



WP&S Committee

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

Water Planning and Stewardship Committee

Meeting with Board of Directors *

February 7, 2022

12:30 p.m.

Teleconference meetings will continue through the end of the year. Live streaming is available for all board and committee meetings on mwdh2o.com ([Click Here](#))

A listen only phone line is also available at 1-800-603-9516; enter code: 2176868#. 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 enter Code: 9601962.

Monday, February 7, 2022 Meeting Schedule
08:30 a.m. - F&I
10:30 a.m. - E&O
12:00 p.m. - Break
12:30 p.m. - WP&S
02:00 p.m. - C&L

* 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 of the Water Planning and Stewardship Committee held January 10, 2022 [21-857](#)

Attachments: [02072022 WPS 2A minutes.pdf](#)

3. CONSENT CALENDAR ITEMS - ACTION

- 7-8** Authorize: (1) agreement with the State Water Contractors, Inc. to pursue 2022 Sacramento Valley water transfer supplies; and (2) \$5 per acre-foot initial administrative deposit not-to-exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-806](#)

Attachments: [02082022 WPS 7-8 B-L.pdf](#)
[02082022 WPS 7-8 Presentation.pdf](#)

- 7-9** Authorize General Manager to enter into a reverse-cyclic agreement with participating agencies to preserve the availability of State Water Project supplies to Metropolitan; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-807](#)

Attachments: [02082022 WPS 7-9 B-L.pdf](#)
[02082022 WPS 7-9 Presentation.pdf](#)

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

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Oral update on Water Surplus and Drought Management [21-841](#)

Attachments: [02072022 WPS 6a Report.pdf](#)
[02082022 WPS 6a Presentation.pdf](#)

7. MANAGEMENT REPORTS

- a. Colorado River Management Report [21-839](#)

Attachments: [02072022 WPS 7a Report.pdf](#)

- b. Water Resource Management Manager's Report [21-840](#)

Attachments: [02072022 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

January 10, 2022

Chair Atwater called the teleconference meeting to order at 12:11p.m.

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

Members absent: None.

Other Board Members present: Chairwoman Gray, Directors Blois, Dennstedt, Erdman, Faessel, Fellow, Fong-Sakai, Hawkins, Jung, McCoy, Miller, Quinn, Smith, Sutley, and Tamaribuchi.

Committee staff present: Coffey, Hasencamp, Hagekhalil, Munguia, Schlotterbeck, 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 ITEM – ACTION

A. Approval of the Minutes of the Meeting of the Water Planning and Stewardship Committee held December 13, 2021

3. CONSENT CALENDAR ITEM – ACTION

7-6 Subject: Authorize modifications to the On-Site Retrofit Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Jessica Arm, Associate Resource Specialist, Water Resouce Management

Motion: Authorize modifications of the On-Site Retrofit Program to increase the \$195 per acre-foot incentive term from five to 10 years, and to also allow untreated imported water as eligible for retrofit under the Program.

Ms. Arm gave a presentation on the proposed action to increase the existing On-Site Retrofit Program incentive term and, in addition to potable water, include untreated imported water as eligible for retrofit under the Program.

The following Directors provided comments or asked questions:

1. DeJesus
2. Dick
3. Pressman
4. Peterson

- 7-7** **Subject:** Authorize a three-year agreement for Inspection and Verification Services for Conservation Programs with WaterWise Consulting, Inc.; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Presented by:** Karina Sandique, Associate Resource Specialist, Water Resource Management
- Motion:** Authorize the General Manager to execute the agreement with WaterWise Consulting, Inc. for inspection and verification services for Metropolitan’s water conservation programs.

Ms. Sandique gave a presentation on a proposed professional services agreement with WaterWise Consulting, Inc. that will provide inspection and verification services for Metropolitan’s conservation rebate programs.

- 7-8** **Subject:** Authorize (1) renewal of the Municipal Water Quality Investigations Agreement between the Department of Water Resources, the State Water Contractors and participating urban State Water Project Contractors; and (2) renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between the State Water Contractors and participating urban State Water Project Contractors; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA
- Presented by:** None.
- Motion:** Authorize the General Manager to Execute a renewal of the Municipal Water Quality Investigations Agreement between the Department of Water Resources, the State Water Contractors, and participating urban State Water Project Contractors and continue the MWQI Program for an additional three-year term of January 1, 2023, to December 31, 2025.

Execute a renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between the State Water Contractors and participating urban State Water Project Contractors and continue the MWQI Program for an additional three-year term of January 1, 2023 to December 31, 2025.

7-9 Subject: Approve Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States; the General Manager determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Laura Lamdin, Engineer, Imported Water Supply Unit

Motion: Authorize the General Manager to execute the Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States for five years, subject to the proposed agreement being in a form approved by the General Counsel and further providing that the proposed agreement will become effective only upon approval and execution by the parties of Minute 327 to the Treaty and adoption of the joint engineering report that are both consistent with the terms of the proposed agreement.

Ms. Lamdin gave a presentation on a proposed agreement providing for delivery of Mexican Treaty water for Tijuana, Baja California, Mexico.

Director Smith provided a recusal statement with respect to item 7-9.

After completion of presentations, Director De Jesus made a motion, seconded by Director Peterson to approve the consent calendar consisting of items 2A,7-6, 7-7, 7-8, and 7-9.

The vote was:

Ayes: Directors Abdo, Ackerman, Atwater, Cordero, De Jesus, Dick, Goldberg, Kurtz, Lefevre, Luna, Morris, Petersen, Peterson, Pressman, and Record.

Noes: None

Abstentions: None

Absent: None

Director Goldberg read a disclosure statement involving item 7-9.

The motion for items 2A, 7-6, 7-7, 7-8, and 7-9 passed by a vote of 15 ayes, 0 noes, 0 abstain, and 0 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Subject: Oral update on Water Supply and Drought Management

Presented by: Demetri J. Polyzos, Manger, Resource Planning Team

Ms. Polyzos gave an oral report that included updates on the end of year storage balances, State Water Project allocation, and the hydrologic conditions since the beginning of the water year. He also provided an outlook as well as discussing the supply and demand balance for calendar year 2021.

The following Directors provided comments or asked questions:

1. Blois

Dee Zinke, Manager, Assistant General Manager and Chief External Affairs Officer added comments relating to water allocation and local messaging.

7. MANAGEMENT REPORTS

a. Subject: Colorado River Management Report

Presented by: Bill Hasencamp

Mr. Hasencamp gave an update on Colorado River activity including the shortage declaration on the Colorado River, Lake Mead water levels, and conservation partnerships with various water agencies.

b. Subject: Water Resource Management Manager's Report

Presented by: Brad Coffey, Manager Water Resource Management

Mr. Coffey gave an update on conservation activity and expenditures.

8. FOLLOW-UP ITEMS

Director Peterson requested a report on AVEK Program, including the schedule and all phases of implementation.

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on February 7, 2022.

Meeting adjourned at 1:36 p.m.

Richard Atwater
Chair



● **Board of Directors**
Water Planning and Stewardship Committee

2/8/2022 Board Meeting

7-8

Subject

Authorize: (1) agreement with the State Water Contractors, Inc. to pursue 2022 Sacramento Valley water transfer supplies; and (2) \$5 per acre-foot initial administrative deposit not-to-exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

Executive Summary

Staff is seeking authorization to enter into an agreement with the State Water Contractors, Inc. (SWC) to pursue potential 2022 Sacramento Valley water transfer supplies and to pay an initial administrative deposit not-to-exceed \$500,000. This action preserves the option for Metropolitan to purchase Sacramento Valley transfer supplies through the SWC buyers pool, but it does not commit Metropolitan to these purchases. Staff would seek board approval for any transfer purchases and to execute any agreements with sellers and the associated storage and conveyance agreements with the Department of Water Resources in the spring of 2022.

Timing and Urgency

Metropolitan is preparing for possible transfer negotiations in the spring of 2022. The SWC seeks an initial commitment from participants in February 2022 in preparation for a potential transfer agreement in the spring of 2022.

Details

Background

Staff seeks authorization for the General Manager to enter into an agreement with SWC to pursue water transfer supplies for 2022. In recognition of the currently low 15 percent State Water Project (SWP) allocation, many SWC members would like to coordinate discussions with potential sellers to identify additional supplies that may be available in 2022. Metropolitan entered into similar agreements with SWC to pursue transfers in eight of the last sixteen years. Staff recommends reserving the option to purchase transfer supplies to maximize flexibility as the water year develops. If the SWP supplies improve, transfer supplies could help support SWP supplies for 2023.

Staff proposes that Metropolitan enter into an agreement, similar to previous years, among the potential buyers and SWC for 2022 water transfers. SWC staff coordinate and administer these purchases, including collecting and disbursing money between the buyers and sellers. Under the proposed agreement, Metropolitan and the other buyers must provide SWC a \$5 per acre-foot initial administrative deposit to cover SWC's and sellers' administrative costs, including potential litigation costs. Depending on the extent and complexity of potential litigation, payments in addition to the administrative deposit could be necessary.

The initial deposit will also help determine which members are interested in pursuing transfer supplies through the SWC in 2022. Metropolitan's administrative deposit would be \$500,000 based on a potential purchase of 100,000 acre-feet of transfer supplies. However, the actual volume of transfer purchases may be higher or lower based on water supply conditions, participation levels, and prices. Metropolitan will receive a refund of any unused administrative deposit based on the actual administrative costs and Metropolitan's share of transfer supplies purchased through this agreement. In all prior years, Metropolitan received a partial refund.

The proposed transfers would provide additional resource options to mitigate potential dry-year conditions in 2022, consistent with Metropolitan's Water Surplus and Drought Management Plan. Staff will return to the

Board later this spring to recommend the purchase of transfer supplies negotiated through the SWC buyers group and any related agreements necessary to complete the transfers.

Policy

Metropolitan Water District Administrative Code Section 4203: Water Transfer

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves an agreement with State Water Contractors to pursue water transfer supplies for 2022 associated with the operation of existing public water conveyance facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment. Accordingly, this proposed action qualifies for a Class 1, Categorical Exemption (Section 15301 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

- a. Authorize the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2022 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and
- b. Authorize making a \$5 per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not-to-exceed \$500,000.

Fiscal Impact: The fiscal impact of this action is up to \$500,000 to pay actual costs incurred and would be subject to a partial refund. Funds for this action will come from the existing Water Supply Program FY 2021/22 budget. If Metropolitan does not participate, most of the deposited funds would be returned.

Business Analysis: Approval will improve dry-year reliability consistent with implementing the Water Surplus and Drought Management Plan.

Option #2

Do not authorize entering into an agreement with the State Water Contractors, Inc.

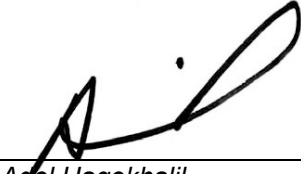
Fiscal Impact: None

Business Analysis: No action could result in a lost opportunity to secure water transfer supplies or require Metropolitan to secure transfer supplies independent of the State Water Contractors, Inc.

