



# San Diego County Water Authority

4677 Overland Avenue • San Diego, California 92123-1233  
(858) 522-6600 FAX (858) 522-6568 www.sdcwa.org

May 8, 2016

Randy Record and  
Members of the Board of Directors  
Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, CA 90065-0153

## MEMBER AGENCIES

- Carlsbad Municipal Water District
  - City of Del Mar
  - City of Escondido
  - City of National City
  - City of Oceanside
  - City of Poway
  - City of San Diego
  - Fallbrook Public Utility District
  - Helix Water District
  - Lakeside Water District
  - Olivenhain Municipal Water District
  - Otay Water District
  - Padre Dam Municipal Water District
  - Camp Pendleton Marine Corps Base
  - Rainbow Municipal Water District
  - Ramona Municipal Water District
  - Rincon del Diablo Municipal Water District
  - San Dieguito Water District
  - Santa Fe Irrigation District
  - South Bay Irrigation District
  - Vallecitos Water District
  - Valley Center Municipal Water District
  - Vista Irrigation District
  - Yuima Municipal Water District
- OTHER REPRESENTATIVE**
- County of San Diego

RE: Board Memo 8-6: Adopt the 2015 Urban Water Management Plan and resolution for submittal to the State of California - SUPPORT FINDING THAT MWD HAS SUPPLY CAPABILITIES SUFFICIENT TO MEET EXPECTED DEMANDS; OPPOSE ADOPTION OF PROPOSED URBAN WATER MANAGEMENT PLAN

Dear Chairman Record and Board Members:

We have reviewed MWD's draft 2015 Urban Water Management Plan (draft April 2016) (UWMP or Plan) and provide the following comments.

### General Comments

The MWD Board has never had a substantive deliberation of many key issues contained in the draft UWMP, which are derived from MWD's Integrated Resources Plan 2015 Update (2015 IRP). Contrary to the description of the Board's "oversight" in Section 5 (*Coordination and Public Outreach*), the 2015 IRP was adopted by the Board without *any* policy deliberation, when staff abruptly omitted Phase 2 of the "two-part process" that had been planned all along for Board deliberation including its review of the staff's "technical work." See January 10, 2016 letter to Randy Record RE Board Memo 8-3: Adopt the 2015 Integrated Water Resources Plan Update (January 10 Letter). The "findings and conclusions" of the 2015 IRP Update listed at pages 2-4 - 2-5 are the findings and conclusions of MWD staff.

We raised a number of questions and issues in our January 10 Letter that should have been addressed *before, not after* the 2015 IRP was adopted by the Board. The flaws in the 2015 IRP are now carried over to the proposed UWMP, including flawed planning assumptions regarding demand for MWD water, flawed State Water Project and Colorado River factual assumptions and analyses, outdated reliability objectives, failure to include reasonably anticipated local water supply development, and failure to account for affordability as part of the analysis of MWD water supply reliability. The IRP and UWMP also fail to report or take into account that many of MWD's rates and charges, as described, have been ruled illegal by the San Francisco Superior Court.

We note and appreciate that, unlike the 2015 IRP and numerous other MWD plans and records, the UWMP correctly identifies that the Water Authority's independent Colorado River water as a local supply and not the sale of MWD water.

Finally, the UWMP states that it "focuses on the future demands for Metropolitan's imported supplies;" however, MWD has failed to properly account for local water supply development that is currently being developed that will permanently reduce demand for MWD water. By using a measure only including "existing projects that are currently producing water and projects that are under construction" (page ES-3), MWD is failing to disclose options to minimize the need to import water, as required by Water Code §10620(f). The same issue was raised in comments on the draft 2015 UWMP MWD received from Natural Resources Defense Council, Environment Now, Los Angeles Waterkeeper, Heal the Bay, San Diego Coastkeeper, and Surfrider Foundation (collectively, "Environment Now"). MWD's response raised a new and equally unreasonable standard for inclusion of local water supply options in its calculation of the future demand for MWD's imported water supplies - it said that in order to be taken into consideration, local projects must be "developed to a point of relative certainty." See Summary of Metropolitan's Responses to Comments Regarding Metropolitan's Draft 2015 Urban Water Management Plan, page 1, Comment 2: Metropolitan Counted Only Existing and Under Construction Local Projects, While Counting California WaterFix and Other Projects that Metropolitan Will Manage as "Under Development" (Environment Now's Letter, pp. 3-4, 7). By using this double standard for MWD's own projects as contrasted with member agency projects, MWD not only fails to disclose options but artificially inflates the need to import water. The IRP and UWMP purport to be based on "adaptive management," but MWD is refusing to adapt to the current reality that its sales are declining as local agencies are developing water supplies that do not depend on receipt of MWD financial subsidies.

