



Update on Metropolitan Water District

Municipal Water District of Orange County
Board Meeting
January 6, 2021

Topics For Discussion

1. Recent Board actions in December
 - Funding for Delta Conveyance Planning
 - Funding agreement with Southern Nevada Water Authority for RRWP environmental planning
2. Recap on 2020 supply conditions
3. IRP discussion

Recent Board Actions

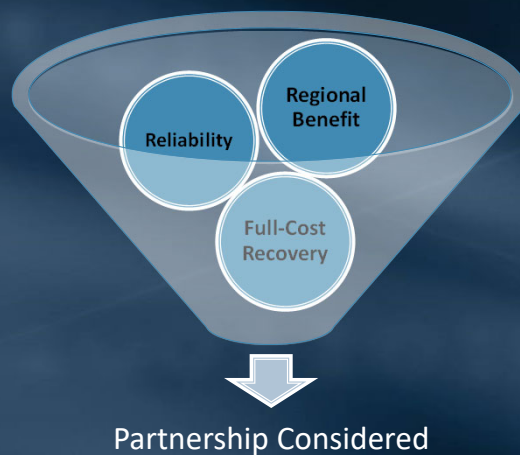
Unanimous Support For Delta Conveyance Planning Costs

- Board approves funding for Delta Conveyance planning costs (47% or \$58 million)
 - Total costs over two years projected to be \$124.9 million
 - Metropolitan funds 47.2% based on proportionate share of SWP Table A
 - Metropolitan two year costs of \$58.9 million
- Consider funding of remaining planning costs in two years

Southern Nevada Funding Agreement Approved After Significant Debate

- SNWA to provide funds to assist the environmental planning process for Regional Recycled Water Program (RRWP)
 - Up to \$6 million or 24% of environmental costs
 - Could lead to potential exchange of Colorado Supplies in future
 - Would be subject to separate Board deliberations
 - Alignment of interests for negotiations on Colorado River
- Also presented framework for considering partnerships related to the RRWP

Broad Framework Used to Explore Partnerships



Enhanced Reliability

- Protect Metropolitan against multiple dry years and catastrophic events
- Focus on exchanging water in normal or wet years
- Maintain dry-year reliability and resilience

Regional Provision of Benefits

- Benefit all Member Agencies through improved water supply reliability
- Reduce net cost burden to Member Agencies
- Consider potential exchanges on both Colorado River and State Water Project system
- Preserve or enhance reliability of SWP-exclusive regions

Full-Cost Recovery

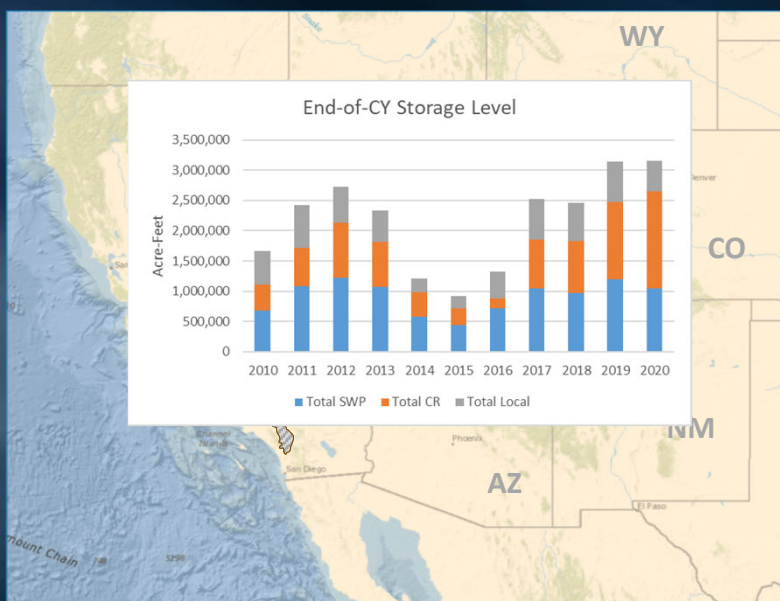
- Achieve full cost-recovery for any water exchanged on a per-acre-foot basis
- Ensure exchanges are not subsidized by Metropolitan

