



WP&S Committee

R. Atwater, Chair
C. Kurtz, Vice Chair
J. Abdo
L. Ackerman
G. Cordero
D. De Jesus
L. Dick
S. Goldberg
M. Hogan
R. Lefevre
M. Luna
J. Morris
M. Petersen
G. Peterson
B. Pressman
R. Record

**Water Planning and Stewardship
Committee - Final**

Meeting with Board of Directors *

July 12, 2021

12:00 p.m.

Live streaming is available for all board and committee meetings on our mwdh2o.com website ([Click to Access Board Meetings Page](#))

Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

**Monday, July 12, 2021
Meeting Schedule**

10:00 a.m. E&O
11:30 a.m. Break
12:00 p.m. WP&S
01:30 p.m. C&L
02:30 p.m. OP&T

* 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 OTHER ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Meeting of the Water Planning and Stewardship Committee held June 7, 2021

[21-281](#)

Attachments: [07122021 WPS 2A Draft Minutes](#)

3. CONSENT CALENDAR ITEMS - ACTION

- 7-7 Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide assistance on water deliveries; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-269](#)

Attachments: [07132021 BOD 7-7 B-L.pdf](#)
[07122021 WPS 7-7 Presentation.pdf](#)

- 7-8 Authorize payments, by a two-thirds vote, of up to \$3.56 million for participation in the State Water Contractors for fiscal year 2021/22; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-270](#)

Attachments: [07132021 BOD 7-8 B-L.pdf](#)
[07122021 WPS 7-8 Presentation.pdf](#)

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

4. OTHER BOARD ITEMS - ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Update on Water Surplus and Drought Management [21-272](#)

Attachments: [07122021 WPS 6a Report](#)
[07132021 WPS 6a Presentation.pdf](#)

- b. Report on Storage Management Strategy and Implementation [21-273](#)

Attachments: [07122021 WPS 6b Presentation.pdf](#)

7. MANAGEMENT REPORTS

- a. Colorado River Matters [21-256](#)

Attachments: [07122021 WPS 7a Report.pdf](#)

- b. Water Resource Management Manager's Report

[21-257](#)

Attachments: [07122021 WPS 7b Presentation .pdf](#)

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. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. 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 <http://www.mwdh2o.com>.

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

WATER PLANNING AND STEWARDSHIP COMMITTEE

June 7, 2021

Chair Atwater called the teleconference meeting to order at 12:31 p.m.

Members present: Chair Atwater, Vice Chair Kurtz, Directors Abdo, Ackerman, Cordero, De Jesus, Dick, Goldberg, Hogan, Lefevre, Morris, M. Petersen (entered after roll call), G. Peterson, Pressman, and Record.

Member absent: Director Luna.

Other Board Members present: Chairwoman Gray, Directors Blois, Butkiewicz, Dennstedt, Erdman, Fallow, Jung, Murray, Ramos, Smith, and Tamaribuchi.

Committee staff present: Coffey, Hasencamp, Hughes, Kightlinger, Munguia, and Upadhyay.

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))

None

CONSENT CALENDAR ITEMS – ACTION

2. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the Water Planning and Stewardship Committee held May 10, 2021

3. CONSENT CALENDAR ITEMS – ACTION

- 7-5 Subject: Review and consider the Santa Margarita Water District's approved Final Mitigated Negative Declaration and Addendum and take related CEQA actions; and authorize the General Manager to enter into an agreement with the Municipal Water District of Orange County and Santa Margarita Water District for the Las Flores Recycled Water Expansion Project

Presented by: None

- Motion: Review and consider the Santa Margarita Water District's approved Final Mitigated Negative Declaration and Addendum, adopt the Lead Agency's findings and Mitigation Monitoring and Reporting Program related to the proposed action; and authorize the General Manager to enter into a Local Resources Program Agreement with the Municipal Water District of Orange County and Santa Margarita Water District for the Las Flores Recycled Water Expansion Project for up to 209 acre-feet per year.
- 7-6 By a two-thirds vote, authorize the General Manager to make payment of up to \$780,800 for support of the Colorado River Board and Six Agency Committee for FY 2021/22; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Presented by: None
- Motion: By a two-thirds vote, authorize the General Manager to make payment of up to \$780,800 for support of the Colorado River Board and Six Agency Committee for FY 2021/22.
- 7-7 Subject: Review and approve changes to the start-of-operation timing for four Local Resources Program projects; and adopt CEQA determination that the environmental effects of the four Local Resources Program projects that are the subject of the proposed action were previously addressed in various CEQA documents and related actions, and that no further CEQA review is required.
- Presented by: Noosha Razavian, Assistant Resource Specialist II, Water Resource Management
- Substitute Motion: Adopt the CEQA determination that the previous environmental documentation acted on by the Board in conjunction with these LRP projects fully complies with CEQA and the State CEQA Guidelines, and that no further CEQA review is required; and review and approve changes to the start-of-operation timing for four LRP projects included in Attachment 2; and formally adopt the policy described in the board letter for evaluation of future LRP extension requests. Future requests will require board approval
- Ms. Razavian gave a presentation on granting approval of changes to the start-of-operation timing for four Local Resources Program project agreements that were being appealed to the Board.

Director Hogan made a substitute motion to *Adopt the CEQA determination that the previous environmental documentation acted on by the Board in conjunction with these LRP projects fully complies with CEQA and the State CEQA Guidelines, and that no further CEQA review is required; and review and approve changes to the start-of-operation timing for four LRP projects included in Attachment 2; and formally adopt the policy described in the board letter for evaluation of future LRP extension requests. Future requests will require board approval.* Director Goldberg seconded.

The following Directors provided comments or asked questions:

1. Hogan
2. Murray
3. M. Petersen
4. Goldberg
4. Dick
5. Kurtz
6. Record
7. Morris
8. G. Peterson
9. Abdo
10. De Jesus

Director Record recused himself from voting on item 7-7.

Following a discussion, the committee proceeded to vote on the substitute motion.

The vote was:

Ayes: Directors Abdo, Ackerman, Cordero, De Jesus, Dick, Goldberg, Hogan, Kurtz, Lefevre, Morris, G. Peterson, and M. Peterson.

Noes: Director Atwater.

Recusals: Director Record.

Not voting: Director Pressman.

Absent: Director Luna.

The substitute motion for item 7-7 passed by a vote of 12 ayes, 1 noes, 1 absent, 1 not voting, and 1 recusal.

- 7-8 Subject: Review and consider Inland Empire Utilities Agency's approved Final PEIR and Addendum and take related CEQA actions, and authorize the General Manager to enter into a Stormwater for Recharge Pilot Agreement with Inland Empire Utilities Agency for the Montclair Basins Improvement Project
- Presented by: Matt Hacker, Sr. Resource Specialist, Water Resource Management
- Motion: Review and consider the Lead Agency's approved Final EIR and Addendum and take related CEQA actions, and authorize the General Manager to enter into a Stormwater for Recharge Pilot Program Agreement with Inland Empire Utilities Agency for the construction and monitoring of the Montclair Basins Improvement Project.

Mr. Hacker provided a presentation on the proposed Stormwater for Recharge Pilot Program agreement for the construction and monitoring of the Montclair Basins Improvement Project. He explained that it would construct upgrades to the existing Montclair Basin, perform groundwater modeling, and perform a minimum of three years of stormwater recharge monitoring and reporting.

- 7-9 Subject: Authorize General Manager to enter into an agreement with the U.S Bureau of Reclamation, Central Arizona Water Conservation District, and Southern Nevada Water Authority to: (1) fund up to \$8.8 million to conserve water from land fallowing programs; and (2) forebear up to 246,600 acre-feet of conserved Colorado River water generated under the agreement; and adopt CEQA determination that the environmental effects of the fallowing programs that are the subject of the proposed action were previously addressed in various CEQA documents and related actions, and that no further CEQA review is required
- Presented by: Mike Yu, Engineer, Water Resource Management
- Motion: Adopt the CEQA determination that the previous environmental documentation acted on by the Board in conjunction with these fallowing programs fully complies with CEQA and the State CEQA Guidelines, and that no further CEQA review is required, and authorize the General Manager to enter into an agreement with Reclamation, CAWCD, and SNWA to generate up to 246,600 acre-feet of conserved Colorado River system water through 2024.

Mr. Yu gave a presentation on the proposed agreement with the U.S. Bureau of Reclamation, Central Arizona Water Conservation District, and Southern Nevada Water Authority that would use utilized water capacity in Metropolitan's fallowing programs to augment Lake Mead water storage in coming years. Mr. Yu explained how these supplies would be conserved, and how Metropolitan and other Colorado River water users would benefit from the improved storage in Lake Mead.

The following Directors provided comments or asked questions:

1. G. Peterson
2. Lefevre

Director Kurtz moved items 2a, 7-5, 7-6, 7-8, and 7-9. Director Lefevre seconded.

Director Dick recused himself from voting on item 7-5.

The vote was:

Ayes:	Directors Abdo, Ackerman, Atwater, Cordero, De Jesus, Dick, Goldberg, Hogan, Kurtz, Lefevre, Morris, Peterson, Pressman, and Record.
Noes:	None.
Recusal:	Director Dick (Item 7-5)
Absent:	Directors Luna and Petersen.

The motion for items 2a, 7-6, 7-8, and 7-9 passed by a vote of 14 ayes, 0 noes, and 2 absent.
The motion for item 7-5 passed by a vote of 13 ayes, 0 noes, 1 recusal and 2 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

9-2 Update on California Proposition 1 Water Storage Investment Program and letter of intent to work with Inland Empire Utilities Agency on the Chino Basin Program

Presented by: Brandon Goshi, Manager, Resource Planning and Development Section

Mr. Goshi gave an update on California Proposition 1 of 2014 that allocated funding for water system investments, and he also provided a description of the Chino Basin Program (CBP) that is among the funded projects. Metropolitan has signed a letter of intent to work with Inland Empire Utilities Agency (IEUA) to continue coordinating and developing the CBP with IEUA. Metropolitan would serve as a facilitating State Water Contractor in the exchange of State Water Project supplies.

The following Directors provided comments or asked questions:

1. Morris
2. Lefevre

6. COMMITTEE ITEMS

a. Subject: Water Supply Drought Management Report

Presented by: Tiffany Tran, Assistant Resource Specialist II, Water Resource Management

Ms. Tran's presentation reviewed the hydrologic conditions associated with imported supply watersheds, the Governor's Drought Proclamation, 2021 supply and demand balance, dry year Water Surplus Drought Management actions underway.

The following Directors provided comments or asked questions:

1. G. Peterson

b. Subject: Report on Storage Management Strategy and Implementation

Presented by: Tiffany Tran, Assistant Resource Specialist II, Water Resource Management

Ms. Tran's presentation reviewed the hydrologic conditions associated with imported supply watersheds, the Governor's Drought Proclamation, 2021 supply and demand balance, dry year Water Surplus Drought Management actions underway.

In the interest of time, Brad Coffey proposed to defer item 6b until the July WP&S Committee Meeting.

c. Subject: Lower Colorado River Multi Species Conservation Program

Presented by: Dee Bradshaw, Program Manager, Bay-Delta Initiatives, and
Aaron Mead, Associate Engineer, Water Resource Management

This presentation was given in two parts. Ms. Bradshaw provided an overview of the Lower Colorado River Multi-Species Conservation Program (MSCP). She also explained the benefits and achievements of the program.

Mr. Mead discussed the limitations of the MSCP that include the changes in flow coverage, potential operational constraints, and needed additional MSCP coverage.

7. MANAGEMENT REPORTS

a. Subject: Colorado River Matters

Presented by: Bill Hasencamp, Manager, Colorado River Resources

Mr. Hasencamp's report included updates on Lake Mead water levels, Intentionally Created Surplus activity in lower basin states, and a possible seasonal fallowing program with Quechan Indian Tribe on the Colorado River.

b. Subject: Water Resource Management Manager's Report

Presented by: Brad Coffey, Manager Water Resource Management

Mr. Coffey gave an update on conservation activity including the Multi-Family Property Toilet Replacement Program, Flow Monitoring/Leak Detection Pilot Program, and expenditures.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on July 12, 2021.

Meeting adjourned at 2:31 p.m.

Richard Atwater
Chair



- Board of Directors
Water Planning and Stewardship Committee

7/13/2021 Board Meeting

7-7

Subject

Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide assistance on water deliveries; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This letter authorizes an agreement with Inland Empire Utilities Agency (IEUA), West Valley Water District (West Valley), and San Bernardino Valley Water District (Valley District) (the “Parties”) to assist with water deliveries. Under the proposed agreement, Metropolitan would deliver, provided there is available capacity, up to 1,500 acre-feet of water per year (AFY) for West Valley’s customers in an area overlapping IEUA’s service area in the event of an emergency or planned outage, or the loss of local supply. Metropolitan would deliver the requested water to West Valley through Valley District’s connection on the San Gabriel Valley Devil Canyon – Azusa Pipeline (Azusa Pipeline).

Details

Background

Metropolitan has capacity rights in the Azusa Pipeline as part of an existing exchange agreement with San Gabriel Valley Municipal Water District (San Gabriel Valley). San Gabriel Valley owns and operates the Azusa Pipeline, which delivers its State Water Project (SWP) supplies from the Devil Canyon turnout on the East Branch of the SWP. Valley District has an existing connection at Lytle Creek Station on the Azusa Pipeline. West Valley can accept SWP supplies through Valley District’s connection.

In 2018, Metropolitan entered into a temporary agreement with the Parties to provide up to 800 AFY during 2018 through 2020 to West Valley’s customers in the eastern part of the City of Fontana that overlaps IEUA’s service area. The Parties requested assistance due to a West Valley groundwater well that was temporarily out of service for maintenance. IEUA’s infrastructure does not cover West Valley customers, and West Valley does not have an alternate source of supply to deliver to its customers in the overlapping area. Under the temporary agreement, Metropolitan delivered water to West Valley through Valley District’s connection on the Azusa Pipeline. The total amount of water delivered under this temporary agreement was 1,474 AF. The groundwater well returned to service in 2019, and the temporary agreement expired on December 31, 2020.

Proposed Agreement

The Parties are requesting a long-term agreement, similar to the 2018 temporary agreement, to provide up to 1,500 AFY to West Valley in the event of an emergency or planned outage, or the loss of local supply. Metropolitan would deliver the requested water to Valley District through Valley District’s connection on the Azusa Pipeline, to the extent that there is capacity in the Azusa Pipeline. Valley District would then deliver the water to West Valley for its customers in IEUA’s service area. IEUA would pay Metropolitan’s full-service rate in effect at the time of the delivery of the water. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates.

Staff recommends that the Board authorize the General Manager to enter into an agreement with the Parties consistent with the terms outlined in **Attachment 1**, including:

1. Agreement termination of December 31, 2035.
2. Maximum delivery amount is 1,500 AF per calendar year.
3. Metropolitan water deliveries under this Agreement will be used solely within IEUA's service area.
4. Deliveries are limited to Metropolitan's unused capacity in the Azusa Pipeline.

Policy

Metropolitan Water District Administrative Code, Division IV, Section 4209: Contracts

Metropolitan Water District Administrative Code, Division IV, Section 4401-4403: Rates; Readiness-to-Serve Charge; Capacity Charge

Metropolitan Water District Administrative Code, Division XI, Section 11104: Delegation of Responsibilities

By Minute Item 30524, dated September 17, 1974, the Board authorized a cooperative water exchange agreement to eliminate the overdraft condition in the western portion of the Main San Gabriel Basin; as part of this agreement, Metropolitan is granted conveyance rights to the unused capacity in San Gabriel Valley Municipal Water District's Devil Canyon-Azusa pipeline.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries in the event of an emergency or planned outage, or the loss of local supply.

Fiscal Impact: None. Metropolitan would receive compensation for any delivered water under this agreement.

Option #2

Do not authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries.

Fiscal Impact: None

Staff Recommendation

Option #1



Brad Coffey
Manager, Water Resource Management

6/28/2021

Date



Jeffrey Kightlinger
General Manager

6/30/2021

Date

Attachment 1 – Term Sheet for the Agreement to Provide West Valley Water District Assistance with Water Deliveries

Ref# wrm12681258

**Term Sheet for the Agreement to Provide West Valley Water District
Assistance with Water Deliveries**

Agreement Overview

- Parties: West Valley Water District (West Valley), Inland Empire Utilities Agency (IEUA), San Bernardino Valley Municipal Water District (Valley District), and The Metropolitan Water District of Southern California (Metropolitan)
- Effective Date: July 13, 2021
- Termination Date: December 31, 2035, provided that any party may cancel with 30 days written notice
- Maximum Delivery Amount: 1,500 AF per calendar year

Key Terms

- Metropolitan water deliveries under this Agreement will be used within IEUA's service area.
- IEUA will request delivery of water from Metropolitan on behalf of West Valley under this agreement.
- West Valley may request water deliveries during outages, emergencies, or when there is a loss of local supply. West Valley will coordinate with IEUA on the monthly amount of water requested from Valley District.
- Metropolitan will deliver requested water to Valley District at Valley District's connection (Lytle Creek, Station, 1747+00) on the San Gabriel Valley Devil Canyon – Azusa Pipeline. Valley District will deliver the water to West Valley.
- The delivery of water by Metropolitan is not guaranteed and is limited to the unused capacity in the San Gabriel Valley Devil Canyon-Azusa Pipeline.
- IEUA will pay Metropolitan's full-service untreated rate in effect at the time of delivery. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates in the same manner as deliveries made to IEUA through Metropolitan's distribution system and connections.
- West Valley will reimburse IEUA for all payments made by IEUA to Metropolitan under this agreement and per IEUA Ordinance 104.
- Valley District shall have no responsibility for the cost of water delivered to Valley District's connection for use within IEUA's service area by West Valley.
- Metropolitan will be responsible for any Department of Water Resources charges for the State Water Project supplies delivered to West Valley through Valley District's connection.



