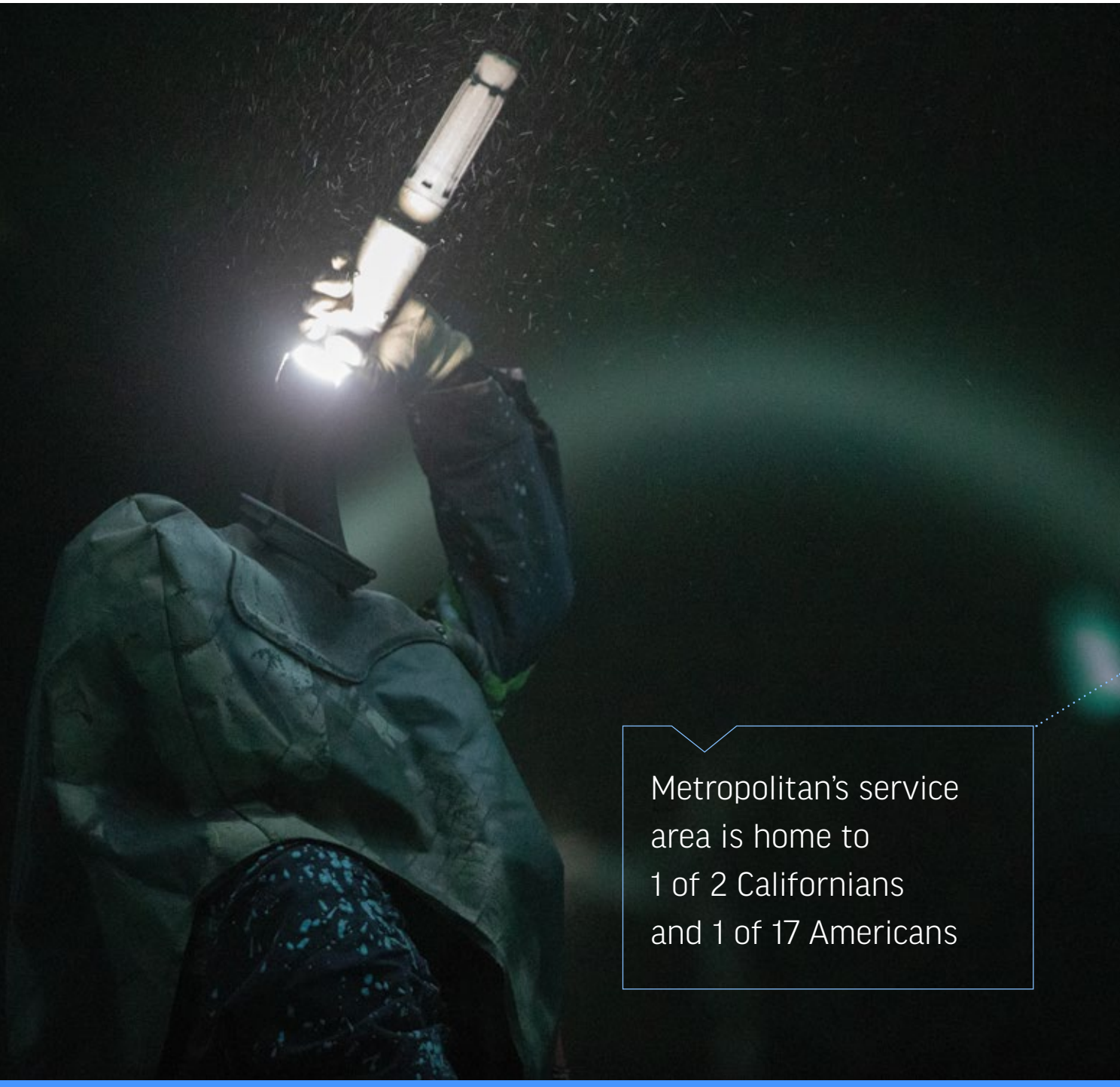
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

2024 LEADERSHIP TODAY WATER TOMORROW



Metropolitan's service area is home to 1 of 2 Californians and 1 of 17 Americans

METROPOLITAN LEADS

« Inside the Etiwanda Pipeline, a relining project to extend the lifetime of critical infrastructure.

Metropolitan's forward-looking leadership has for decades ensured Southern California has the water it needs to meet today's demands and tomorrow's challenges.