Other Agencies May Also Be Interested

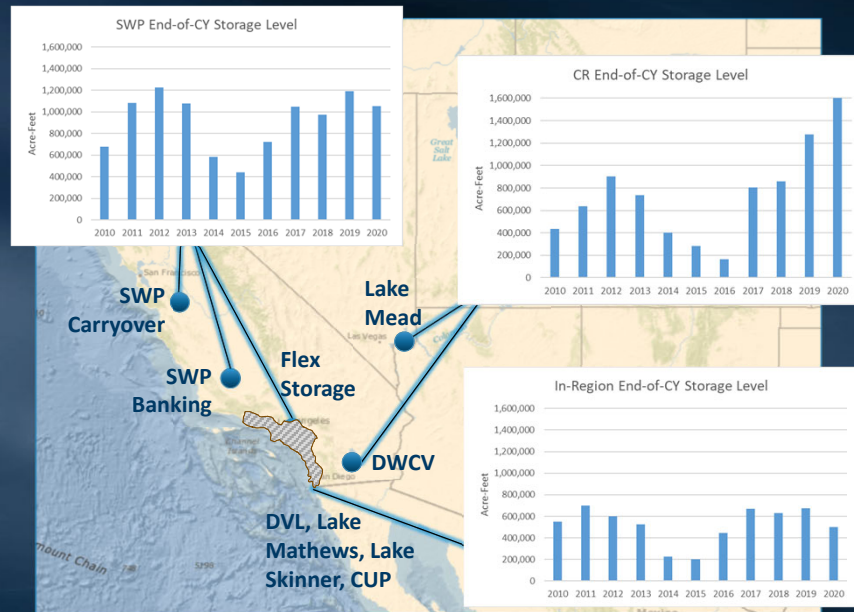
- Central Arizona Project/Arizona Department of Water Resources
- Some State Water contractors have contacted us
 - Interest likely to be for small amounts
 - Only preliminary discussions thus far

Recap On 2020 Supply Conditions

Dry Year Storage Levels Were Maintained in 2020



The Location of Storage Shifted A Bit



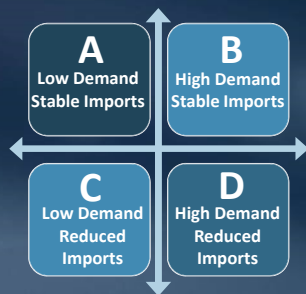
IRP Discussion

Using Scenarios to Inform Policy

- A single forecast does not adequately capture the uncertainty we face (it also gives a false sense of certainty)
- Preliminary analysis of four scenarios that present different projections (each scenario is plausible on its own)
- Looking at the preliminary gap analyses for all four scenarios together reveals important insight

