

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

RESOLUTION 9305

**DECLARING A WATER SHORTAGE EMERGENCY CONDITION AND IMPLEMENTING AN
EMERGENCY WATER CONSERVATION PROGRAM IN PORTIONS OF ITS SERVICE AREA**

WHEREAS, Severe Drought Conditions Are Constraining Available Water Supplies from Northern California.

Beginning in water year 2020 (October 1, 2019, to September 30, 2020), the watersheds supplying the California State Water Project (SWP) received below-average precipitation. The California Department of Water Resources (DWR) classified water years 2020 and 2021 as dry and critically dry, respectively. Persistent dry conditions will likely result in a critically dry designation for water year 2022.

The three-year sequence of water years 2020 - 2022 (October 1, 2019, through September 30, 2022) is projected to be the driest on record in California for statewide precipitation. Precipitation in Northern California during the three months from January through March 2022 was the driest on record for that region.

In addition to reduced precipitation since 2020, California's climate is transitioning to a warmer setting in which historical relationships among temperature, precipitation, and runoff are changing. In 2021, the DWR's snowmelt runoff forecast over-estimated the runoff that occurred by 68 percent. In 2022, DWR's median runoff forecast for the Sacramento River dropped from 16.7 to 9.7 million acre-feet, a reduction of 42 percent.

WHEREAS, Governor Newsom Has Declared a State of Emergency to Exist in All California Counties Due to These Severe Drought Conditions.

On October 19, 2021, Governor Gavin Newsom declared a state of emergency to exist in all California counties due to worsening drought conditions. This proclamation follows other increasingly expansive drought declarations and executive orders that have been issued since April 2021.

At that time, Governor Newsom called on Californians to re-double their efforts to reduce water use by 15 percent and for local and regional water agencies to implement their Water Shortage Contingency Plans (WSCPs) "at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year."

WHEREAS, Governor Newsom Has Issued an Executive Order Calling on Urban Water Suppliers to Activate Their Water Shortage Contingency Plans.

As part of their Urban Water Management Plans (UWMPs), local and regional water providers are required to prepare and adopt WSCPs. These plans identify voluntary and mandatory response actions that will be taken under various water shortage conditions. These actions may include mandatory conservation activities to reduce water use by 10 to 50 percent, depending on the severity of the shortage.

Due to worsening drought conditions, including a record-breaking dry period in January and February, Governor Newsom issued Executive Order N-7-22 on March 28, 2022, specifically requiring all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of up to 20 percent (Level 2).

This executive order further encouraged urban water suppliers to conserve more than the minimum required and to voluntarily activate more stringent local requirements based on a shortage level of up to 30 percent (Level 3).

WHEREAS, Metropolitan's State Water Project Supplies Have Been and Are Being Curtailed.

On March 18, 2022, DWR reduced the SWP Table A allocation for 2022 from 15 to only five percent of contract amounts. Table A allocations for 2020 and 2021 were 20 and five percent, respectively. The last three years marks the lowest three-year combined deliveries of allocated water in the history of the SWP.

Three consecutive years of low Table A allocations have strained water supplies for portions of Metropolitan's service area that currently are served primarily through the SWP. Referred to as the "SWP Dependent Area," this area has limited or no access to Colorado River Supplies.

As a result, there will be insufficient SWP supplies this year to meet the minimum human health and safety (HH&S) needs in the SWP Dependent Area. HH&S needs are defined as "the amount of water necessary for prevention of adverse impacts to human health and safety, for which there is no feasible alternative supply." In general, HH&S needs are limited to domestic supply, sanitation, public health and fire protection purposes, and cannot exceed 55 gallons per person per day.

To supplement the low Table A allocation, DWR has agreed to provide additional SWP supplies to SWP contractors if necessary to fulfill their unmet HH&S needs. However, DWR is requiring any SWP contractor receiving such supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances. DWR also is requiring any SWP water accessed for HH&S purposes be returned to the state within five years or as wetter conditions return.

WHEREAS, Metropolitan's SWP Supplies Are Essential to Meet the Total Demands of Its Member Agencies.

Over the past 20 years, the SWP has provided about 30 percent of the region's total water needs and a portion of the supply delivered to each of Metropolitan's 26 Member Agencies.

Diamond Valley Lake, Metropolitan's largest surface water reservoir and source of dry-year and emergency water supplies, has only been replenished with SWP supplies since the discovery of Quagga mussels in Colorado River water in Jan. 2007.

Under a five percent Table A allocation, Metropolitan cannot meet normal demands in the SWP Dependent Area, serve SWP supplies to other Member Agencies, or replenish storage in Diamond Valley Lake.

WHEREAS, Metropolitan, Its Member Agencies, and Others in the Region Have Taken Extraordinary Steps to Reduce Demands and Bolster Supplies.

In conjunction with its Member Agencies, counties, cities, and wholesale and retail water suppliers, Metropolitan decreased potable water demands within the service area by 40 percent, roughly 80 gallons per person per day, since 1990.

