:
43.8 inches or 117% of normal.
- ≈ Above normal runoff forecast:
20.5 MAF or 116% of normal.

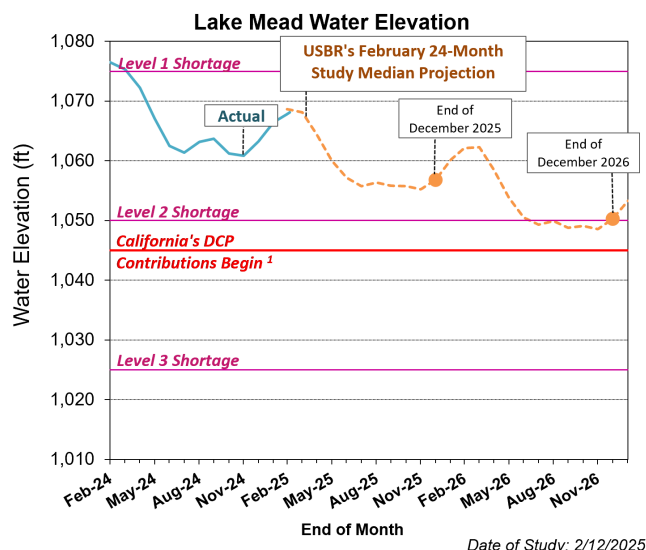


CRA Supplies	Acre-Feet
<i>Basic Apportionment</i>	550,000
<i>IID/MWD Conservation Program</i>	105,000
<i>CVWD - 2nd Amendment, Exchange of Additional Water</i>	0
<i>PVID Following Program¹</i>	0
<i>Exchange w/ SDCWA (IID/Canal Lining)</i>	278,000
<i>Exchange w/ USBR (San Luis Rey Tribe)</i>	16,000
<i>Lower Colorado Water Supply Project</i>	9,000
<i>Bard Seasonal Following Program¹</i>	0
<i>Quechan Diversion Forbearance¹</i>	0
<i>Quechan Seasonal Following Program²</i>	0
<i>Higher Priority Water Use Adjustment</i>	-173,000
Total CRA Supplies³	785,000

¹ Not a supply for Metropolitan in 2025. Water generated from these programs becomes system water as part of USBR's Lower Colorado Conservation Program to help protect Lake Mead.

² Rounded to the nearest thousand. Supply estimate is 270 AF.

³ Per USBR Forecast (3/3/2025). Total may not sum due to rounding.



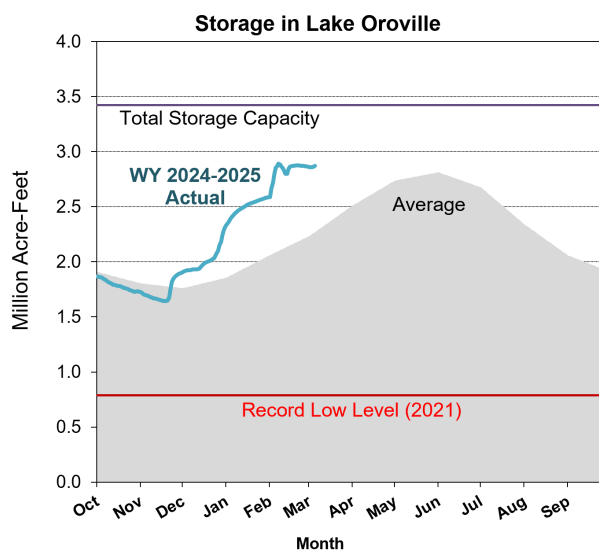
¹ Metropolitan is not required to make Drought Contingency Plan (DCP) contributions in 2025 because the August 2024 24-month Study projected Lake Mead's elevation to be above 1,045 feet on January 1, 2025. This figure reflects the latest 24-month study (February 2025) available at the time of this report.

- Lake Mead storage is currently 9.05 MAF or elevation 1,068.1 feet (35 percent of total capacity).
- The Lower Basin is at a Level 1 shortage in CY 2025. Under this level, Metropolitan's operations and water supply are not impacted.

SWP Supplies	Acre-Feet
<i>Table A (35% SWP allocation)</i>	669,000
<i>Port Hueneme¹</i>	1,000
Total SWP Supplies²	670,000
Total Supplies (CRA + SWP) (Prior to storage actions)²	1,454,000

¹ Rounded to the nearest thousand.

² Total may not sum due to rounding.



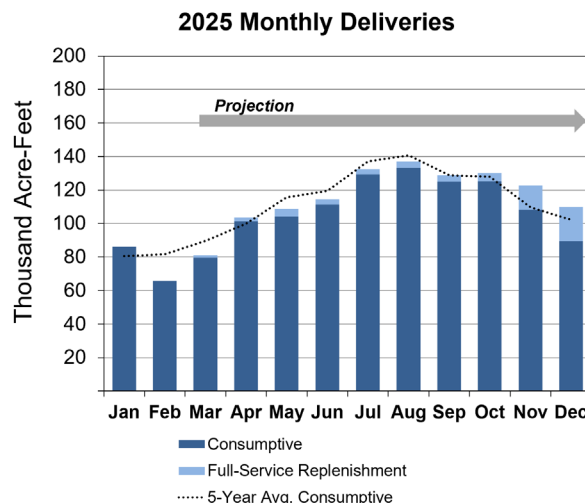
- The SWP allocation for CY 2025 is currently 35 percent of Table A. Further increases to the SWP allocation are expected due to improved hydrologic conditions. The final allocation is typically determined in May or June.
- Lake Oroville is currently at 2.87 MAF (84 percent of total capacity) or 126 percent of historical average, as of the date of this report.

Current Demand	Acre-Feet
Member Agency Consumptive ¹	1,258,000
Member Agency Replenishment	63,000
Coachella Valley Water District Agreement	50,000
Imperial Irrigation District Return ²	0
Exchange w/ San Luis Rey Tribe	16,000
System and Storage Losses	50,000
Cyclic Deliveries	0
Total Demands ³	1,437,000

¹ Includes exchange w/ SDCWA (IID/Canal Lining) and CUP sales.

² Per USBR Forecast (3/3/2025).

³ Total may not sum due to rounding.

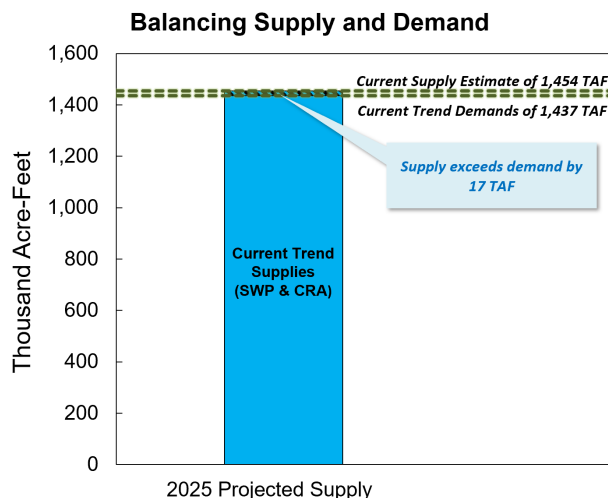


Following a dry January to start CY 2025, demands decreased in February with above average rainfall.

MANAGING REGIONAL SUPPLY AND DEMAND

Supply/Demand Balance	Acre-Feet
Total Supplies	1,454,000
Total Demands	1,437,000
Current Balance Estimate ¹	17,000

¹ Total may not sum due to rounding.



WSDM Strategies/Actions

Metropolitan is monitoring supply development and updated demand projections. Appropriate WSDM actions will be taken to manage any supply/demand gap. Options to manage surplus supplies include storing water in Metropolitan's diverse storage portfolio, making cyclic deliveries to member agencies, and selling water to interested parties outside the service area.

2025 WSDM Storage Detail

WSDM Storage	1/1/2025 Estimated Storage Levels ¹	CY 2025 Maximum Put Capacity ²	2025 Total Storage Capacity
Colorado River Aqueduct Delivery System	1,596,000	26,000	1,622,000
Lake Mead ICS	1,596,000 ³	26,000	1,622,000 ³
State Water Project System	1,163,000	322,000	2,338,000
MWD & DWCV Carryover	380,000	149,000	529,000 ⁴
MWD Articles 14(b) and 12(e)	3,000 ⁵	0	0
Castaic and Perris DWR Flex Storage	219,000	0	219,000
Arvin-Edison Storage Program	100,000	0 ⁶	350,000
Semitropic Storage Program	227,000	70,000	350,000
Kern Delta Storage Program	142,000	50,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	45,000	53,000	280,000
In-Region Supplies and WSDM Actions	1,060,000	85,000	1,246,000
Diamond Valley Lake	788,000	22,000	810,000
Lake Mathews and Lake Skinner	188,000	38,000	226,000
Conjunctive Use Programs (CUP)	84,000	25,000	210,000 ⁷
Other Programs	762,000	245,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	381,000	245,000	800,000
Total	4,581,000	678,000	6,387,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) ⁸	3,831,000	678,000	5,637,000

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

² Put capacity assumed under a 35 percent SWP Table A Allocation. Storage program losses included where applicable.

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

⁴ Total storage capacity varies year-to-year as the contractual annual storage limit, based on the SWP Table A allocation, is combined with the remaining balance from the previous year. There is a potential risk that Metropolitan's stored water be converted to SWP contractor water if San Luis Reservoir approaches full capacity.

⁵ DWR has approved carryover supplies under Article 14 (b) of the State Water Project Contract for delivery in 2025.

⁶ Puts are limited due to water quality considerations.

⁷ Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western.

⁸ Total WSDM Storage level subject to change based on accounting adjustments. Total may not sum due to rounding.

Future Contributions and Obligations and Cyclic Programs

Table 1: Future Obligations ¹

	Beginning of Year 2025 Balance
Water Stored for IID under the California ICS Agreement and its Amendment or the 2021 Settlement Agreement with IID	258,000 ²
Storage and Interstate Release Agreement with Southern Nevada Water Authority (SNWA)	330,000 ³
Coachella Valley Water District Agreement	70,000 ⁴
United States Bureau of Reclamation (USBR) Phase 2 of the Lower Colorado River Basin System Conservation and Efficiency Program	269,000 ⁵
Total (AF) ⁶	927,000

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

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

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

⁴ Obligation must be met by the end of 2026.

⁵ USBR will provide federal funding to Metropolitan for the AVEK HDWB System Conservation Project, Turf Replacement System Conservation Project, and Disadvantaged Communities Leak Detection and Repair Program through three System Conservation Implementation Agreements (SCIA). In exchange, Metropolitan will implement the projects and create conserved water to benefit Lake Mead as system water. 265,000 AF of the obligation must be met by 2033 and 4,000 AF must be met by 2034. Additional agreements will be necessary to implement the SCIA's (e.g., forbearance agreements).

⁶ Total may not sum due to rounding.

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

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

¹ Results from USBR's February 2025 Colorado River Mid-Term Modeling System (CRMMS) model run.

Table 3: Cyclic Program Activity ¹

CY	Starting Balance (AF)	CY Actions (AF)				Ending Balance (AF)
		Cyclic Pre-Delivery	Cyclic Cost-Offset Pre-Delivery	Total Pre-Delivery	Sale Out of Cyclic to Date	
2019	51,000	147,000	19,000	166,000	91,000	126,000
2020	126,000	2,000	0	2,000	50,000	79,000
2021	79,000	0	0	0	28,000	51,000
2022	51,000	0	0	0	27,000	24,000
2023	24,000	33,000	14,000	48,000	72,000	0
2024	0	97,000	0	97,000	25,000	72,000
2025	72,000	0	0	0	0	72,000

¹ This table is updated with actual Cyclic Program activity reflecting certifications through January 2025.

Total may not sum due to rounding.