Staff Recommendation

Option #1


 _____ 2/2/2022
 Brad Coffey Date
 Manager, Water Resource Management


 _____ 2/3/2022
 Adel Hagekhalil Date
 General Manager



Agreement with State Water Contractors to Pursue 2022 Sacramento Valley Water Transfers

Water Planning and Stewardship Committee

Item 7-8

February 7, 2022

SWC Buyers Group

- Water transfer coordinated through State Water Contractors
- Improves negotiation strength
- Proven performance

Year	Metropolitan's SWC Buyers Group Purchases
2008	26,600 AF
2010	88,100 AF
2015	12,358 AF
2021	5,586 AF

2021 SWC Buyers Group Highlights

- \$5/AF administrative deposit
 - Secures participation
 - Unused funds refunded based on actual costs
 - Helps maximize transfer supply allocation
- Transfer supplies
 - Allocated based on the lesser of proportional Table A amounts or administrative deposit amount
 - 100,000 AF administrative deposit maximizes ability

Metropolitan's Decision to Purchase Water

Based on many factors

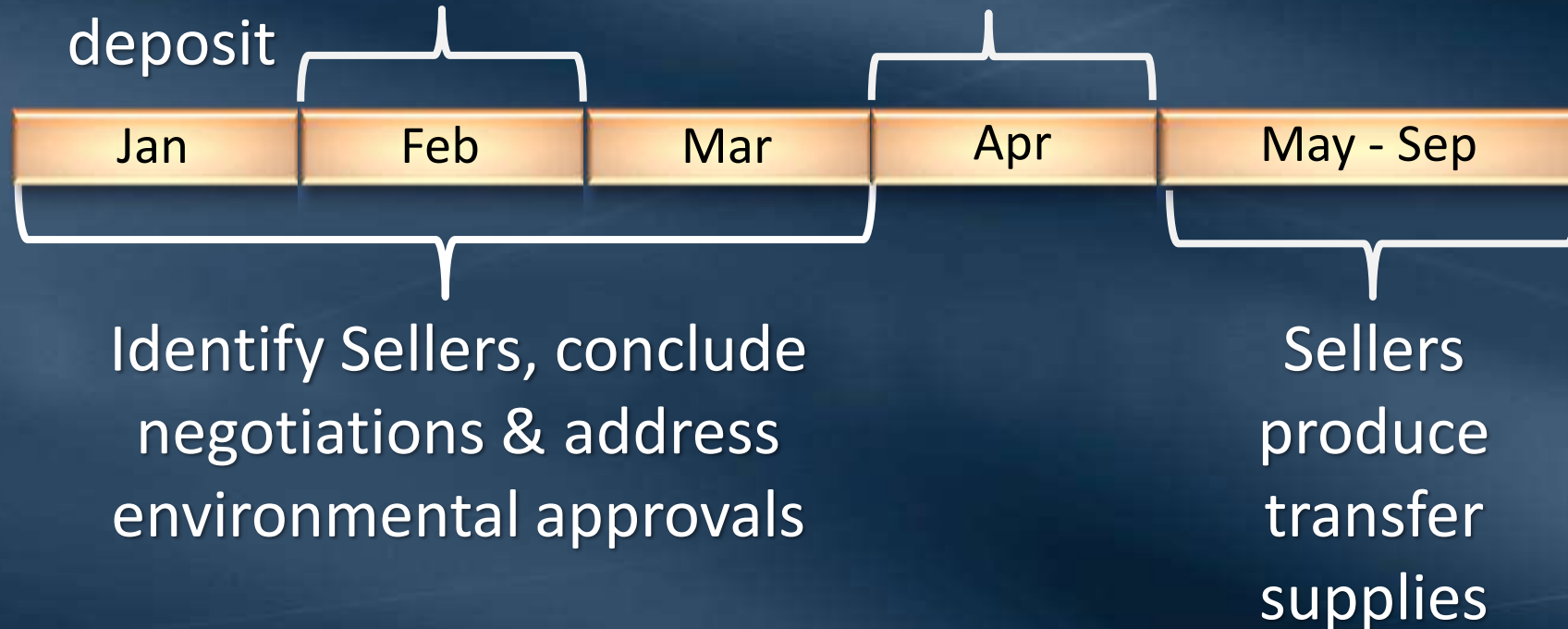
- Seller participation
- Water supply conditions
- SWP dependent area demand
- Ability to move supplies through Delta
- Prices / budget

Tentative Schedule

Seek Board authority to:

- Execute agreement with SWC
- Pay \$5/AF admin deposit

- Obtain additional Board authority for transfer
- Execute agreement with Sellers & DWR
- Purchase Transfers



2022 North of Delta Water Transfers



Summary

- Seek approval to participate in 2022 SWC Buyers Group
- Authorize payment not to exceed \$500,000
- Administrative deposit for up to 100,000 AF
- Unused funds returned
- Return to Board in March or April with transfer purchase recommendation

Board Options

- Option #1
 - Authorize the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2022 Sacramento Valley water transfer supplies, in a form approved by the General Counsel
 - Authorize making a \$5 per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not-to-exceed \$500,000

Board Options

- Option #2
 - Do not authorize entering into an agreement with the State Water Contractors, Inc.

Recommendation

- Option #1





● **Board of Directors**
Water Planning and Stewardship Committee

2/8/2022 Board Meeting

7-9

Subject

Authorize General Manager to enter into a reverse-cyclic agreement with participating agencies to preserve the availability of State Water Project supplies to Metropolitan; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan proposes a Reverse-Cyclic Program to preserve water for use in the portions of the service area where Metropolitan relies more on the State Water Project (SWP) to meet demands. The SWP allocation is currently at 15 percent and Metropolitan's surface storage of SWP supplies remains low. As such, staff recommends adopting a Reverse-Cyclic Program that allows member agencies to defer delivery of water purchased this calendar year (CY) to meet its normal demands without incurring a likely higher water purchase rate in future years, and allows Metropolitan to defer delivery of its SWP supplies to a future year (not to exceed five years) at Metropolitan's discretion, consistent with the terms in **Attachment 1**. This action would: (1) preserve SWP supplies; (2) provide current year revenue; and (3) avoid additional resource and operational costs that would be necessary for Metropolitan to meet demands in SWP-dependent areas without demand deferment. Metropolitan would implement the Reverse-Cyclic Program in CY 2022. Metropolitan would reassess the Program based on operational experience, observed costs, and other lessons learned and return to the Board for approval of any extension of the Program.

Details

Background

Metropolitan's diverse water supply portfolio increased regional storage reserves in recent years. These reserves help buffer the region from direct impacts caused by the drought. Metropolitan benefits from storage programs within the SWP system and Central Valley and is strategically preserving storage for later use in areas where it can only deliver SWP supplies. Such actions include shifting from using SWP supplies to Colorado River supplies where possible and expanding deliveries of water stored in Diamond Valley Lake into portions of the service area that would typically only receive SWP supplies. However, the historic two-year drought on the SWP system resulted in the Department of Water Resources having very little operational flexibility to deliver requested supplies. As a result, SWP contractors, including Metropolitan, received reduced initial SWP allocations for 2022.

With consecutive years of very low SWP allocations, Metropolitan withdrew a significant amount of its SWP related storage reserves. Metropolitan is strategically working with the member agencies to reduce SWP deliveries during these drought years. These reduced deliveries help preserve SWP supplies and avoid additional resource and operational costs that would be necessary without demand deferment.

Proposed Reverse-Cyclic Program

Staff recommends that the Board approve a Reverse-Cyclic Program (Program) to defer deliveries and authorize the General Manager to enter into agreements with the member agencies. These agreements allow member agencies to purchase water in CY 2022 for delivery in a future wet year per the terms described in **Attachment 1**. Staff would evaluate the supply and demand conditions through the Water Surplus and Demand Management (WSDM) process. If Metropolitan needs to manage additional SWP supplies after other dry-year actions are

potentially exhausted, the General Manager would initiate deferrals under the Reverse-Cyclic Program. Metropolitan proposes offering the Program under the following conditions:

- The General Manager determined that the supply conditions warrant deferring use of SWP supplies due to the risk of shortage of SWP supplies.
- The member agency's purchase does not exceed its annual purchase for any year in the past five years at the same service connection or connections as the potential deferred delivery.
- The member agency agrees to defer Metropolitan deliveries of water purchased to allow Metropolitan to preserve its SWP supplies. Metropolitan will deliver water to the member agency no later than five full calendar years from the date of purchase.
- Metropolitan will certify that the purchase reduces SWP deliveries.
- Metropolitan will include member agency purchases under the Program as allocated supply under a Metropolitan Water Allocation Plan implementation or any other allocation or shortage program that may be implemented.

Metropolitan will consider member agency purchases under the Program to be part of the member agency's Revised Base Firm Demand for the year of the purchase. Additionally, Metropolitan would not apply any losses to the pre-purchased water.

Initiating Pre-Sales, Deferred Deliveries, and Reporting

Metropolitan regularly reports to the Board on developing supply and demand conditions through WSDM Plan reports. Staff provides these monthly reports through the winter and spring and keeps the Board apprised of developing conditions, including the potential use of storage assets and the likelihood of storing or withdrawing supplies. Implementation of the Program would be incorporated into this regular reporting. Under the Program, Metropolitan will bill the member agency the full-service water rate plus the treatment charge, if applicable, at the time of the purchase. Under the Program, billing occurs before delivery is made, modifying the timing of billing under Section 4507 of the Metropolitan Administrative Code; all other aspects of Section 4507 continue to apply. Metropolitan will include purchases made under this Program to determine the member agency's Readiness-to-Serve Charge at the time of sale. Metropolitan will then deliver the water within five years at its sole discretion. Metropolitan will not count deliveries under the Program towards the member agency's capacity charge because the future water delivery is at Metropolitan's discretion.

Summary

The proposed Reverse-Cyclic Program helps Metropolitan shift deliveries of SWP supplies available in dry years and avoids additional resource and operational costs that would be necessary without demand deferral. Deferring use of its SWP supplies will allow Metropolitan to improve availability of storage reserves. Metropolitan would bill member agencies the 2022 full-service rate and applicable treatment charge. In doing so, the member agency avoids paying the projected higher service rate that would be in place when Metropolitan makes the deferred delivery. With this delegation of authority to the General Manager, Metropolitan would have additional operational flexibility to save the limited SWP storage for future drought years.

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action of entering into agreements 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) and 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 CEQA Guidelines). The deferred delivery of water is exempt from CEQA as it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use (Section 15301 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to enter into reverse-cyclic agreements with participating agencies to preserve the availability of SWP supplies to Metropolitan consistent with the terms in **Attachment 1**.

Fiscal Impact: None. Difference of water rate increase between the time of purchase and the time of delivery, which is anticipated to be offset with savings to Metropolitan from having to acquire water during drought years.

Business Analysis: Metropolitan would improve regional reliability by shifting demands from years with low SWP allocation to higher allocation years. Reduced delivery of supplies results in cost savings as the SWP variable rate is estimated to be at a historic high in 2021.

Option #2

Do not authorize the General Manager to enter into reverse-cyclic agreements with participating agencies to preserve the availability of SWP supplies to Metropolitan.

Fiscal Impact: Potential loss of a full-service water sale and an increase in costs to acquire additional water for the region during drought years.

Business Analysis: Not implementing the reverse-cyclic agreements could decrease the SWP supplies available to the region, reduce estimated revenues from full-service sales, and potentially increase costs necessary to meet demands.