#### **Comments on "Findings" of the 2015 Urban Water Management Plan (at page ES-5)**

MWD supply capabilities: Although our analysis would be substantially different than that set forth in the IRP and UWMP, we agree with and support the conclusion that MWD has supply capabilities under existing programs that will be sufficient to meet expected demands from 2020 through 2040 under the single dry-year and multiple dry-year conditions.

MWD plans and programs to address reduction in its water supplies: In addition to describing its Water Surplus and Drought Management and Water Supply Allocation Plans, MWD should include a discussion of preferential rights in order to properly address this subject.

MWD plans to continue investments in water use efficiency measures and local projects: MWD should address the retail mandate for the 20 percent per person potable water use reduction by 2020 and legal limitations on its role and ability to "help" retail water suppliers by providing financial subsidies for demand management and local projects.

MWD's collaborative process: See notes above regarding the absence of any meaningful Board review and deliberation of the 2015 IRP. While MWD's process provides for a large number of meetings, it is form over substance when it comes to the Board of Directors. While outreach to member agencies and the public is very important, that outreach should be based on resource and financial planning that has first been substantively deliberated by the MWD Board of Directors.

### **Other Comments**

Although it is not possible to provide detailed comments on every issue and flawed characterization in the draft UWMP, we offer the following specific comments in addition to those presented in the January 10 Letter.

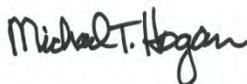
- The Colorado River analysis does not mention the tentative framework described in recent news reports that could have a significant impact on available Colorado River supplies.
- We object to all characterizations of and relating to MWD's water rates and charges, for reasons described in numerous prior letters to the MWD Board and in the Water Authority's rate litigation.
- MWD states that the Tier Two water rate is "set at the cost of developing new supplies" (page 1-7) or as "the cost of purchasing water transfers north of the Delta" (page 2-30), but the fiscal year 2016/17 and 2017/18 biennial budget adopted by the Board just last month does not include any projected income from Tier Two sales, because MWD has arbitrarily set the Tier One sales level so high (2.05 MAF) under its "purchase order" agreements that no agency is projected to reach Tier Two. See Stratecon Inc., *Metropolitan Water District of Southern California Water Supply Assessment and Use Among its 26 Member Agency Customers* (April 9, 2016) at page 15, footnote 44.
- The UWMP describes various actions as "drought response" that in fact, have little or nothing to do with producing water supply savings during drought (e.g., "refinements" to the Local Resources Program to increase financial subsidies for the development of long term local water supply projects and turf removal rebates).
- MWD's description of its IRP and role in "regional" planning (e.g., beginning at page 2-2, where it describes itself as "Southern California's lead agency in regional water management") is based on its litigation position that everything it does and pays for benefits every member agency and ratepayer equally; however, this posture fails to account for actual statutory and constitutional limitations or risks MWD incurs by developing projects no member agency is signed up to pay for. As described by the Blue Ribbon Task Force more than 20 years ago:

*"Member agencies may want, for example, the insurance provided by major investments to increase MWD standby capacity, but if forced to commit funds for such capabilities, they may actually prefer far lower levels of protection than a hypothetically "costless" water supply guarantee."* Metropolitan Water District Blue Ribbon Task Force Final Report (January 1994) at page 9.

- The UWMP incorrectly states that turf removal is expected to result in water savings of 800,000 AF over the next ten years (page 1-24). While the conservation savings have yet to be verified, the breakout of dollars was \$390 million for turf rebates and \$110 million for conservation devices, with it being recognized that the water savings calculation over ten years was largely attributed to the conservation devices, not turf removal. The turf removal program was purportedly focused on promoting "lifestyle" change in Southern California.

We continue to hope that the Board will insist upon an opportunity to talk at public board meetings about the many important questions involved in MWD's long term water supply and financial planning.