Metropolitan has invested \$1.5 billion in conservation, local water recycling, and local groundwater recovery since 1990, resulting in a cumulative savings of nearly 7.6 million acre-feet.

Metropolitan has invested more than \$3 billion in increasing storage capacity with Diamond Valley Lake and conveyance capacity with the Inland Feeder to capture SWP supply when available for later use in dry years.

Local water suppliers and communities have also made multi-billion-dollar strategic and forward-looking investments in water conservation (within and outside the MWD service area), water recycling, stormwater capture and reuse, groundwater storage, seawater desalination and other strategies to improve drought resilience.

Water conserved throughout the service area, among other things, has helped preserve storage in Metropolitan's diverse storage portfolio during these dry conditions.

Continued action by Southern California residents to conserve water and extend local groundwater and surface water supplies will provide greater resilience if the drought continues in future years.

Metropolitan established the Member Agency Administered Program (MAAP) to assist Member Agencies in implementing local conservation activities. A portion of the funded projects can be used when water savings are not readily quantifiable, such as drought messaging and local water-use related code enforcement programs.

WHEREAS, Metropolitan and Its Member Agencies Have Taken Specific Actions to Preserve SWP Supplies.

Metropolitan and its Member Agencies have invested billions of dollars to preserve and enhance the availability and utilization of local supplies and, in turn, to decrease the overall use of Metropolitan's imported supplies.

Metropolitan has established water management programs to increase Member Agency flexibility to shift from or temporarily defer taking Metropolitan's supply from the SWP.

In 2021 and 2022, Metropolitan made targeted investments in its delivery system to reduce Member Agency dependency on SWP supplies. These investments have significantly improved operational flexibility, allowing delivery of water from either of Metropolitan's two imported supply sources to most of the service area.

Metropolitan's Member Agencies have, where feasible, operated their systems to reduce dependency on Metropolitan's supply delivered through service connections fed from the SWP system.

On August 17, 2021, Metropolitan's Board adopted a resolution declaring a "Condition 2 – Water Supply Alert" to preserve Metropolitan's supply for the region.

On November 9, 2021, Metropolitan's Board adopted a resolution recognizing the statewide drought emergency, declaring specified emergency conditions to exist within portions of its service area, and calling on Member Agencies to take various actions to preserve Metropolitan's supply from the SWP. Among other things, Member Agencies were urged to make all reasonably practicable changes in their operations and to implement mandatory conservation and efficiency measures to reduce the use of SWP supplies.

WHEREAS, Metropolitan Has Determined that It Must Take Additional Actions Immediately to Conserve the Remaining Available SWP Supplies.

In December 2014, Metropolitan's Board adopted a revised Water Supply Allocation Plan (WSAP) pursuant to which it may determine that a regional shortage exists, establish a regional shortage level, and impose an Allocation Surcharge on Member Agencies for water use above a predetermined allotment. The WSAP was designed and intended only for use during periods of regionwide water shortages and requires a more extended period to implement. As such, the current WSAP cannot effectively or efficiently address the water shortages anticipated to occur this year in the SWP Dependent Area.

Likewise, while actions being taken pursuant to the November 9, 2021, Board resolution are helpful, they are not sufficient to address in a timely manner the urgent circumstances present in the SWP Dependent Area. That resolution specifically noted that if drought conditions persisted or worsened, Metropolitan's Board would consider declaring a Water Shortage Emergency Condition and imposing appropriate regulations, restrictions and penalties to conserve Metropolitan's water supplies.

Unfortunately, drought conditions have persisted, and the water supply outlook has worsened, particularly with respect to SWP supplies. Accordingly, Metropolitan believes it is necessary, desirable, and in the best interests of Metropolitan and its Member Agencies to declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area, to adopt the framework for an Emergency Water Conservation Program encompassing the SWP Dependent Area, and to take certain other actions as set forth below and described in Board Letter 7-1 dated April 26, 2022, so as to reduce water use and preserve remaining SWP supplies.

Adopting an Emergency Water Conservation Program is consistent with actions taken by our Member Agencies and other retail agencies and will assist Metropolitan and its Member Agencies in public outreach efforts to communicate the severity of the current drought and the need for conservation and collective action.

Metropolitan further believes that it is necessary, desirable, and in the best interest of Metropolitan to work closely with Member Agencies to identify near-term actions to address this drought emergency and to grant the General Manager certain additional powers and authorities to assist in carrying out such activities promptly.

WHEREAS, Metropolitan Is Authorized and Required to Take These Additional Actions.

Article X, Section 2 of the California Constitution requires all water resources in the state to be put to beneficial use and prohibits the waste or unreasonable use of such resources. What constitutes reasonable use is dependent on exigent circumstances, and may change during periods of drought.

