






California Water Resilience Portfolio






Municipal Water District of Orange County
Board Workshop Meeting
September 4, 2019


California Water Resilience Portfolio





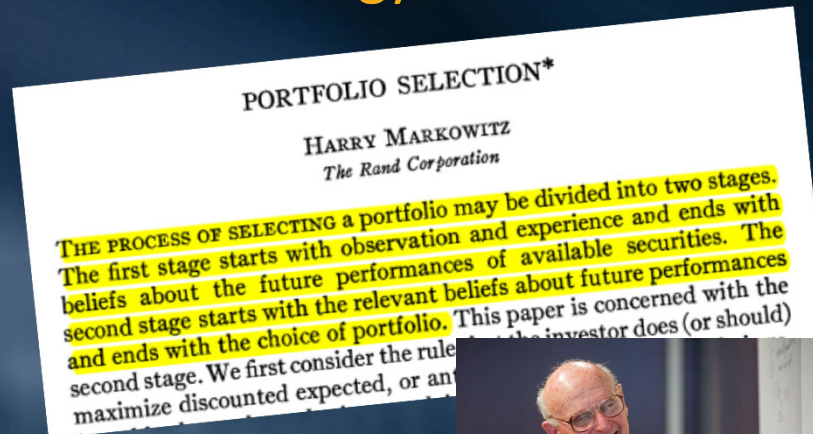


-  Governor Newsom's executive order on April 29
 -  Develop strategy to build a climate-resilient water system and ensure healthy waterways
 -  Embrace success of regional investments in a diverse water supply portfolio
 -  Build on Calif. Water Action Plan
 -  Seek stakeholder input



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Portfolio Analogy



Markowitz (1952)
 The Journal of Finance



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Portfolio Analogy (cont.)

Observations and
experience

Beliefs about
future performance
of securities

Portfolio selection



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Portfolio Analogy (cont.)

Portfolio selection



**Maintain
Colorado
River
Aqueduct
Supplies**



**Stabilize
State
Water
Project
Supplies**



**Develop
More
Local
Water
Supplies**



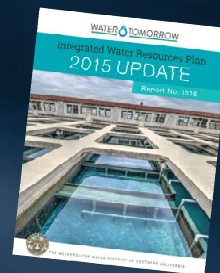
**Achieve
Additional
Conservation
Savings**



**Maximize
Effective
Storage &
Transfers**

Metropolitan's Approach

- Build upon portfolio approach developed through Integrated Water Resources Plan
- Participate in state-wide effort with industry associations
- Receive and incorporate input
 - Member agency managers (July & August)
 - Water Planning & Stewardship Committee (August)
 - Review of draft letter
- Provided comment letter to State on August 30
- Continue participation as State's plan develops



Focused on Three Elements

- Advancing Potable Reuse
- Resiliency Strategy for the Delta
- Vision for Inter-Governmental Collaboration



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Inter-Governmental Roles

- State Roles
 - Provide leadership and establish priorities
 - Align policy, regulations, and data
- Regional Roles
 - Leverage resources and collective will for watershed or basin-wide management
 - Guide planning, develop regional infrastructure, and provide financial incentives



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Inter-Governmental Roles (cont.)

• Local Roles

- Closest service providers to the community
- Speak best for local needs
- Receive support from regional & state entities
- Responsible for providing cost-effective and reliable service



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Portfolio of State, Regional, and Local Actions

- Delta watersheds and the State Water Project
- Outdoor water use efficiency
- Recycling, seawater desalination, groundwater, and stormwater
- Colorado River Basin

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Next steps

- Continue participation with statewide associations
- Comment and provide input on State's draft portfolio

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