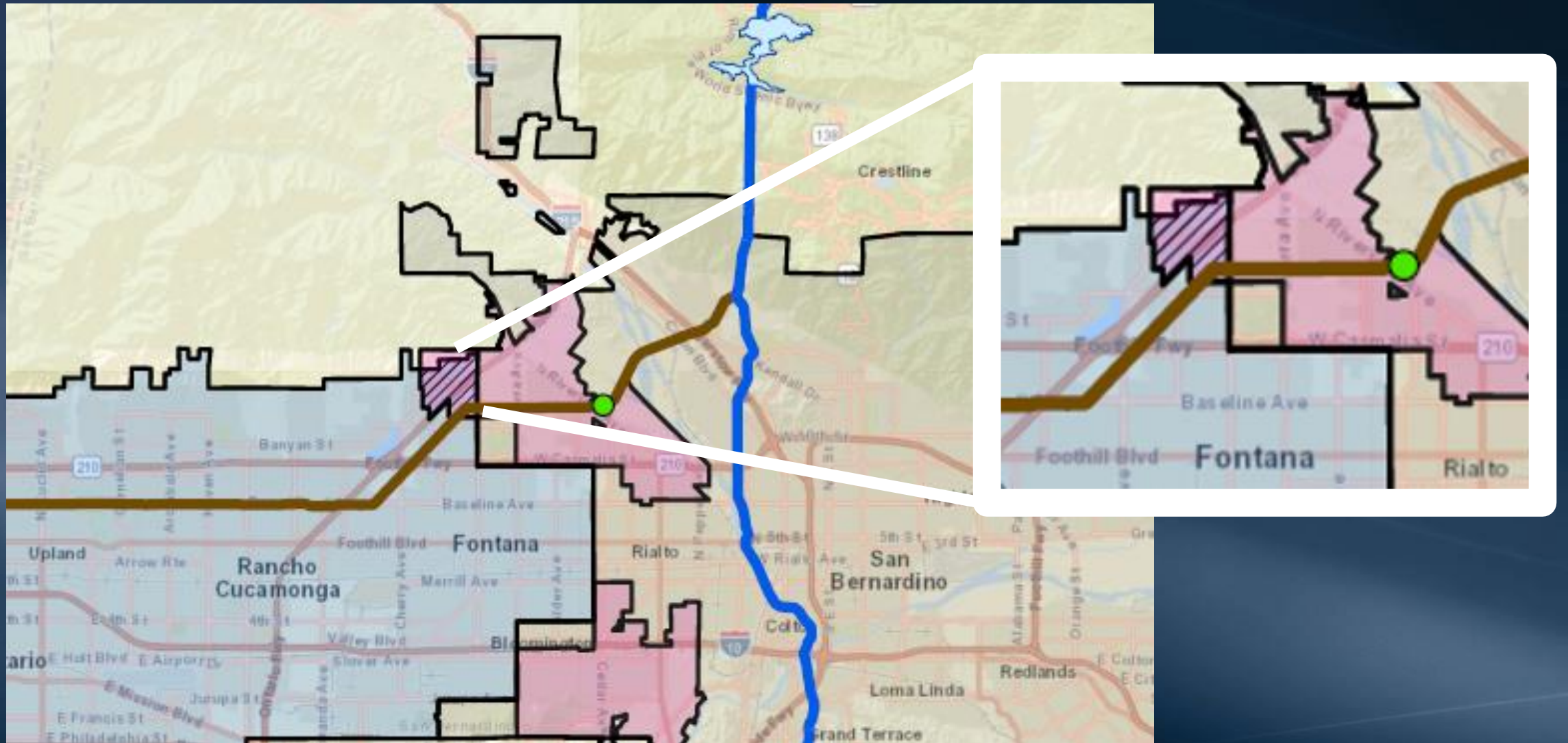
Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide West Valley assistance with water deliveries

Water Planning and Stewardship Committee

Item 7-7

July 12, 2021

West Valley Water District



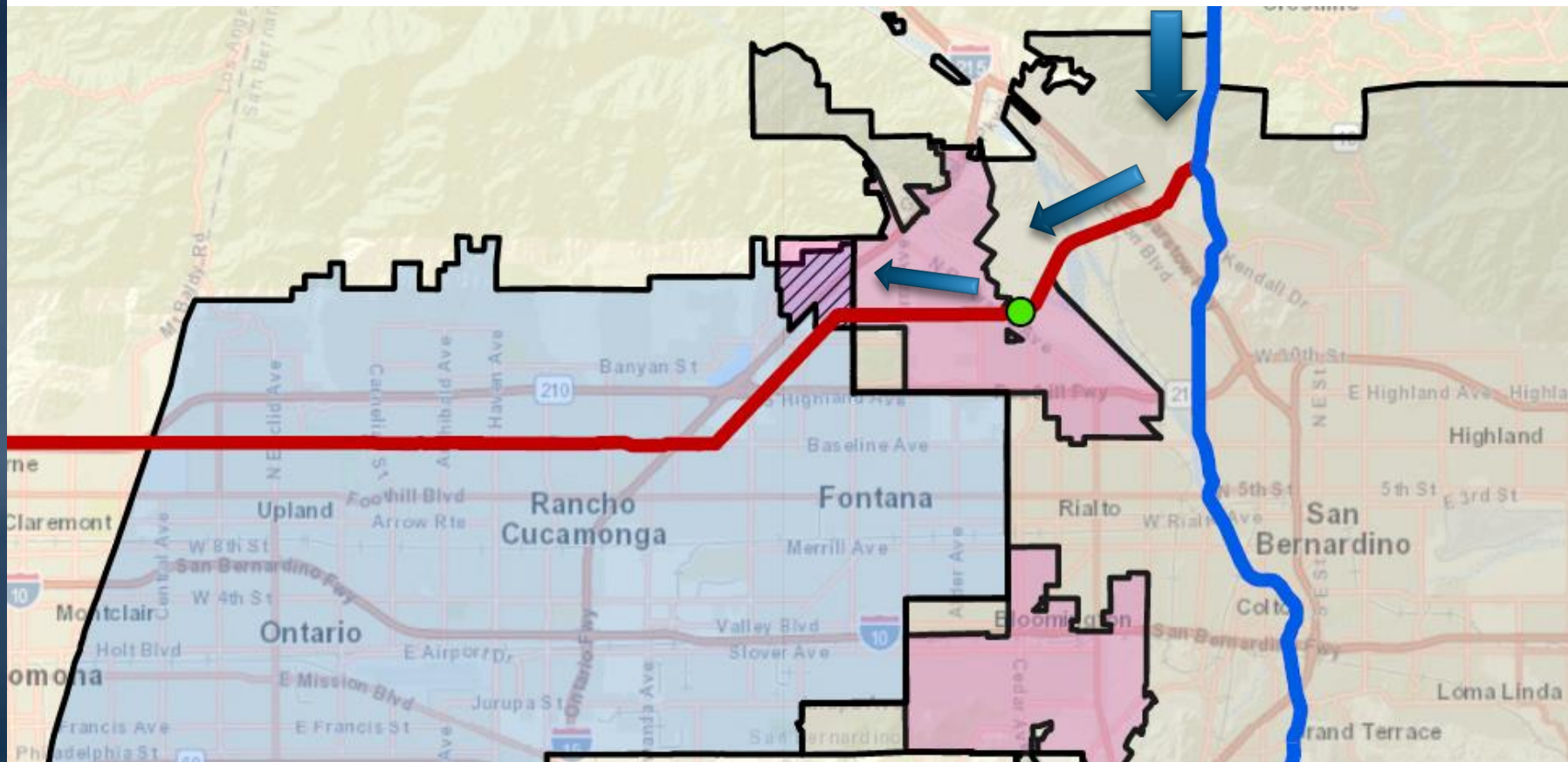
San Gabriel Devil Canyon – Azusa Pipeline

- Owned and operated by San Gabriel Valley MWD
- Delivers water from the State Water Project to Main San Gabriel Basin
- Metropolitan granted conveyance rights to the unused capacity in the pipeline in 1974



Water Deliveries

- Lytle Creek Turnout
- Azusa Pipeline
- State Water Project - East Branch
- Water Bodies
- West Valley Water District
- San Bernardino Valley Municipal Water District
- Inland Empire Utilities Agency
- /// Water District Overlap



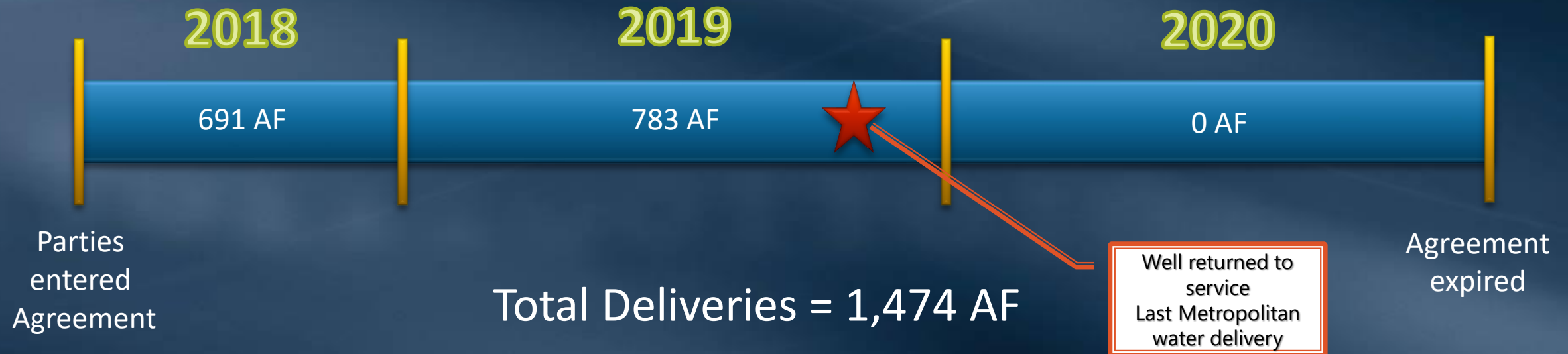
Background

- West Valley groundwater well out-of-service for repair in 2018
- Temporary Service Agreement signed July 1, 2018
- Maximum delivery amount of 800 AFY
- Agreement expired at the end of 2020



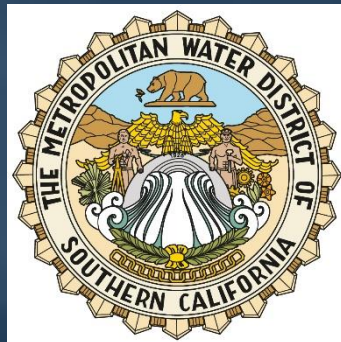
Background

- West Valley groundwater well out-of-service for repair in 2018
- Temporary Service Agreement signed July 1, 2018
- Maximum delivery amount of 800 AFY
- Agreement expired at the end of 2020



Proposed Water Delivery Agreement

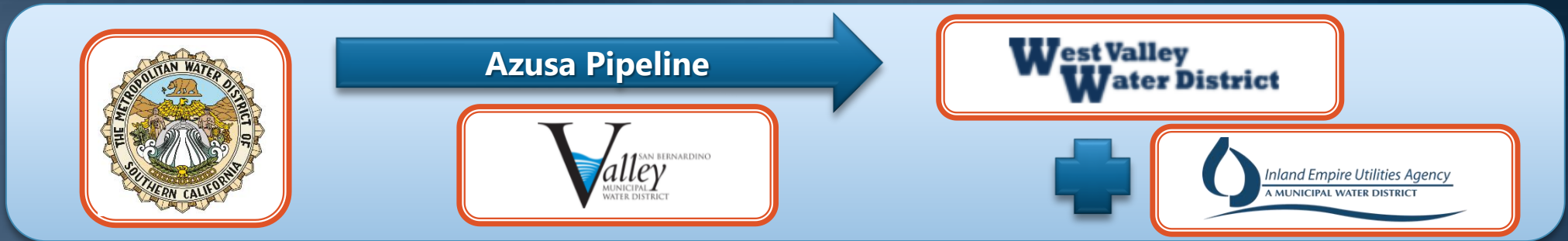
- Proposed agreement to provide water deliveries to West Valley Water District
 - Parties:
 - Metropolitan Water District of Southern California (Metropolitan)
 - Inland Empire Utilities Agency (IEUA)
 - West Valley Water District (West Valley)
 - San Bernardino Valley Water District (Valley District)



Agreement Terms

- Maximum Delivery Amount of 1,500 AFY
- Term: July 13, 2021, to December 31, 2035
- Water deliveries to be used within IEUA's service area
- The delivery of water by Metropolitan is not guaranteed and is limited to the unused capacity in the Azusa Pipeline
- IEUA will pay Metropolitan's full service untreated water rate in effect at the time of the delivery, including Capacity Charge and Readiness-to-Serve Charge

How it Works



Summary

- Metropolitan has facilities in place to help meet West Valley demands by partnering with IEUA and Valley District
 - IEUA's infrastructure does not cover West Valley customers
 - West Valley does not have an alternate source of supply to deliver to its customers in the overlapping area
 - Assistance for water deliveries during times of outages, emergencies, or when there is a loss of local supply
 - Delivery through the Azusa Pipeline

Board Options

- Option #1

- Authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries in the event of an emergency or planned outage, or the loss of local supply.

- Option #2

- Do not authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries.

Staff Recommendations

- Option #1





- Board of Directors
Water Planning and Stewardship Committee

7/13/2021 Board Meeting

7-8

Subject

Authorize payments, by a two-thirds vote, of up to \$3.56 million for participation in the State Water Contractors for fiscal year 2021/22; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action requests authorization to continue funding and participation in the State Water Contractors (SWC). Participation in this organization allows Metropolitan to advocate for the effective management of the State Water Project (SWP), particularly related to operations and activities in the Bay-Delta. The SWC provides a unified voice among the contractors to provide input to the California Department of Water Resources (DWR) on the management of the SWP.

The requested authorization amount is up to \$3.56 million, which is less than the \$4.07 million included in Metropolitan's fiscal year (FY) 2021/22 budget.

Details

State Water Contractors

The SWC is a nonprofit association of 27 public agencies from northern, central, and southern California with contracts to purchase water from the SWP. The SWC's role and activities provide input into DWR's policy and decision-making process. The SWC effectively represents the interests of Metropolitan and the other contractors in discussions with DWR and through interactions with other state, federal, and local entities. The SWC's work efforts and associated revenue collections encompass five areas:

1. Dues Fund – Provides funding for SWC activities, including general operating expenses to support activities such as DWR cost management, ensuring sufficient infrastructure and water supply reliability, and water quality.
2. Energy Fund – Provides funding for SWC staff and consultants working with DWR to develop and implement energy strategies to obtain cost-effective energy for the SWP.
3. Bay-Delta Fund – Supports SWC participation in Bay-Delta fish monitoring, environmental review processes, facilities planning processes, coordinated activities with the Central Valley Project, protection of existing operations, collecting scientific data, and planning for the future.
4. Delta Conveyance Project Fund – Supports SWC involvement in the Delta Conveyance Project planning activities, such as creating a cost and benefit allocation process and assisting in the development of permit and environmental documentation.
5. Municipal Water Quality Investigation (MWQI) Specific Project Committee – Provides SWP contractors with water quality information as it relates to drinking water regulations through monitoring, studies, analyses, and forecasting.

The united voice of the SWC provides value in achieving favorable outcomes. Refer to **Attachment 1** for a more detailed report on SWC accomplishments in FY 2020/21 and **Attachment 2** for objectives for FY 2021/22.

Summary of Payment Distribution

The table below summarizes the current and proposed costs for participation in the SWC:

<u>SWC Payments</u>	FY 2021/22	FY 2020/21
Dues Fund	\$ 1,423,818	\$ 1,309,926
Energy Fund	\$ 241,211	\$ 252,581
Bay-Delta Fund	\$ 910,740	\$ 1,007,069
Delta Conveyance Project Fund	\$ 801,578	\$ 850,095
MWQI	\$ 180,000	\$ 174,991
Total:	\$ 3,557,347	\$ 3,594,662

The costs for FY 2021/22 and FY 2020/21 are nearly flat. In total, Metropolitan's payment to the SWC for FY 2021/22 is approximately \$509,000 below what was included in Metropolitan's budget. In large part, this is due to anticipated legal costs related to Bay-Delta activities that the SWC did not incur.

The MWQI Specific Project Committee is preparing its calendar year 2022 activities and budget to be approved in December 2021. When approved, Metropolitan will pay its share of costs. Staff requests approval to pay up to \$180,000 for funding the Committee. This amount is consistent with the FY 2021/22 budget.

Policy

Metropolitan Water District Administrative Code Sections 11102 and 11103: Payment of Dues and Participation in Projects or Programs Serving District Purposes.

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Act Section 126: Dissemination of Information (requires a two-thirds vote)

By Minute Item No. 45348, the Board, at its May 13, 2003, meeting, authorized entering into an agreement with the State Water Project Joint Powers Authority.

By Minute Item No. 47735, the Board, at its December 9, 2008, meeting, authorized the General Manager to execute the Delta Habitat Conservation and Conveyance Program Memorandum of Agreement and three related funding and management agreements.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State of CEQA Guidelines).

Option #2

None required

Board Options

Option #1

By a two-thirds vote, authorize the General Manager to make payments of up to \$3.56 million to the State Water Contractors for FY 2021/22.

Fiscal Impact: Expenditures for participation in SWC in FY 2021/22 would be up to \$3.56 million, funded within the FY 2021/22 budget. The authorization is approximately \$509,000 less than the approved FY 2021/22 budget for participation in the SWC.

Business Analysis: Metropolitan would benefit from the SWC representing positions with DWR, legislators, regulatory, and third-party groups that advance its SWP strategic initiatives.

Option #2

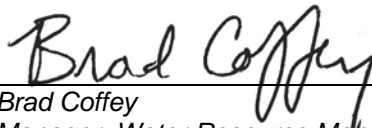

Do not authorize the General Manager to make a payment to the State Water Contractors for FY 2021/22.

Fiscal Impact: Savings up to \$3.56 million

Business Analysis: Metropolitan would be less effective in advancing its SWP strategic initiatives if the membership is not approved. Metropolitan would need to develop alternative means to manage the risk of higher costs or greater operational restrictions on supply deliveries.