One Water and Adaptation Committee

Update on Water Surplus and Drought Management

Item 6b
April 7, 2025

Item 6b Update on WSDM

Subject

Oral Update on Water Surplus and Drought
Management

Purpose

Provide updated supply and hydrologic information

SWP Supply Outlook

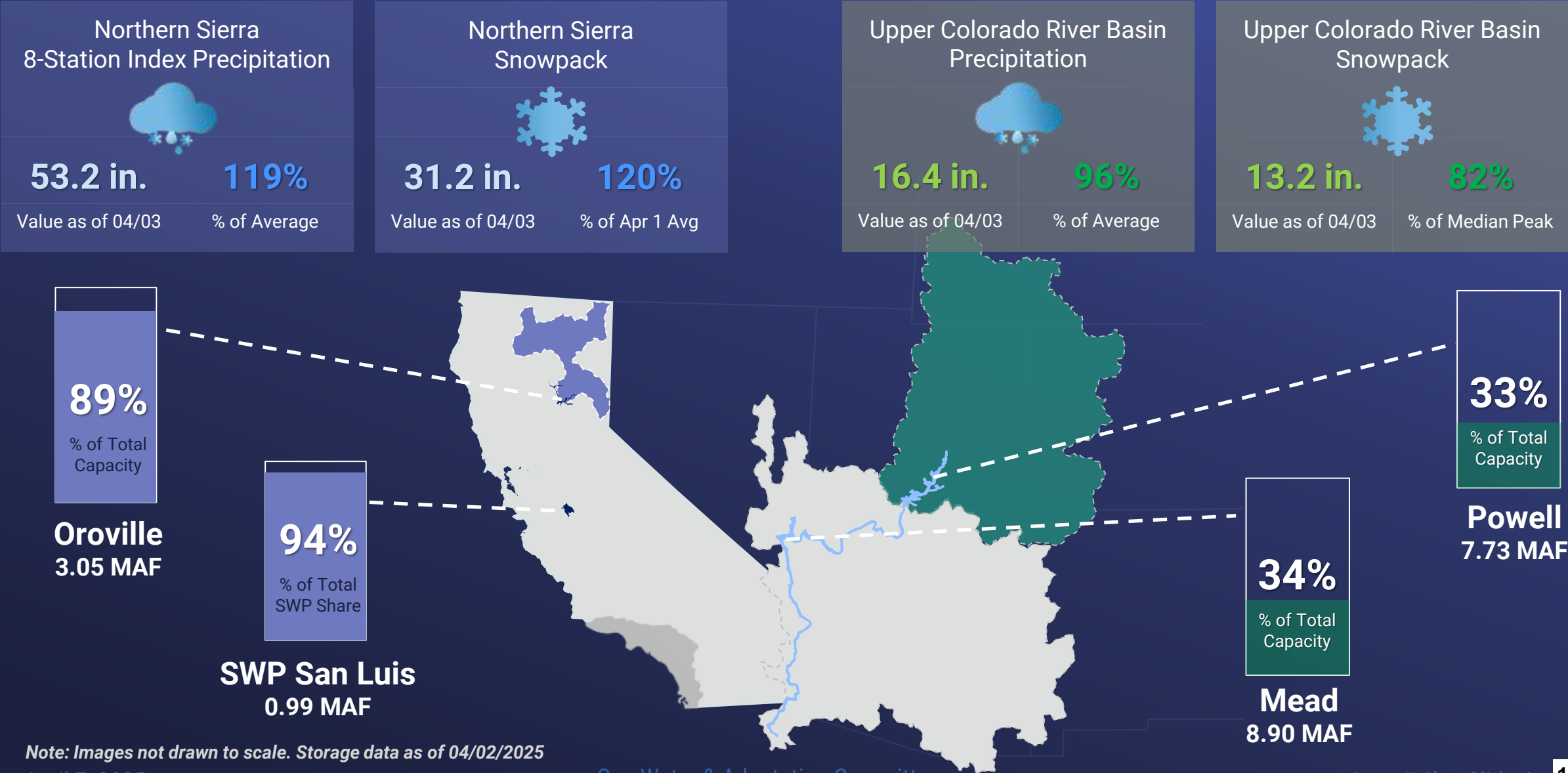
SWP Table A Allocation
increased from 35% to 40%

- Update reflects hydrologic conditions as of March 1
- SWP storage continues to track above Department of Water Resources (DWR) projections
- Improved runoff projections

Bidwell Bar Bridge and Bidwell Canyon Marina at Lake Oroville in Butte County, California. Photo by DWR

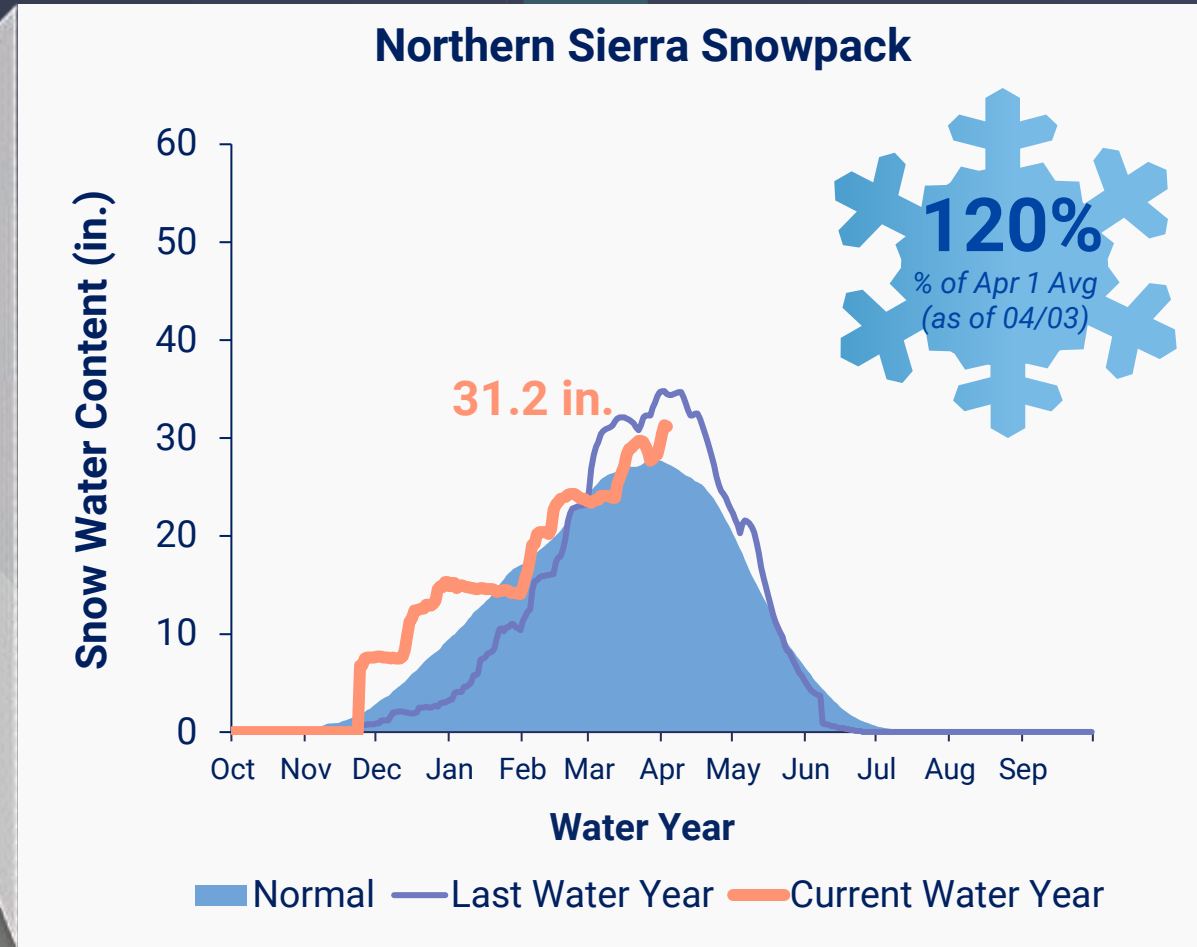


Hydrologic Conditions Summary

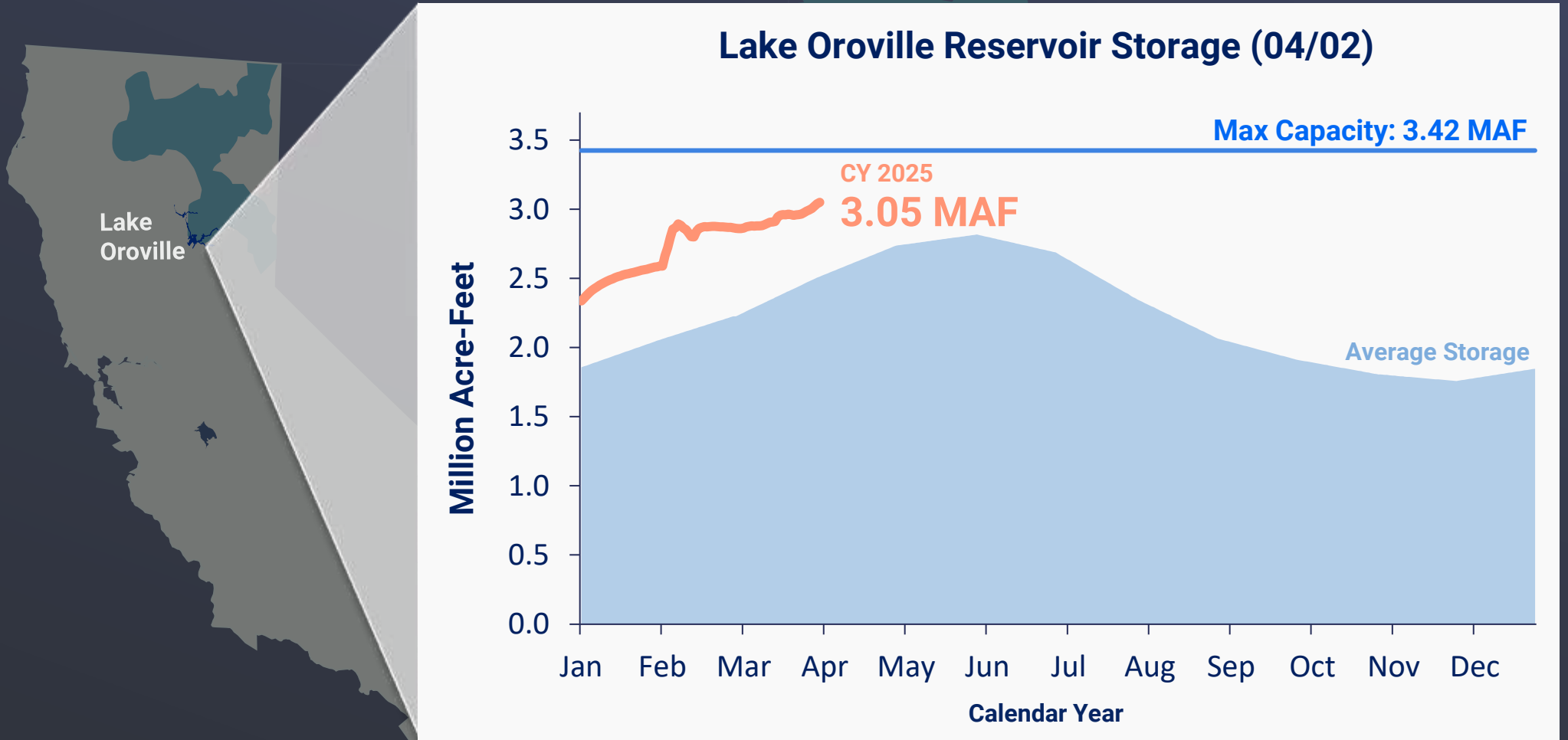


Note: Images not drawn to scale. Storage data as of 04/02/2025
April 7, 2025

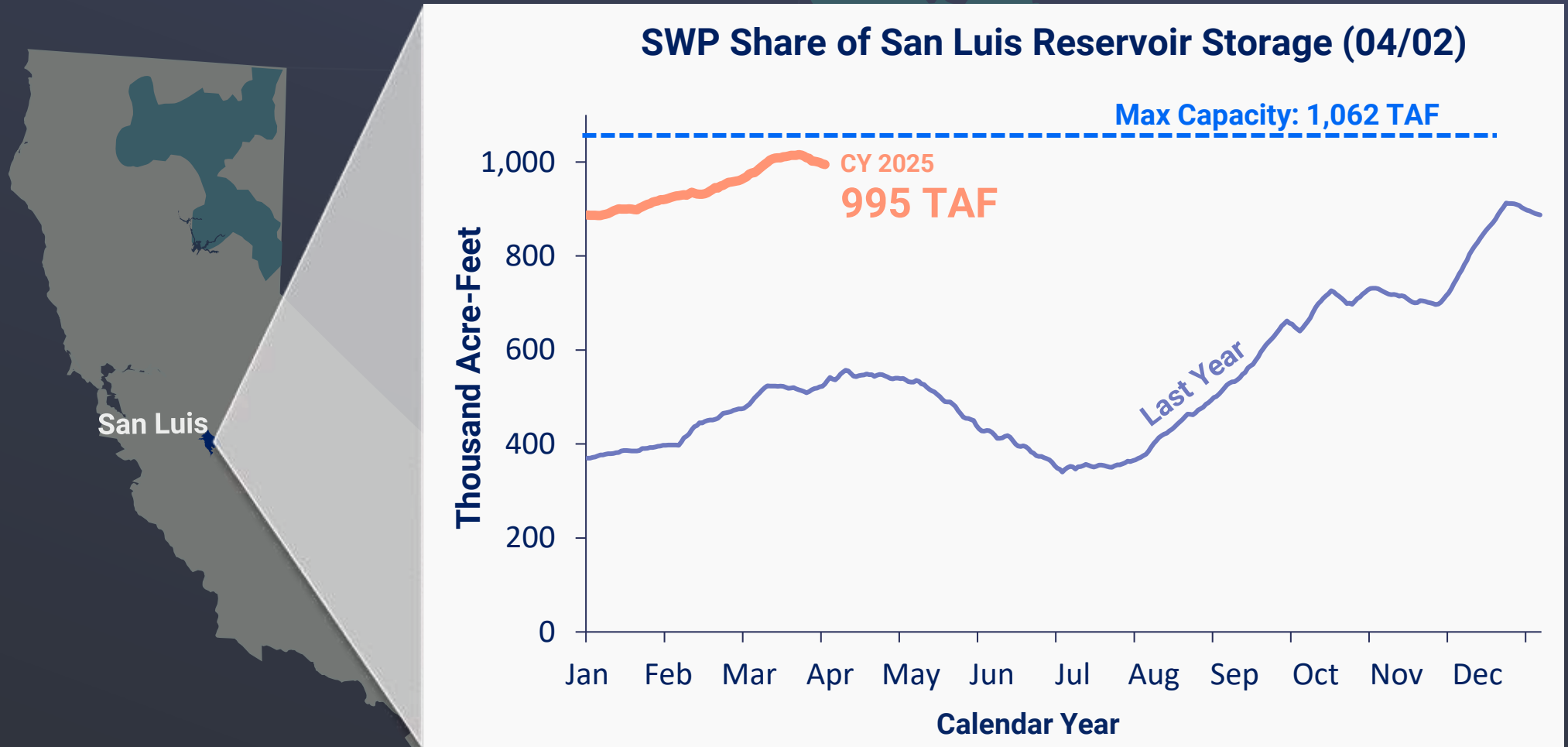
Above Average Snowpack in Northern Sierra