Sincerely,



Michael T. Hogan  
Director



Keith Lewinger  
Director



Fern Steiner  
Director



Yen C. Tu  
Director

Attachment: January 10, 2016 letter to Randy Record RE Board Memo 8-3: Adopt the 2015 Integrated Water Resources Plan Update - REQUEST TO DEFER BOARD ACTION ADOPTING 2015 IRP UPDATE, OR IN THE ALTERNATIVE, OPPOSE



## San Diego County Water Authority

4677 Overland Avenue • San Diego, California 92123-1233  
 (858) 522-6600 FAX (858) 522-6568 www.sdcwa.org

January 10, 2016

Randy Record and  
 Members of the Board of Directors  
 Metropolitan Water District of Southern California  
 P.O. Box 54153  
 Los Angeles, CA 90054-0153

#### MEMBER AGENCIES

Carlsbad  
 Municipal Water District

City of Del Mar

City of Escondido

City of National City

City of Oceanside

City of Poway

City of San Diego

Fallbrook  
 Public Utility District

Helix Water District

Lakeside Water District

Olivenhain  
 Municipal Water District

Otay Water District

Padre Dam  
 Municipal Water District

Camp Pendleton  
 Marine Corps Base

Rainbow  
 Municipal Water District

Ramona  
 Municipal Water District

Rincon del Diablo  
 Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center  
 Municipal Water District

Vista Irrigation District

Yuima  
 Municipal Water District

#### OTHER REPRESENTATIVE

County of San Diego

RE: Board Memo 8-3: Adopt the 2015 Integrated Water Resources Plan Update - REQUEST TO DEFER BOARD ACTION ADOPTING 2015 IRP UPDATE, OR IN THE ALTERNATIVE, OPPOSE

Dear Chairman Record and Board Members:

The Water Authority supports action by the Board to **receive and file**, and defer adoption of, the Draft 2015 Integrated Water Resources Plan (IRP) Update and Appendices (Attachments 1 and 2 to Board Memo 8-3), presented to the Board at its December 2015 board meeting, as well as the 2015 IRP Technical Update Issue Paper Addendum, presented to the Board at its October 2015 board meeting (collectively, these documents are referred to in this letter as the staff "Technical Report"). This action would be consistent with the 2015 IRP update process that has previously and consistently been described by MWD staff to the Board as a "two-part process" that would include not only the Technical Report from staff (but instead now presented as the final proposed 2015 IRP Update), but also a subsequent board process that would include "resource policy issues discussion" prior to adoption of the 2015 IRP Update.<sup>i</sup>

We do not support adoption of the Draft 2015 IRP Update at this time because the MWD Board of Directors is only now *beginning* the Phase 2 process of reviewing the technical data prepared by staff and deliberating the core planning and policy issues associated with the update and adoption of the IRP. At the board policy level, this review should certainly include deliberation of MWD's reliability and water supply development "targets," *because those targets greatly impact the cost and affordability of MWD Water*. The purpose of the Board's review should be to ensure that the IRP accomplishes the six objectives established by the Board in 1996, and carried forward since that time, namely,

- Acknowledge environmental and institutional constraints; and ensure:
- Reliability;
- Affordability;<sup>ii</sup>
- Water quality;
- Diversity; and
- Flexibility

With this set of policy objectives in mind, we wanted to share some preliminary observations at the "50,000 foot view," before the Board reviews the technical data and has an opportunity to discuss policy issues and the assumptions staff has made in the draft 2016 IRP Update, at a workshop or next board meeting. Except where otherwise specifically noted, all analyses contained in this letter are based on the data included in the IRP or taken from other MWD documentary sources. These preliminary observations do not signify agreement with all of the stated assumptions, conclusions and recommendations by staff in the Technical Report, which should more properly be within the province of the Board of Directors during this Phase 2 process.

We request board discussion, and further staff analysis as directed by the Board, of the following issues:

1. Demand for MWD Water. The Technical Report projects an increased demand for MWD Water that is not supported by the underlying data, which evidences instead a declining demand for MWD Water. See Attachment 1. It is critical that the Board consider the near and long term implications of the declining demand for MWD Water over time and how the IRP should be adapted now to plan for it.<sup>iii</sup>
  
2. Likelihood of success of member agency projects. The Technical Report understates existing and near-term local water supply development that will further and permanently reduce demand for MWD Water. See Attachment 2. The supply "gap" in the Technical Report<sup>iv</sup> is driven in large measure by the assumption for planning purposes that all but 20,000 acre-feet (AF) of local water supply projects that are not currently under construction will fail to be implemented. This includes projects that are currently in the full design phase with funds appropriated or at the advanced planning stage with completed certified environmental review. In addition to seven projects within the Water Authority's service area which will be implemented, MWD assumes projects being developed by the following agencies will fail:
  - City of Beverly Hills;
  - City of Torrance;
  - Los Angeles Department of Water and Power;
  - Inland Empire Utility Agency;
  - Upper San Gabriel Valley MWD;
  - Eastern MWD;
  - Municipal Water District of Orange County (MWDOC)/Orange County Water District; and
  - Calleguas MWD

The Technical Report and proposed IRP should "adapt" now to account for the likely success of these projects, or, at a minimum, factor in some percentage of the yield that will be developed.<sup>v</sup> If only 50% of the yield from these projects - currently at the advanced planning stage with completed design, funding and/or certified environmental review - is realized, the Technical Report understates local water supply coming on line by more than 100,000 AF annually. This number does not take into account the almost 500,000 AF of additional yield from projects currently under feasibility investigation or in the conceptual planning phase. See Technical Report at Attachment 2, Appendix 5 at pages A.5-1-A.5-13.