Staff Recommendation

Option # 1

 Brad Coffey Manager, Water Resource Management	6/17/2021 Date
 Jeffrey Kichtlinger General Manager	6/28/2021 Date

Attachment 1 – FY 2020/21 High Priority Accomplishments of the State Water Contractors

Attachment 2 – FY 2021/22 High Priority Objectives of the State Water Contractors

Ref# wrm12680903

FY 2020/21 High Priority Accomplishments of the State Water Contractors**WATER SUPPLY****Delta Conveyance Technical/Policy Support**

- Assisted in developing information needed for the Delta Conveyance supplemental funding request approval, including preliminary benefits and costs, updated environmental planning schedule, supplemental funding agreements, and staff report and presentation.
- Helped with progress on Design and Construction Authority Joint Powers Authority (DCA JPA) Amendment and Reduced Reliance Policy prior to the supplemental funding request.

Delta Conveyance Permitting

- Maintained significant engagement with the Department of Water Resources (DWR) on Delta Conveyance environmental planning and permitting.

Water Management Contract Amendment

- Assisted in finalizing contract language for the Water Management Tools Amendment and coordinated with the members to meet the twenty-four signatory's threshold by February 2021, allowing its implementation.
- Facilitated implementation workshops for Water Management Tools in coordination with DWR.

State Water Resource Control Board Activities

- Continued to collaborate with DWR, United States Bureau of Reclamation (USBR), and other water users to develop a proposed Voluntary Agreement outlining flow and habitat actions for use by the State Water Resource Control Board in the Water Quality Control Plan update.

INFRASTRUCTURE**Infrastructure Reliability**

- Continued to lead discussions within the Operations, Maintenance, and Engineering (OME) Committee and directly with DWR management/executives to emphasize member agencies' interest in the reliability of SWP infrastructure and track the myriad of ongoing projects resulting from condition assessments or forced outages.
- Worked with DWR to provide coordination and communication with the West Branch members for the upcoming lowering of Castaic Reservoir to accommodate the necessary seismic fortification work for the outlet tower access bridge.

Capacity Retention

- Continued to lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to emphasize the importance of maintaining the capacity of the SWP.
- Performed extensive coordination with DWR and members related to subsidence of the California Aqueduct, which is the single largest, most expensive long-term capacity threat to the SWP. Represented member agencies' interest in the consulting review board meetings and in the development of DWR's subsidence remediation strategic plan formation.
- Tracked short-term capacity issues related to weeds, water quality, and incidents/damage to the SWP delivery infrastructure.

Infrastructure Safety

- Continued to lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to track projects, policies, and expenditures related to DWR's upgrade projects on both physical and cybersecurity of the SWP and infrastructure safety as it relates to the public and DWR employees.
 - As a result of the heightened focus on dam safety following the Oroville spillway incident, quarterly meetings of the Dam Safety Committee, a subcommittee under the OME Committee, were held. The meetings served as a forum for member agencies to obtain more in-depth updates on DWR's expanding dam safety program and specific details on the recently elevated inspections and evaluations, engineering assessments, and modernizations of all SWP dams.
 - Represented member agencies on important forums such as the Oroville comprehensive needs assessment effort, value engineering studies, and consultant review board meetings with USBR and DWR related to the Sisk Dam seismic remediation modification.
-

Infrastructure Affordability

- Continued to lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to emphasize the importance of SWP infrastructure affordability with emphasis on a realistic capital improvement planning approach using DWR's new Asset Management Program. Performed annual reviews of the budgets and prioritization of all Operations and Maintenance (O&M) extraordinary and capital SWP related projects. Held bimonthly reviews/discussions on individual project charters, which included cost magnitude and changes, cause and effects of changes in the scope/timeline, cost categorization, and Central Valley Project cost sharing where applicable. Performed quarterly reviews of O&M and Engineering Division plans versus actual budget tracking. Reviewed DWR's budget changes proposals.
 - Engaged with DWR on the affordability workshop. Organized a series of discussions between members and DWR management/executives to articulate members' concerns about the proposed positions in the budget augmentations proposals, which would add permanent additional operations and maintenance expenses to the SWP.
-

BUSINESS PROCESSES**Budgets**

- Continued to work on advancing the Process of Affordability concepts and enhancing budget information provided during DWR's annual Financial Management Conferences with the Joint SWC-DWR Affordability Workgroup.
-

Financial Projections

- Continued to provide financial modeling to assist Contractors in decision making and planning. This included supporting Contractors' efforts to complete a draft Agreement in Principle for the Delta Conveyance Project (DCP), to brief Boards on the proposed DCP, secure funding for the DCP Fourth Supplemental Funding Agreement, and the completion of the final Agreement in Principle.
-

Financial Resources, Revenue Requirements, and Investments

- Supported the SWC-DWR Legal Team drafting the Water Management Tools (WMT) Contract Amendment based on the June 2018 Agreement in Principle. Assisted in the development of contract amendment materials provided to Contractors for briefing Boards on the proposed WMT Amendment.
- Provided support to the legal team as they continued discussions to resolve the Article 13(b) liability issue between DWR and the Contractors.
- Continued to provide support to the Contractors and the technical workgroups as they developed the concepts and principles for a contract amendment for the DCP.

ENERGY**Review and Finalize SWC Strategic Plan for Energy Supply and Transmission**

- Engaged with DWR on the development of their Senate Bill (SB) No. 49, Energy: Appliance Standards and SWP Assessment, Report which requires the California Energy Commission and the Natural Resources Agency to assess opportunities and constraints for potential operational and structural upgrades to the SWP in helping the state meet its climate and energy goals, including opportunities for non-SWP funding. Out of the nine tracks proposed by DWR in the SB No. 49 Report, SWC developed a list of five priority tracks and measures of success.
- Worked with DWR to create background materials for the pending development of an Energy Roadmap, including an outline and potential topics.

Near-term Risk Management

- Continued to lead discussions within the Energy Committee to track the ever-changing energy regulatory requirements, legislative, and political initiatives to move the state to a cleaner energy portfolio by either utilizing the SWP or subjecting it to new fees/penalties, requirements/mandates.
- Began exploring the possibility of flexible water deliveries for Contractors to create additional opportunities to reduce SWP pumping costs and increasing revenues through additional generation, without adverse impacts to water deliveries.

SCIENCE**Endangered Species Act, California Endangered Species Act, and Water Quality Control Plan Compliance**

- Coordinated with DWR on implementation of the Incidental Take Permit, including participation in various subgroups.
 - Reinitiated and worked with DWR to hold the Environmental Coordination Committee (ECC) meetings quarterly, including development of cost information for the ECC.
 - Reinitiated and worked with DWR to hold the DWR-SWC Environmental Science Work Group meetings quarterly.
-

OUTREACH**SWP Education and Awareness**

- Developed new fact sheets and other materials to highlight how the SWP supports various industries throughout the state, including agriculture, construction, energy, retail/business, and more.
 - Developed and distributed fact sheets, press releases, social posts, talking points, and supporter toolkits on specific efforts to protect the SWP, most notably around key legislation, projects, and processes, including Senate Bill 559, the Delta Conveyance Project, Voluntary Agreements, and WMT Contract Amendment.
-

Research Results and Implications

- Developed, distributed, and promoted the Annual Science report outlining the SWC's key science accomplishments, investments, priorities, and efforts.
 - Participated in panel discussions and conferences, including the Delta Stewardship Council's Delta Science Needs Assessment Workshop and the Bay-Delta Conference, to explore science efforts and challenges as well as discuss the SWC's science priorities, initiatives, and accomplishments.
-

SWC Position Awareness

- Participated in media interviews on various water issues impacting California and the SWP, allowing for the SWC to clearly outline its position and priorities on local, state, and national issues.
 - Participated in panel discussions, conferences, and briefings with stakeholders, legislators, and regulatory agencies to discuss the SWP and other relevant issues, including energy, state and federal legislation and initiatives, the Delta and the environment, reliance on the SWP, Delta Conveyance, Voluntary Agreements, and other upcoming projects and priorities.
-

SWC MANAGEMENT**Accounting**

- SWC staff maintained internal financial records and provided regular reports to management and the Board of Directors.
-

FY 2021/22 High Priority Objectives of the State Water Contractors

Objective	Description
Water Supply	
Delta Conveyance Technical/Policy Support	Provide technical and policy support to State Water Contractors (SWC) members that are Delta Conveyance Project (DCP) participants on benefits and permitting.
Delta Conveyance Permitting	Support development of necessary permits and environmental documentation related to the Delta Conveyance Facility.
Update to the Bay-Delta Water Quality Control Plan (WQCP)	Participate in Voluntary Agreement development and discussions. Support governance and science basis analyses.
Drought Planning	Given the dire hydrologic conditions for the second straight year, help with the State Water Project (SWP) drought planning and keep SWC members apprised frequently. Work with the Department of Water Resources (DWR) staff and members to identify and implement near-term Delta and/or upstream operations strategies to minimize impacts to SWP water supply. Work with DWR staff and members to plan for a potentially dry water year 2022.
Infrastructure	
Infrastructure Reliability	<p>Work with DWR in the effort to maintain and improve the reliability of the aging SWP infrastructure with a focus on:</p> <ul style="list-style-type: none"> Continue to work on the development/documentation/implementation of an asset management plan and capital improvement program. Develop a tracking/communication process to better understand the roll-out and addition of future SWP funded positions and the resulting benefits. Maintenance management systems to better assess vulnerabilities, the required risk mitigation strategies, and management policy and objectives. Advocate for appropriate priorities and affordability.
Capacity Retention	<p>Work with DWR in determining impacts and potential remedies to both delivery capacity and storage within SWP reservoirs with a focus on:</p> <ul style="list-style-type: none"> Subsidence in the San Joaquin Valley, machine outages, power outages, regulatory requirements, weeds/debris, and water quality. Advocating for projects, repairs, procedures, and studies to assure that capacity is restored or preserved to assure long-term operational capacity that meets realistic needs under the current demands and export restrictions.
Infrastructure Safety	<p>Work with DWR and member agencies on infrastructure safety with a focus on:</p> <ul style="list-style-type: none"> Seismic vulnerability of the SWP studies and begin planning/preparing for realistic response and recovery. Expanded focus and regulatory requirements on dam safety. Follow-up on Oroville Dam Comprehensive Needs Assessment project development, in addition to other dam safety projects, to assure timely remediation. Fire-control modernization project for all SWP plants.
Infrastructure Affordability	<p>Work with DWR and member agencies on measures to improve SWP infrastructure affordability with a focus on:</p> <ul style="list-style-type: none"> Support business practice efforts for affordability process development, as well as the annual Bulletin 132 budget development, to assure proper alignment with the aforementioned objectives. Improving illustration of future costs attributed to each infrastructure objective. Seek opportunities and work with members to obtain outside State and Federal funding for repairs and modification for co-owned facilities and for damages sustained beyond normal SWP operations.
Business Processes	
Budgets	<p>Monitor and promote DWR's development and management of an SWP budget to minimize annual variances and optimize reasonable revenue requirements.</p> <ul style="list-style-type: none"> Process of Affordability Project (Budget Years 1-3)

Objective	Description
Financial Projections	Monitor and promote DWR's analysis, development, and management of SWP's cost trends to maximize operational readiness at an optimal cost level, ensuring long-term affordability. <ul style="list-style-type: none"> • Work Plan Scoping Budget/Forecasting Process • Forecasting Operations and Maintenance and Variable Projections • Process of Affordability Project (20 Year Forecast)
Financial Resources, Revenue Requirements, and Investments	Monitor and assess DWR's SWP financial performance regarding operational goals, budgets, financial targets, and forecasts to maximize the use of available revenues and optimize the determination of revenue requirements. <ul style="list-style-type: none"> • Contract Extension Amendment including Cost Compression • Audit-Finance Committee Roadmap including Statement of Charges Workshops
Energy	
Senate Bill No. 49 (Energy: Appliance Standards and SWP Assessment) Report	Engage with DWR to provide feedback and ensure conclusions are aligned with SWP's mission. Work to ensure recommendations enhance the legislature and public's perception of the SWP as it relates to energy.
Co-Author Energy Roadmap with the DWR	Committed to co-developing with DWR a strategic plan known as the "Energy Roadmap" to develop policy principles on the future direction of energy investments for the SWP, including investment and operational strategies.
Science	
Endangered Species Act (ESA), California Endangered Species Act (CESA), and WQCP Environmental Compliance	Collaborate with DWR to improve the Environmental Science Workgroup to facilitate planning and implementation of required habitat, mitigation, and monitoring. <ul style="list-style-type: none"> • Work with DWR to continue holding Environmental Coordination Committee meetings at least quarterly and develop requested information relative to costs and efficacy of required monitoring and other actions. • Engage the Environmental Science Work Group and hold meetings at least quarterly. • Work towards defining requirement offramps for science elements and seek permit amendments. • Ensure costs are split equitably with the United States Bureau of Reclamation (USBR).
Outreach	
SWC Position Awareness	Proactively drive SWC messaging to the media, key stakeholders, legislators, and regulatory agencies in order to elevate the organization's position on priority issues.
SWC Management	
Accounting	Oversee all financial and accounting operations. Establish financial policies, procedures, controls, and reporting systems to ensure the accuracy and integrity of financial data.
Treasury	Ensure SWC retains adequate liquidity to meet the needs of its primary business operations and respond to organizational threats, as needed.



Authorize Payments Totalling \$3.56 million to State Water Contractors

Water Planning and Stewardship Committee
Item 7-8
July 12, 2021

State Water Contractors

Established 1982



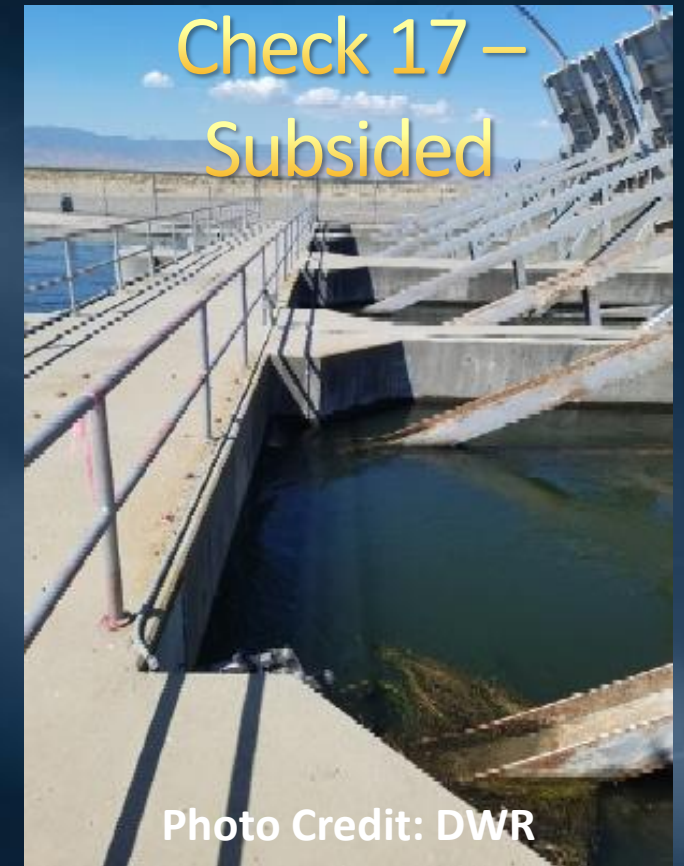
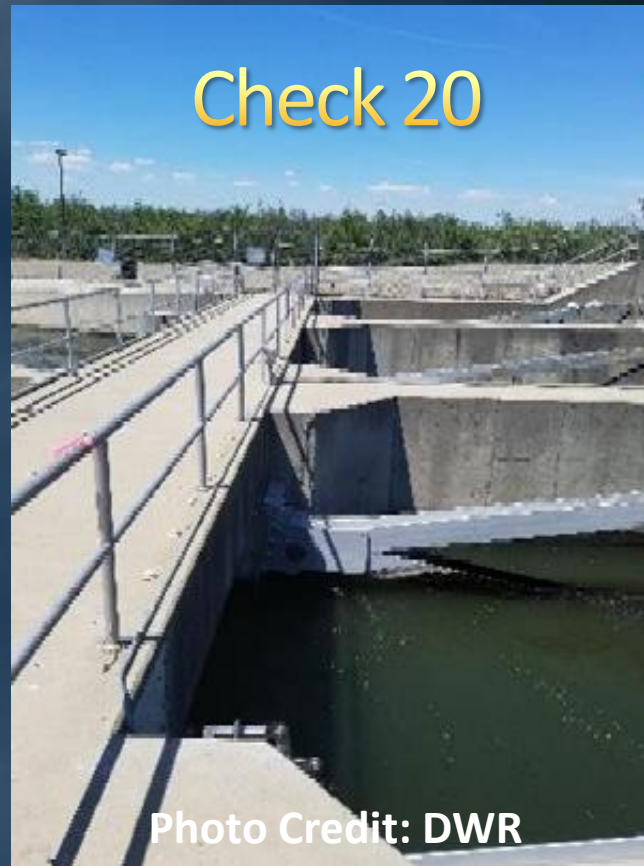
- 27 Members
 - 22 Urban contractors
 - 4 Agricultural contractors
 - 1 Urban and agricultural contractor
- 9 Board members

Organization and Budget

- State Water Contractors (SWC) – Focus on policy, advocacy, and legal issues and project implementation
 - Pursue reliable and cost-effective management of the State Water Project (SWP)
 - Unified voice on SWP issues
 - Provide legal support
- \$3.56 million payment request is below MWD's approved FY 2021/22 budget of \$4.07 million

SWC Major Activities FY 2020/21

- Delta Conveyance Project
- Cost affordability
- Subsidence
- Energy Senate Bill 49



SWC Major Initiatives FY 2021/22

- Delta Conveyance Project
- Drought planning
- Cost affordability
- Infrastructure reliability and safety
- Energy roadmap



Metropolitan's Payments to SWC

\$3.56 million for FY 2021/22



	MWD \$	Basis
 <p>Dues Fund \$3.51M</p>	\$1.42M	Table A and water delivery
 <p>Bay-Delta Fund \$3.00M</p>	\$0.91M	Table A with credit for staff contributions
 <p>Delta Conveyance Project Fund \$1.50M</p>	\$0.80M	Presumed participation in project
 <p>Energy Fund \$0.41M</p>	\$0.25M	Energy use
 <p>Municipal Water Quality Investigation</p>	\$0.18M*	Table A of participating contractors

* Based on MWD's FY 2021/22 budget

Summary

- Important organization that provides support and advocacy for the State Water Contractors
- Requested payment authorization amounts are less than budgeted
 - SWC - \$3.56 million
- Board approved by two-thirds vote required

Board Options

- Option #1

- By a two-thirds vote, authorize the General Manager to make payments of up to \$3.56 million to the State Water Contractors for FY 2021/22.