Staff Recommendation

Option # 1



Brad Coffey
Manager, Water Resource Management

2/3/2022
Date



Adel Hagekhalil
General Manager

2/3/2022
Date

Attachment 1 – Term Sheet Reverse-Cyclic Program

Ref# wrm12686498

Term Sheet

Reverse Cyclic Program

Program Purpose

To preserve Metropolitan Water District of Southern California's (Metropolitan) State Water Project (SWP) supplies during low SWP allocation years through deferment of Metropolitan deliveries to a future wet year.

Program Criteria

- Member Agency and Metropolitan will enter into a reverse-cyclic program agreement effective January 1, 2022 and December 31, 2022 to allow for delivery deferments of water purchased by member agencies in 2022, as provided under the Program.
- Program transactions will be implemented by Metropolitan's General Manager when a Water Supply and Drought Management (WSDM) recommendation is made or the General Manager determines that it is needed.
- Metropolitan will request that the Member Agency agree to deferment of Metropolitan deliveries of a portion of normal demands to the Member Agency to allow Metropolitan to preserve its SWP supplies.
- Member Agency will purchase the water deferred at the time of the deferment in 2022.
- When SWP allocation is higher than 40%, or when Metropolitan determines water is available, Metropolitan will deliver to the Member Agency an amount equivalent to the Metropolitan-requested deferment under the Program.
 - Metropolitan, at its sole discretion, shall determine when the water shall be returned.
 - Metropolitan will deliver water to the Member Agency no later than five full calendar years from the purchase.
 - Metropolitan will make best efforts to prioritize deliveries to the Member Agency if there is a critical need, for example, the groundwater storage basin reaches low levels where wells are not operable or the basin reaches emergency storage levels.
- The reverse-cyclic purchase shall not exceed a Member Agency's annual purchase from Metropolitan for any year in the past five years at the same service connections as the deferral.
- Metropolitan will certify that the purchase reduces its deliveries of SWP supplies.
- Member Agency purchases under the reverse-cyclic program will be considered to be part of the Member Agency's Revised Base Firm Demand for the year in which the purchases are made.

- Member Agency purchases under the reverse-cyclic program are to be included as allocated supply under a Metropolitan Water Allocation Plan implementation, or under any other allocation or shortage program that may be implemented.
- There shall be no losses associated with Metropolitan's delivery of purchased water.

Program Costs

- Metropolitan will bill the member agency at the full service water rate for 2022, plus the treatment charge if applicable, at the time of the purchase.
- Purchases made under this program are to be included in the determination of the Member Agency's Readiness-to-Serve Charge at the time of purchase.
- The deliveries will not be counted towards the determination of the Member Agency's capacity charge because the deferred delivery of water will be made at Metropolitan's discretion.



Authorize Reverse-Cyclic Agreement to Preserve the Availability of State Water Project Supplies

Water Planning and Stewardship Committee

Item 7-9

February 7, 2022

Background

- Regional reliability
 - Integrated system and robust WSDM portfolio
- Ongoing need to preserve SWP supplies in years with low SWP allocations
 - Reduced withdrawals from surface storage on SWP system
 - Operational shifts of demands from SWP to Colorado River supplies
- Establish mechanism to minimize financial barriers that result from actions taken by a member agency
- Actions taken at Metropolitan's request
 - Above normal member agency operations

Reverse-Cyclic Program

- Allow member agencies to purchase supplies for deferred delivery in future years at Metropolitan's discretion
 - Program offered between January 1, 2022 and December 31, 2022
 - Avoids additional resource and operational costs necessary without demand deferment
- Metropolitan will deliver water to the member agency no later than 5 full calendar years from the date of purchase
 - No losses will be associated with deliveries



Reverse-Cyclic Program Purchases

- Purchases will be limited to the following:
 - Calendar Year 2022
 - A portion of normal demands
 - May not exceed max annual purchase in the past 5 years at the same service connections as the deferral
 - Metropolitan will certify that the purchase reduces its deliveries of SWP supplies
- Purchases will be included as allocated supply under a Metropolitan Water Allocation Plan implementation, or under any other allocation or shortage program that may be implemented



Financial Terms

- Metropolitan will bill the member agency at the time of purchase
 - Full-service water rate
 - Treatment charge, if applicable
- Metropolitan will schedule deliveries at its discretion
 - Capacity charge not affected
- Purchases will be included in the determination of the member agency's Readiness-to-Serve Charge at the time of purchase
- Purchases will be considered part of the member agency's Revised Base Firm Demand for the year in which the purchases are made

Need to Initiate Program This Year

- Supply/Demand gap projected to be 468 TAF prior to storage actions
- Metropolitan is taking WSDM dry-year actions to satisfy the supply/demand gap including:
 - Storage withdrawals
 - Purchase transfer supplies
 - Operational actions to minimize use of limited SWP supply
- Need exists for Metropolitan to shift operations to reduce use of limited SWP supply

Program Implementation

Deferral



Low SWP allocation



WSDM Recommendation

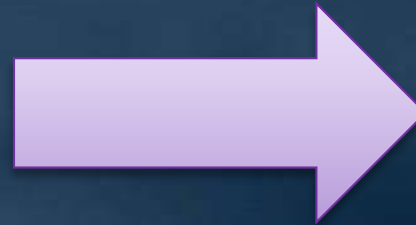


Pre-purchase and Deferral

Delivery



SWP allocation above 40% *

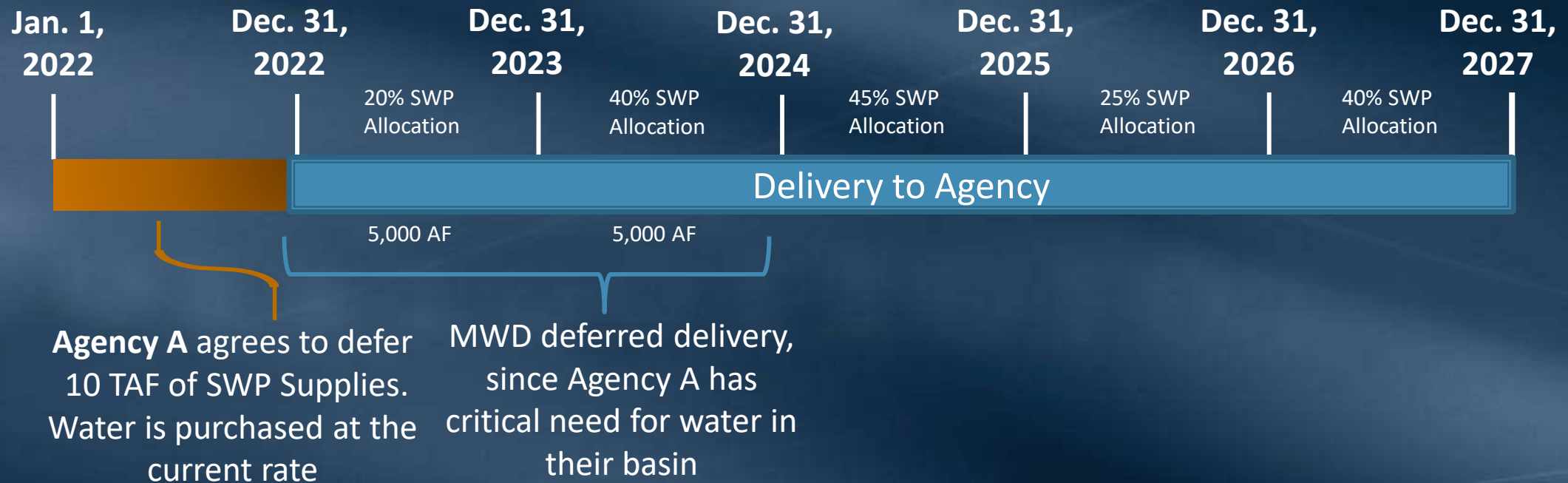


Delivery of SWP supplies within five years

Proposed Reverse-Cyclic Program Example

2022 Full-service untreated rate: \$799/AF

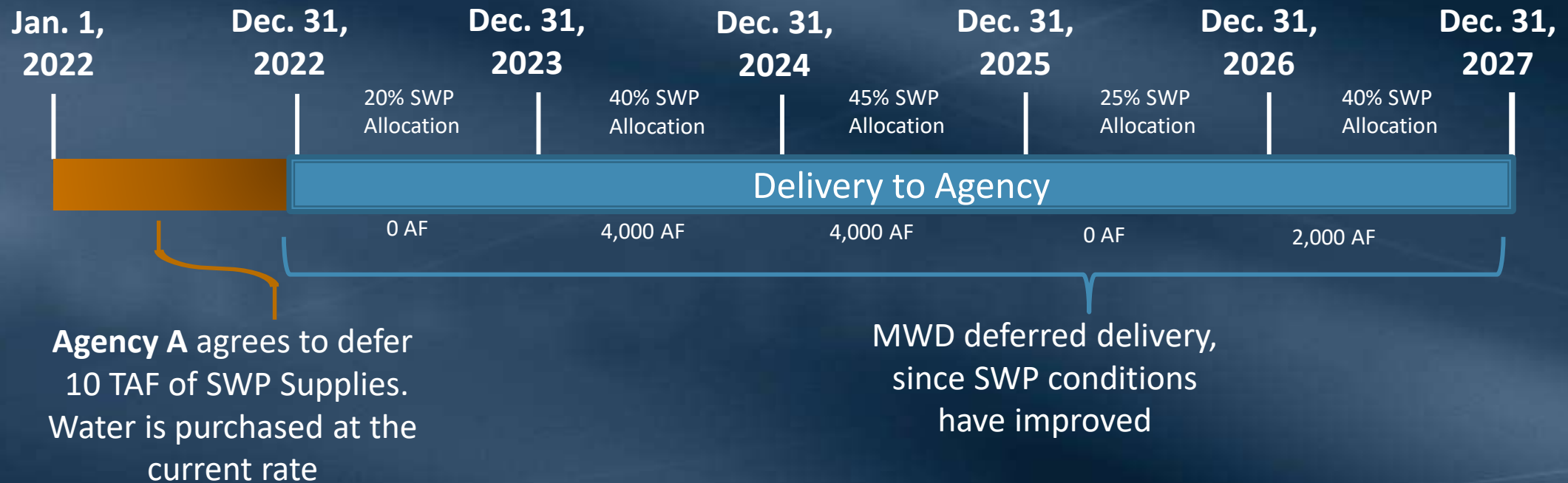
Payment to Metropolitan in 2022 = \$799/AF x 10 TAF = \$7.99 M



Proposed Reverse-Cyclic Program Example

2022 Full-service untreated rate: \$799/AF

Payment to Metropolitan in 2022 = \$799/AF x 10 TAF = \$7.99 M



Summary of Benefits

- Defers delivery of SWP supplies to enhance reliability in years of low SWP allocation
- Increases Metropolitan's flexibility in responding to prolonged dry years
- Avoids additional resource and operational costs that would be necessary without demand deferment
- Metropolitan would defer deliveries to when supplies are higher
- Member agency benefits by avoiding the higher service rate that would be in place at the time the deferred delivery is made

Board Options

- Option #1
 - Authorize the General Manager to enter into reverse cyclic agreements with participating agencies to preserve the availability of SWP supplies to Metropolitan consistent with the terms in Attachment 1
- Option #2
 - Do not authorize the General Manager to enter into reverse cyclic agreements with participating agencies to preserve the availability of SWP supplies to Metropolitan

Staff Recommendations

- Option #1





● **Water Surplus and Drought Management Update** *Conditions as of 1/24/2022*

Summary

This report accounts for water supply, demand, and storage conditions for calendar year (CY) 2022 as of January 24, 2022. In addition, this report tracks the hydrologic conditions for water year (WY) 2021-2022.