3. State Water Project. The Technical Report hardwires a "worst case" assumption regarding the yield of the State Water Project (SWP) that is premature at best, assuming a sudden 400,000 AF reduction of SWP supplies in 2020 based on speculation what regulatory action may be taken (and which MWD would presumably object to). It is, again, the staff's assumption that drives creation of a supply "gap." MWD should identify the factors driving the potential magnitude and timing of a potential SWP export reduction, monitor these factors to see if and when they may occur and define thresholds that when reached would trigger action -by MWD and/or its member agencies to address the risk.
4. Colorado River. MWD has made substantial investments in Colorado River supplies recently; however, only a small portion of the supplies have been included in The Technical Report's forecast of Colorado River Aqueduct supplies. See Technical Report, Attachment 1 at page 3-27, stating that "flexible" supplies including the PVID program and Intentionally Created Surplus are not included in the forecast. As with the SWP, the IRP should present a risk assessment identifying the factors that will impact the magnitude and timing of restrictions on the availability of Colorado River water and the risk of the factors being triggered.
5. LACSD project. The Technical Report has not included or accounted for the water supply proposed to be developed by MWD and the Los Angeles County Sanitation Districts (LACSD) to meet groundwater replenishment demand in Los Angeles, Orange counties and San Bernardino. MWD's groundwater production numbers should be updated to include this water supply which staff has indicated is being developed to meet the water replenishment needs of the Los Angeles, Orange County and San Bernardino groundwater agencies.
6. Reliability objective. The Technical Report continues to use an outdated reliability goal, planning to meet 100% of retail water demands under all hydrologic conditions; this objective is outdated at best and should be changed now by the Board as part of the 2015 IRP Update to be more in line with the state's and MWD's own water conservation ethic, state law and standards.
7. Affordability objective. The Technical Report's "do nothing" approach to analyzing MWD Water demand, coupled with its "do everything PLUS" water supply planning strategy, fails to take the Board's affordability objective into account. The IRP's "belt and suspenders" planning strategy which the Technical Report "builds on," should be reconsidered by the Board against declining MWD Water sales and increasing local water supply development. Can our ratepayers afford for MWD to plan 100% water supply reliability (under "core resources" strategy or "IRP Approach") plus 500,000 or 200,000 AF ("uncertainty" or "buffer" supply) plus "Foundational" or "Future Supply Actions"? At the very least, the Board should be presented with an affordability analysis.<sup>vi</sup> If the IRP is truly adaptive, as it should be, there is no justification for spending ratepayer money now on projects and programs that may never be necessary and may ultimately end up as stranded investments.
8. Adaptive management. Although the Technical Report calls for an "adaptive management strategy," there is no consideration of phasing investments or identifying "triggers" (for example, a planned local project fails to be developed) that would allow MWD to truly "adapt" in order to avoid unnecessary costs, expenditures, and stranded assets. The strategy described in the

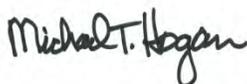
Technical Report is a "do-everything-and-more" strategy that is inconsistent with the Board's affordability objective.

9. Impact of higher MWD Water rates. The Technical Report's discussion of MWD Water demand fails to take into account the inevitable impact of higher MWD rates and charges across a shrinking sales base due to declining sales and demand for MWD Water. Significant MWD Water rate increases are inevitable given the approach recommended in the Technical Report and those higher rates increases will continue to dampen demand for MWD water sales. Higher MWD rates will increase the economic incentive for the development of local water supplies such as is already occurring. See Attachment 2.
10. Stranded costs. The IRP Update should analyze and factor in the risk of stranded investments resulting from the reduced demand for MWD Water and rising MWD Water rates being spread across a shrinking ratepayer base.

### Conclusion

An IRP that does not consider and incorporate actual available data and affordability creates a material risk that MWD investments will be made on illusionary foundations. Ultimately, this Board of Directors will be accountable to the public and ratepayers we serve. We sincerely hope that the Board will insist upon having an opportunity to deliberate these and many other issues and questions that should be addressed in the previously planned Phase 2 of the IRP process.