- Option #2

- Do not authorize the General Manager to make a payment to the State Water Contractors for FY 2021/22.

Staff Recommendations

- Option #1





• Water Surplus and Drought Management Update *Conditions as of 6/28/2021*

Summary

This report provides an accounting of water supply, demand, and storage conditions for calendar year (CY) 2021. This report considers conditions as of June 28, 2021.

The State Water Project (SWP) allocation is 5 percent of Table A. The water year runoff into the Sacramento River is projected to be the fourth lowest on record dating back to 1906. With ongoing dry conditions, the State Water Resources Control Board (SWRCB) sent notices of water unavailability to junior post-1914 water right holders on June 15, 2021. As a result, some water districts north of the Sacramento-San Joaquin River Delta will have less water to sell to the State Water Contractors Buyers Group, reducing the amount of water available to transfer. Staff's current estimate of available transfer supplies remains at 29 thousand acre-feet (TAF), the same as last month's update, reflecting the net effect of the loss of post-1914 supplies and the projected increase from another seller. Staff continues to evaluate transfer conditions. There is a potential risk that transfer supplies could be reduced should the SWRCB declare pre-1914 water rights unavailable to transfer during the summer.

In the Upper Colorado River Basin, runoff into Lake Powell is also projected to be well below normal. The water year runoff is projected to be the second lowest on record. The latest United States Bureau of Reclamation (USBR) 24-month study, released in June, continues to project Lake Mead's water elevation to fall below the Level 1 shortage trigger (1,075 feet) at the end of the calendar year, supporting the now anticipated first ever shortage declaration for that system. As a result, a reduced amount of water would be available for Arizona, Nevada, and Mexico in 2022. Metropolitan's supplies will not be curtailed in 2022 and Metropolitan will have full access to its Intentionally Created Surplus stored in Lake Mead.

The current demand estimate is 1.77 million AF. This results in a supply/demand gap of 630 TAF given the current 5 percent SWP allocation and the Colorado River Aqueduct (CRA) supply estimate. To satisfy the supply/demand gap and preserve SWP surface storage for a potentially dry 2022, Metropolitan is withdrawing water from its dry-year storage and purchasing north of Delta water transfers. To preserve limited SWP supplies, Metropolitan is also making operational adjustments to maximize use of Colorado River supplies and in-region storage, and continues to work with agencies on the implementation of the new Operational Shift Cost-Offset Program.

Purpose

Informational

Attachments

- Attachment 1: Projected 2021 WSDM Storage Detail (5 percent SWP allocation)
- Attachment 2: Agreements to Exchange or Return Stored Water and Cyclic Program Balances

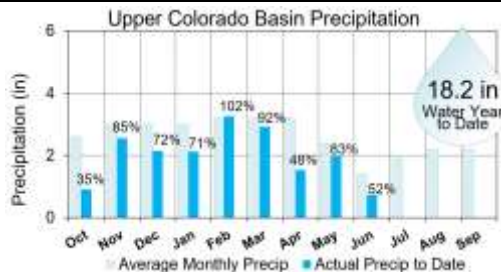
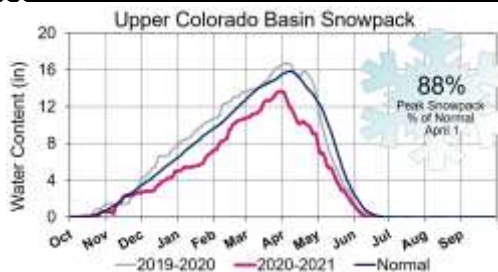
Detailed Report

This Water Surplus and Drought Management (WSDM) report provides an overview of developing hydrologic conditions and estimated water supply and demand conditions for CY 2021.

HYDROLOGIC CONDITIONS

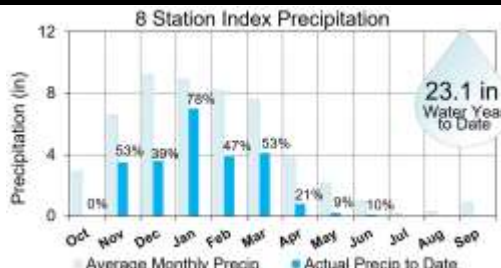
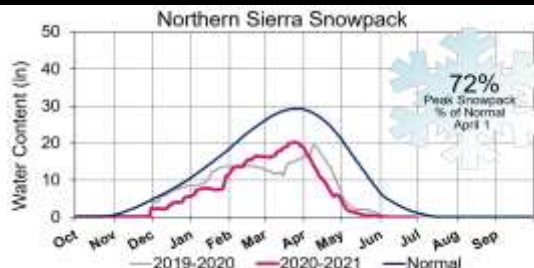
Conditions as of 6/28/2021

Upper Colorado River Basin



- Snowpack peaked at 88 percent of April 1 normal.
- Runoff into Lake Powell is forecasted to be 31% of average.

Sacramento River Basin



- Snowpack peaked at 72 percent of April 1 normal.
- Sacramento River runoff is forecasted to be 38% of average.

2021 SUPPLY ESTIMATE

Conditions as of 6/28/2021

CRA Supplies	Acre-Feet
Basic Apportionment	550,000
IID/ MWD Conservation Program	105,000
PVID Fallowing Program	40,000
Exchange w/ SDCWA (IID/Canal Lining)	283,000
Exchange w/ USBR (San Luis Rey Tribe)	16,000
Lower Colorado Water Supply Project	9,000
Bard Seasonal Fallowing Program	6,000
Quechan Diversion Forbearance	6,000
Higher Priority Water Use Adjustment ¹	0
Total CRA Supplies	1,015,000

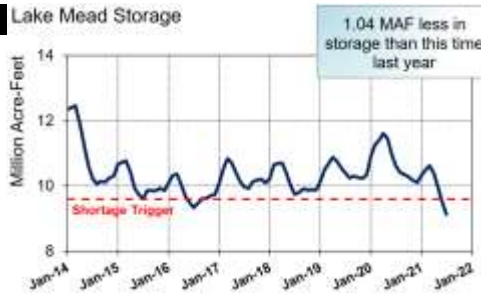
¹ Final adjustment could range by more than plus or minus 100 TAF.

SWP Supplies	Acre-Feet
Table A (5% SWP allocation)	96,000
Article 21	0
Port Hueneme ¹	0
SWC Buyers Group Transfers ²	8,000
Yuba Accord Dry-Year Purchase Program ²	21,000
Total SWP Supplies	125,000

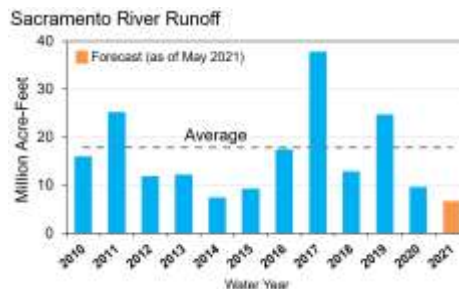
Total Supplies (CRA + SWP) 1,140,000
(Prior to storage actions)

¹ Rounded to the nearest thousand. Supply is 92.5 AF.

² Current estimate subject to seller performance and losses



- Lake Mead storage is at 9.13 MAF (elevation 1069.17 feet). This is the lowest water elevation since the reservoir was filled in the 1930's.
- USBR's June 24-month study continues to show Lake Mead's water elevation declining over the next two years. Should the August study continue to project Lake Mead's elevation to fall below 1,075 feet on January 1, 2022, the first ever shortage (Level 1) would be declared for CY 2022.



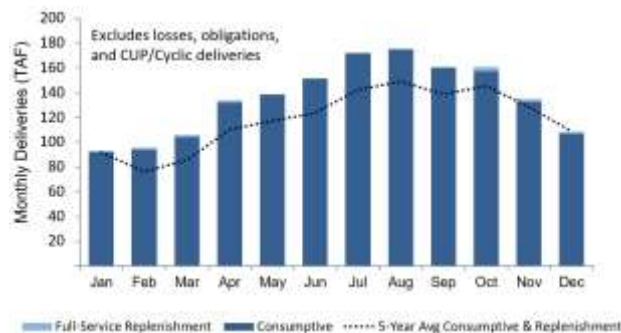
- No changes are anticipated to the SWP allocation.
- There is a potential risk that transfers supplies could be reduced should the SWRCB declare pre-1914 water rights unavailable to transfer during the summer.

2021 WATER DEMANDS

Current Demand	Acre-Feet
Member Agency Consumptive ¹	1,640,000
Member Agency Replenishment	14,000
Coachella Valley Water District Agreement	50,000
Exchange w/ San Luis Rey Tribe	16,000
System and Storage Losses	50,000
Cyclic Deliveries	0
Total Demands	1,770,000

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

2021 Demand Estimate



- With continued dry and hot conditions, 2021 demands are projected to be higher than the 5-year average, and June consumptive demands are the highest since 2014.

MANAGING SUPPLIES AND DEMANDS

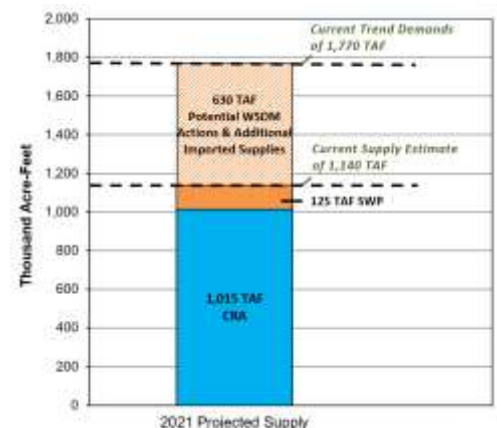
Supply/Demand Balance	Acre-Feet
Total Supplies	1,140,000
Total Demands	1,770,000
Current Balance Estimate	-630,000

Dry-Year WSDM Strategies/Actions

The following WSDM actions are being pursued or are underway to satisfy the estimated supply/demand gap and to preserve SWP storage for a potentially low SWP allocation in 2022.

- Withdrawing water from its dry-year storage reserves (e.g. Lake Mead ICS account, SWP Carryover storage, SWP Banking Programs, SWP Flexible storage accounts, in-region surface reservoirs).
- Purchasing an estimated 42 TAF (29 TAF after losses) north of Delta transfers through the Yuba Accord and the SWC Buyers Group.
- Adjusting system operations to preserve SWP supplies and maximize use of Colorado River or stored supplies. These actions include pumping at the Greg Avenue pump station, drafting water from Diamond Valley Lake to serve Mills Plant, and shifting demand to service connections supplying Colorado River supplies.
- Working on finalizing the agreements with member agencies for the Operational Shift Cost-Offset Program for them to shift demands to areas of more supply/storage. The program is anticipated to begin in August 2021.

Balancing Supply and Demand



2021 WSDM Storage Detail

WSDM Storage	1/1/2021 Estimated Storage Levels	CY 2021 Take Capacity ¹	2021 Total Storage Capacity
Colorado River Aqueduct Delivery System	1,293,000	100,000	1,657,000
Lake Mead ICS	1,293,000 ²	100,000 ³	1,657,000
State Water Project System	1,052,000	508,000	1,879,000
MWD SWP Carryover ⁴	207,000	207,000	350,000
DWCV SWP Carryover ⁴			
MWD Articles 14(b) and 12(e)	0	0	N/A
Castaic Lake (DWR Flex Storage)	154,000	154,000	154,000
Lake Perris (DWR Flex Storage)	65,000	65,000	65,000
Arvin Edison Storage Program	142,000	0 ⁵	350,000
Semitropic Storage Program	261,000	42,000	350,000
Kern Delta Storage Program	177,000	40,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
In-Region Supplies and WSDM Actions	872,000	499,000	1,246,000
Diamond Valley Lake	704,000	447,000	810,000
Lake Mathews and Lake Skinner	127,000	14,000	226,000
Conjunctive Use Programs (CUP) ⁶	41,000	38,000	210,000
Other Programs	694,000	56,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	313,000	56,000	800,000
Total	3,911,000	1,163,000	5,963,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) ⁷	3,161,000	1,163,000	5,213,000

¹ Take capacity assumed under a 5 percent SWP Table A Allocation. Storage program losses included where applicable.

² Reflects USBR's final accounting for 2020, released in May 2021.

³ Take capacity based on planned maintenance activities and current CRA supply estimate.

⁴ Total storage capacity varies year to year based on prior year remaining balance added to current year contractual limits.

⁵ Take amounts dependent on exchange capabilities.

⁶ 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.

⁷ Total WSDM Storage level subject to change based on accounting adjustments.

Agreements to Exchange or Return Stored Water

	Future Returns ¹
California ICS Agreement – IID ²	164,000
Storage and Interstate Release Agreement with Southern Nevada Water Authority ³	330,000
Total (AF)	494,000 ⁴

¹ Rounded to the nearest thousand.

² IID can request return in any year, conditional on whether or not Metropolitan is implementing a Water Supply Allocation Plan.

³ Up to 30,000 AF per year beginning no earlier than 2022.

⁴ Subject to change based on accounting adjustments.

Cyclic Program Activity

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	
2019	50,000	147,000	19,000	166,000	91,000	125,000
2020	125,000	2,000	0	2,000	50,000	77,000
2021 ¹	77,000	0	0	0	32,000	45,000

¹ Projected Cyclic program activity for the year. Subject to change.



Update on Water Surplus and Drought Management

Water Planning and Stewardship Committee

Item 6a

July 12, 2021

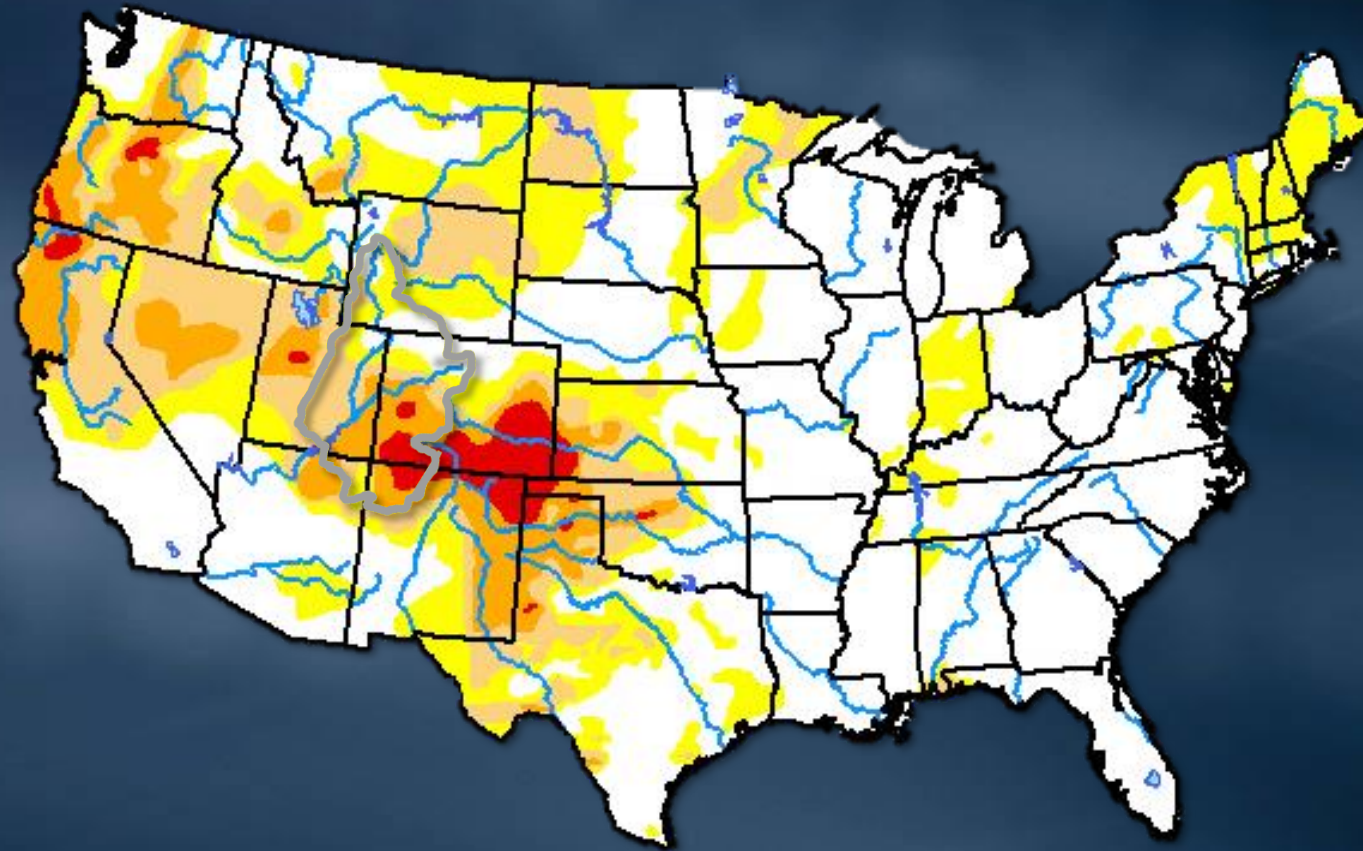
Outline

- Drought Conditions
- Supply Update
- 2021 Supply and Demand Balance
- State Actions in Response to Drought
- Dry-Year WSDM Actions Underway