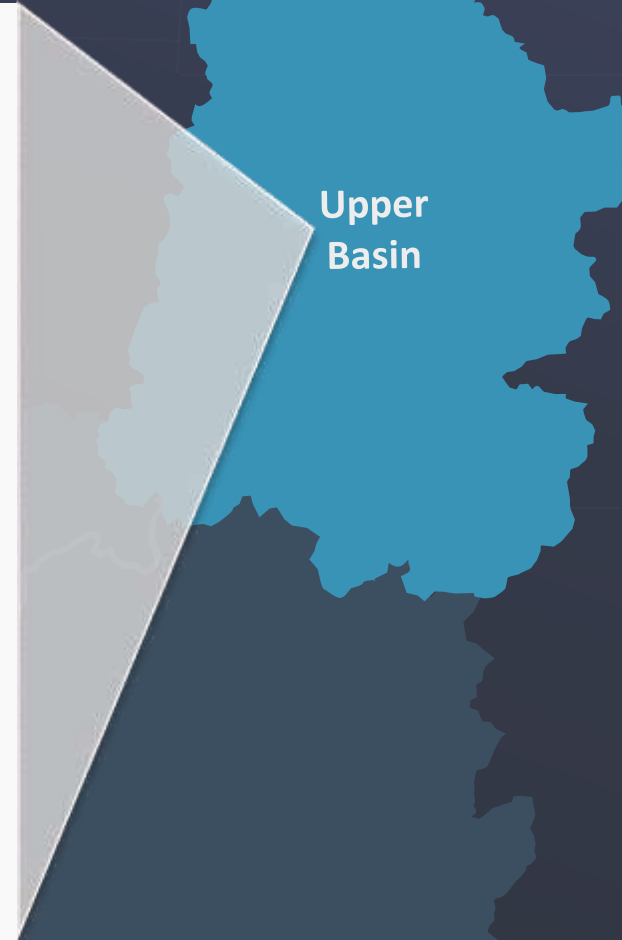
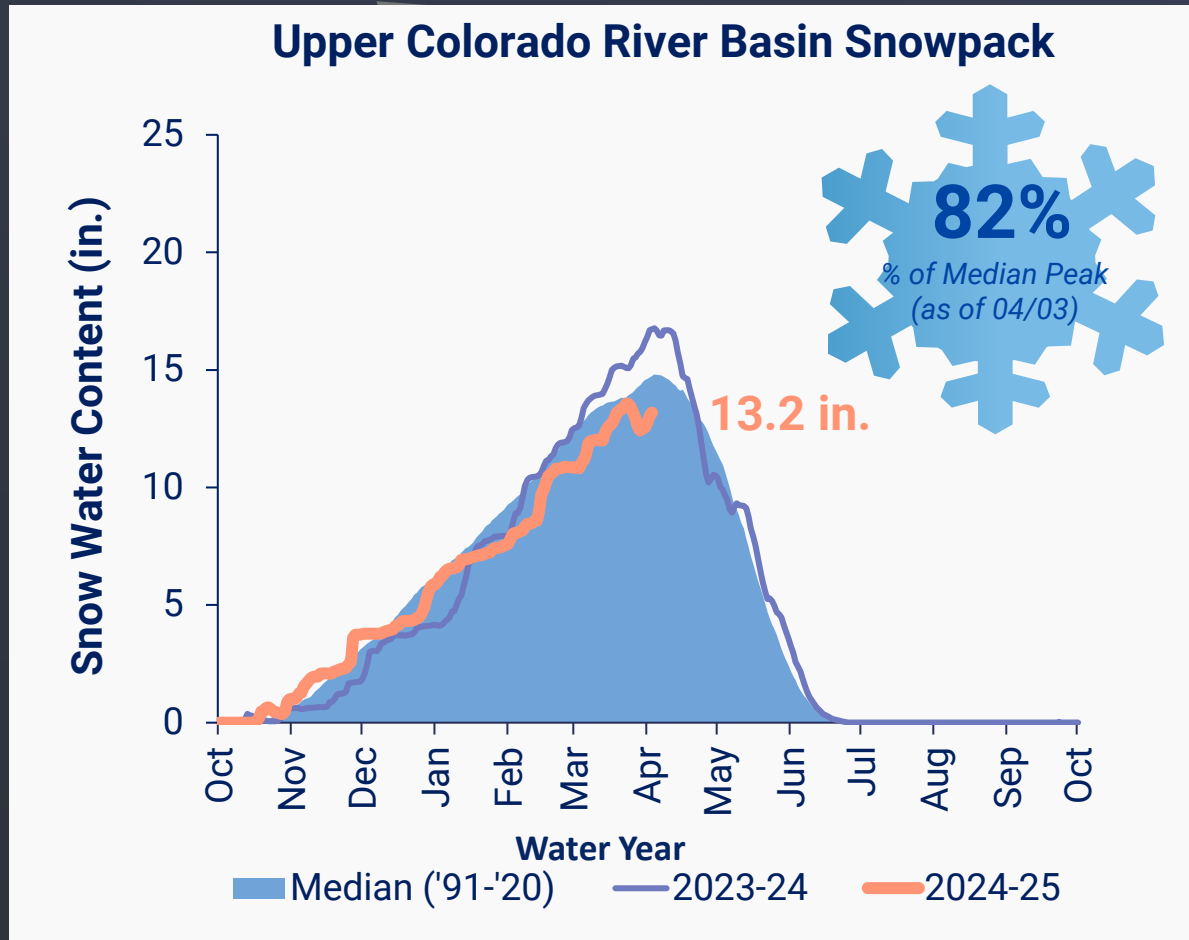
Lake Oroville Storage Remains High



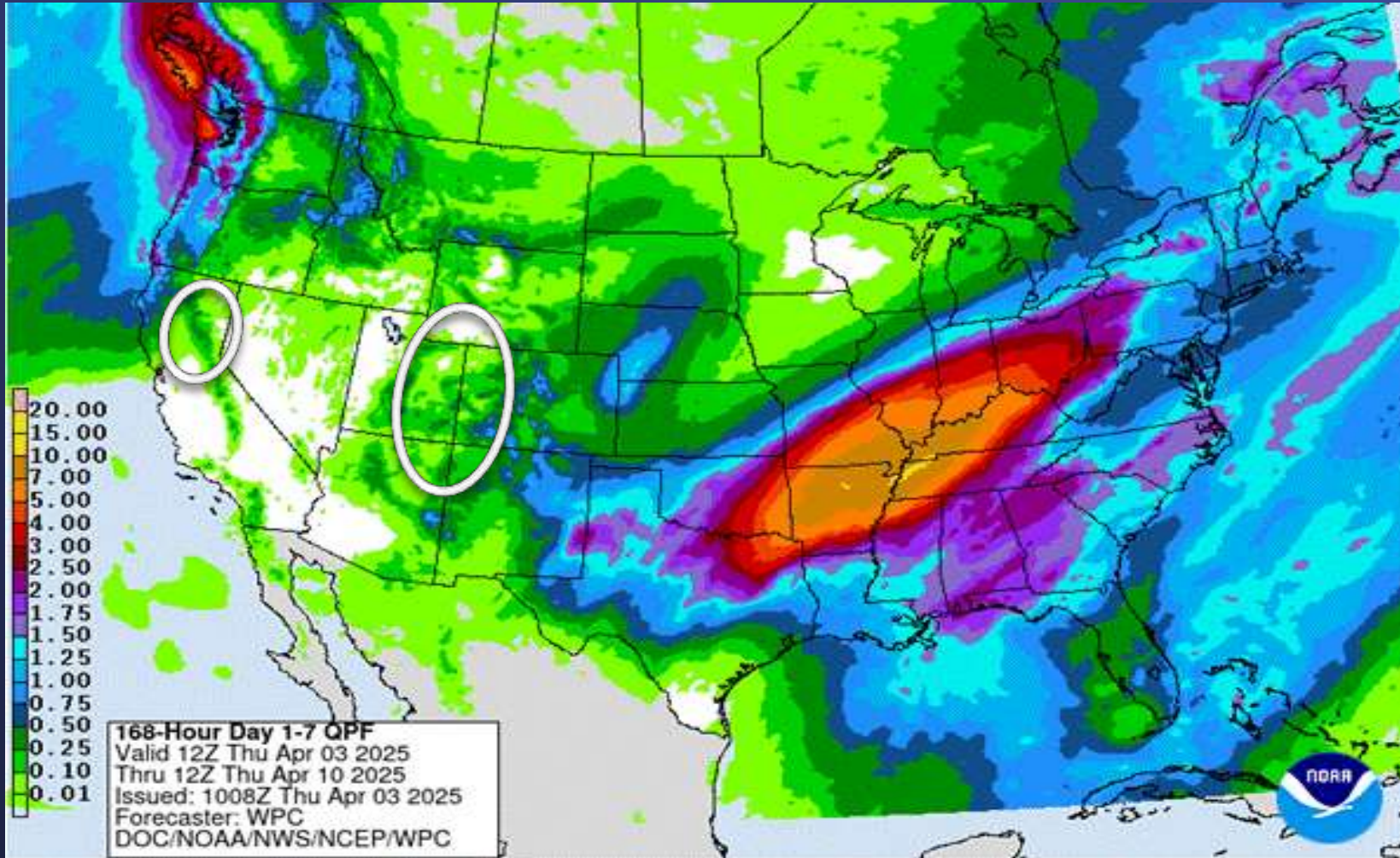
Healthy Storage in SWP San Luis



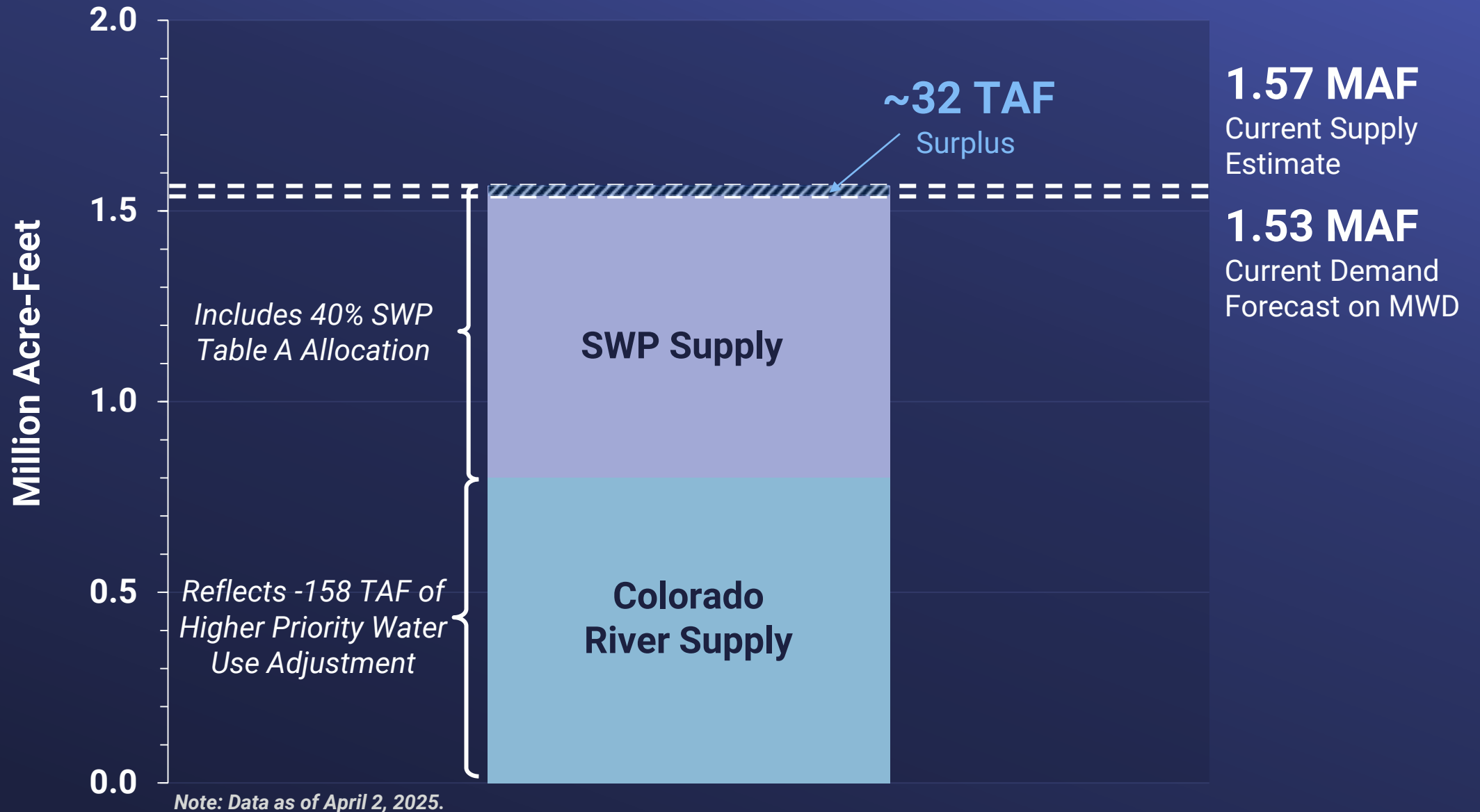
Near Average Upper Colorado River Basin Snowpack



Precipitation Outlook (Apr 3 – Apr 10)



2025 Water Supply/Demand Balance: **Regional View**







One Water and Adaptation Committee

Sites Reservoir Project Benefits and Risks Part I

Item 6c

April 7, 2025

Item 6c
Sites
Reservoir
Benefits and
Risks

Subject

Benefits and risks of the Sites Reservoir Project.