December storms brought much needed precipitation to the northern Sierra. This allowed the Department of Water Resources (DWR) to increase the State Water Project (SWP) allocation to 15 percent of Table A on January 20, 2022. DWR will continue to work with its water supply contractors to address any unmet Human Health and Safety (HH&S) needs for 2022. Given the improved water supply conditions, Metropolitan is no longer anticipating the need to take delivery of HH&S water or to impose additional conservation measures for the SWP Dependent Area at this time. Metropolitan will continue to track water supply conditions and demands to determine if additional conservation measures are needed.

Metropolitan's projected supply/demand gap estimate for calendar year 2022 is currently 468 thousand acre-feet based on a demand estimate of 1.76 million acre-feet, the 15 percent SWP Table A allocation, and the Colorado River Aqueduct (CRA) supply estimate of 1.0 million acre-feet. Metropolitan has sufficient WSDM actions available to satisfy the identified supply/demand gap for 2022. Metropolitan will continue with its extraordinary drought operations and to develop new supplies through partnerships with member agencies and others. These actions will help preserve SWP supplies and reduce use of storage supplies this year to better position Metropolitan for a potential dry 2023.

Despite recent improvements with the SWP allocation, more precipitation is needed in both imported water supply watersheds to reach normal water year hydrologic condition levels. The northern Sierra and the Upper Colorado River Basin snowpack are 61 and 66 percent of their respective April 1st normal. In addition, the statewide drought emergency declared by Governor Newsom in October remains in effect. The SWP Dependent Area also remains in the drought emergency declared by Metropolitan's board in November of 2021, while the entire service area remains in a Water Supply Alert condition level. As such, Metropolitan continues to call for consumers and businesses to voluntarily reduce their water use and help preserve the region's limited SWP supplies and storage reserves. Continued water-use efficiency is vital to satisfying demands this year and to preserving water in storage for next year should dry conditions persist.

Purpose

Informational

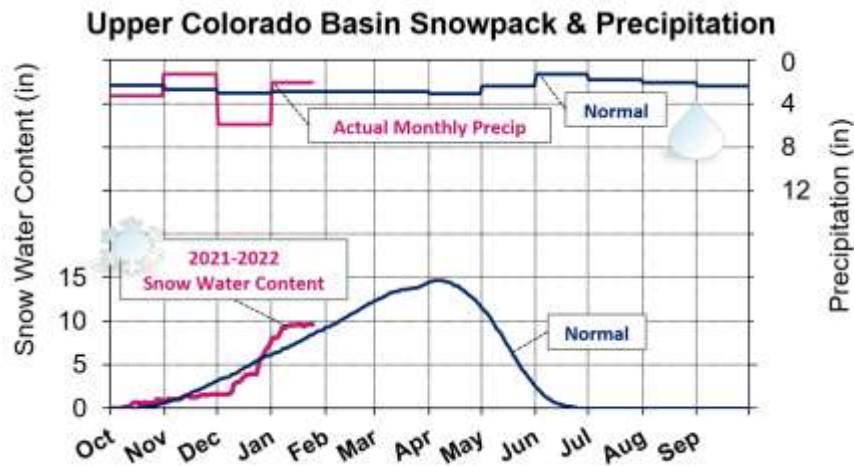
Attachments

Attachment 1: Projected 2022 WSDM Storage Detail (15 percent SWP Table A allocation)

Attachment 2: Agreements to Exchange or Return Stored Water and Cyclic Program Balances

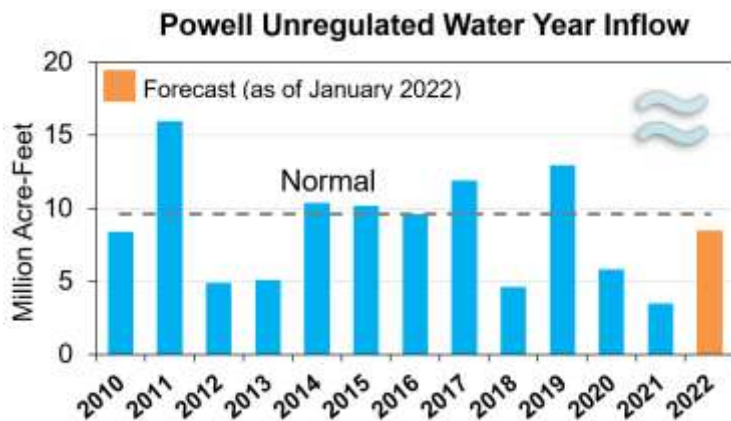
Detailed Report

This Water Surplus and Drought Management (WSDM) report updates water supply and demand conditions for CY 2022 and developing hydrologic conditions for WY 2021-2022.

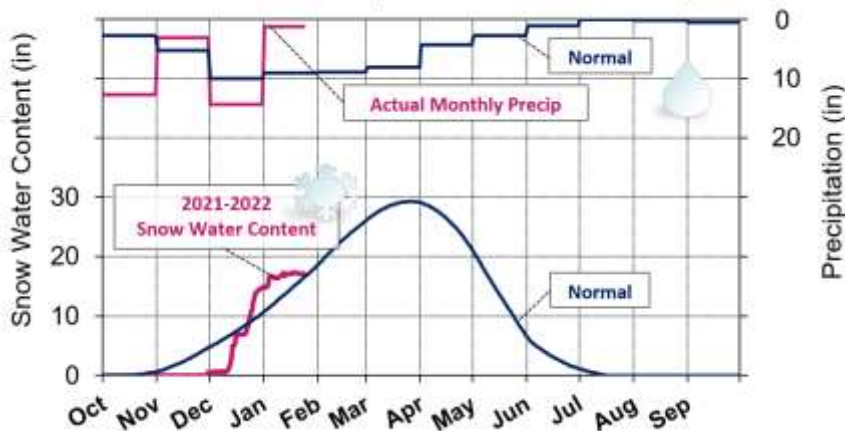


Upper Colorado River Basin

- * Above normal snowpack water content to date (9.6 inches).
- ◆ Above normal precipitation to date (12.6 inches).
- ≈ Runoff into Lake Powell for WY 2022 is forecasted at 89% of normal.

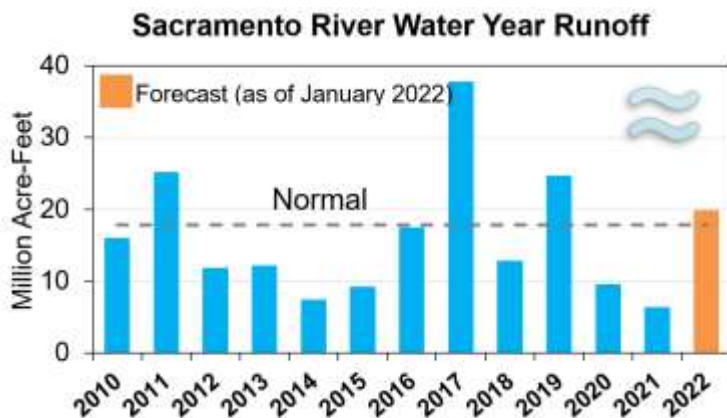


Northern Sierra Snowpack & 8 Station Precipitation



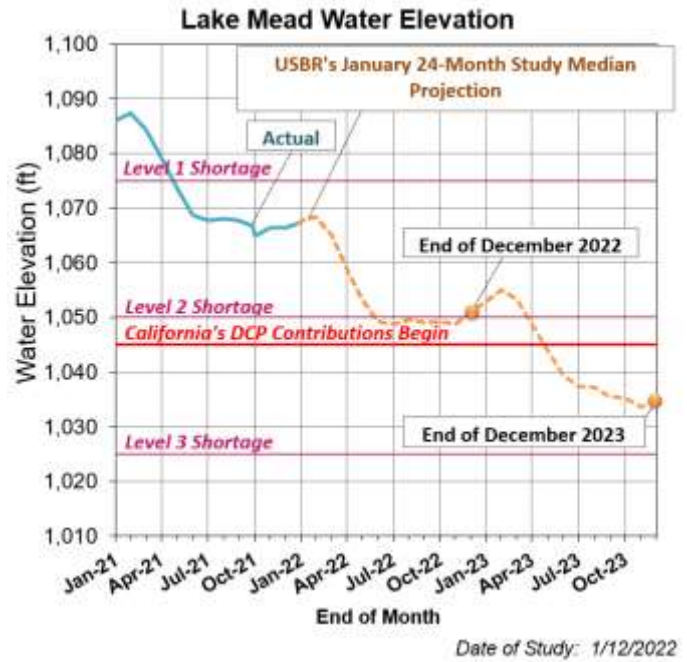
Sacramento River Basin

- * Normal snowpack water content to date (17.1 inches).
- ◆ Above normal precipitation at the 8 Station to date despite the unusually dry January.
- ≈ Runoff into the Sacramento River for WY 2022 is forecasted at 113% of normal.



CRA Supplies	Acre-Feet
Basic Apportionment	550,000
IID/ MWD Conservation Program	105,000
PVID Fallowing Program	25,000
Exchange w/ SDCWA (IID/Canal Lining)	280,000
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
Quechan Seasonal Fallowing Program	3,000
Higher Priority Water Use Adjustment ¹	0
Total CRA Supplies	1,000,000

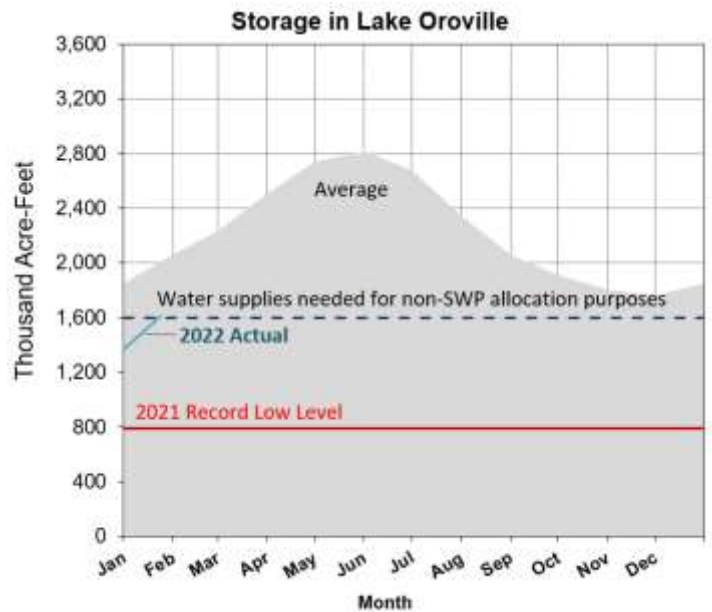
¹ Final adjustment could vary by more than 100 TAF.



- Lake Mead storage is currently at 8.98 MAF (elevation 1067.2 feet).
- The Lower Basin is at a Level 1 shortage in CY 2022. Supplies to Metropolitan will not be curtailed and Metropolitan will have full access to its Intentionally Created Surplus (ICS) in CY 2022.