- Metropolitan was established in 1928 to provide a reliable water supply to a growing Southern California by building and operating the Colorado River Aqueduct. Today, Metropolitan continues to meet this challenge.
- As the largest supplier of treated water in the country, Metropolitan delivers water to 26 member agencies that serve 19 million people across parts of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties. Metropolitan is grounded through wise investments, innovative thinking and leadership from its 38-member board.
- In the 1960s and '70s, Metropolitan worked with other public water agencies and the state to build the State Water Project, delivering water from Northern California to growing cities in the south.
- While water from the State Water Project and the Colorado River has served our communities for decades, these sources are increasingly impacted by drought cycles and a changing climate, making the development of new local resources critical.
- Today, Metropolitan is working to ensure future water supply reliability through a long-term planning process launched in 2023 called the Climate Adaptation Master Plan for Water. The plan will assess how climate change affects the region's water supplies and use a climate lens to consider investments in water supply and storage, resource management, and financial sustainability.
- Huge investments in sustainable, climate-resilient local supplies, including the proposed Pure Water Southern California water recycling project, will also reduce the region's reliance on imported supplies.
- Metropolitan is working with agricultural, urban and tribal partners to find solutions to reduced flows on the Colorado River. A landmark set of conservation agreements signed in December 2023 protects the river and helps conserve up to 1.6 million acre-feet of water in Lake Mead.
- Metropolitan's foundation for future success is anchored by its commitment to the integration of smart water management for infrastructure, inclusion of all voices to create a shared water future, and innovation that fosters creative solutions to the challenges ahead.

Metropolitan delivers more than 1 billion gallons of water each day.

METROPOLITAN DELIVERS

« Metropolitan's self-designed tunnel cleaning machine is used during Colorado River Aqueduct shutdowns for maintenance.

Metropolitan built, operates and maintains a water delivery system that is the cornerstone of the region's $1.6 trillion economy.

» Metropolitan owns and operates an extensive water storage, treatment and delivery system that includes three major reservoirs, six smaller reservoirs, 830 miles of large-scale pipelines, about 400 connections to member agencies, 16 hydroelectric facilities and five water treatment plants.

» Metropolitan's imported water supplies come from two main sources:

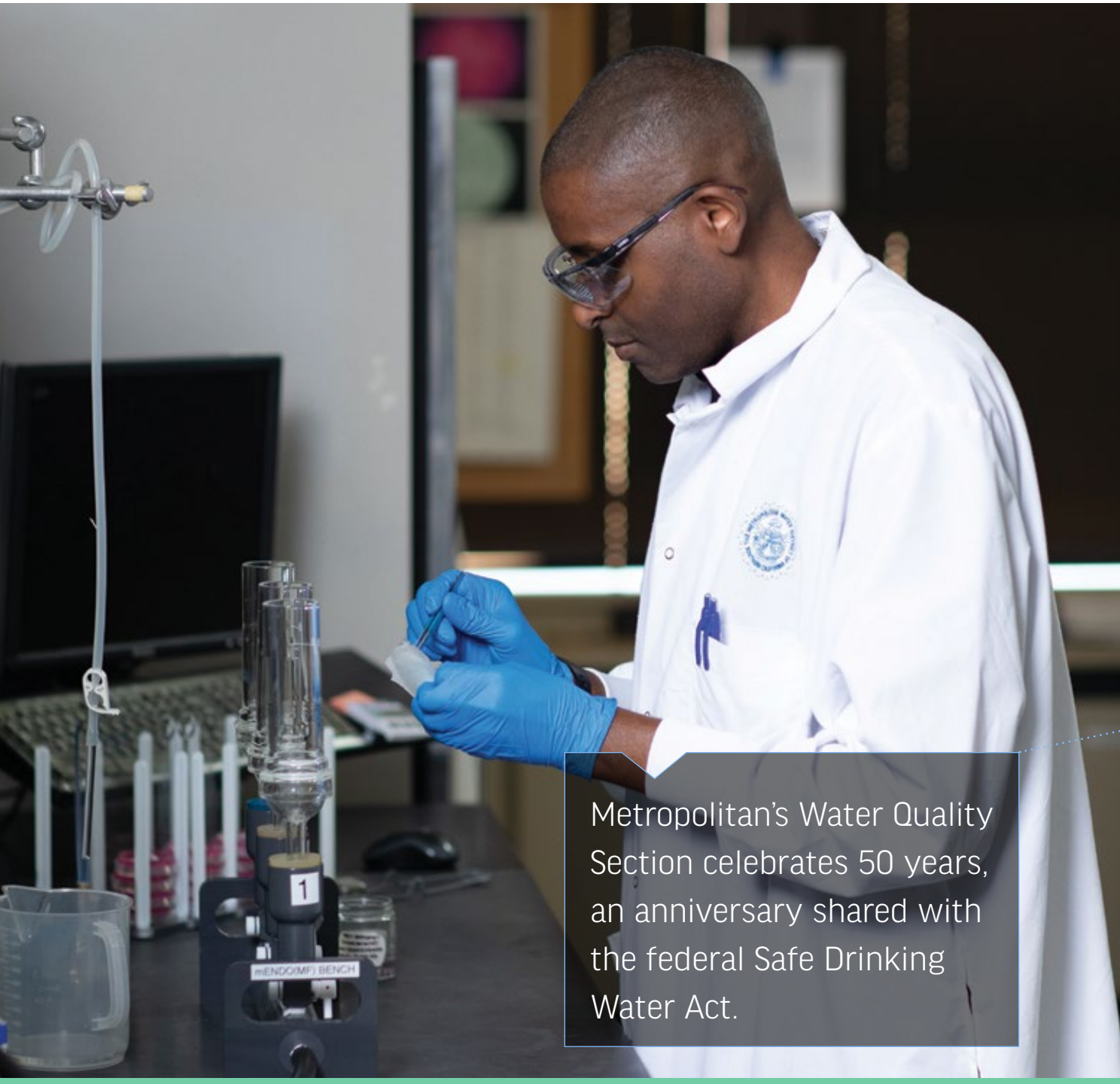
- **The State Water Project** delivers, on average, about 30 percent of the region's water from Northern California through the California Aqueduct.
- **Metropolitan's Colorado River Aqueduct** delivers about 20 to 25 percent of the region's water supply from the Colorado River via a 242-mile system of canals, tunnels and siphons.