Purpose

Inform the Board on facilities, operations, and potential risks and benefits of the Sites Reservoir Project.

Next Steps

Update the Board in future months with additional information on the Sites Reservoir Project.

Benefits

- The Sites Project is a multi-benefit project being developed according to the beneficiary pays principle
- Beneficiaries & Benefits
 - State: ecosystem, flood control, recreation
 - Federal: ecosystem, refuge, operational flexibility
 - Local: water supply, reliability, flexibility

Facilities & Capacities

- Sites will be an off-stream reservoir
 - 1.5 million acre-feet capacity
- Sites will be primarily filled from two existing screened intakes on Sacramento River
 - Max filling rate: 3,900 cfs
- Sites will release water upon request from participants
 - Downstream participants, like Metropolitan, will be primarily served by Dunnigan Pipeline (capacity of 1,000 cfs)

Source of Supply

- Sites is seeking its own water rights
 - Diversion to Storage: 1.5 million acre-feet annually
 - Diversion to Storage Season: September 1 through June 14
 - Maximum diversion rate: 4,200 cfs
 - Only available when Delta is in 'excess' conditions and flows exceed project diversion criteria
 - Diversion criteria may change with provision of water right

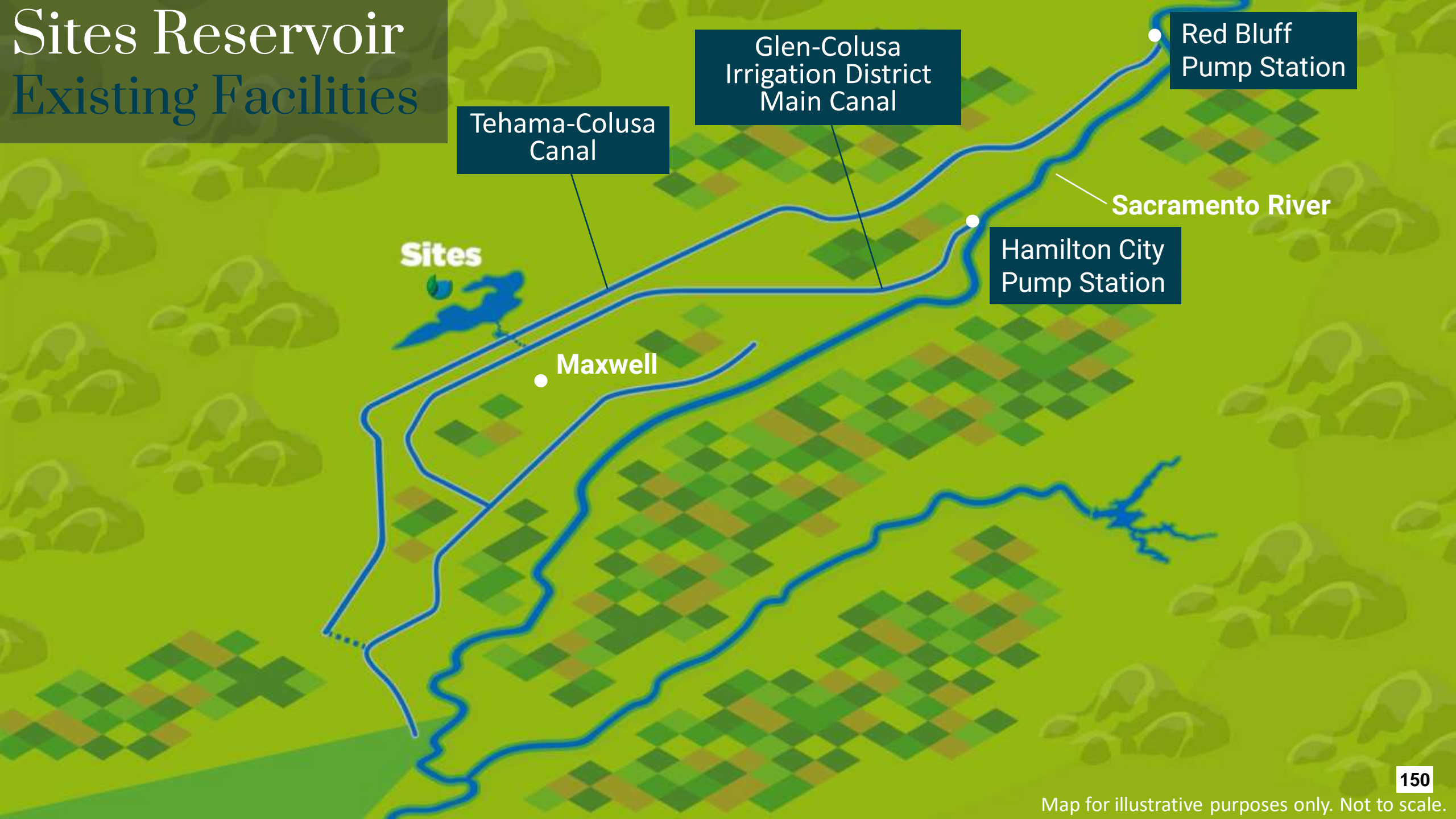


Sites

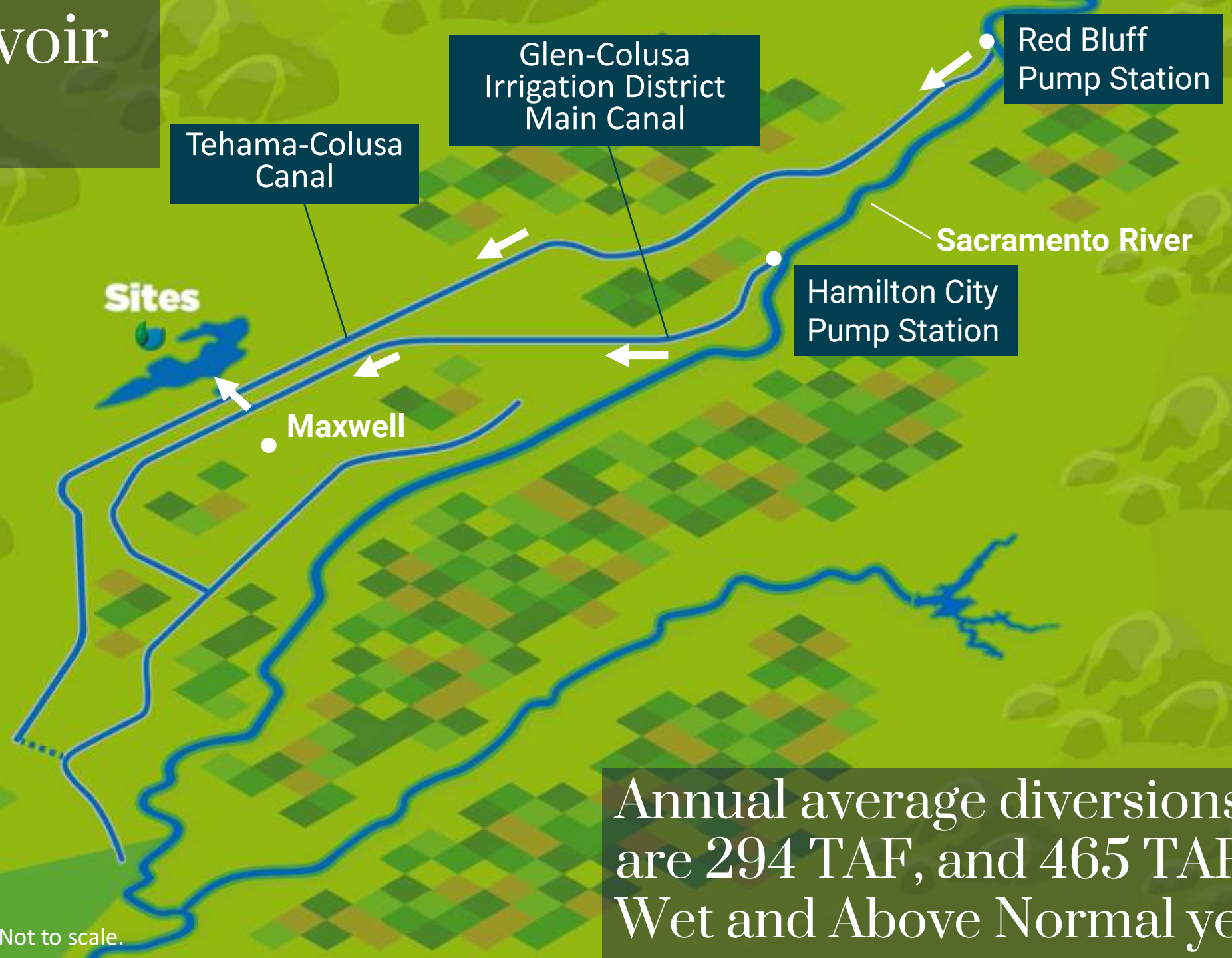


Sites Reservoir

Existing Facilities



Sites Reservoir Diversions



Annual average diversions are 294 TAF, and 465 TAF in Wet and Above Normal years¹⁵¹.

Sites Reservoir Releases



Annual average releases south of the Delta are 117 TAF and 222 TAF in Dry and Critical years.