SWP Supplies	Acre-Feet
Table A (15% SWP allocation)	287,000
Article 21	0
Port Hueneme ¹	0
SWC Buyers Group Transfers	0
Yuba Accord Dry-Year Purchase Program	0
Total SWP Supplies	287,000
Total Supplies (CRA + SWP)	1,287,000
(Prior to storage actions)	

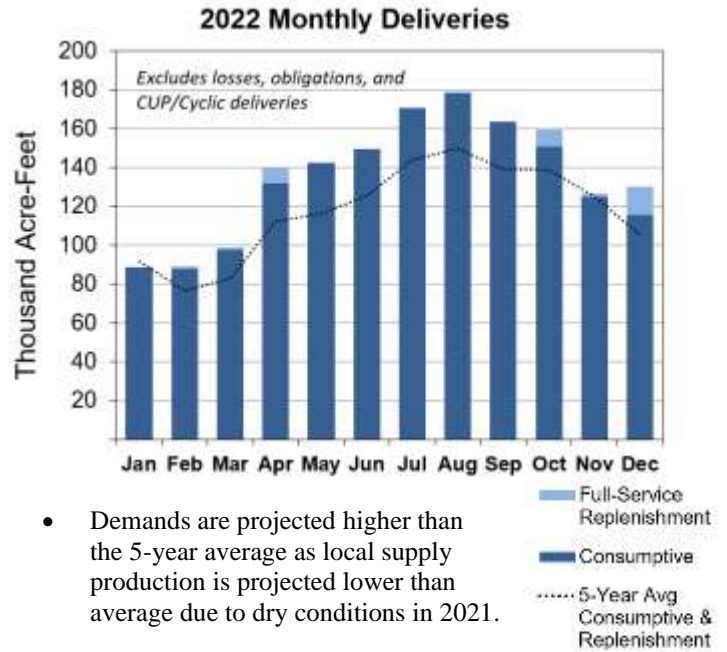
¹ Rounded to the nearest thousand. Supply is 277.5 AF.



- The 2022 Table A allocation is 15 percent. Increases to the allocation are possible should hydrologic conditions in northern California improve. The final allocation is typically determined in May or June.
- Storage in Lake Oroville is currently at 1.61 MAF (45 percent of total capacity) or 80 percent of historical average as of the date of this report.

Current Demand	Acre-Feet
Member Agency Consumptive ¹	1,602,000
Member Agency Replenishment	37,000
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	1,755,000

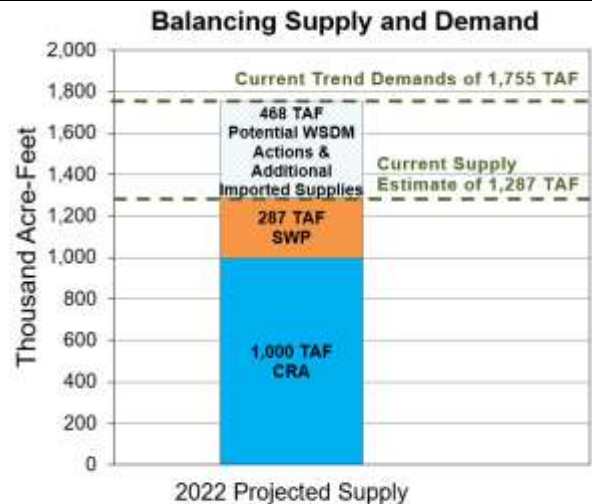
¹ Includes exchange w/ SDCWA (IID/Canal Lining) and CUP sales.



- Demands are projected higher than the 5-year average as local supply production is projected lower than average due to dry conditions in 2021.

MANAGING SUPPLIES AND DEMANDS

Supply/Demand Balance	Acre-Feet
Total Supplies	1,287,000
Total Demands	1,755,000
Current Balance Estimate	-468,000



Dry-Year WSDM Strategies/Actions

The following WSDM actions are being pursued or are underway to satisfy the estimated supply/demand gap in 2022, enhance Metropolitan’s capability of delivering supplies to the SWP Dependent Areas, and reduce storage withdrawals in 2022.

- Withdrawing water from dry-year storage reserves.
- Coordinating with member agencies to identify new drought actions targeted at Metropolitan’s SWP Dependent Areas.
- Executed an agreement with DWR to allow for water withdrawals from Perris Flex storage from Castaic Lake.
- Increased exchange amounts with Arvin-Edison for Metropolitan to receive Friant surface water supplies.
- Maximizing the use of Colorado River or stored supplies by using the Greg Avenue pump station and drafting water from Diamond Valley Lake to serve the Lakeview Pipeline and the Mills Plant.
- Advancing infrastructure improvements to reduce the impact of the current drought and provide future system flexibility.
- Working with member agencies to switch from service connections providing SWP supplies to alternate connections that use Colorado River supplies, both within and outside of the Operational Shift Cost-Offset Program.
- Partnering with the San Diego County Water Authority to purchase their groundwater stored in the Semitropic Water Bank and lease their pumping capacity to provide Metropolitan the ability to withdraw more of its groundwater stored in the bank.
- Partnering with non-member agencies such as the San Bernardino Valley Municipal Water District, a SWP Contractor, for exchange opportunities.
- Utilizing the Coordinated Operating Agreement with Municipal Water District of Orange County and Irvine Ranch Water District to enhance SWP supplies.
- Seeking board’s approval in February for a Reverse Cyclic Program through which member agencies would purchase supplies this year for deferred delivery in a future year to help preserve SWP storage; and to enter into agreement with the State Water Contractors to pursue transfer supplies.

2022 WSDM Storage Detail

	1/1/2022 Estimated Storage Levels ¹	CY 2022 Take Capacity ²	2022 Total Storage Capacity
WSDM Storage			
Colorado River Aqueduct Delivery System	1,243,000	245,000	1,657,000
Lake Mead ICS	1,243,000	245,000 ³	1,657,000
State Water Project System	636,000	187,000	1,879,000
MWD SWP Carryover ⁴	38,000 ⁵	38,000	350,000
DWCV SWP Carryover ⁴			
MWD Articles 14(b) and 12(e)	0	0	N/A
Castaic Lake (DWR Flex Storage)	0	0	154,000
Lake Perris (DWR Flex Storage)	49,000	49,000 ⁶	65,000
Arvin Edison Storage Program	136,000	19,000 ⁷	350,000
Semitropic Storage Program	218,000	44,000	350,000
Kern Delta Storage Program	149,000	37,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
In-Region Supplies and WSDM Actions	795,000	426,000	1,246,000
Diamond Valley Lake	600,000	343,000	810,000
Lake Mathews and Lake Skinner	179,000	67,000	226,000
Conjunctive Use Programs (CUP) ⁸	16,000	16,000	210,000
Other Programs	640,000	74,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	259,000	74,000	800,000
Total	3,314,000	932,000	5,963,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) ⁹	2,564,000	932,000	5,213,000

¹ Preliminary start of year balances, subject to DWR adjustments and USBR final accounting in May 2022.

² Take capacity assumed under a 15 percent SWP Table A Allocation. Storage program losses included where applicable.

³ Take capacity based on 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 Accounts for the final delta carriage loss of 25 percent for the 2021 transfers instead of DWR's original estimate of 30 percent.

⁶ Available for withdrawal from Castaic Lake in 2022 pursuant to an MWD-DWR agreement.

⁷ Take amounts dependent on exchange capabilities.

⁸ 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.

⁹ 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	240,000 ³
Storage and Interstate Release Agreement with Southern Nevada Water Authority ⁴	330,000
Total (AF)	570,000 ⁵

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 Reduced by 3,000 AF from last month's report to account for evaporation loss.

⁴ Up to 30,000 AF per year beginning no earlier than 2022.

⁵ 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	51,000	147,000	19,000	166,000	91,000	126,000
2020	126,000	2,000	0	2,000	50,000	78,000
2021	78,000	0	0	0	28,000	50,000
2022 ¹	50,000	0	0	0	32,000	18,000