Sincerely,



Michael T. Hogan  
Director



Keith Lewinger  
Director



Fern Steiner  
Director



Yen C. Tu  
Director

Attachment 1: Demand for MWD Water

Attachment 2: Examples of member agency water projects not included by staff in calculation of demand for MWD Water

<sup>i</sup> From the beginning of the 2016 IRP Update process, MWD staff said that it would be a two-part process, with the Technical Report scheduled for adoption in January 2016. See April 8, 2015 Member Agency Kick-off Workshop RE 2015 Integrated Water Resources Plan Update ("final IRP Technical Update Report" for Board consideration scheduled for adoption in January 2016 [not the IRP itself]). More recently, see <http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003736313-1.pdf>, where several of the policy issues raised by the Board are outlined for future board discussion. The Board's policy discussion should not be limited to issues relating to "implementation" of the staff's IRP. Nor is there any reason why the IRP needs to be adopted now, prior to the Phase 2 board deliberations.

<sup>ii</sup> Affordability is not addressed anywhere in the Technical Report or Attachments 1 and 2 to the 2015 Draft IRP and Appendices.

<sup>iii</sup> The Technical Report notes the importance of identifying and accounting for "changed circumstances" (e.g., Technical Report at Attachment 1, page v: "The 2015 IRP Update focuses on

ascertaining how conditions have changed in the region since the last IRP update in 2010"), but fails to identify or account for the most material change that has occurred, namely, the fact that local water supply development is widely viewed as both more reliable and now, cost-effective when contrasted with the present and anticipated future cost of MWD Water. See Attachment 2 statements by various member agencies seeking support for local projects. The Technical Report appears to acknowledge this, at least indirectly, by noting that if the California WaterFix is implemented, it may need to seek "new markets" for this water supply. Technical Report at Attachment 1, page vi ("[t]he potential completion of the California WaterFix and a modernized water system in the Delta, for example, would create a new physical ability to move additional supplies in average and above-average years. In addition to providing water for storage management, this could also create opportunities for new markets and partnerships." The Water Authority questions this premise and believes that MWD's legal obligation and mission is to provide its own service area and ratepayers with supplemental water, not to develop it for sale to others and not to protect unidentified "broad public interests" that do not pay MWD's rates and charges (see Technical Report at Attachment 1, page vii ("MWD's baseline imported supplies has proven to be a highly cost-effective investment that protects broad public interests as well as Southland ratepayers"). This is also an issue that warrants further examination in the context of the LACSD project where MWD proposes to pay 100% of project costs and assume substantial risks in order to develop a water supply with respect to which member agencies of the LACSD would have a right of first refusal. See Board Memo 8-3, November 2015 MWD Board meeting. Ultimately, MWD must link its rates to the agencies that are benefitting from the costs MWD is incurring (i.e., it must show "cost causation").

<sup>iv</sup> The Technical Report states that, "[t]hrough the 2015 IRP Update process, foreseeable challenges and risk scenarios were identified that point to the potential of 200,000 AF of additional water conservation and local supplies needed to address these risks." Technical Report at Attachment 1, page iv. However, this "gap" results in part from the planning assumption that more than 200,000 AF of local projects and conservation measures will fail to be implemented (see Technical Report, Attachment 1, Table 3-5 making clear that supply projections only include projects that are currently producing water or are under construction). The "gap" is also the result of the planning assumption that SWP supplies will be reduced by 400,000 AF; and, because the analysis also fails to include the 168,000 AF of supply for groundwater replenishment from the LACSD project.

<sup>v</sup> The Technical Report emphasizes MWD's engagement with member agencies but does not explain why or if member agency staff and Board members agreed that it is reasonable to assume for planning purposes that the local projects listed on Attachment 2 would likely fail to be implemented. It isn't possible to reconcile this assumption with the presentations member agencies have made to their respective communities and ratepayers seeking approval and funding of these local projects and the actual progress that is being made toward implementation.

<sup>vi</sup> The Technical Report describes Future Supply Actions spending as including "exploring the feasibility of new local supply options, investing in water-saving technologies, acquiring land and proposing ways to reduce regulatory impediments to supply development." Staff needs to explain why these actions and spending projects would not already be included in the 100% supply reliability PLUS "buffer" supply. Given this lack of definition or any standard for triggering Foundational Actions spending, it is apparent that the Technical Report isn't a "plan" at all, but is rather, a blank check that could not possibly be a rational basis for establishing MWD's revenue requirements.