Moving Water from Sites To Metropolitan's Service Area



Moving Water from Sites To Metropolitan's Service Area

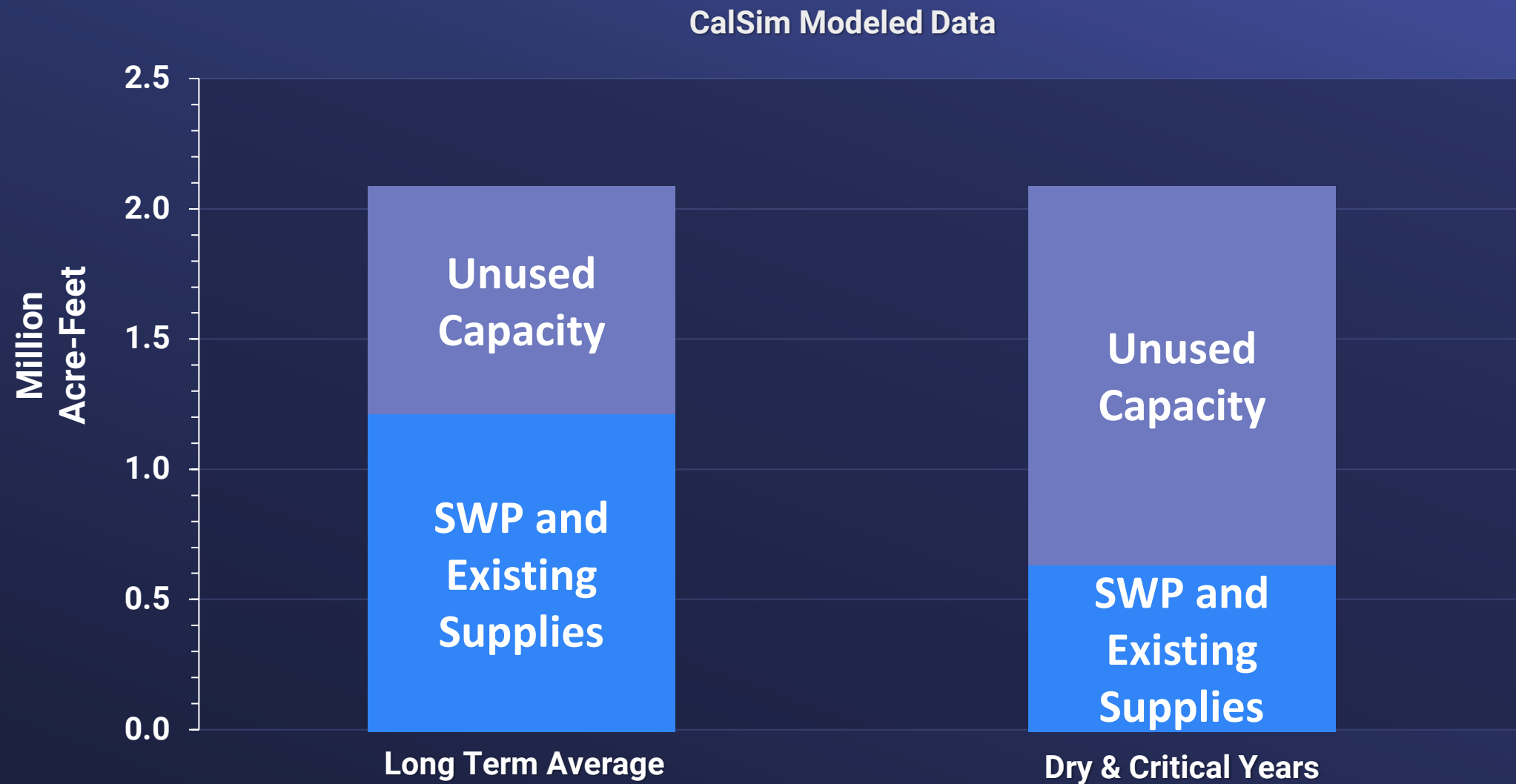


Moving Water from Sites To Metropolitan's Service Area



Banks Pumping Plant

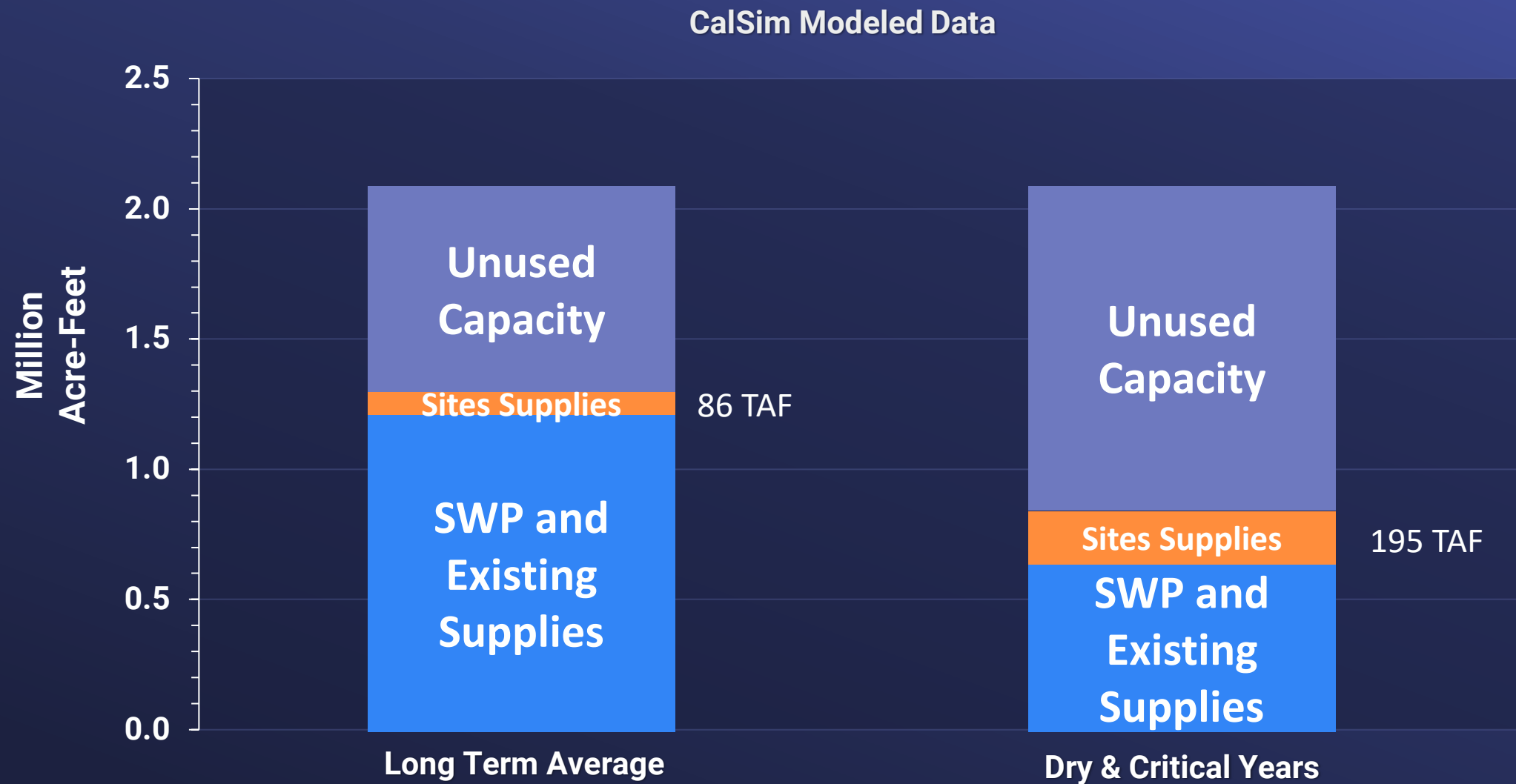
Capacity to Move Additional Transfer Supplies (July – November)



Source: Sites Project ITP Application CalSim Modeling Results
April 7, 2025

Banks Pumping Plant

Capacity to Move Additional Transfer Supplies (July – November)



Delivery of Sites Water

- Sites water will be delivered via transfer or exchange
- Direct deliveries will occur during the transfer window
 - July-November
- Similar to existing SWP transfer and exchange programs
 - Yuba Accord Water Transfer Program

Metropolitan's Level of Participation to Date

Participant Name	Amendment 3 Participation Level	Amendment 3 Storage Allocation	% Available Storage
Antelope Valley – East Kern WA	500	3,117	0.2%
City of American Canyon	4,000	24,936	1.8%
Coachella Valley WD	10,000	62,340	4.4%
Colusa County	10,000	62,340	4.4%
Colusa County WD	9,256	57,702	4.1%
Cortina WD	450	2,805	0.2%
Davis WD	2,000	12,468	0.9%
Desert WA	6,500	40,521	2.9%
Dunnigan WD	2,972	18,527	1.3%
Glenn-Colusa ID	5,000	31,170	2.2%
Irvine Ranch WD	1,000	6,234	0.4%
LaGrande WD	1,000	6,234	0.4%
Metropolitan Water District of SC	50,000	311,700	22.1%
Reclamation District 108	4,000	24,936	1.8%
Rosedale-Rio Bravo WD	500	3,117	0.2%
San Bernardino Valley Municipal WD	21,400	133,408	9.5%
San Geronio Pass WA	14,000	87,276	6.2%
Santa Clara Valley WD	500	3,117	0.2%
Santa Clarita Valley WA	5,000	31,170	2.2%
Westside WD	5,375	33,508	2.4%
Wheeler Ridge-Maricopa WSD	3,050	19,014	1.3%
Zone 7 WA	10,000	62,340	4.4%
State of CA		244,000	17.3%
Reclamation		128,020	9.1%
Available Total Storage		1,410,000	100.0%

At a glance:

North of Delta	19.4%
South of Delta	53.9%
Reclamation	9.1%
State of CA	17.3%

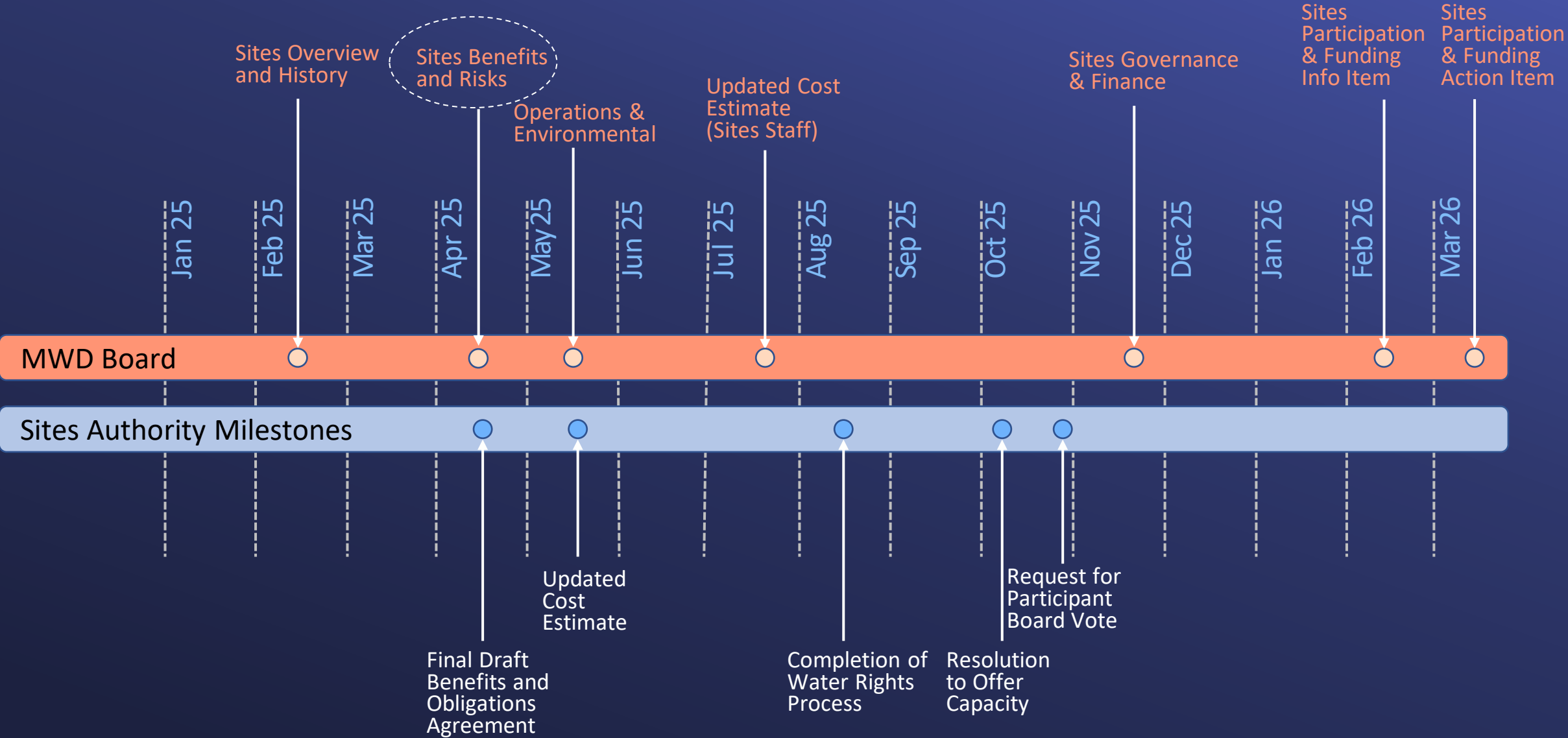
CAMP4W Evaluation

- Sites and other projects will be assessed based on CAMP4W evaluative criteria
- Comprehensive assessment of Sites Reservoir will be brought to the Board later this calendar year

Outstanding Issues/Risks

- Bay Delta Water Quality Control Plan Update
- Water rights hearing for Sites
- Governance
- Cost estimate & plan of finance
- Exchange agreement with Desert WA and Coachella Valley WD

Sites Draft Timeline – Subject to Change & Modification







One Water & Adaptation Committee

Update on Basin States Discussions Regarding Post-2026 Operational Guidelines

Item 6d

April 7, 2025

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

Subject

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

Purpose

Update on the Bureau of Reclamation's Post-2026 Operational Guidelines environmental impact statement (EIS) and related Basin States discussions