Drought Conditions

Drought Conditions Last Year

As of 6/17/2020

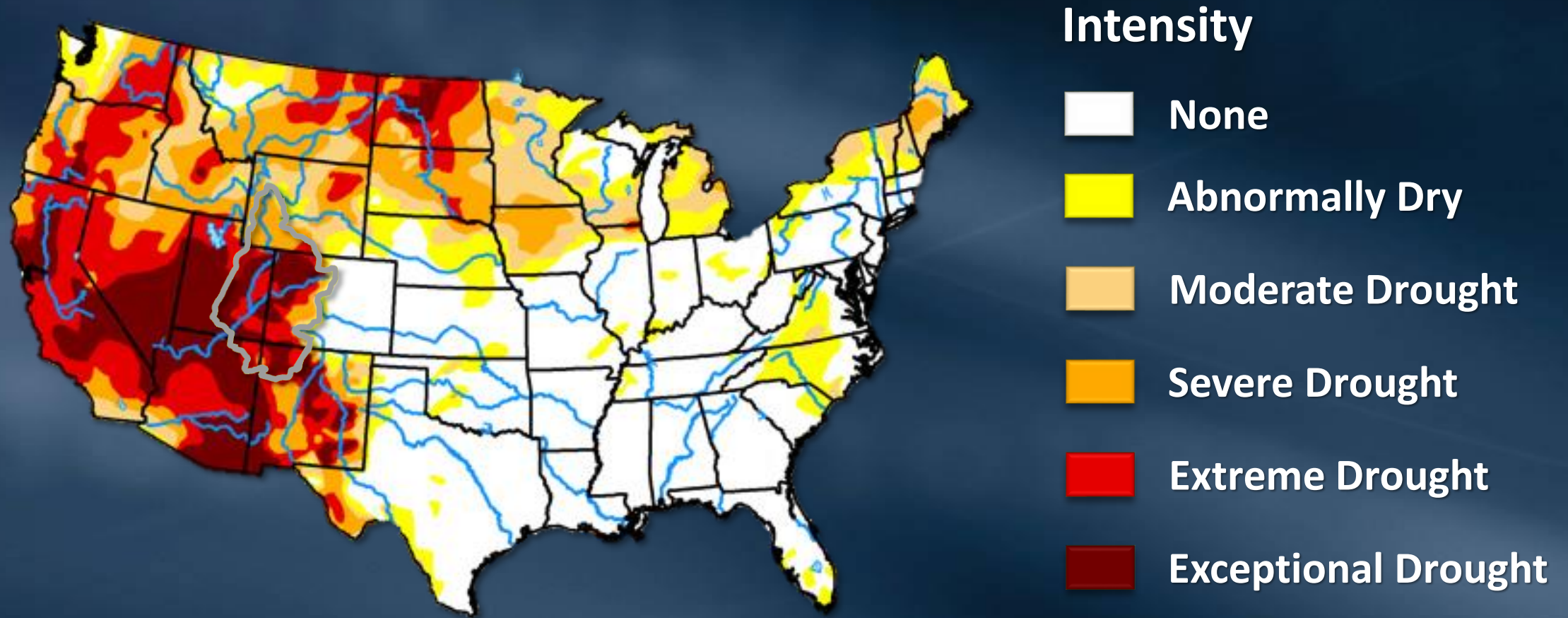


Intensity



Intense Drought Conditions Present in the West

As of 6/29/2021



Supply Update

Lake Oroville in 2019



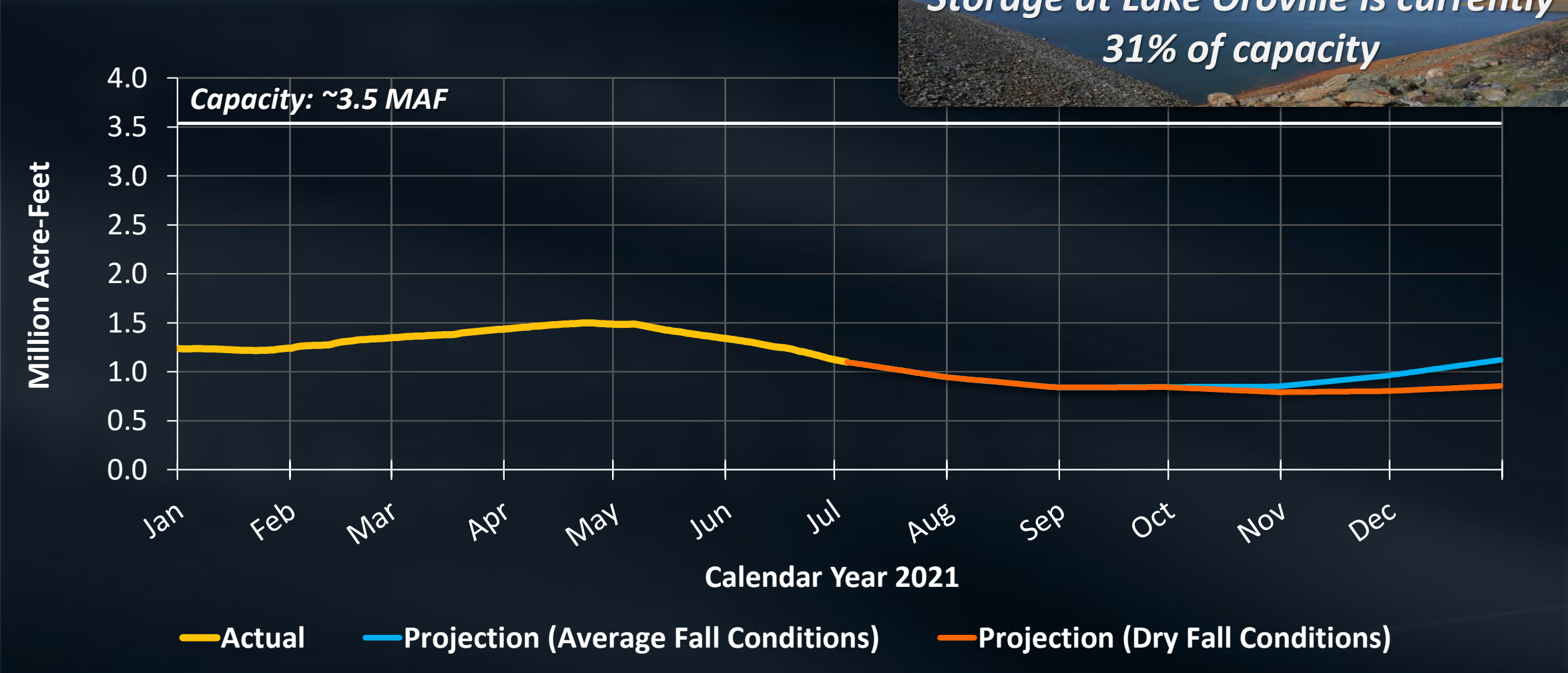
Lake Oroville This Year



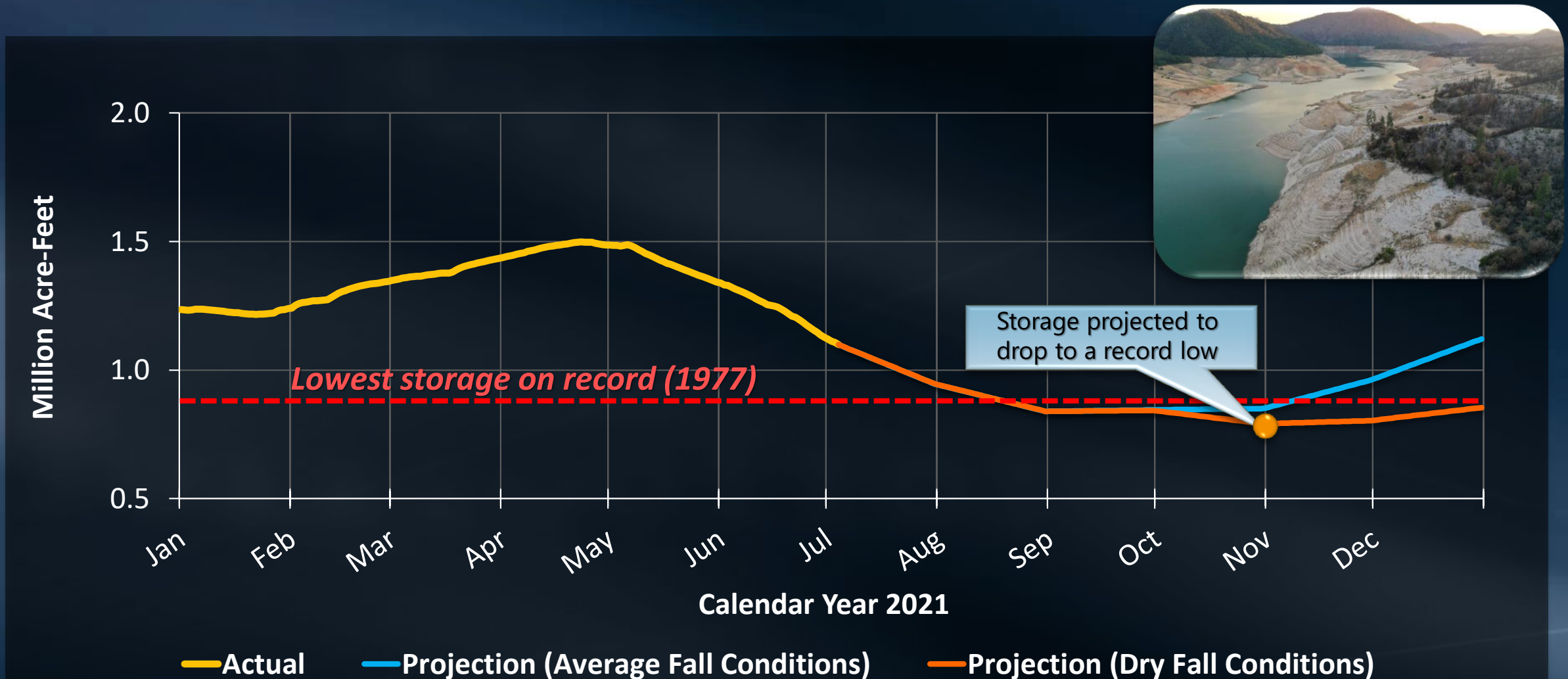
*Burn area from the
North Complex Fire
in 2020*

Actual and Projected Storage in Lake Oroville

As of 7/4/2021

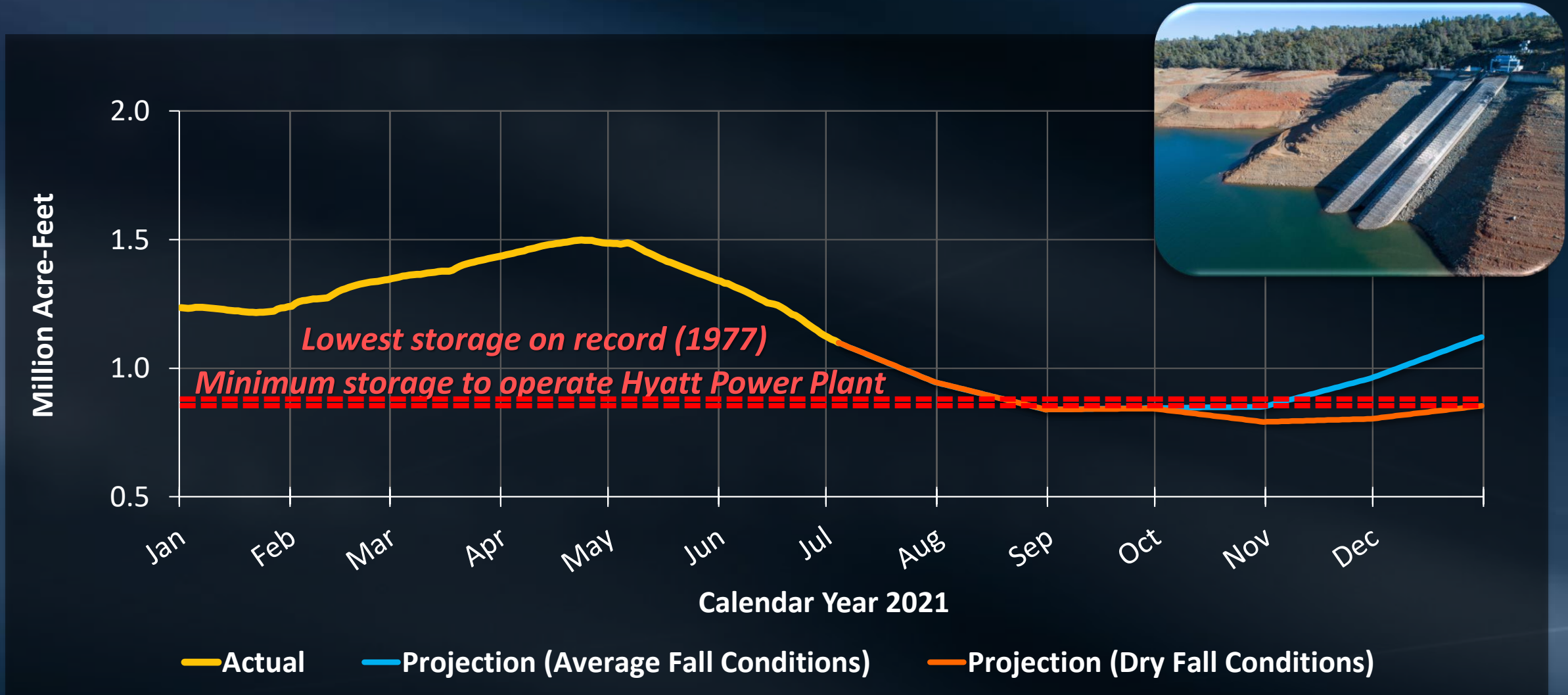


Projected Record Low Storage in Lake Oroville



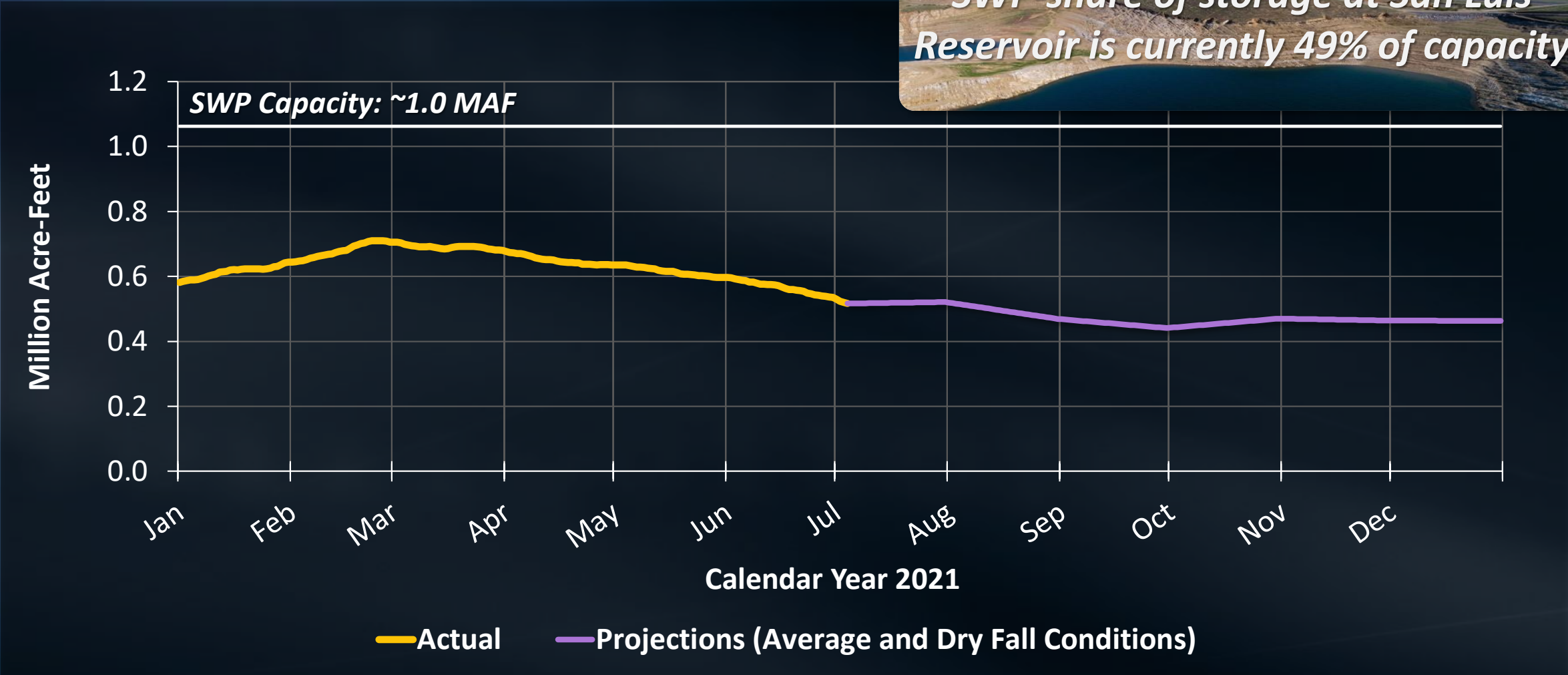
Projected Record Low Storage in Lake Oroville