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

February 7, 2022

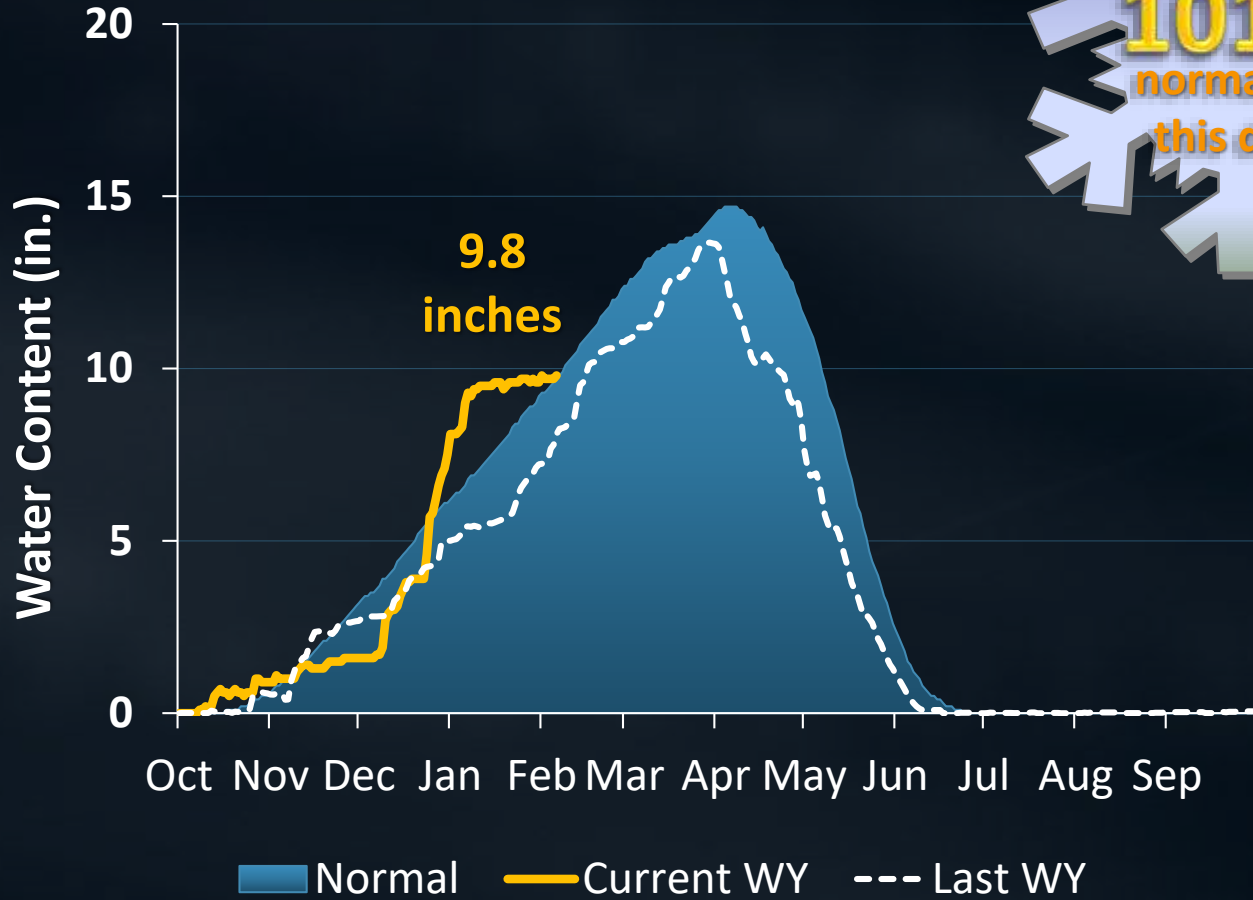
Outline

- Hydrologic Conditions
- State's Actions
- Supply and Demand Balances

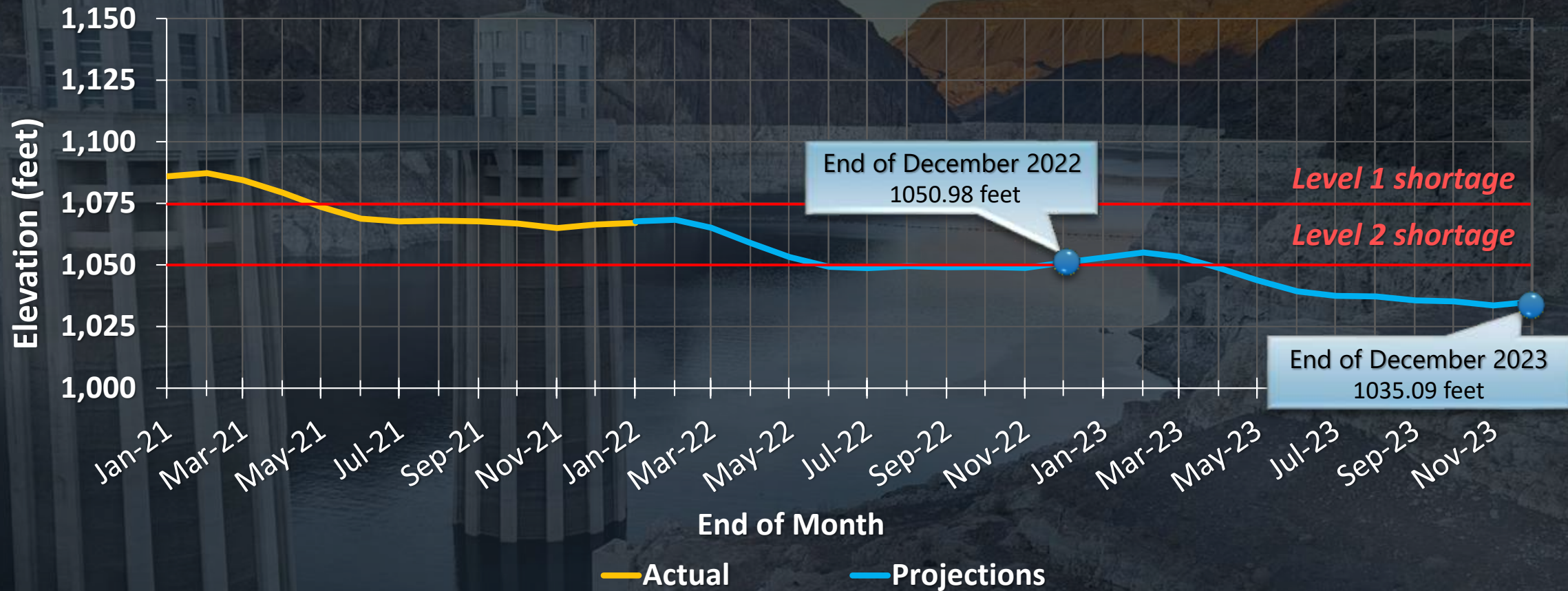
Upper Colorado River Basin snowpack slightly above normal

As of 2/6/2022

101%
normal for
this date



USBR's 24-Month Study continues to project declining Lake Mead elevation

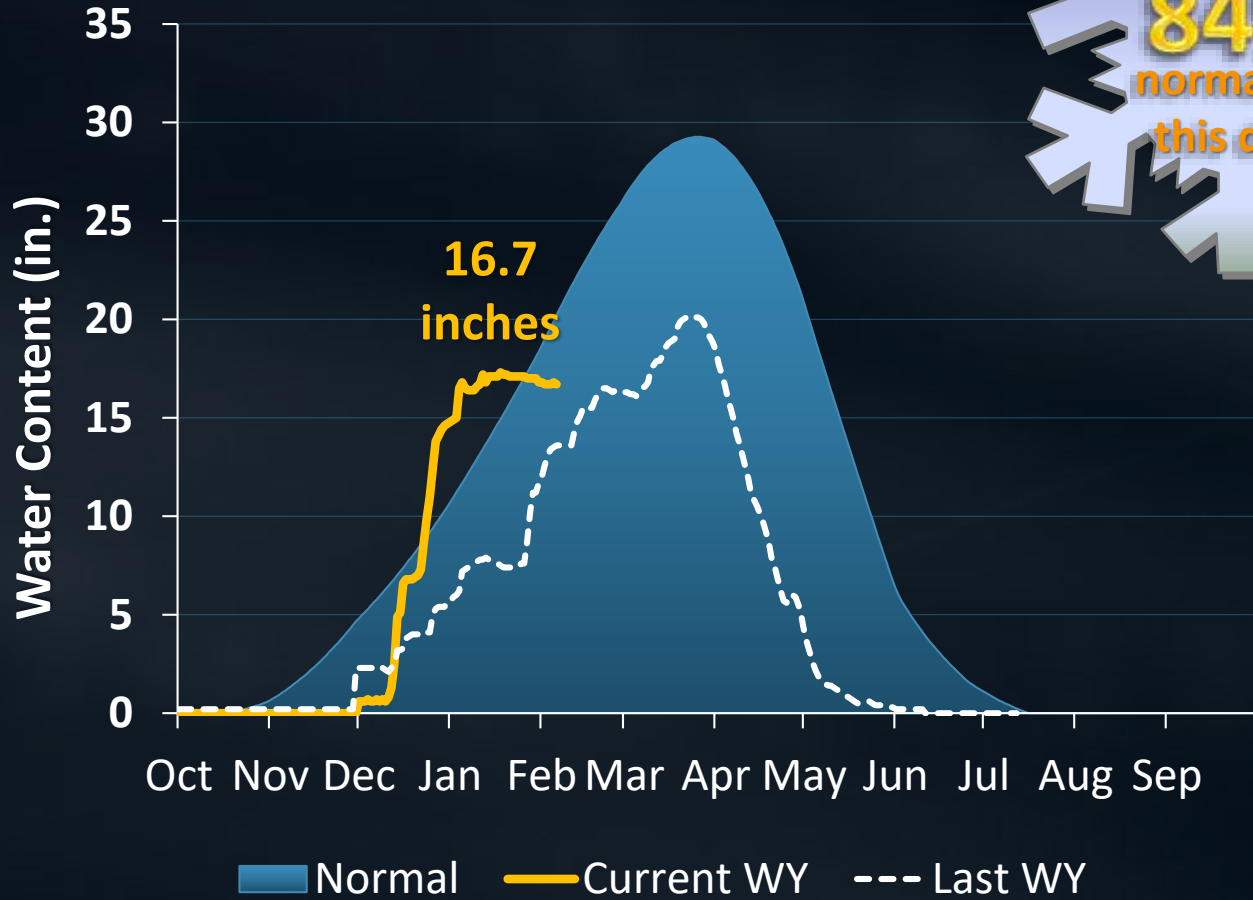


January 24-Month Study

Northern Sierra snowpack below normal

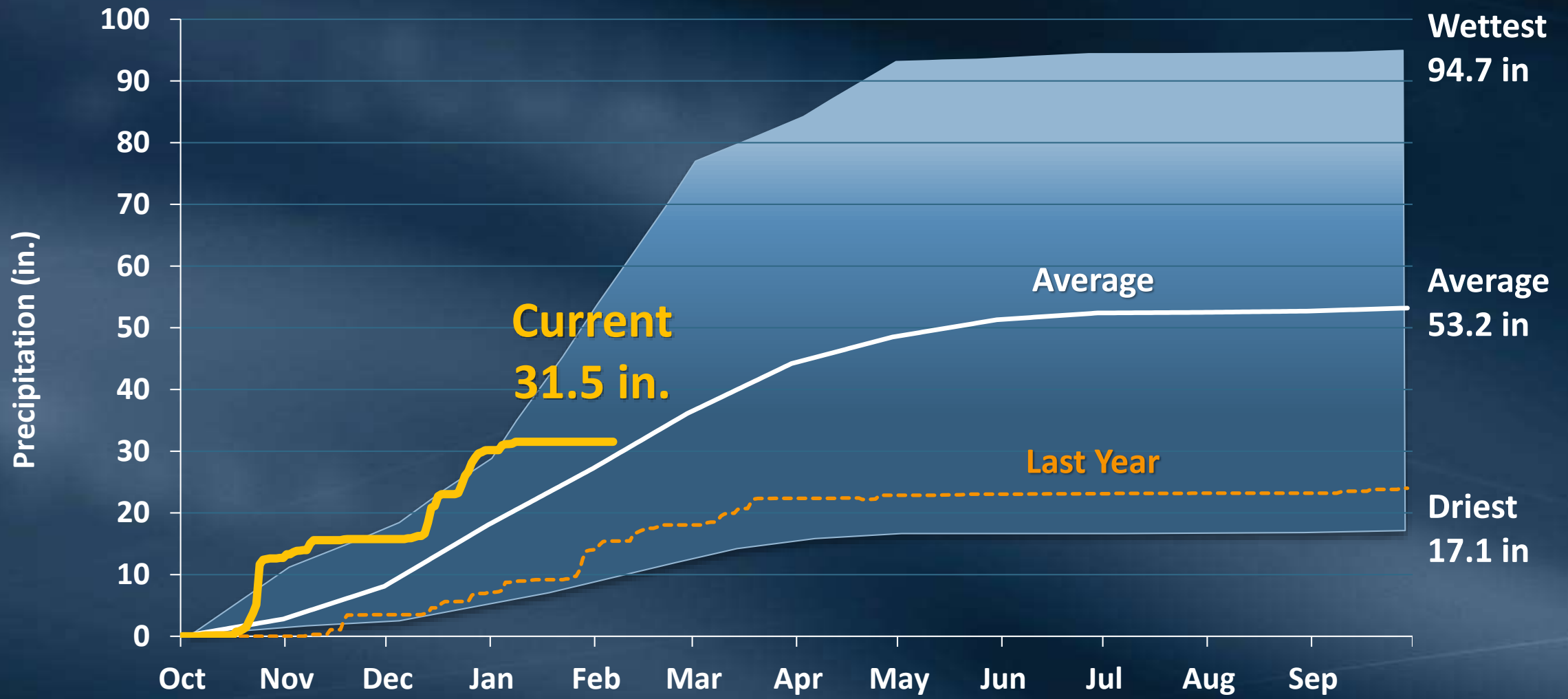
As of 2/6/2022

84%
normal for
this date



January 2022 becomes the 9th driest on record

8-Station Index (as of 2/6/2022)



Petition to relax regulations withdrawn

- DWR and USBR withdrew the application for a Temporary Urgency Change Petition (TUCP) for February 1 through April 2022
 - Petition would have provided flexibility for both projects to release less water into the Delta through April 2022 to conserve limited stored water in key reservoirs
- DWR and USBR continue to evaluate conditions and the potential need for a TUCP later in the year

DWR increases SWP allocation for 2022

- 15 percent of requested Table A supplies for 2022
 - This Table A allocation will reduce, on a 1:1 basis, any unmet human health and safety (HH&S) need volumes that were previously identified
- Table A allocations are updated as snowpack and runoff information are assessed
 - Final allocation typically determined in May or June
- DWR will continue to work with its water supply contractors to address any unmet health and safety needs for 2022