### Attachment 1 - Demand for MWD Water

The IRP's projection of increased demand for MWD Water is not supported by MWD's own data, which evidences instead, a declining demand for MWD Water

#### IRP Projections (million AF)<sup>1</sup>

	2016	2020	2025	2030	2035	2040
<b>Retail Demand after Conservation<sup>2</sup></b>	3.84	4.12	4.19	4.22	4.26	4.27
<b>Local Supply<sup>3</sup></b>	2.20	2.31	2.36	2.39	2.41	2.43
<b>MWD Water Demand</b>	1.64	1.81	1.83	1.83	1.85	1.84
<b>Cumulative Increase MWD Demand</b>		0.17	0.19	0.19	0.21	0.20

<sup>1</sup> The retail demand and local supply numbers are taken from the Technical Report, Attachment 1, Draft 2015 IRP Update, Table ES-1. The resulting calculation of MWD Water Demand is simply a mathematical calculation.

<sup>2</sup> Retail demand as calculated by MWD assumes only 50% compliance with Model Water Efficient Landscape Ordinance (MWELO).

<sup>3</sup> MWD does not include in its calculation of local supply any of the Water Authority's independent Colorado River water supplies (280,000 AF over time); it also assumes only 20,000 AF of member agency local projects will be successfully implemented.

#### IRP Projections (million AF) adjusted only for San Diego's Colorado River water

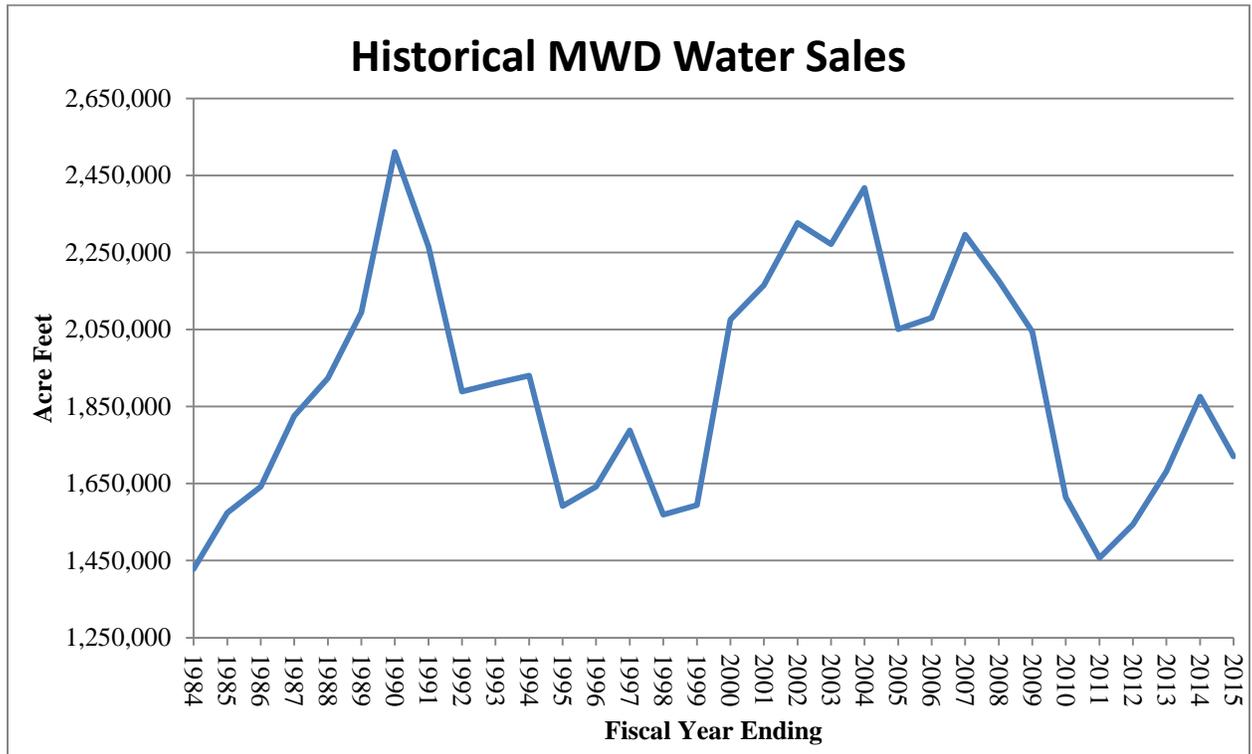
	2016	2020	2025	2030	2035	2040
<b>Retail Demand after Conservation</b>	3.84	4.12	4.19	4.22	4.26	4.27
<b>Local Supply<sup>4</sup></b>	2.38	2.59	2.64	2.67	2.69	2.71
<b>MWD Water Demand</b>	1.46	1.53	1.55	1.55	1.57	1.56
<b>Cumulative Increase MWD Demand</b>		0.07	0.09	0.09	0.11	0.10

<sup>4</sup> Local supply corrected to include Water Authority's actual independent Colorado River supplies over time pursuant to fully executed agreements.