Projecting No Access to Power Generation



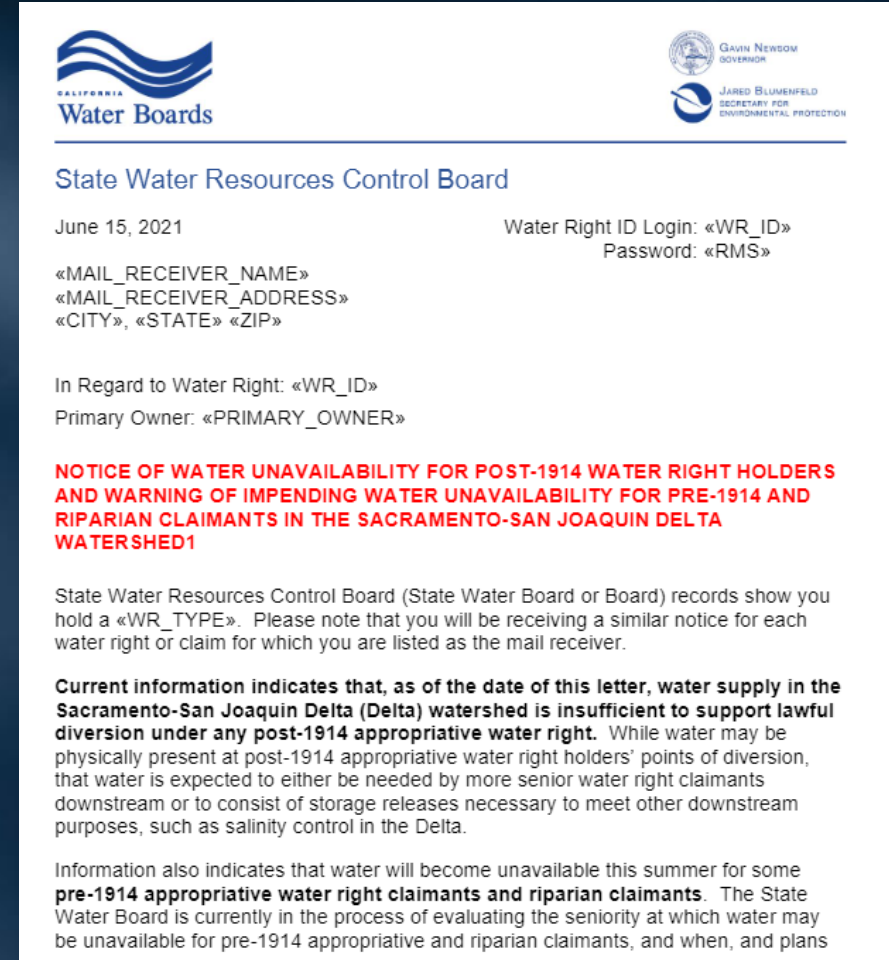
Storage in San Luis Reservoir

As of 7/4/2021



Drought Conditions Prompt Restrictions for Some Delta Water Right Holders

- SWRCB sent notices to
 - 4,300 post-1914 water right holders of water unavailability
 - 2,300 pre-1914 water users with senior rights to inform them that continued drought could impact their ability to divert
- Transfer supplies at risk



California's Response to Deepening Drought



Governor issued Drought Proclamation and Executive Order on July 8, 2021

- Expands drought emergency to include 9 additional counties
- Calls for the public to voluntarily cutback water use by 15% from 2020 levels
- Commits to working with the legislature for \$5.1 billion budget for drought preparedness

- Initial 2 Counties from April
- Counties Added in May
- Counties Added in July

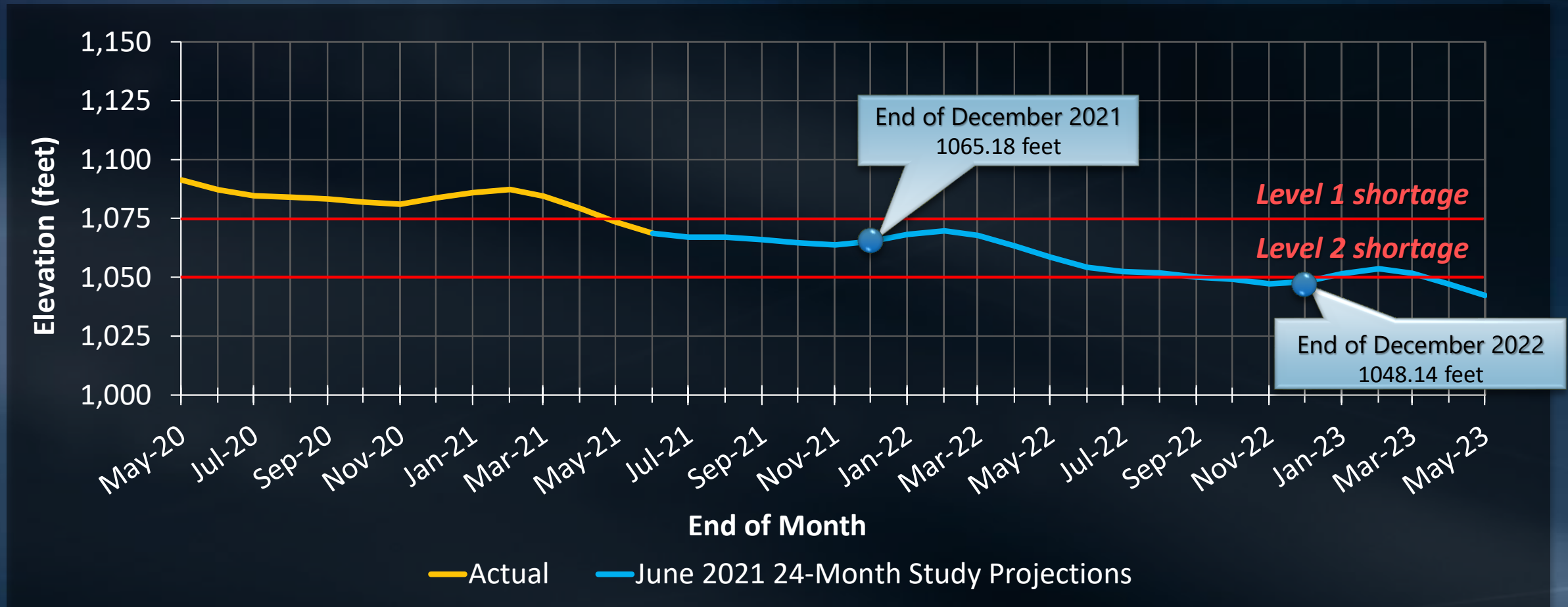
Low Initial SWP Allocation Anticipated for 2022

- Key considerations
 - Available SWP supplies in Oroville and San Luis Reservoirs
 - Assume dry hydrologic conditions for remainder of the year
 - Contractor demands
- Initial SWP allocation to be released in December

Lake Mead's Water Level Drops to a Record Low Since It Was Filled in the 1930's



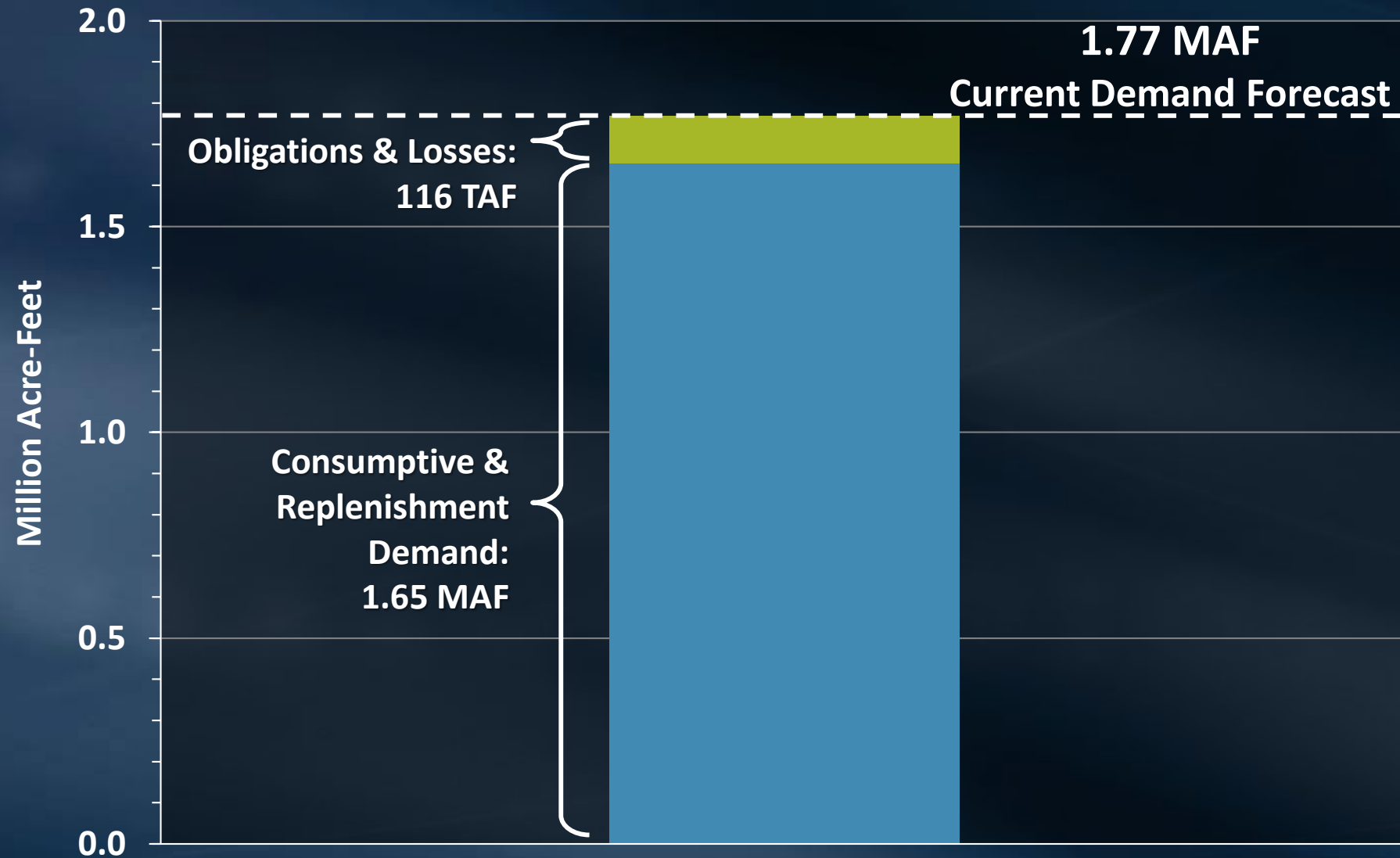
USBR's 24-Month Study Continues to Project Declining Lake Mead Elevation



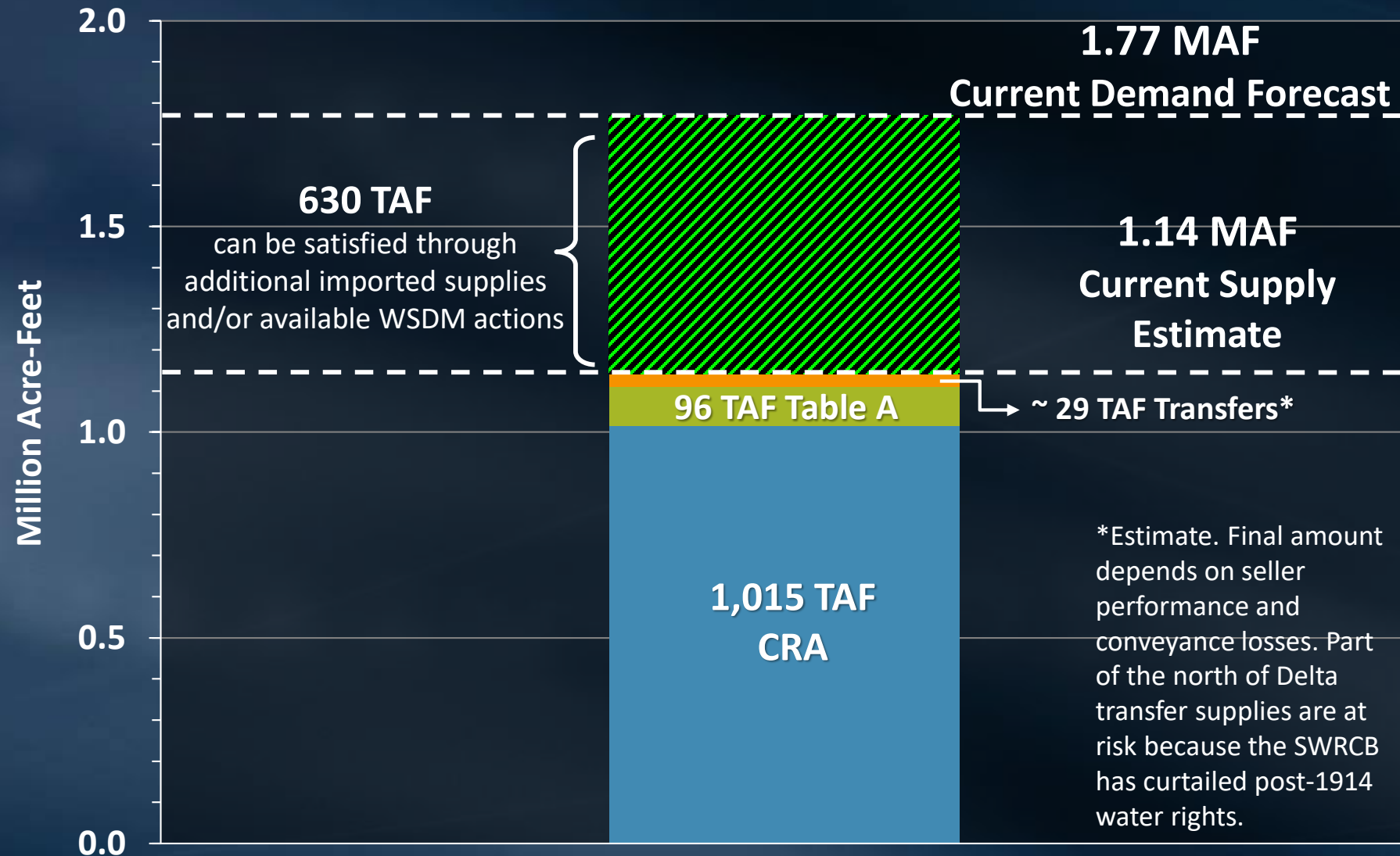
June 24-Month Study

2021 Supply/Demand Balance

2021 Demand Forecast



2021 Supply/Demand Balances



Dry-Year WSDM Actions

Dry-Year WSDM Actions Underway



- Purchasing ~42 TAF of transfer supplies (~29 TAF after losses)
 - State Water Contractors Buyers Group
 - Yuba Accord supplies
- Withdrawing from dry-year storage
 - Flex Storage (Castaic and Lake Perris)
 - Conjunctive Use Programs
 - SWP Groundwater Banking Programs
 - ICS and DWCV Advanced Delivery Account

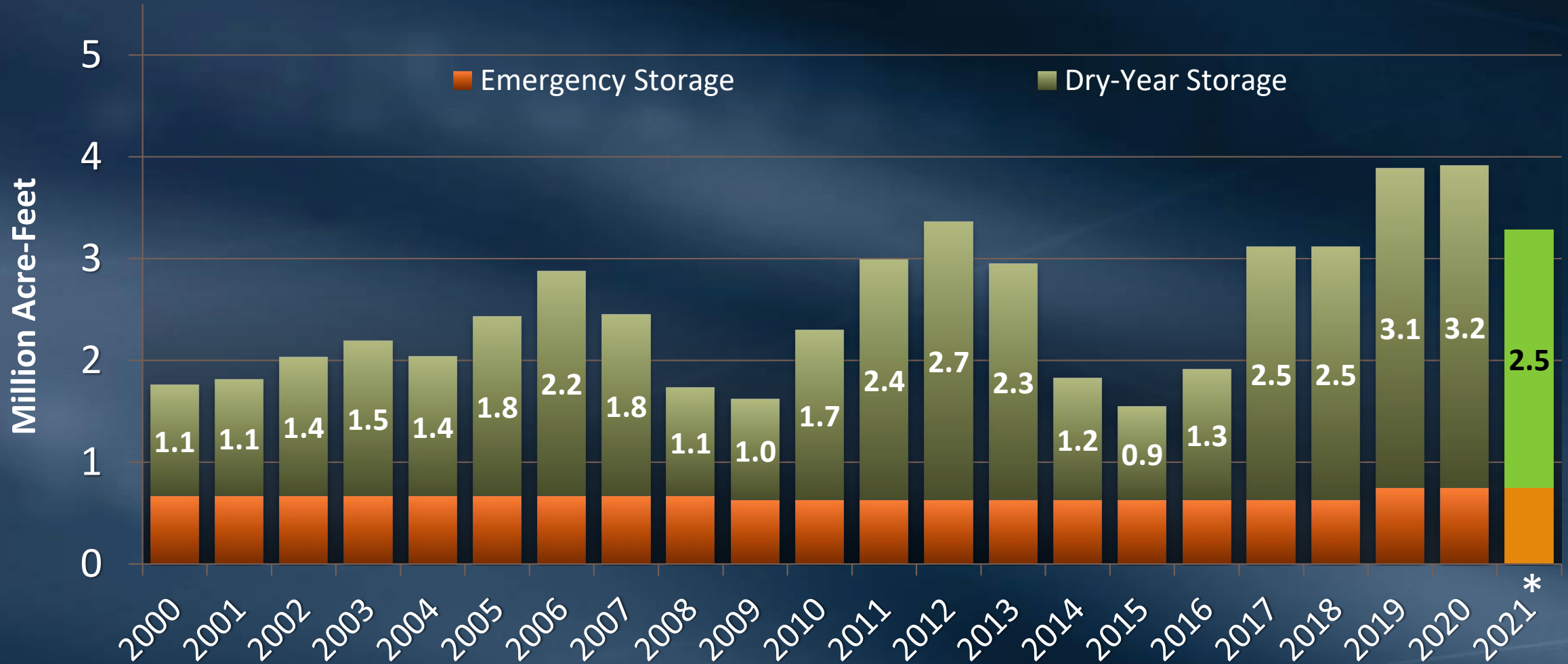
Ongoing Operational Actions and Member Agency Coordination to Preserve SWP Supplies



- DVL to Lakeview
- DVL to Mills
- Greg Ave Pumping
- Shifting agency demands

Projected Metropolitan Storage Balances

End of Year Balances



* Estimate – May change based on supply/demand conditions

Summary

- Intense drought conditions persist
 - Low storage in key reservoirs
 - Restrictions for some Delta water right holders
 - Governor Newsom expands drought emergency and calls for voluntary conservation
- Outlook
 - Low initial SWP allocation anticipated for 2022
 - USBR studies indicating first shortage declaration for 2022 for the Colorado River System
- Implementing WSDM and extraordinary drought actions to satisfy 2021 supply-demand gap and preserve SWP Carryover storage for 2022