Water Code Section 350 et seq. requires the distributor of a public water supply to declare that a water shortage emergency condition exists “whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply needed for human consumption, sanitation, and fire protection.” Upon making such a declaration, the water supplier is authorized to adopt such regulations and restrictions as will, in its sound discretion, “conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.”

Water Code Section 375 et seq. authorizes retail and wholesale water providers to adopt water and enforce conservation programs, which may include specific water-use limitations. Water providers may impose civil and criminal penalties for violating the requirements of such programs and/or may enforce water-use limitations by imposing “a volumetric penalty in an amount established by the public entity.”

Water Code Section 10620 et seq. requires every urban water supplier to prepare and adopt an UWMP, which must include a WSCP to be implemented during times of shortage. Governor Newsom has directed all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of up to 20 percent (Level 2).

DWR is requiring any SWP contractor receiving HH&S supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances.

The Metropolitan District Act and Metropolitan’s Administrative Code authorize and support taking specific actions to address the current drought emergency. In particular, Administrative Code Section 4512 provides that deliveries of water “shall be subject to operational, supply or demand conditions, as determined by the General Manager.”

WHEREAS, Metropolitan Held a Noticed Public Hearing to Receive Input on These Additional Actions.

On April 26, 2022, a public hearing was held to receive input, comments, and/or protests on the proposed declaration of a Water Shortage Emergency Condition and adoption of the framework of an Emergency Water Conservation Program for the SWP Dependent Area, as well as the other actions set forth below and described in Board Letter 7-1 dated April 26, 2022. A copy of Board Letter 7-1 was posted on Metropolitan’s website (<https://mwdh2o.legistar.com/Calendar.aspx>) and was available for review prior to the hearing.

Notice of this hearing was published on April 14, 2022, in six different newspapers of general circulation encompassing all six counties within Metropolitan’s service area: *Los Angeles Times* (Los Angeles County), *Orange County Register* (Orange County), *Inland Valley Daily Bulletin* (San Bernardino County), *Ventura County Star* (Ventura County), *Press Enterprise* (Riverside County), and *San Diego Union Tribune* (San Diego County).

At this public hearing, Metropolitan’s Board received information, comments, testimony, and other evidence provided by Board members, Member Agency representatives, staff, and the public pertaining to these matters, and all persons present were given an opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of The Metropolitan Water District of Southern California hereby declares a **Water Shortage Emergency Condition** to exist in the SWP Dependent Area. Per this declaration, the Board calls on all Member Agencies to:

- (1) Make all possible changes in their operations to reduce their use of Metropolitan's SWP supplies.
- (2) Immediately mandate and implement such conservation requirements, water-use efficiency measures, and drought-related limitations consistent with their WSCPs and substantively conforming to the Emergency Water Conservation Program.

BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to finalize and implement an **Emergency Water Conservation Program** in the SWP Dependent Area, subject to the following conditions:

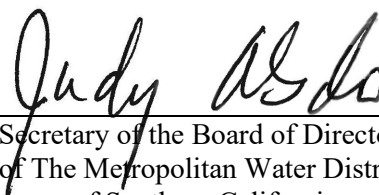
- (1) The Emergency Water Conservation Program shall conform to the framework outlined in Board Letter 7-1, dated April 26, 2022. (A copy of this Board Letter may be accessed through Metropolitan's website at <https://mwdh2o.legistar.com/Calendar.aspx>.) This framework includes volumetric penalties for non-compliance of up to \$2,000 per acre-foot for use exceeding specified allocation limits.
- (2) The Emergency Water Conservation Program shall include a provision for Member Agencies in the SWP Dependent Area to use 100 percent of their MAAP allocations for any conservation-related activities and projects, even where the water savings from such activities and projects are not readily quantifiable. Uses of MAAP funding could include drought-related actions, messaging, and code enforcement. Upon termination of the Emergency Water Conservation Program, the MAAP allocations would revert back to the previously established formula for non-documented water-saving program funding requests.
- (3) The General Manager shall consult with all affected Member Agencies on the final terms of the Emergency Water Conservation Program.
- (4) The General Manager shall finalize the Emergency Water Conservation Program within 30 days of Board adoption of this resolution.
- (5) The Emergency Conservation Program shall continue through Jun. 30, 2023, unless otherwise terminated as described below.

BE IT FURTHER RESOLVED that the General Manager is hereby directed to continue the actions and activities specified in August 17, 2021, and November 9, 2021, Board resolutions, except as expanded or limited herein.

BE IT FURTHER RESOLVED that the Board hereby declares Metropolitan's support for the Governor's Executive Order N-7-22 and directs staff to work with the relevant state agencies to implement the Executive Order.

BE IT FURTHER RESOLVED that, should drought conditions persist in the coming months, or should demand management actions not sufficiently preserve available supplies, the General Manager may impose additional conditions or requirements as part of the Emergency Water Conservation Program described in Board Letter 7-1, which may include a prohibition on all outdoor uses of water or a requirement for affected Member Agencies to conform to specified volumetric limits.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held on Apr. 26, 2022.



Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California