#### IRP Projections (million AF) adjusted for San Diego's Colorado River Water and 50% yield from member agency projects that are currently in full design with funds appropriated or at the advanced planning stage with certified environmental review complete

	2016	2020	2025	2030	2035	2040
<b>Retail Demand after Conservation</b>	3.84	4.12	4.19	4.22	4.26	4.27
<b>Local Supply</b>	2.38	2.59	2.64	2.67	2.69	2.71
<b>50% yield of Member Agencies</b>		0.08	0.10	0.10	0.10	0.10
<b>MWD Water Demand</b>	1.46	1.45	1.45	1.45	1.47	1.46
<b>Cumulative Increase MWD Demand</b>		-0.01	-0.01	-0.01	0.01	0.00

**The Technical Report and other historical MWD documents confirm that MWD Water sales are on a long-term declining trend that is no longer based on hydrology but on the development of local water supplies that will permanently replace and reduce demand for MWD Water**



## Attachment 2

## Examples of member agency projects not included by staff in calculation of demand for MWD Water

Member Agency	Status of Member Agency Project
City of Beverly Hills	<p><b>Feasibility Project</b> Groundwater development- 2,000 AF</p> <p><b>Status:</b> Water Enterprise Plan- Adopted July 2015 Through a variety of projects and measures including groundwater development, <i>“the City has the potential to decrease its MWD purchases from the current 12,495 AFY to approximately 8,485 AFY by 2024/25.”</i> This amounts to a 4,010 AF (32 percent) reduction of the City's demand for MWD Water.</p> <p><a href="http://www.beverlyhills.org/cbhfiles/storage/files/13699920851488612043/FINALPsomasCBHWEPRreport_08102015V2.pdf">http://www.beverlyhills.org/cbhfiles/storage/files/13699920851488612043/FINALPsomasCBHWEPRreport_08102015V2.pdf</a></p>
Calleguas MWD	<p><b>Advanced Planning (EIR/EIS Certified) Projects</b> North Pleasant Valley Desalter- 7,300 AF</p> <p><b>Feasibility Projects</b> 2 projects 7,800 AF</p> <p><b>Status:</b> Calleguas is working with several agencies and the City of Oxnard to develop additional water supplies and reclaim brackish groundwater. These projects are in various stages of development with the largest being the EIR certified North Pleasant Valley Desalter. It is also building a regional salinity management pipeline in phases. Phase 1 is completed and Phase 2 is in design and, according to the Los Angeles Regional Water Quality Control Board, <i>expected to be completed within the next permitting cycle in 2018.</i></p> <p><a href="http://www.waterboards.ca.gov/rwqcb4/board_decisions/tentative_orders/individual/npdes/Calleguas_Municipal_Water_District/PublicNoticeCalleguasRSMPLAmendment.pdf">http://www.waterboards.ca.gov/rwqcb4/board_decisions/tentative_orders/individual/npdes/Calleguas_Municipal_Water_District/PublicNoticeCalleguasRSMPLAmendment.pdf</a></p>
Eastern MWD	<p><b>Full Design &amp; Appropriated Funds Project</b> Perris Desalter II, 4,000 AF</p> <p><b>Feasibility Project</b> Indirect Potable Reuse- 24,070 AF</p> <p><b>Status:</b> <i>Perris Desalter scheduled for bid advertise, November 2016 (9/8/2015 Eastern Presentation)</i></p>