Next Steps

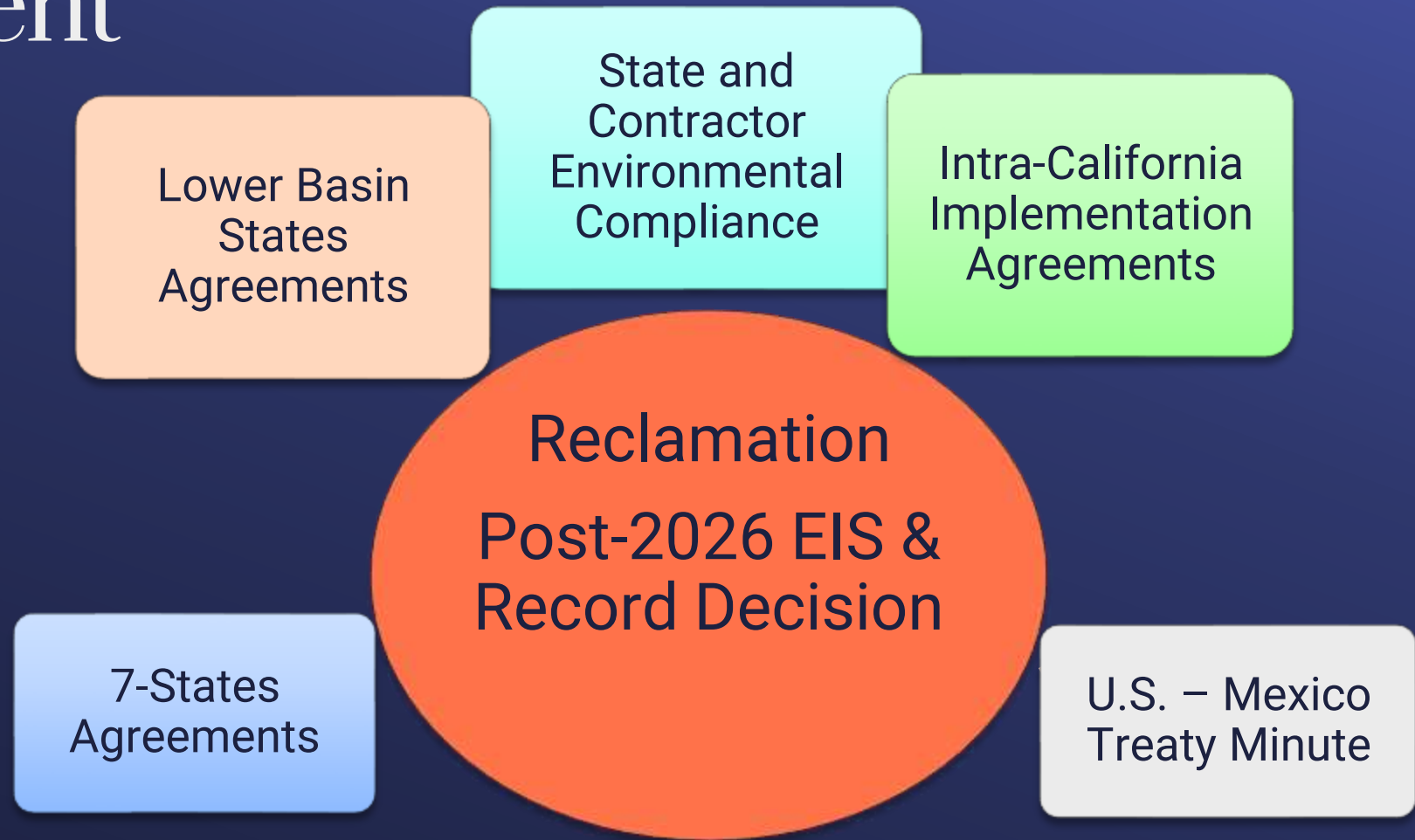
Give regular updates to Board and receive Board direction on Post-2026 Basin States discussions

Bureau of Reclamation Process Milestones



Post-2026 Development Processes

In addition to Reclamation's EIS process, implementation of the Post-2026 Guidelines will require agreements among the Lower Basin States and within California. Lower Basin operations also require ESA compliance and California's actions must comply with CEQA and CESA.



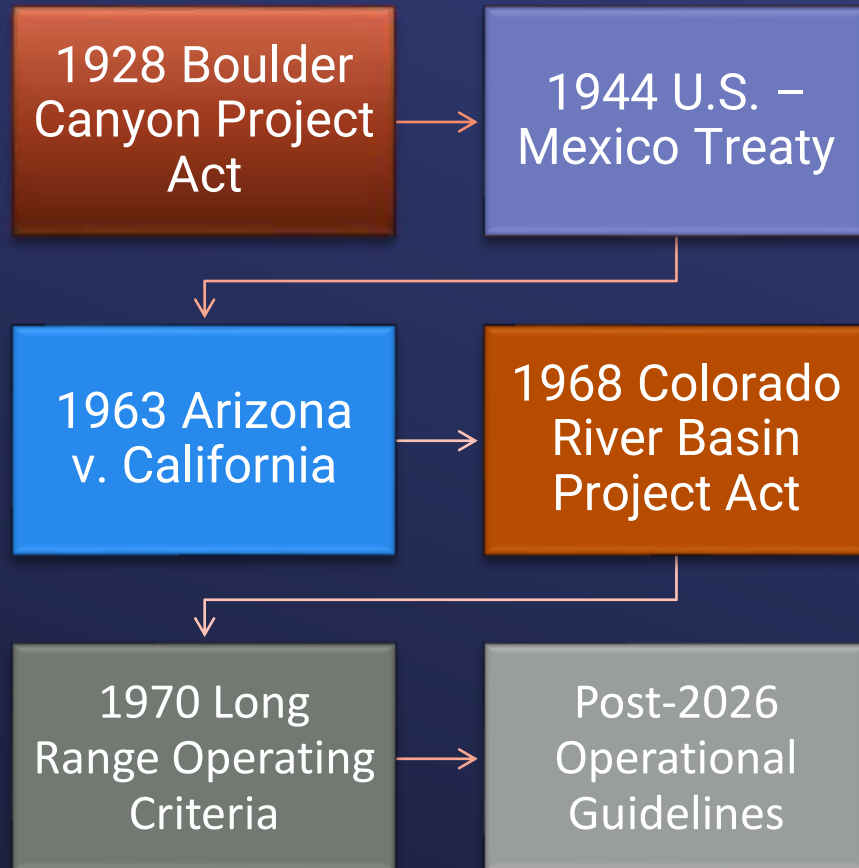
Lake Powell

- 1956 Colorado River Storage Project Act authorized construction of Glen Canyon Dam
- Glen Canyon Dam makes releases to:
 - Meet the Upper Division States' Colorado River Compact Obligations to the Lower Division States
 - Generate hydropower
- ~12.4 af/yr Annual inflows (30 yr avg)
- Upper Basin depletions ~4.5 maf/yr



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Lake Mead Release – Legal Authorities



Treaty Deliveries to Mexico

- 1944 U.S. – Mexico Treaty governs delivery obligations for Colorado River and Rio Grande River
- Colorado River flows south and U.S. makes deliveries to Mexico
- Rio Grande River flows north and Mexico makes deliveries to U.S. to Texas
- International Boundary & Water Commission manages treaty obligations
- On March 20, 2025, the IBWC canceled delivery of Colorado River water because of Mexico's shortfalls in deliveries of Rio Grande water to Texas – breaking with tradition of managing Rio Grande and Colorado separately







One Water and Adaptation Committee

Carbon Sequestration & Capture Opportunities

Item 6e
April 7, 2025

Item 6e Carbon Sequestration & Capture Opportunities

Subject

Carbon Sequestration & Capture Opportunities

Purpose

Define key terms related to carbon sequestration and share opportunities for meeting climate goals and generating revenue

Next Steps

Continue ongoing studies and explore feasibility of new opportunities with regular reports back to Board

Carbon Removal Methods

- Aim to extract and store atmospheric carbon dioxide (CO₂)
- Address climate change by reducing atmospheric CO₂ concentration and mitigating the effects of global warming
- Include both natural and technological approaches



Afforestation and Reforestation

- Planting new or replanting harvested forests to sequester CO₂



Soil Carbon Sequestration

- Using agriculture and ecosystem restoration to reverse past loss of soil carbon and sequester CO₂



Bioenergy with Capture and Storage

- Farming bioenergetic crops, which extract CO₂, burning for energy, sequestering carbon underground



Direct Air Capture

- Pulling CO₂ out of the air and either burying underground or using in a chemical process

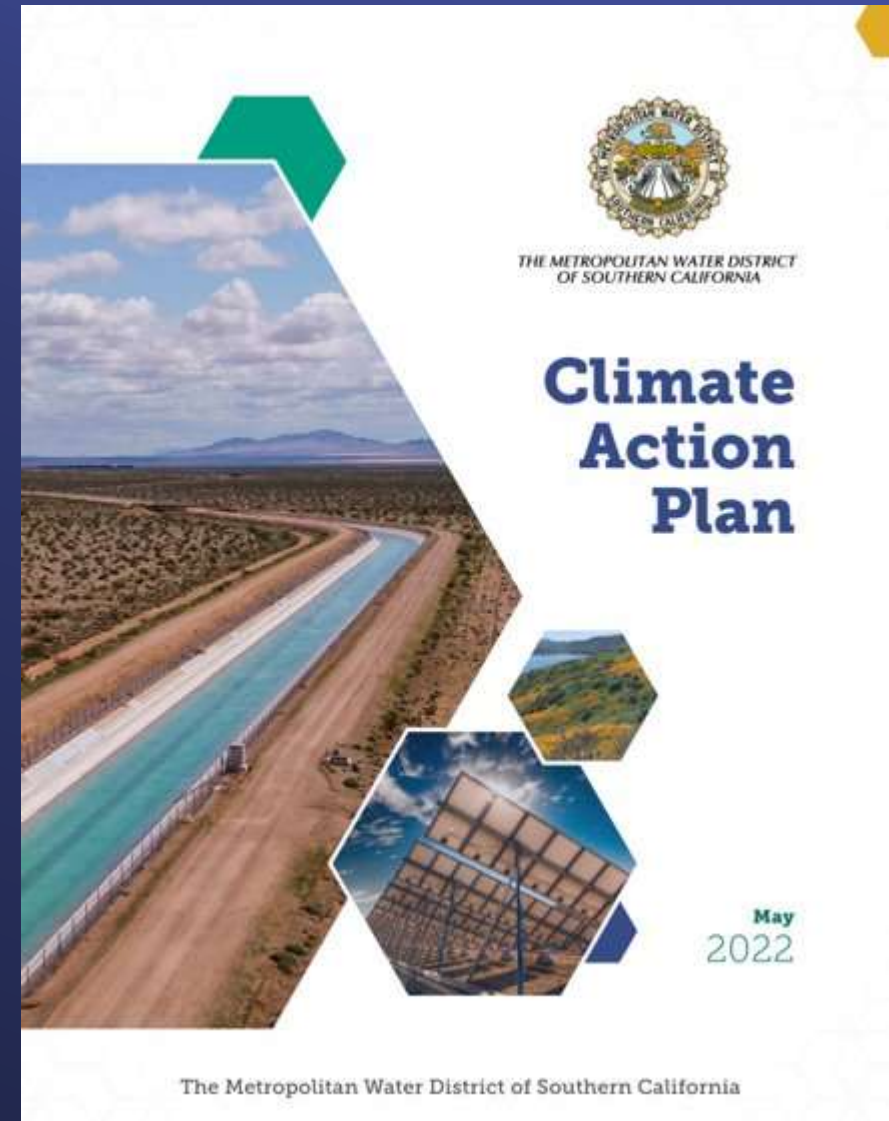
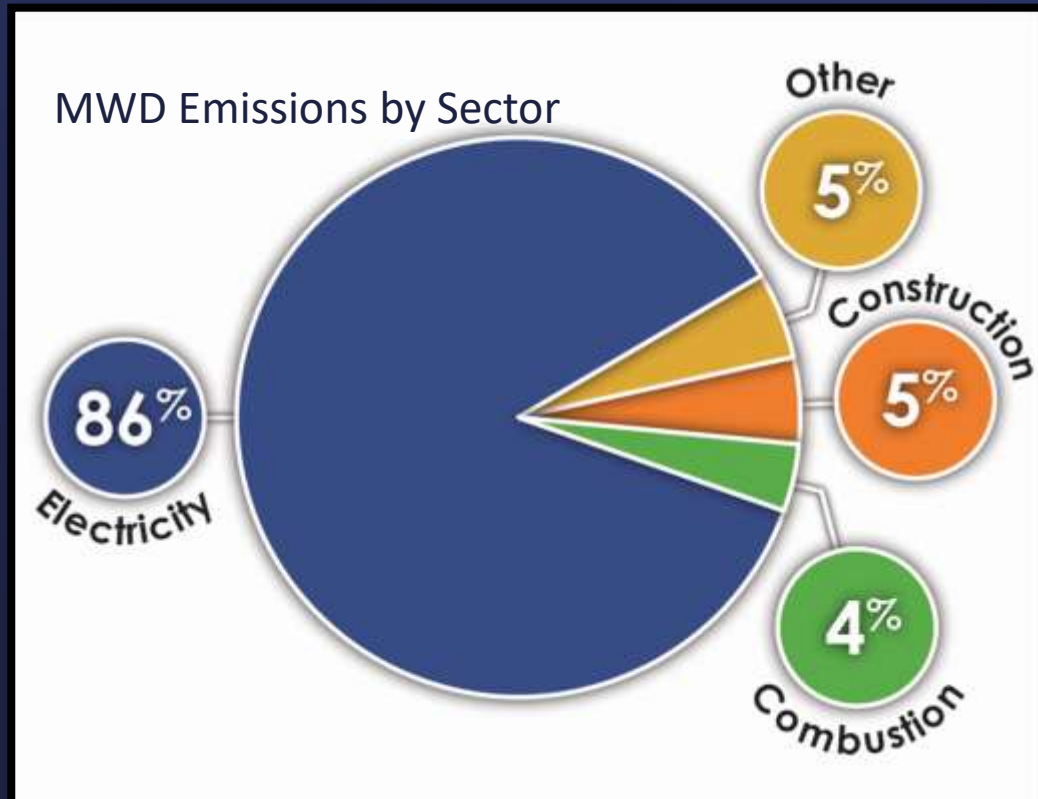
Climate Action Plan - GHG Reduction Targets