Ban on wasteful water practices in effect in California

- Emergency regulation became effective on January 18
- Emergency regulation requirements include
 - Turn off decorative water fountains
 - Use an automatic shutoff nozzle on your water hose
 - Use a broom, not water, to clean sidewalks and driveways
 - Give trees just what they need (avoid overwatering)
 - Turn off/pause irrigation systems when raining and two days after
- Ban remains in effect for one year, unless the State Board acts to end, modify, or readopt it

Actions still in effect

- Statewide Drought Emergency
- Water Supply Alert for Metropolitan's service area
- Drought Emergency in Metropolitan's service area dependent on state project water

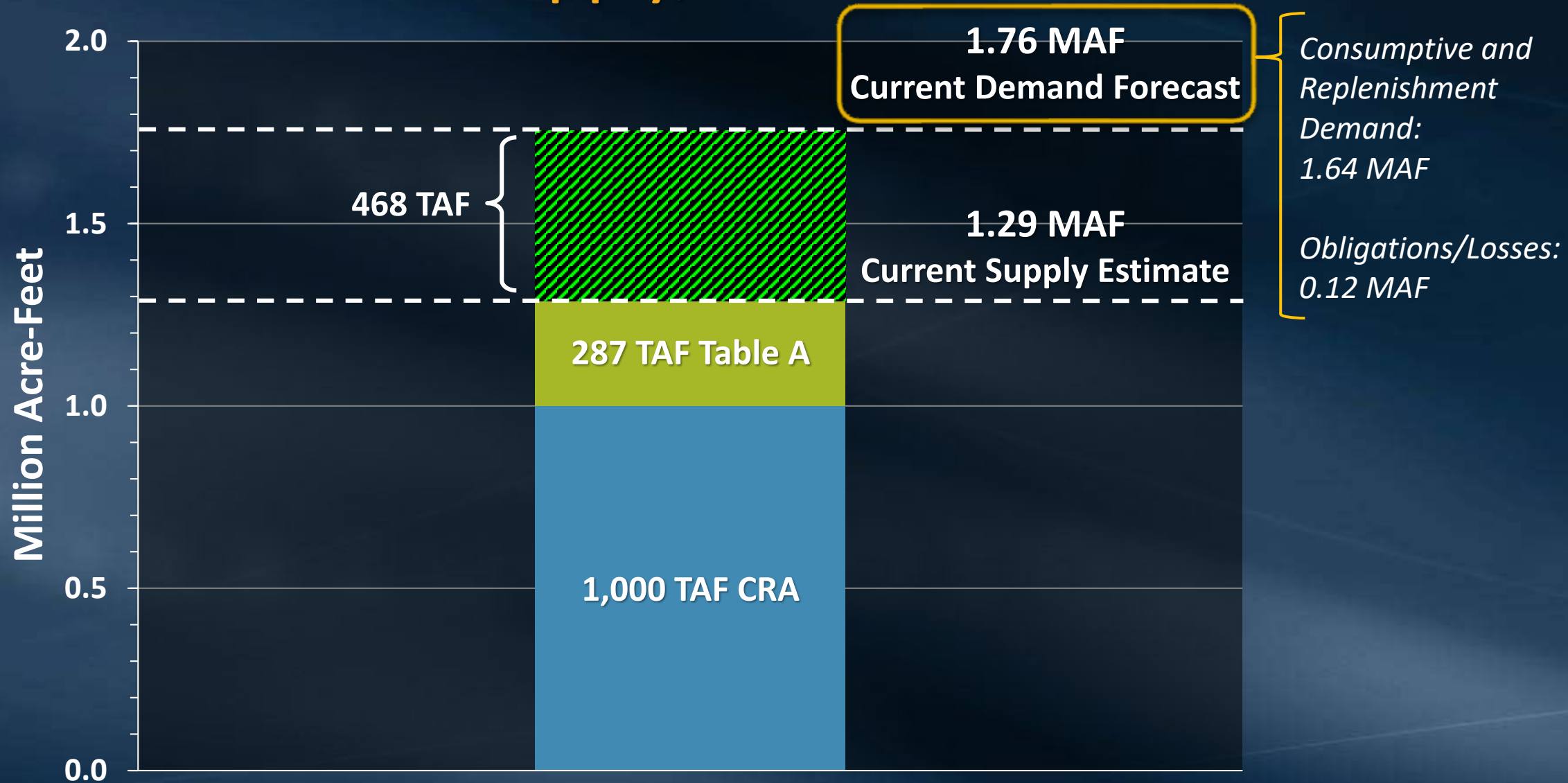


BASELINE Water Use Efficiency	Ongoing conservation, recycling, and outreach to build storage
CONDITION 1 Water Supply Watch	Local agency voluntary dry-year conservation measures and use of regional storage reserves
CONDITION 2 Water Supply Alert	Regional call for conservation through drought ordinances and other measures to mitigate use of storage
CONDITION 3 Water Supply Allocation	Implement Water Supply Allocation Plan: Level: 1 2 3 4 5 6 7 8 9 10

Update on drought actions and messaging

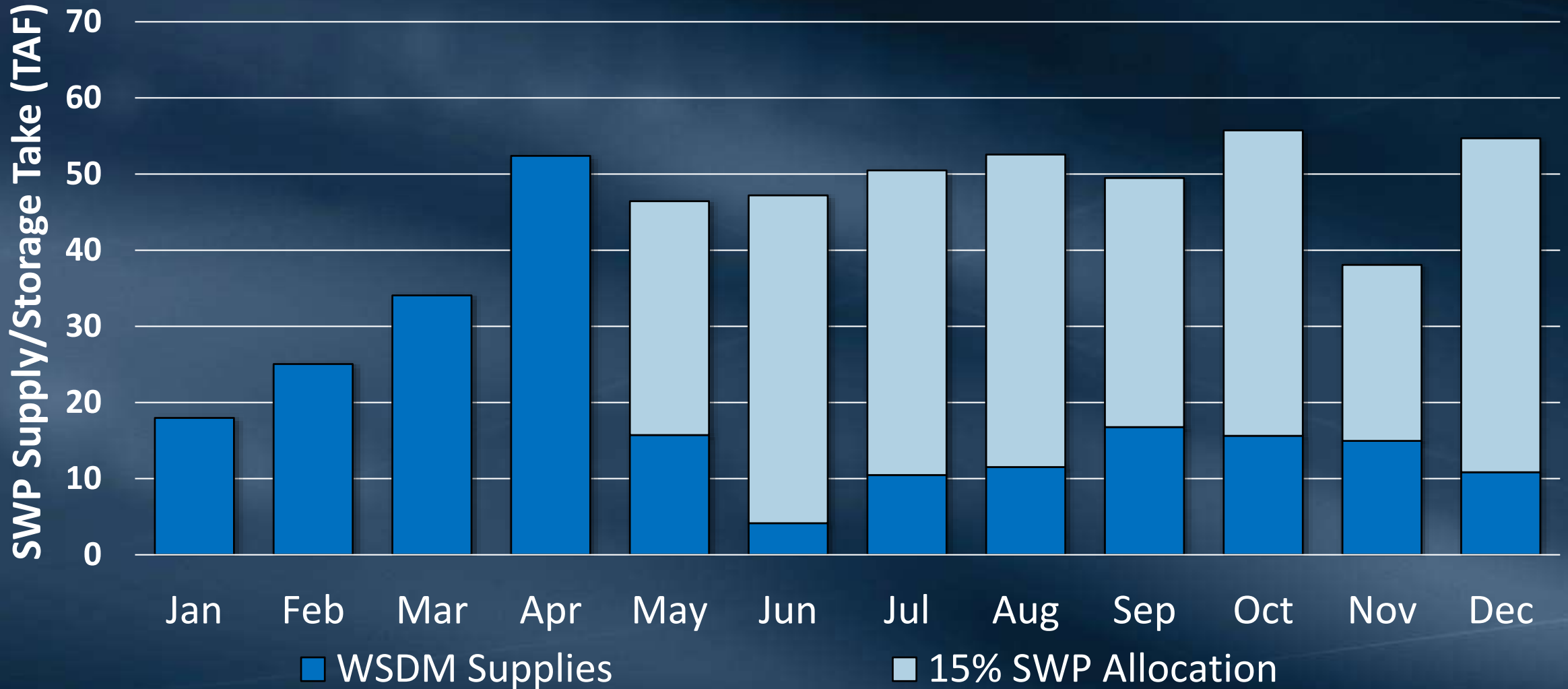
Item	2021	January 2022
Temporary Urgency Change Petition for Feb.-Apr. 2022	Filed	Withdrawn
Table A Allocation	Allocate based on Human Health & Safety needs	15% allocation
SWRCB wasteful water use prohibitions	Proposed	Adopted
State Emergency Drought Proclamation	All CA counties	No change
Metropolitan Declaration of Emergency Conditions	Adopted	No change
Regional Water Supply Alert	Adopted	No change