	<p><i>IPR shown to be less expensive than MWD supplies, according to 8/20/2014 Eastern MWD presentation.</i>  <a href="http://www.emwd.org/home/showdocument?id=13335">http://www.emwd.org/home/showdocument?id=13335</a> page 15</p>
Inland Empire Utility Agency	<p><b>Advanced Planning (EIR/EIS Certified) Projects</b>          IEUA Regional Recycled Water Distribution System- 20,000 AF  <b>Status:</b>          IEUA's Ten-year Capital Improvement Plan identifies immediate and long term capital projects (including pipelines) needed to <i>"utilize 100% of the region's projected recycled water supplies, increasing recycled water deliveries from approximately 37,000 to 55,000 by 2025."</i>  <a href="http://www.ieua.org/wp-content/uploads/2015/04/TYCIP-Final-Amended-project-list-3-30-15.pdf">http://www.ieua.org/wp-content/uploads/2015/04/TYCIP-Final-Amended-project-list-3-30-15.pdf</a></p>
LADWP	<p><b>Full Design &amp; Appropriated Funds Projects</b>          Terminal Island Water Reclamation- 7,880 AF  <b>Advanced Planning (EIR/EIS Certified) Projects</b>          Downtown and Sepulveda Expansion- 2,600 AF; Tujunga Well Treatment- 24,000 AF  <b>Feasibility Projects</b>          9 projects-32,865 AF  <b>Conceptual Projects</b>          4 projects -38,270 AF  <b>Status:</b>          From 11/20/2015 Presentation by David Pettijohn to Los Angeles Chamber of Commerce:  <i>Plans to reduce MWD purchases by 145,000 AF</i>          Increase Groundwater by 45,535 AF          40,000 AF Water Transfers          25,000 AF Stormwater Capture          50,451 Increased Water Reclamation  <a href="http://www.lachamber.com/clientuploads/EWE_committee/11.20.15_LADWP%20-%20LA%20Chamber%20Presentation%2011.20.15%20final.pdf">http://www.lachamber.com/clientuploads/EWE_committee/11.20.15_LADWP%20-%20LA%20Chamber%20Presentation%2011.20.15%20final.pdf</a></p>
MWDOC	<p><b>Advanced Planning (EIR/EIS Certified) Projects</b>          Huntington Beach Seawater Desalination Project- 56,000 AF  <b>Status:</b>  <i>Decision from Coastal Commission expected within 2 months</i></p>
City of Santa Monica	<p><i>Plans to eliminate the purchase of MWD Water</i>  <b>Status:</b>          The following is the first two paragraphs of the City's Water Sustainability Master Plan:          The City of Santa Monica (City) supplies imported and local water to approximately 91,000 residents</p>

	<p>covering an area of approximately 8 square miles. Looking to its future, the City hopes to eliminate its reliability on imported water by addressing the challenge of existing groundwater quality, identifying new sources of local water supply, and more effectively reduce and manage its water demands.</p> <p><i>With an adopted goal of water self-sufficiency achieved by eliminating reliance on Metropolitan Water District of Southern California (MWD) supply by 2020</i>, the City of Santa Monica retained Kennedy/Jenks Consultants to develop an integrated Sustainable Water Master Plan (SWMP).</p> <p>This SWMP combines relevant components of existing plans with an evaluation of a broad range of water supply and demand management options to assist the City in meeting its goals.</p> <p>This plan has been prepared with the objective of developing a comprehensive document to define supply and demand management options to cost effectively reduce future water demands and enhance local water supply production capabilities.</p> <p><a href="https://www.smgov.net/uploadedFiles/Departments/Public_Works/Water/SWMP.pdf">https://www.smgov.net/uploadedFiles/Departments/Public_Works/Water/SWMP.pdf</a></p>
City of Torrance	<p><b>Full Design &amp; Appropriated Funds Projects</b>  Madrona Desalter Expansion- 2,400 AF  <b>Status:</b>  Received \$3.9 Prop 84 funds and \$3.0 M Prop. 50 funding. <i>Estimated Completion 2018</i>  <a href="http://bondaccountability.resources.ca.gov/Project.aspx?ProjectPK=12317&amp;PropositionPK=4">http://bondaccountability.resources.ca.gov/Project.aspx?ProjectPK=12317&amp;PropositionPK=4</a></p>
Upper San Gabriel Valley MWD	<p><b>Full Design &amp; Appropriated Funds Projects</b>  Direct Reuse- 2 projects 730 AF  Indirect Reuse Replenishment- 10,000 AF  <b>Status:</b>  Upper District adopted an Indirect Reuse Action Plan in 2011 which set forth specific tasks to complete the Indirect Reuse Replenishment Project. It has received \$790,000 in grants to date to further the project. <i>According to MWD the project is scheduled to be on-line in 2018.</i></p> <p><a href="http://upperdistrict.org/wp-content/uploads/2012/11/FY-15-16-Budget.pdf">http://upperdistrict.org/wp-content/uploads/2012/11/FY-15-16-Budget.pdf</a></p>
Western MWD	<p><b>Feasibility Projects</b>  Rancho California Reclamation Expansion/Demineralization Western AG- 13,800 AF  <b>Status:</b>  <i>Scheduled for 2018 completion, according to MWD.</i></p> <p>Link to Rancho California Water Facilities Master Plan:  <a href="http://www.ranchowater.com/documentcenter/view/1802">http://www.ranchowater.com/documentcenter/view/1802</a></p>