Report on Storage Management Strategy and Implementation

Water Planning and Stewardship Committee

Item 6b

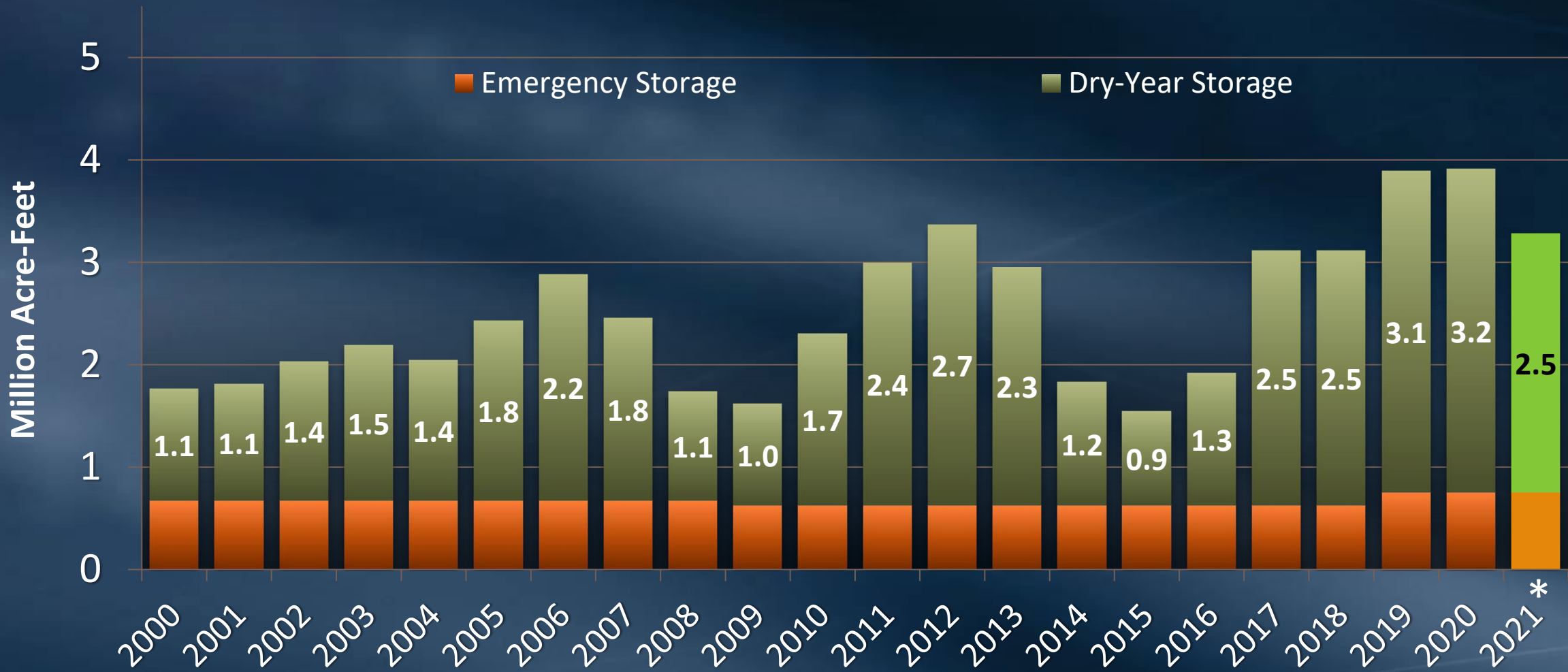
July 12, 2021

Outline

- Storage Portfolio Overview
- Water Surplus Drought Management Plan
- Operational and Other Considerations

Projected Metropolitan Storage Balances

End of Year Balances




* Estimate – May change based on supply/demand conditions


Storage Portfolio Overview

Diverse Storage Portfolio


- In and Out-of-Region
- Groundwater and surface water



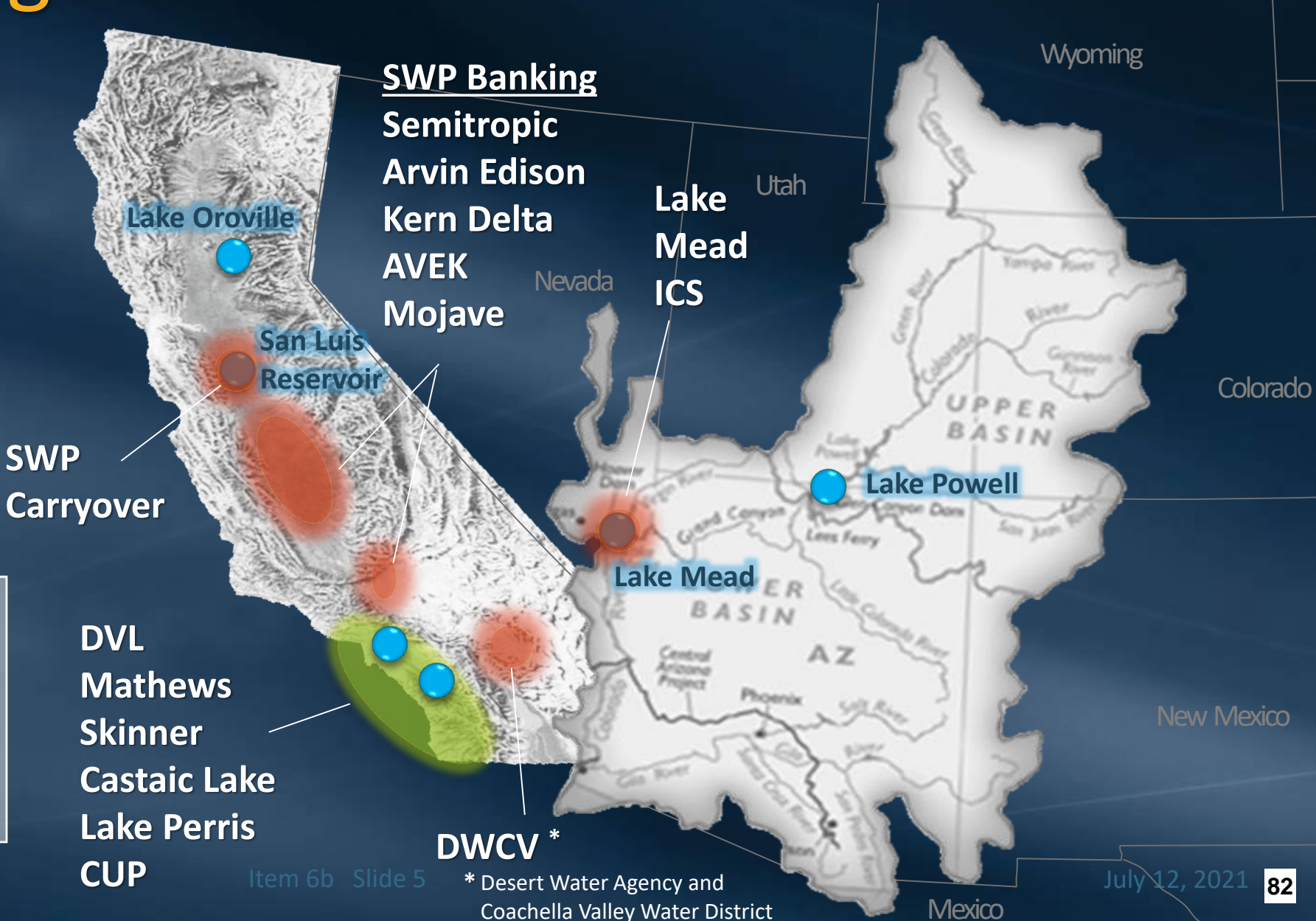
Key imported water supply reservoirs operated by others



MWD In Region Storage

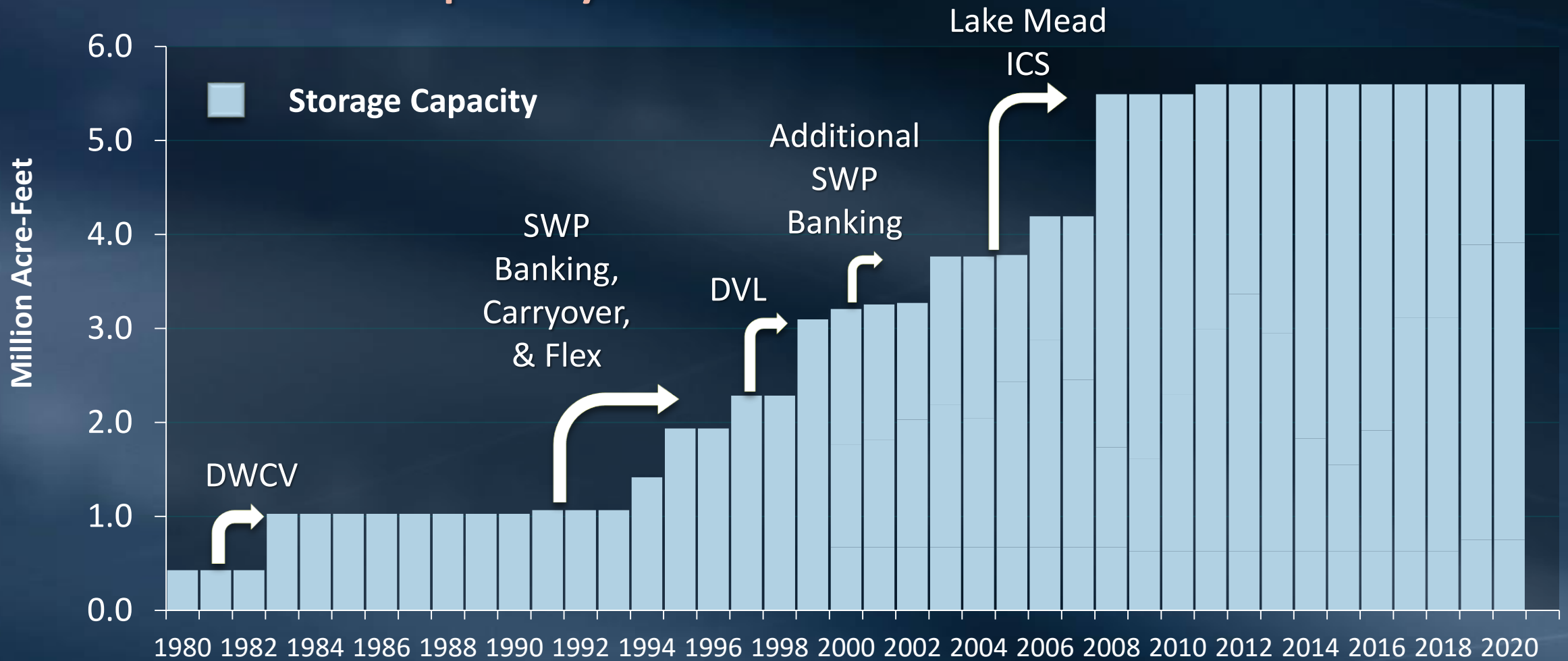


MWD Out of Region Storage



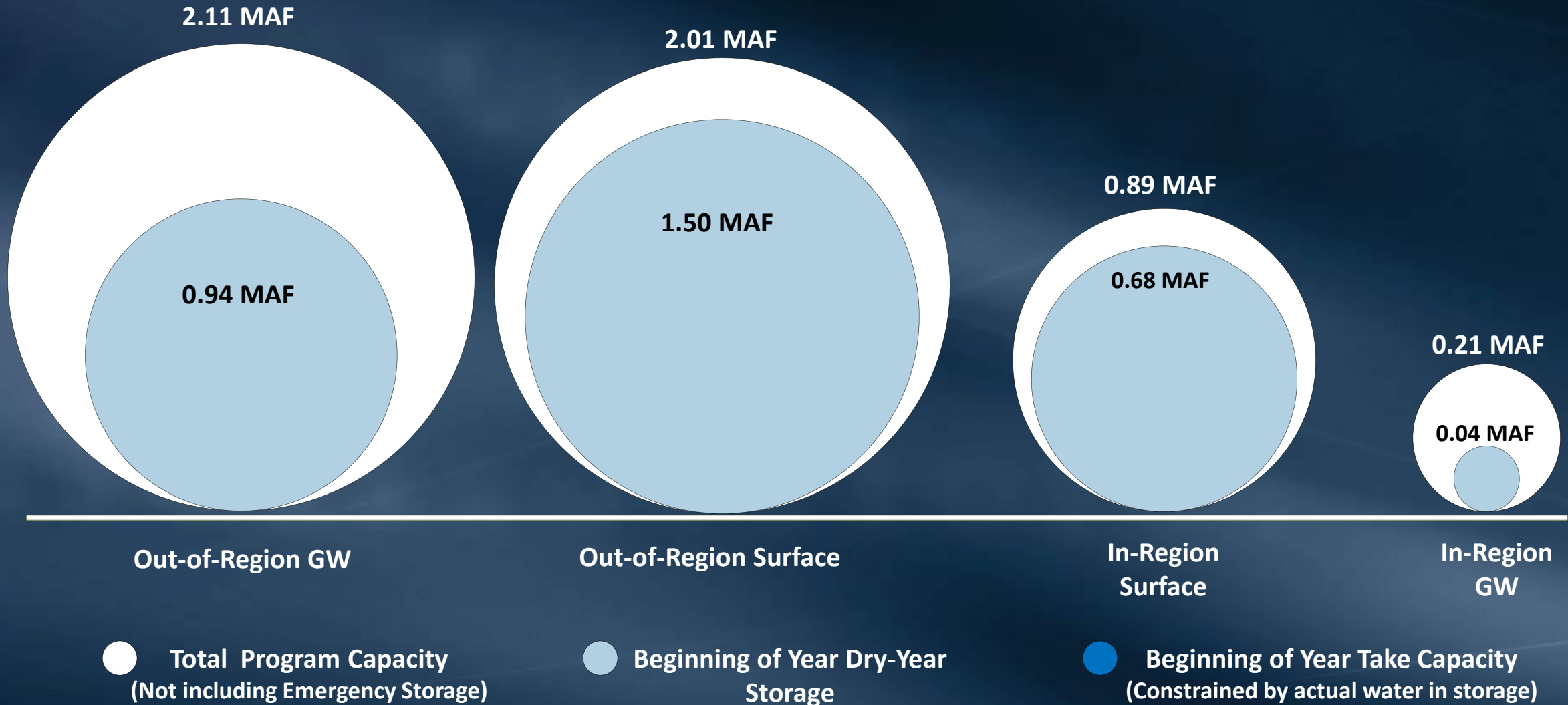
Diversification thru Investment and Partnerships

13x Increased Capacity Since 1980



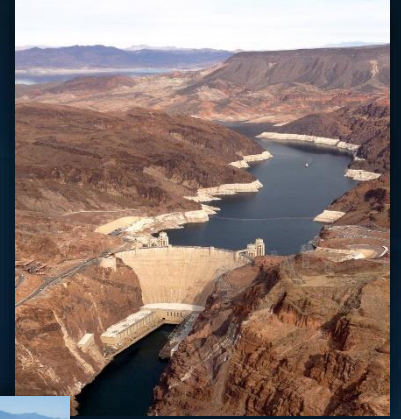
For illustrative purposes only - capacity levels shown are approximate

MWD Beginning of Year Dry-Year Storage Conditions



Not All Storage is Created Equal

- Out-of-Region or In-Region
- Surface water vs. Groundwater
- Direct/indirect control over management and operation
- Water quality considerations
- Contractual arrangements
- Distribution system considerations
- Cost



Lake Mead - Intentionally Created Surplus

Surface Water: Out-of-Region



● Benefits

- Regulate Colorado River diversions and agricultural adjustments
- Helps fill the CRA
- Helps satisfy obligations

● Considerations

- Access (DCP agreement)
- Supply cannot reach entire service area

State Water Project Carryover

Surface Water: Out-of-Region



San Luis Reservoir

● Benefits

- Flexible in-region delivery points
- Contractual flexibility
- Helps manage variable hydrologic conditions
- No losses

● Considerations

- MWD does not own/operate
- Risk of “spill”

State Water Project Banking Programs

Groundwater: Out-of-Region



- Benefits
 - Flexible in-region delivery points
 - Exchange capabilities
 - Helps manage variable hydrologic conditions
- Considerations
 - Water quality
 - Put/take capacities
 - Costs and losses

Exchange and Advanced Delivery (DWCV*)

Groundwater: Out-of-Region



- Benefits
 - Increases SWP supply (Exchange with CRA supply)
 - Operating/contractual flexibility
 - No losses
- Considerations
 - CRA capacity
 - Put/take capacities

*Desert Water Agency and Coachella Valley Water District

Flexible Storage

Surface Water: In-Region



- Benefits
 - Flexible in-region delivery points
 - No losses
- Considerations
 - Contractual requirements
 - Water quality
 - Supplies cannot reach entire service area

Diamond Valley Lake

Surface Water: In-Region



- Benefits
 - MWD owns/operates
 - Operational flexibility
 - Maximizes Inland Feeder capabilities
- Considerations
 - No CRA water (quagga mussels)
 - Supply cannot reach entire service area
 - Water quality

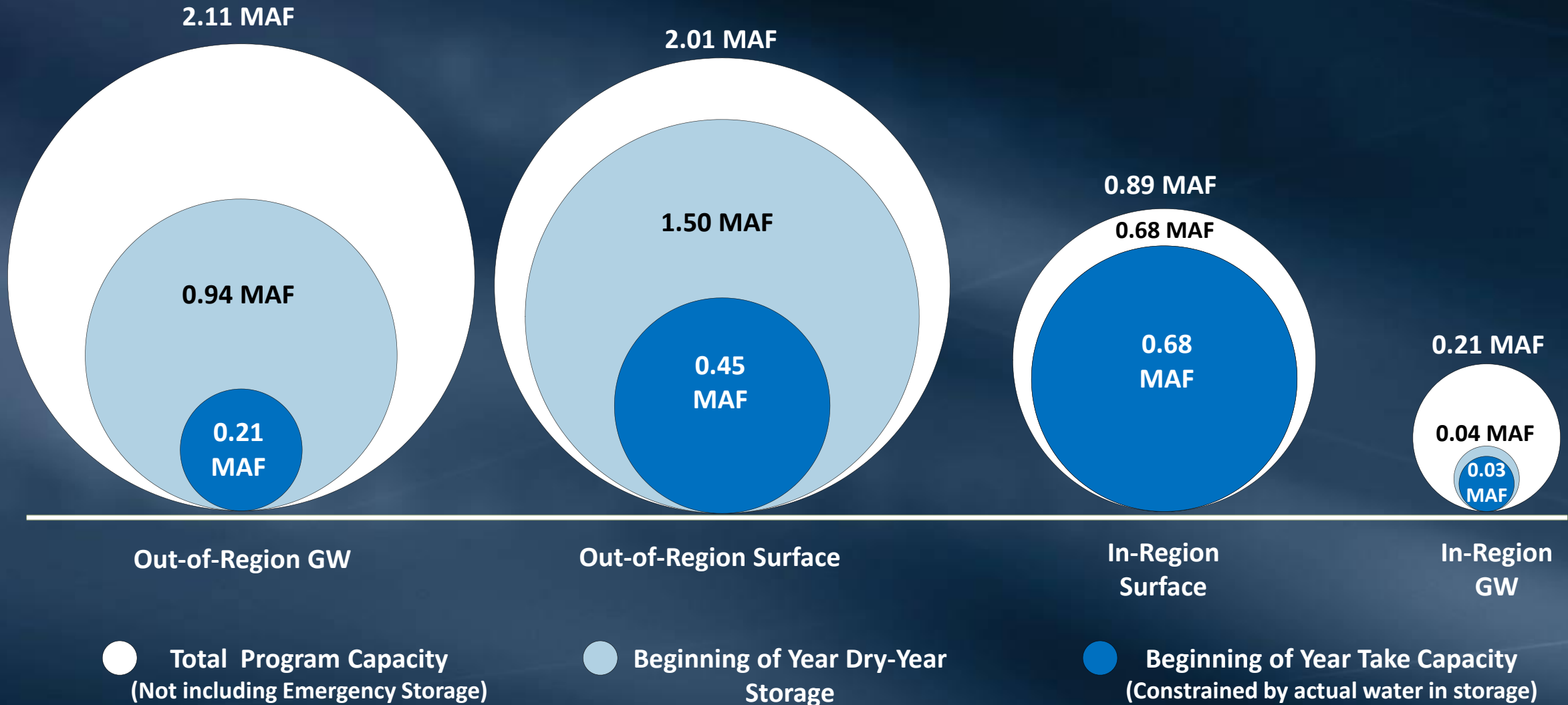
Conjunctive Use Programs

Groundwater: In-Region



- Benefits
 - Demand management
- Considerations
 - Partnerships/coordination
 - Local basin management

MWD Beginning of Year Dry-Year Storage Conditions



Water Surplus and Drought Management Plan (WSDM Plan)

Guiding Principle for Managing Regional Storage



Encourage storage of water during periods of surplus and work jointly with its member agencies to minimize the impacts of water shortages on the region's retail consumers and economy during periods of shortage

Underlying Objective for Storage Management

- The WSDM framework values security and accessibility



“The overall objective of the WSDM Plan is to ensure that shortage allocation of Metropolitan’s imported water supplies is not required.”