2022 Service Area Supply/Demand Balance



2022 SWP Dependent Area Monthly Demands

After Drought Actions – With 15% Allocation & Normal Demand

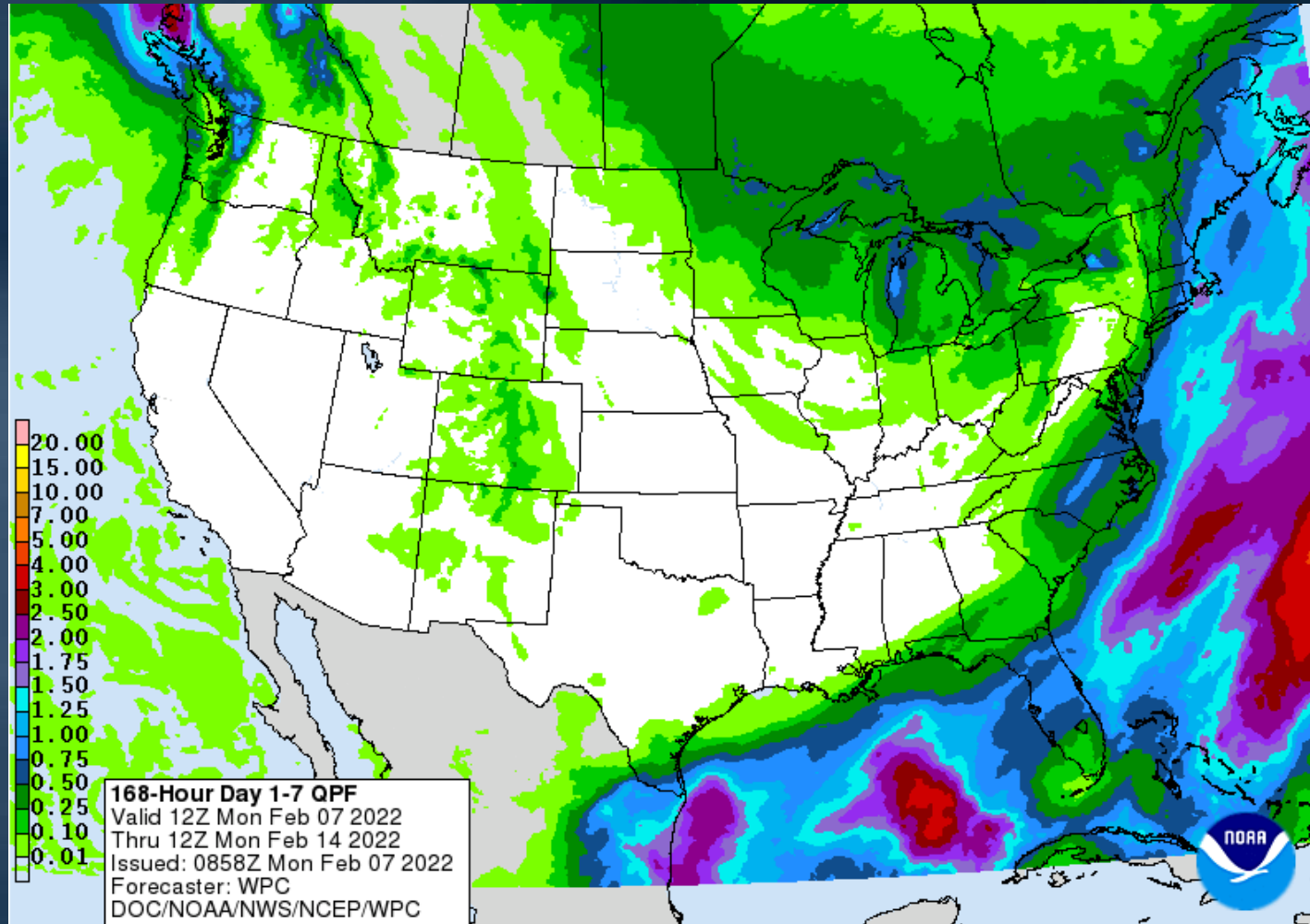


Metropolitan defers actions for mandatory demand reductions





- Not seeking to impose additional conservation measures for the SWP Dependent areas at this time
 - California Water Code Sections 350 and 375
- Track water supply and demand through year and recommend additional actions if needed later in the year

Precipitation forecast for the next 7 days

Feb. 7 – Feb. 14



Actions to address this drought and prepare for the next

Category	Storage 	Exchanges 	Pumping 	Programs 
<i>Description</i>	Groundwater, surface reservoirs	Partnerships and agreements for additional water supply	Reverse flow to deliver other sources of supply	In-region programs with Member Agencies
<i>Examples</i>	<ul style="list-style-type: none"> • AVEK High Desert Water Bank • New surface water reservoir(s) • Expansion of existing storage • Additional Castaic Flex storage 	<ul style="list-style-type: none"> • Semitropic increased take (SDCWA) • SBVMWD water exchanges • Friant/Arvin-Edison water exchange • MWDOC/IRWD agreement 	<ul style="list-style-type: none"> • DVL to Rialto (new interconnections) • Venice/Sepulveda new pump stations • Greg Avenue Pump Station expansion 	<ul style="list-style-type: none"> • More operational shift opportunities • Deferred deliveries (reverse cyclic)

Use of General Manager's delegated authority

- Board delegated authority to General Manager to address the statewide drought emergency (November 2021)
- Actions taken
 - Agreements with Arvin-Edison Water Storage District
 - Payment to increase return of stored supplies by securing additional Friant Surface Water Supplies to exchange with Metropolitan's stored supplies
 - 2011 MWDOC/IRWD Coordinated Operating Agreement
 - Entered into letter agreement allowing use of previously stored State Water Project supplies developed in partnership with other State Water Contractors

Summary

- Emergency regulation in effect to prohibit wasteful water use
- December storms improved water supply conditions
 - DWR and USBR withdrew TUCP for February through April
 - SWP Table A allocation increased to 15 percent
 - Not seeking additional conservation measures to access health-and-safety supplies
- Metropolitan will continue to evaluate water supply conditions should emergency actions are needed later in the year
- Continued water-use efficiency is vital to satisfy demands this year and preserve supply for next year





● 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 January 2022.

Purpose

Informational

Detailed Report

500+ Plan Update

The 500+ Plan is agreement among the U.S. Bureau of Reclamation, Southern Nevada Water Authority, Colorado River Commission of Nevada, Arizona Department of Water Resources, Central Arizona Water Conservation District, and Metropolitan to add or retain 500,000 acre-feet or more of water to Lake Mead each year in 2022 and 2023 in order to reduce the risk of Lake Mead declining below critical reservoir elevations. Since signing the 500+ Plan MOU in December, the Parties began developing the implementation and funding agreement and have continued to work on identifying and in some instances started contracting for sources of system water to meet the goals of the 500+ Plan. In California, the parties continue to fund the additional fallowing in Palo Verde Irrigation District (PVID) for system water, and Metropolitan reduced its diversions at the end of 2021, both of which have raised Lake Mead's levels. Metropolitan staff is in discussions with PVID, Coachella Valley Water District (CVWD), and Imperial Irrigation District (IID) to explore opportunists for additional conservation activities in California. If a new program or programs are developed, they would be brought to Metropolitan's Board for consideration and approval. The parties in Arizona are close to finalizing some fallowing agreements in Arizona which would be funded by the Parties. Staff will keep the Board updated as the 500+ Plan is implemented.

Upper Basin Drought Contingency Plan Implementation Update

The Upper Colorado River Commission and U.S. Bureau of Reclamation (Reclamation) Upper Colorado River Basin Region hosted a webinar to provide public information regarding implementation of the Drought Response Operations Agreement (DROA). The DROA is part of the 2019 Colorado River Drought Contingency Plan in the Upper Basin that allows changes in the timing of monthly releases at Lake Powell and increased releases from upstream Colorado River Storage Project Initial Unit reservoirs within their existing operational ranges. One key objective of the releases is to reduce the risk of Lake Powell falling below minimum power pool, which could happen later this year or next year with very dry conditions. Any water released from the upstream Initial Units will be later recovered in those Units when conditions allow First Year of Shortage Highlights Beneficial Partnerships.

Last August, Reclamation made its first ever shortage declaration for calendar year 2022, and announced that Arizona, Nevada, and Mexico would take a first ever shortage this year. But the shortage also effects operational flexibility that is key on the Colorado River. For example, in a shortage, inadvertent overruns are not allowed, and agencies that did not sign the Colorado River Drought Contingency Plan (DCP) do not have approval to access their storage reserves in Lake Mead. For IID, which did not sign the DCP, these restrictions can be quite limiting. However, IID and Metropolitan entered in a storage agreement over the last decade, and IID has nearly 200,000 acre-feet of water stored with Metropolitan, so that if IID were to need additional water this year to avoid an overrun, Metropolitan could return that water to IID, retaining the flexibility IID needs to operate their system.

Board Report (Colorado River Management Report)

Metropolitan has a similar agreement with CVWD to help ensure they avoid overrun in shortages. These agreements highlight the multiple benefits from partnerships on the Colorado River.



Water Resource Management Manager's Report

Water Planning and Stewardship Committee

Item 7-b

February 7, 2022

Conservation Expenditures

FY 20/21-21/22 ⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$6.1M	\$3.6M
Member Agency Administered	\$2.2M	\$9.2M
Turf Replacement	\$12.1M	\$14.9M
Advertising	\$0.1M	\$1.0M
Other	\$2.2M	\$1.1M
TOTAL	\$22.7M	\$29.8M

(1) The Conservation Program biennial expenditure authorization was \$86M and expected expenditures for rate setting purposes were \$50M.

(2) As of 7/1/2020 –12/31/2021.

(3) Committed dollars as of January 10, 2022.

Conservation Activity

FY20/21-21/22



Turf Replacement Rebates:

December: 317,116 ft² removed

FY2020/21-FY2021/22: 6,175,792 ft² removed



Clothes Washers:

December: 1,842 units rebated

FY2020/21-FY2021/22: 25,426 units rebated



Sprinkler Nozzles:

December: 6,400 units rebated

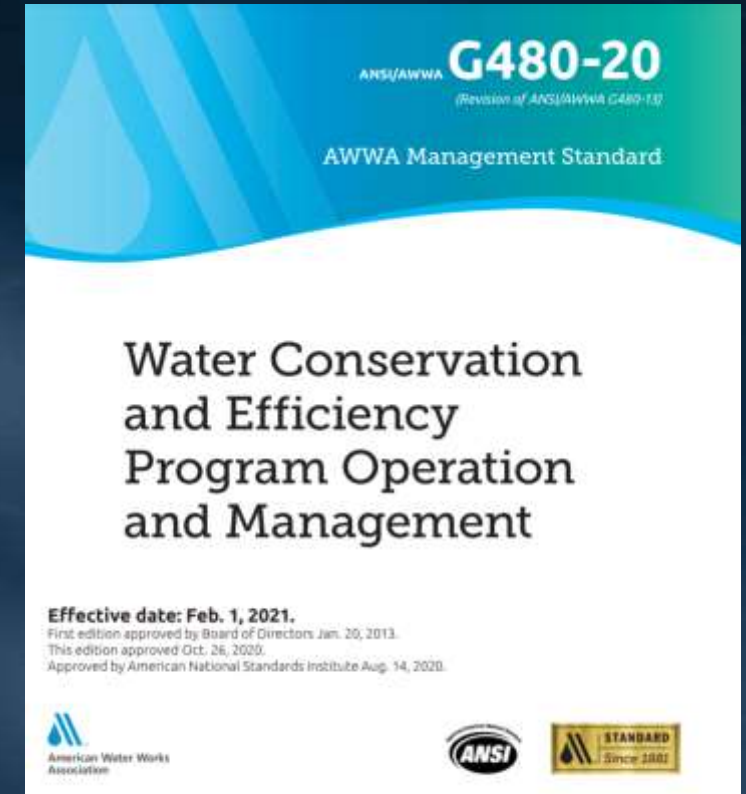
FY2020/21-FY2021/22: 48,156 units rebated

Lifetime Water Savings to be achieved by all rebates in December 2021: 2,705 AF

FY2020/21-FY2021/22: 58,040 AF lifetime water savings

G480-20 Water Conservation and Efficiency Program Operation and Management Standard

- American Water Works Association (AWWA)
 - Critical elements of effective water conservation & efficiency programs
 - Activities undertaken by a utility to improve water use efficiency
- Alliance for Water Efficiency (AWE) “Leaderboard”
 - Recognizes exemplary water utilities that have adopted and complied with the voluntary G480 Standard
 - Platinum, Gold, and Silver levels for both retail and wholesaler agencies



General Manager Delegated Emergency Action

- November 2021 Board Resolution Declaring Specified Emergency Conditions
 - General Manager provided designated decision-making body limited to drought-related actions and agreements
 - Authority limited to less than \$5,000,000 and collectively are less than \$25,000,000
 - Report to Board at next regularly scheduled meeting on any actions taken under this delegation of authority

General Manager Delegated Emergency Action

- Agreement with Arvin-Edison Water Storage District
 - Payment to increase return of stored supplies by securing additional Friant Surface Water Supplies to exchange with Metropolitan's stored supplies
 - No commingling of Arvin groundwater
 - Water meets DWR Pump-in Policy
 - Cost Above Current: \$100/AF – Based on Performance
 - Up to 20,000 AF of additional supplies at a cost of \$2 million

General Manager Delegated Emergency Action

- 2011 MWDOC/IRWD Coordinated Operating Agreement
 - Entered into letter agreement allowing use of previously stored State Water Project supplies developed in partnership with other State Water Contractors
 - Payment of actual cost to return stored SWP supplies
 - Estimated cost: \$150/AF
 - Up to 3,927 AF equating to a cost of around \$600,000