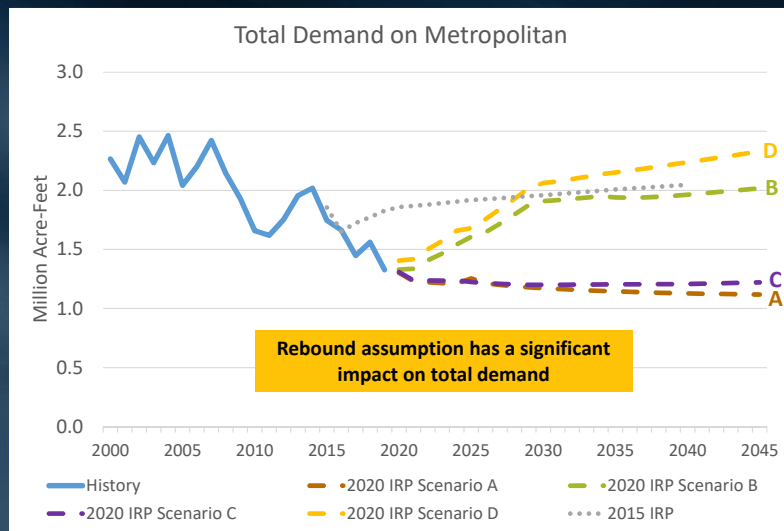


Preliminary Demands on Metropolitan



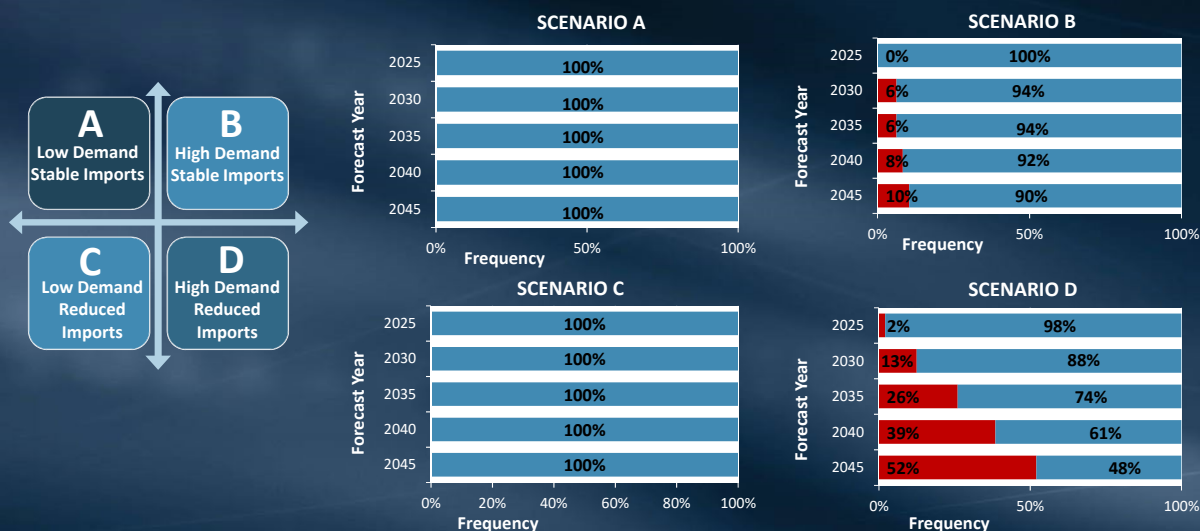
Total Demands on Metropolitan:

- Retail Demand - Local Supply

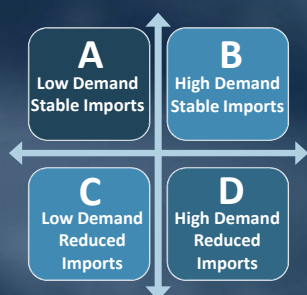


Preliminary “Gap” Analysis

When to expect a gap and how often it occurs

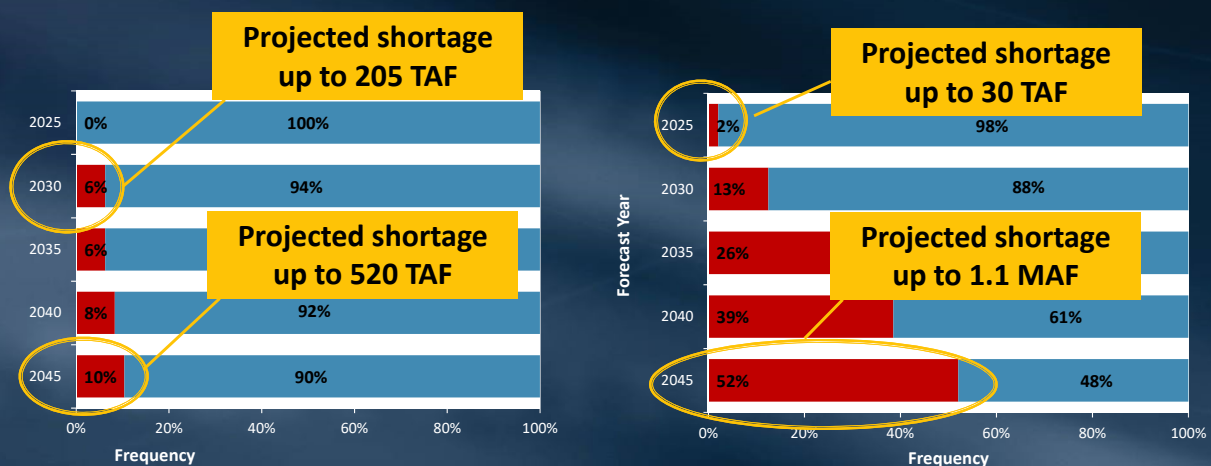


How Scenarios May Inform Policy: Conservation



- Scenarios with low per-capita water use may not require aggressive regional action to further reduce demand
 - Base level of conservation activity should continue to ensure program availability and consistency across service area
- High-demand, reduced-import scenarios may require further reductions in per-capita use
 - As demand increases, higher volumetric sales could provide additional revenue for conservation actions without a need for rate increases
 - Program design that allows flexing up under high demands would be important

How Scenarios May Inform Policy: Reliability Goal



- Perhaps a reliability goal that reflects potential consumer response would help address many of the shortages.

Discussion / Q&A