Established an emissions target:

- Carbon neutrality by the year 2045

Interim target to ensure compliance:

- 40% below 1990 levels by 2030



Role of Carbon Sequestration in Metropolitan's Climate Action Plan

- Included as a key CAP strategy to reduce emissions, indirect emissions
 - **CAP Strategy 9** – Investigate and Implement Carbon Capture and Sequestration Opportunities
- Co-Benefits in other CAP strategies
 - **CAP Strategy 8** – Increase Water Conservation and Local Water Supply
 - Compost application to range lands and agricultural fields enhances plant growth; soil health; water retention; sequesters carbon

Metropolitan Carbon Sequestration and Capture Activities

Forest Restoration and Carbon Sequestration

- Northern Sierra Watersheds
 - Forest Resilience Bonds with public and private finance
 - Projects study water supply, climate resilience, and carbon sequestration benefits

Soil Carbon Sequestration on Met Lands

- Palo Verde Valley
 - Regenerative Ag study with Chico State
 - Low/no tilling, cover crops, flux towers
- Bay Delta Islands
 - Rice/subsidence reducing farming
 - Wetlands restoration
- Carbon Credits Potential

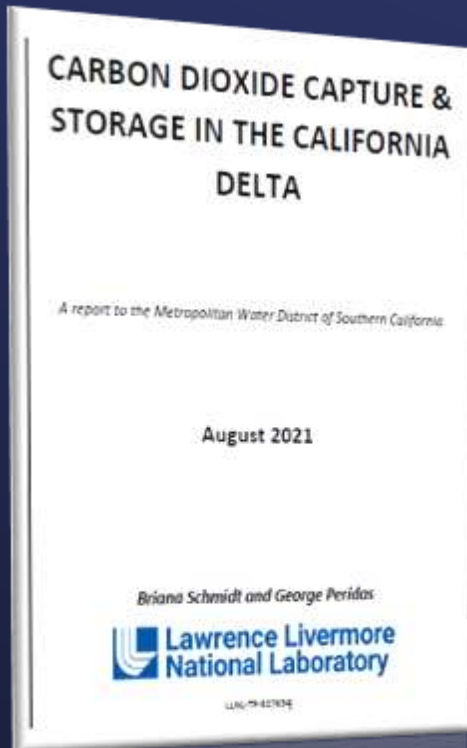
Carbon Capture and Storage on Met Lands

- Bay Delta Islands
 - Underground Capacity Preliminary Assessment
 - Proximity to port and bioenergy sources
- Revenue Potential through Various Programs, Credit Systems



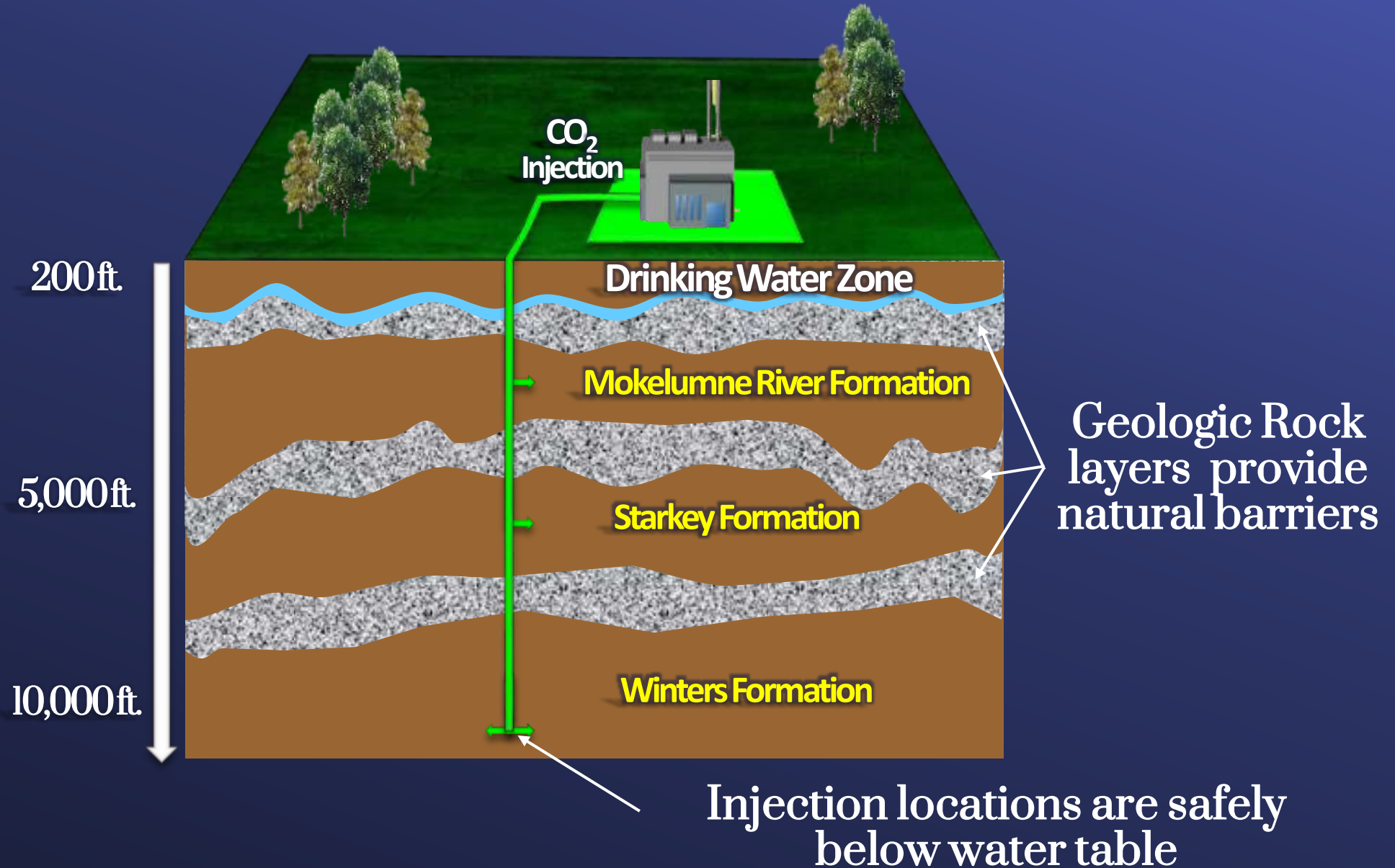
Potential for Carbon Capture and Storage (CCS) on Metropolitan Land

Initial Investigation



- Geology under Delta islands is well suited for safe CO2 storage
- EPA issued first Class VI Injection Well Permit for CCS in California
- Delta entities interested in partnership
- Federal and state incentives
- Potential MWD revenue in tens or hundreds of \$millions/year
- Consistent with Board's adopted Climate Action Plan and CA climate policies
- Public and community understanding and support remains mixed

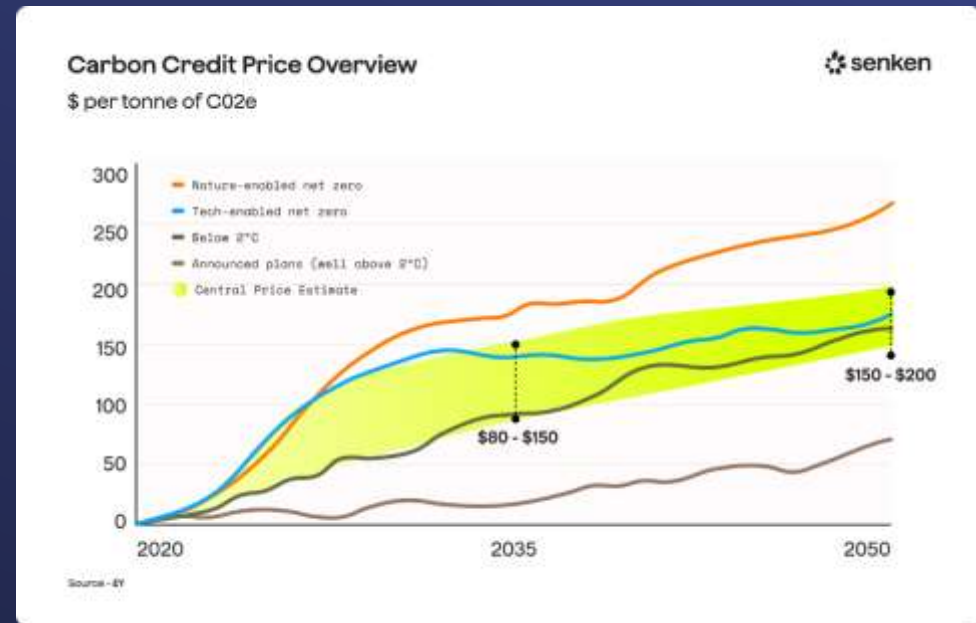
Initial Investigation – Geology Below Delta Islands



What are Carbon Credits?

- CA's cap-and-trade program established an innovative carbon credit or emissions trading system to limit carbon emissions, provide a market for tradable credits, and help fund climate-related projects
- A carbon credit represents one metric ton of CO₂ emissions reduced or avoided from entering the atmosphere
- Produces certificates that entities can buy to offset their carbon emissions, allowing them to meet their emissions targets
- Carbon credits can be generated through various projects, including CCS, reforestation, agriculture, and renewable energy initiatives

The credit value of carbon storage, or carbon credits, fluctuates based on market demand, supply, and quality



Next Steps

- Receive Board Input and Feedback
- Determine Feasibility
 - Technical & Permitting Issues
 - Safety & Environmental Considerations
 - Community Impacts
 - Real Property & Legal Interests
- Explore Financial Structures







Bay-Delta Resources

• Bay-Delta Management Report

Summary

This report provides a summary of activities related to the Bay-Delta for March 2025.

Purpose

Informational

Detailed Report

Long-Term Delta Actions

Delta Conveyance Project

The Department of Water Resources (DWR) public comment period for the Delta Conveyance Project's Community Benefits Program titled *Discussion Draft Implementation Plan and Guidelines* concluded on March 3, 2025.

Delta Conveyance-related Joint Powers Authorities

The Delta Conveyance Design and Construction Authority (DCA) communications team has launched a new tool to highlight key activities and milestones of the Delta Conveyance Project. This resource, the [DCA Digest](#), will be available on the DCA website and shared across social media. The first issue for March 2025 is out now.

At the February 20, 2025, DCA Board of Directors meeting, the DCA Board adopted a Health, Safety, and Security Policy intended to apply to both the current planning and future implementation phases of the Delta Conveyance Project.

Sites Reservoir

At the Joint Reservoir Committee and Sites Authority Board meeting on February 21, 2025, the Reservoir Committee and the Authority Board made some leadership decisions, re-electing several members to key positions. Fritz Durst, representing Reclamation District 108, remains as Chairman of the Authority Board, and Jeff Sutton, representing Glenn-Colusa Irrigation District, remains as the Vice Chair of the Authority Board.

Near-Term Delta Actions

Regulatory and Science Update

Staff participated in the Adaptive Management Summer/Fall Habitat Structured Decision-Making Analysis facilitated by USGS. The objective of this analysis was to quantify the costs and benefits of different actions that could be implemented in the Summer and Fall of 2025.

Board Report Bay-Delta Management Report

Delta Islands

Staff submitted the draft of the Statutory Exemption for Restoration Projects (SERP) application for the Webb Tract Wetland Restoration Project to the California Department of Fish and Wildlife for comment. Staff received 60 percent of the design drawings for the Webb Tract Wetland Restoration Project. Bay Delta Resources, Engineering, Construction Management, and Environmental Planning have provided a review. Staff responded to questions for the Webb Tract Rice Conversion Project Request for Proposals. Proposals were due March 21.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Colorado River Resources

• Colorado River Management Report

Summary

This report provides a summary of activities related to management of Metropolitan's Colorado River resources for March 2025.

Purpose

Informational

Detailed Report

State Department Announcement Canceling Delivery of Colorado River Water to Tijuana

Metropolitan, in coordination with San Diego County Water Authority and Otay Water District, regularly makes water deliveries to Tijuana according to the terms of Treaty Minute 327 and a domestic agreement among Metropolitan, San Diego County Water Authority and Otay Water District. Although these deliveries are called "emergency," they are common and have been made for planned events like maintenance outages and unplanned events like leaks. On March 20, 2025, the State Department's Bureau of Western Hemisphere Affairs announced that: "Mexico's continued shortfalls in its water deliveries under the 1944 water-sharing treaty are decimating American agriculture—particularly farmers in the Rio Grande Valley. As a result, today for the first time, the United States will deny Mexico's non-treaty request for a special delivery channel for Colorado River water to be delivered to Tijuana." Following the Bureau of Western Hemisphere Affairs' announcement, the U.S. Section of the International Boundary and Water Commission (IBWC) sent a notice to Metropolitan that Minute 327 deliveries for April will not resume as originally requested. The 1944 United States-Mexico Treaty governs both the Colorado River and the Rio Grande, but until this action, the U.S. Section of IBWC administered the two rivers separately. The Rio Grande flows north into the U.S., and Mexico has been unable to meet its obligation to make deliveries from the Rio Grande tributaries to the U.S. in the past, but that has not been a basis for denying deliveries of Colorado River water to Mexico. Staff will provide future updates to the Board as the issue unfolds.