WSDM Plan Action Matrix

Framework for Generally Preferred Actions

Increasing Surplus ←	Actions	→ Increasing Shortages
	Make Cyclic Deliveries Fill SWP Central Valley Storage Store Supplies in SWP Carryover Fill Conjunctive Use Fill Flexible Storage Fill Diamond Valley Lake	
	Conservation Messaging	
	Take from Diamond Valley Lake Take from SWP Central Valley Storage Take from Conjunctive Use Take from Flexible Storage Call for Extraordinary Conservation Call Options Contracts (e.g. PVID) Buy Spot Water (e.g. SWP Buyers Group) Implement Allocation Plan	

Potential Simultaneous Actions

“The resource management framework does not dictate a scripted response to shortage or surplus. The framework recognizes the complexity and variety of conditions that require action.”

Operational and Other Considerations Highlight WSDM Plan Flexibility

Operating Principles that Guide Storage Strategy

OPERATIONAL FLEXIBILITY

Maintain flexibility to manage storage within the total storage portfolio, not individual accounts

- Article 21
- Arvin Edison exchange opportunities

SYSTEM RELIABILITY

Manage storage to meet demands in the entire service area, including exclusive areas

- Maintain storage for areas served by a specific resource
- Preserve SWP supplies in low SWP allocation years

Operating Principles that Guide Storage Strategy

INVASIVE SPECIES

Regional storage managed
to minimize risk of
infestation

- Quagga mussels and DVL operations
- Blending objective
- New and or emerging contaminants

WATER QUALITY

Consider salinity goals
and other constituents
when blending various
supplies

Operating Principles that Guide Storage Strategy

EMERGENCY STORAGE

Reserve emergency storage in Southern California reservoirs to meet demands during catastrophic events

- Avoid use of emergency storage in consecutive dry years
- Balancing storage to maximize takes in multi-year droughts

SUPPLY ALLOCATIONS

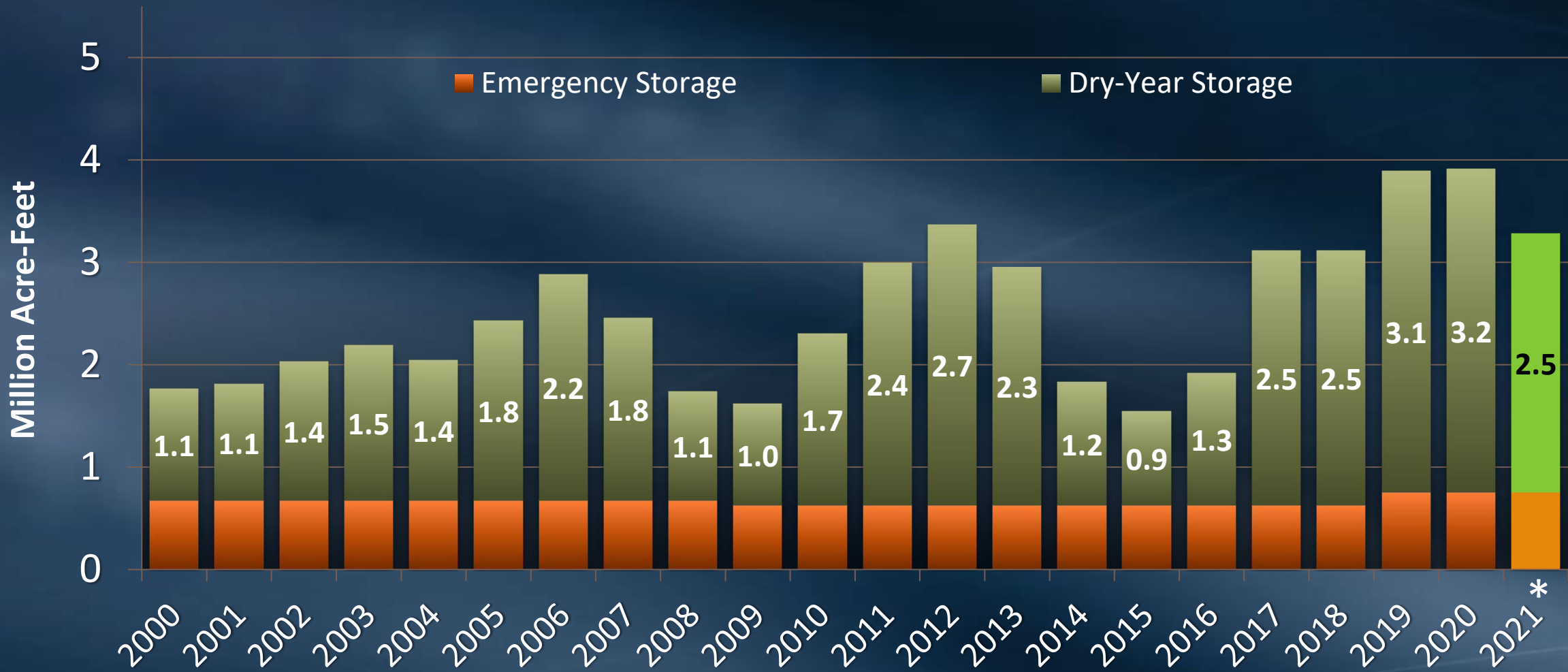
Manage regional storage to avoid or reduce the frequency of severe water supply allocations and avoid large supply allocation increases from year-to-year, to the extent practicable

Flexibility in the WSDM Plan Allows for Adaptation

- Operating Principles
 - Able to respond to changed conditions and implement lessons learned
- Contractual Requirements
 - SWP groundwater banking partnerships
 - Repayment of previously stored water
 - Potential DCP contributions
- Other Considerations
 - Conditions reporting and WSAP implementation

Projected Metropolitan Storage Balances

End of Year Balances



* Estimate – May change based on supply/demand conditions

Summary

- Metropolitan has invested in a diverse storage portfolio
- The WSDM Plan provides guidance for managing storage during periods of surplus and shortage
- Storage programs are not created equally
- Storage levels are critical in water supply condition reporting and implementation of the Water Supply Allocation Plan
- The WSDM Plan provides a flexible framework that has enabled the region to maintain a high degree of water supply reliability





• Colorado River Management Report

Summary

This report provides a summary of activities related to management of Metropolitan's Colorado River resources for the month of June 2021.

Purpose

Informational

Detailed Report

Testimony to Congress

Metropolitan's Chief Operating Officer Deven Upadhyay provided written and oral testimony before the House Natural Resources Subcommittee on Water, Oceans, and Wildlife on June 29, regarding the Regional Recycled Water Project (RRWP) and expressed support for both H.R. 1015, the Water Recycling Investment and Improvement Act, as well as H.R. 4099, the Large-Scale Water Recycling Project Investment Act. The testimony described the RRWP's many potential benefits, including improving the reliability of the Colorado River system through partnerships with the Southern Nevada Water Authority, and potentially with partners in Arizona.

Federal Appointments

The White House announced the official nomination of Maria Camille Calimlim Touton to be the Commissioner of the U.S. Bureau of Reclamation (Reclamation). The U.S. Senate confirmed Tanya Trujillo to be the Assistant Secretary for Water and Power. Reclamation also announced that Carly Jerla will lead Reclamation's effort to develop new guidelines for operation and management of the Colorado River.

Colorado River Basin Salinity Control Forum Meeting

The Colorado River Basin Salinity Control Forum held its 104th meeting virtually on June 9 and 10. During the meeting, Metropolitan's Manager, Colorado River Resources Bill Hasencamp was re-elected chair of the Forum for a second term. Reclamation discussed the status of the Paradox Valley brine injection well, which has not been operating for more than two years following a magnitude 4.6 earthquake which occurred in 2019. Reclamation stated that they plan on doing a risk analysis before considering returning the well to operation at any level, which would take about two years to complete. This decision means that about 100,000 tons of salt that had previously been captured will continue to flow into the Colorado River upstream of Lake Mead. The Forum urged Reclamation to reconsider that decision and make progress on developing a long-term salt control solution in the Paradox Valley.

Palo Verde Irrigation District System Conservation Agreement

The Metropolitan Board authorized the General Manager to enter into an agreement with Reclamation, Central Arizona Water Conservation District, and Southern Nevada Water Authority to provide up to \$8.8 million to fund land fallowing programs and to forebear up to 246,600 acre-feet of conserved Colorado River water generated by the program to add system water to Lake Mead. Metropolitan's funding share represents one-sixth of the total amount provided by the funding agencies. The water would be conserved through additional fallowing that is not needed for Metropolitan's own use under the Palo Verde Irrigation District/Metropolitan Forbearance and Fallowing Program and the Bard Seasonal Fallowing Program. Metropolitan and other Colorado River water users would benefit from the improved storage in Lake Mead, reducing the risk of future water curtailments.

To implement the program, Metropolitan has made a voluntary fallowing call for the upcoming contract year (Aug. 1, 2021 – July 31, 2022) of 75 percent of the maximum fallowing level under the contract, and farmers may begin fallowing at any time from August 1, 2021 through January 1, 2022. The farmers will begin notifying

Board Report (Colorado River Management Report)

Metropolitan of their fallowing amounts in July 2021. Land owned by Metropolitan will also participate in the program.



Water Resource Management Manager's Report

Water Planning and Stewardship Committee

Item 7b

July 12, 2021

Conservation Update

Conservation Expenditures

FY 20/21-21/22⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$4.0M	\$1.7M
Member Agency Administered	\$1.4M	\$7.2M
Turf Replacement	\$7.5M	\$7.8M
Advertising	\$0.1M	\$0.0M
Other	\$1.7M	\$1.1M
TOTAL	\$14.7M	\$17.8M

(1) The Conservation Program biennial expenditure authorization was \$86M and expected expenditures were \$50M. Both figures have subsequently been reduced to reflect a \$2M reduction in conservation advertising expenditures.

(2) As of 7/1/2020 –5/30/2021.

(3) Committed dollars as of June 10, 2021.

Conservation Activity

FY 20/21-21/22



Turf Replacement Rebates:

May: 142,459 ft² removed

FY2020/21-FY2021/22: 3,761,051 ft² removed



Clothes Washers:

May: 485 units rebated

FY2020/21-FY2021/22: 15,518 units rebated



Sprinkler Nozzles:

May: 1,606 units rebated

FY2020/21-FY2021/22: 27,775 units rebated

Lifetime Water Savings to be achieved by all rebates in May 2021: 738 AF

FY2020/21-FY2021/22: 36,877 AF lifetime water savings

New Program Updates

(1) Pre-1994 Multi-Family Property Toilet Replacement

(2) Flow Monitor/Leak Detection Device Pilot

Pre-1994 Multi-Family Property Toilet Replacement Program

- Launched July 6th with the resumption of indoor inspections
- Promoted to regional contractors via SoCalWater\$mart
- New program fully subscribed in four hours
- Funding from canceled reservations will be recycled and program relaunched

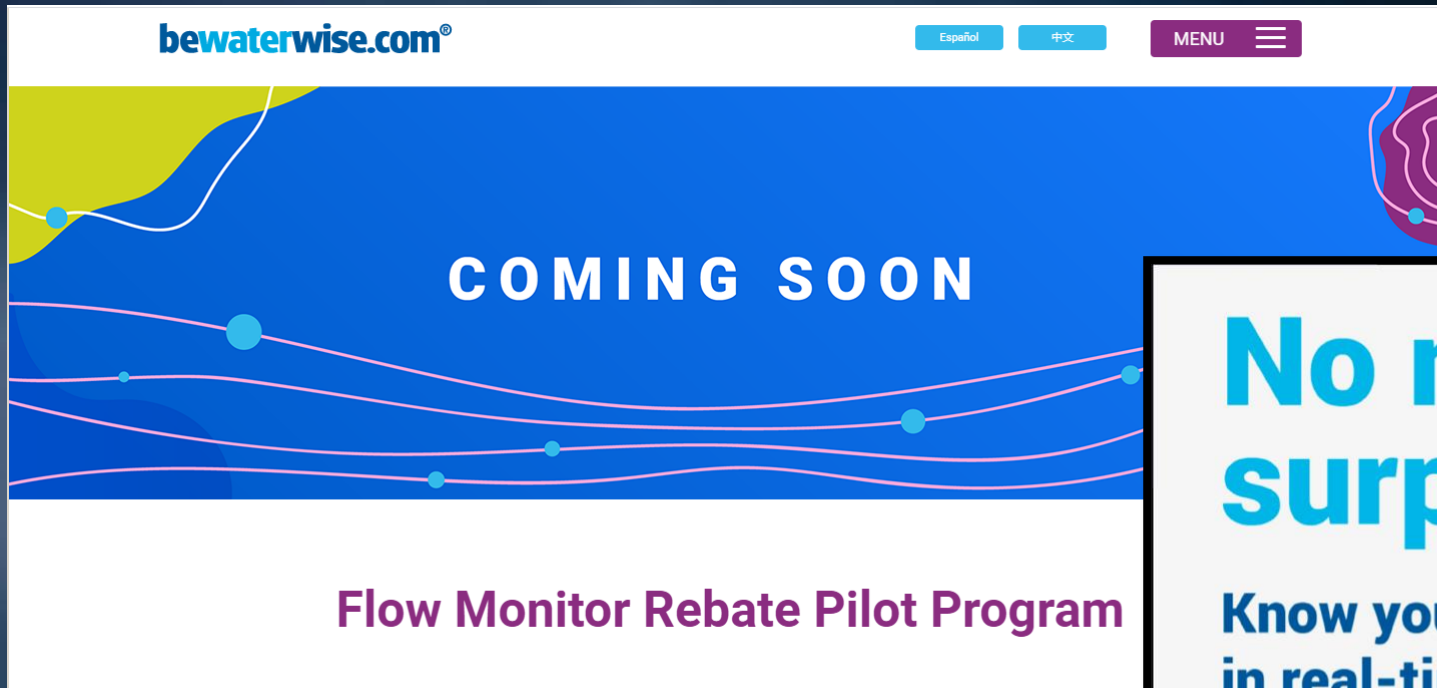


Residential Flow Monitor/Leak Detection Device Pilot Program

- Program will launch Monday, July 19th
- Outreach campaign to begin week of July 12th
- New webpage on both BeWaterWise and SoCal Water\$mart
- Additional social media buzz planned on day of launch



Flow Monitor/Leak Detection: Social Media and Webpage Content



No more surprises

Know your water use in real-time

Get a \$100 rebate on a new Flow Monitor

bewaterwise.com

A close-up image of a water meter. The meter has a circular face with a scale from 0 to 1.0. The needle points to approximately 0.2. Below the needle is a digital display showing the number 068825. The text 'WATER METER' and 'CUBIC FEET' are visible on the meter face.

Future Supply Actions Program Webinars

- Implementing webinar series for sharing results
 - June 2: webcast on MWD co-funded DPR studies
 - Hosted by Water Research Foundation
 - 350+ participants
 - July 22: groundwater pilot study
 - August 10: stormwater whitepaper
 - Hosted by SoCal Water Coalition

THOUSAND OAKS GROUNDWATER
UTILIZATION STUDY

Future Supply
Actions Program
Webinar Series

Hear from pilot study partners as they work to develop new sources of groundwater in the City of Thousand Oaks. Learn about the innovative ways this study looks to optimize performance and reduce treatment costs on a proposed groundwater treatment facility at the City's existing Los Robles Golf Course well. Results, findings and lessons learned will be discussed.

PREPARING FOR
tomorrow,
TODAY

Thursday, July 22, 10:00 a.m.
Register in advance for this webinar