Sustainability, Resilience, Innovation Group

• Sustainability, Resilience and Innovation GM Report

Summary

To report on Sustainability, Resilience and Innovations activities for the month of March 2025

Purpose

Informational

Detailed Report

SRI Core Activities

SRI and the Core Planning Team for the Climate Adaptation Master Plan for Water (CAMP4W) presented the initial draft of the CAMP4W Implementation Strategy to the Finance, Affordability, Asset Management and Efficiency Committee on March 11, 2025. With comments received from the board and member agencies, refinements to the Implementation Strategy were discussed with the Task Force at the March 26, 2025, meeting. A new information sheet on CAMP4W is being developed along with messaging points. These will be used for public outreach and engagement as the implementation strategy is adopted and implementation moves forward.

On March 20, 2025, Metropolitan hosted a hybrid lunch discussion with environmental and community-based organizations. Chief Sustainability, Resilience and Innovation Officer Crosson shared updates on CAMP4W, the implementation of the Climate Action Plan, and the upcoming release of the Draft Programmatic Environmental Impact Report for Pure Water Southern California.

Sustainability and Resilience

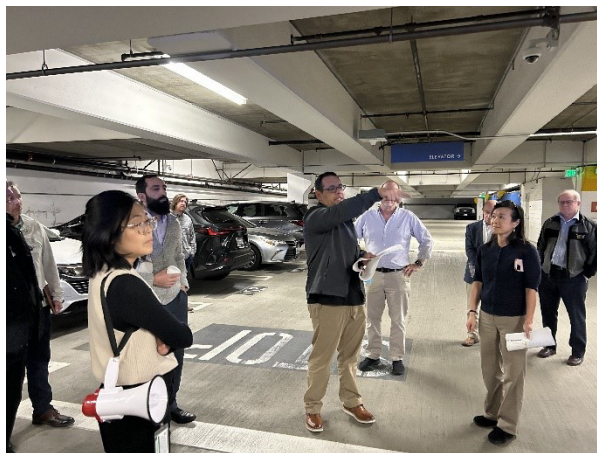
Ursula Schmidt, Metropolitan's new Climate Action Plan Program Manager, joined Metropolitan on March 3, 2025. Ursula worked for 22 years at Pasadena Water and Power as a manager for Environmental Programs, Water Conservation, Sustainability and Climate Action Planning. She will lead implementation of the CAP and the upcoming 5-year update. Ursula was introduced to the CAP Implementation Working Group, with staff from across the district leading CAP strategies and other sustainability efforts.

SRI continued coordinating Metropolitan's transition to zero-emission vehicles (ZEVs) with Fleet Services, the Engineering Services Group, and regulatory staff. Metropolitan joined the Advanced Clean Transportation Fleet Forum, which provides educational opportunities for staff involved in the ZEV project. On March 20, 2025, and March 27, 2025, SRI and External Affairs visited the Jensen and WTPs to photograph Operations, Water Quality, and Engineering staff who have been driving Fleet ZEVs to perform their everyday jobs. These photos will be used to build a library of photos that document Metropolitan's transition to ZEVs.



Staff at Weymouth with zero-emission chargers vehicles and forklifts

SRI staff participated in ESG’s four-day ZEV infrastructure workshop held at Union Station. The purpose of the workshop was to review infrastructure design for vehicle charging at Union Station that will be used by fleet, employees, and Metropolitan board members. At the end of the workshop, employees presented potential design improvements that included cost estimates. The infrastructure construction is scheduled to begin in early 2026.



Staff reviewing charging infrastructure design in Union Station Parking Garage

Centralized Grants Management Office

Chris Foley is now the newest Centralized Research & Grants Management Office (CRGMO) member. Chris joins us from External Affairs, where he has developed communications and engagement materials supporting Metropolitan’s CAMP4W, Pure Water Southern California, ZEV transition, and other sustainability initiatives since 2023.

As a former professor of Environmental Literature and Sustainability Studies at the University of Southern Mississippi, Chris brings extensive experience writing, administering, and collaborating on state and federal grants to support regional climate and sustainability initiatives, STEM education programs, community engagement programming, and research proposals.

Innovation, Pilots, and Emerging Technologies

This month, the Innovation staff hosted the Spring Western Water Technology Approval Group (TAG), which convenes regional water and wastewater utilities to learn about novel technologies, identify project opportunities, and share experiences. With more than 300 participating utilities worldwide, the TAG program is a regionally focused technology scouting and peer collaboration resource that leverages a global utility network to de-risk new

Board Report Sustainability, Resilience and Innovation GM Report

technology and promote best practices. This month's meeting featured a guided trip to areas impacted by the Altadena fires.

Innovation staff also hosted the second internal Met Data Group meeting, a monthly workshop for staff across business groups to show excellent data work. The goal is to help enable cross-organizational collaboration and build capacity to advance existing priorities like the ongoing enterprise data analytics initiative. Innovation staff also collaborated with Dr. Seyoum Gebremariam in Water Quality to present his excellent work providing real-time remote sensing detecting cyanobacteria blooms in Metropolitan's reservoirs to the utility innovation network, a monthly working group sharing best practices across water utilities.

Environmental Planning Services

Environmental Planning Section staff continued to prepare the final screen check draft Environmental Impact Report (EIR) for the Pure Water Southern California program ahead of the release of the draft EIR for public review in spring 2025. Staff continued finalization of the state Incidental Take Permit application for impacts to sensitive species resulting from the project in compliance with the Endangered Species Act. For the Webb Tract Wetland Restoration Project, staff submitted the draft Statutory Exemption Restoration Program application package to the California Department of Fish and Wildlife for review in advance of the official submittal to request concurrence on the exemption finding for the proposed project. Environmental monitoring of construction activities continued for the Rialto Pipeline Rehabilitation, Perris Valley Pipeline Interstate 215, Prestressed Concrete Cylinder Pipe Second Lower Feeder Reach 3B, Weymouth Basins 5 to 8 Rehabilitation, Weymouth Asphalt Rehabilitation, and La Verne Shops Upgrades projects. Finally, Environmental Planning management presented at the ESG Project Management Training module on partnering and collaboration to educate ESG staff on environmental planning regulations and the coordination process.

Critical operations and maintenance activities were supported by the Environmental Planning Section. Staff provided California Environmental Quality Act and regulatory clearances and conducted pre-construction biological resource surveys and construction monitoring for activities throughout the service area. Environmental Planning dedicated staff and consultants to provide field support for the annual Colorado River Aqueduct shutdown. Specifically, staff conducted environmental and desert tortoise clearance surveys of work sites and staging areas and provided environmental awareness and biological resources training for Metropolitan staff and contractors working on the shutdown. Staff provided subject matter expert reviews of legislative bills, including Assembly Bill (AB) 66 (Tangipa), AB 404 (Sanchez), AB 623 (Dixon), AB 846 (Connolly), AB 734 (Schultz), AB 763 (Ward), Senate Bill (SB) 2552 (Valladares), SB 426 (Alvarado-Gill), SB 607 (Wiener), and SB 64 (Stern). In addition, staff reviewed and analyzed CEQA notices for three external projects to determine the potential impacts on Metropolitan and protect Metropolitan's right-of-way and facilities; comments letters were prepared and submitted for those projects that had the potential for impacts.



Burrowing Owl



Desert Tortoise



Eagle Mountain Rainbow

Environmental Planning Section continued oversight of reserve management activities to protect valuable natural resources and meet Metropolitan's mitigation obligations. Security patrols were conducted throughout the Lake Mathews Multiple Species Reserve and the Southwestern Riverside County Multi-Species Reserve (MSR) to prevent trespassing, vandalism, poaching, and theft and to protect the reserves' natural and cultural resources, facilities, and equipment. Specific activities at the Lake Mathews Reserve included application of pre-emergent herbicide to mowed areas to prevent regrowth of noxious weeds in the 2025 growing season, servicing wildlife cameras at burrowing owl mounds north of Lake Mathews to document burrowing owl/wildlife activity, and repairing patrol roads and fencing. Activities at the MSR included vegetation maintenance at artificial burrowing owl sites, planting in Tualota Creek and Riversidian sage scrub restoration sites, and installing perimeter fencing to prevent trespassing. The Alamos Schoolhouse interpretive center hosted 93 visitors during the month.

Land Management

Metropolitan recently entered into an option to lease agreement with a subsidiary of AES Corporation (AES) for a long-term lease of up to 6,742 acres of Metropolitan's Palo Verde Mesa property to be used for carbon-free energy production and storage contingent upon further project permits, approvals and environmental clearances under CEQA. If AES successfully obtains the permitting and approvals and exercises its option to lease, Metropolitan and AES would execute a long-term for all or a portion of the 6,742 acres.

Lease amendments were executed to extend the tenancy of Dinelli Farms and Sierra Cattle on Bouldin Island West for an additional one-year period and the option to renew for a second, one-year extension. Staff is continuing to assess the feasibility of rice farming and other uses on the islands with intentions to publish an RFP in 2025 or 2026.

Bouldin Farming Company was granted a short-term lease to occupy all of Webb Tract for the cultivation of a winter wheat crop and participation in the Bird Returns Farmlands Habitat Program.



Water Resource Management Group

• Water Resource Management March Activities

Summary

The Water Resource Management Group March 2025 Monthly Activities

Purpose

Informational

Detailed Report

Collaborate with Member Agencies, Water Agencies, and Associations, and Provide Leadership for Policy Development, Advocacy, Outreach, and Education

On March 12, 2025, staff presented on water supply conditions at the board of directors meeting for the Upper San Gabriel Municipal Water District.

On March 19, 2025, staff presented on regional water planning at the San Diego Council of Water Utilities, an association of board members and general managers of San Diego area water agencies.

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

Implement Regional Conservation Program

Staff held a landscape professionals’ class in partnership with So Cal Gas on water-efficient conventional gardens for 50 attendees.

Staff held a Water Efficient Landscape Dual Certification Program session in partnership with Las Virgenes Municipal Water District/Calleguas Municipal Water District and San Diego County Water Authority/City of Oceanside for 45 and 48 landscape professionals, respectively.

Staff developed technical memorandums documenting how Metropolitan could meet a portion or all of its system water creation obligation under its Lower Colorado River Basin Conservation and Efficiency Program “Bucket 2” agreements in 2024 and 2025. These technical memorandums facilitate Metropolitan’s ability to meet system water creation obligations early, through other conservation actions now, ensuring that future conserved water is available to increase Metropolitan’s reliability. These technical memorandums are one of the administrative actions necessary to fully implement the “Bucket 2” agreements. *Strategic Priority 3.2.8: “Increase outdoor water use efficiency.”*

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

Staff met with the U.S. Bureau of Reclamation, Imperial Irrigation District, Coachella Valley Water District, and San Diego County Water District to coordinate Quantification Settlement Agreement activities. This included sharing information needed to determine conservation activities and yields in 2024 and well as discussing planned activities in 2025. Collectively, the Quantification Settlement Agreement and the transfers and exchanges facilitated by the quantification provide Metropolitan with 400,000 – 500,000 acre-feet of Colorado River water

Date of Report: April 8, 2025

Board Report Water Resource Management March Activities

each year. *Strategic Priority 3.2.1: “Advance multiple strategies toward sustainable Colorado River supplies toward broad agreement in long-term compact negotiations.”*

Staff attended a Water Education Foundation tour of Lower Colorado River facilities on March 12-14, 2025, and delivered presentations on the role of the Colorado River in Southern California’s water supply, Metropolitan’s conservation efforts, and potential future policy implications. The tour provided participants an opportunity to learn about the various municipal, agricultural, and tribal uses of Colorado River water throughout the Lower Colorado River. Day one of the tour included visits to Hoover Dam and Davis Dam and presentations by the Southern Nevada Water Authority, U.S. Bureau of Reclamation, and the Central Arizona Project. Day two included visits to the Mark Wilmer Pumping Plant, the Whitsett Intake Pumping Plant, the Palo Verde Irrigation District’s Diversion Dam, and the Imperial Dam. Also, on day two, tour participants met with representatives from PVID, IID, and the Quechan Indian Tribe to learn about their agricultural operations, use of Colorado River water, and habitat restoration efforts. The final stop of the tour was to learn about the agricultural and municipal use of Colorado River water in the Coachella Valley. *Strategic Priority 3.2.1: “Advance multiple strategies toward sustainable Colorado River supplies toward broad agreement in long-term compact negotiations.”*



Water Education Foundation tour of Lower Colorado River Facilities – March 12-14, 2025