» The remainder of Metropolitan's supplies come from local resources including groundwater, stormwater capture, desalination projects, and water recycling.

» A commitment to provide the entire service area with reliable and equitable access to available water and storage was reaffirmed by Metropolitan's board in 2022 with a plan to build new infrastructure that will increase access to stored water. In 2023, more than $25 million was approved for two new projects that will re-engineer Metropolitan's water delivery system.

» Metropolitan supports the state of California's planning process to modernize the State Water Project's delivery system in the Sacramento-San Joaquin Delta with improved conveyance that can more reliably capture and move supplies. Additionally, Metropolitan supports initiatives in the Delta to improve water quality, enhance habitats and address sea-level rise and seismic events.

» California took action to reduce deliveries of Colorado River water in 2023 to their lowest levels since 1949 thanks to water efficiency and partnerships with the agricultural community that benefit both urban areas and farmers. Faced with extended drought, Metropolitan is working with other states and water agencies to further reduce demands and restore reliability.



Metropolitan's Water Quality Section celebrates 50 years, an anniversary shared with the federal Safe Drinking Water Act.

METROPOLITAN PROTECTS

« Laboratory Technologist Alvin Johnson is one of about 100 water quality employees charged with drinking water quality control.

Metropolitan is a national leader in treating and providing safe drinking water that meets or exceeds stringent state and federal water quality standards.

- For half a century, Metropolitan's water quality section has helped safeguard drinking water for Southern California, developing and contributing to major innovations in research and technology.
- Each year, Metropolitan monitors for 400 constituents and complies with 120 drinking water regulations.
- Metropolitan's scientists are nationally known for developing innovative methods for the early detection of constituents of concern and play a significant role in the development of future regulatory requirements.
- Each of Metropolitan's five water treatment plants has a satellite lab to monitor water quality. And the agency's dive team collects water samples from reservoirs, logging about 4,400 dives since the scientific team formed in the early 1980s.
- With concern growing about the presence in some water supplies of a family of chemicals known as PFAS, Metropolitan has proactively been monitoring for the chemicals since 2013 and supporting work to understand more about the impacts of these and other emerging contaminants such as microplastics.
- Metropolitan's laboratory plays a key role in evaluating the water treatment and quality of supplies produced by the demonstration facility at the Grace F. Napolitano Pure Water Southern California Innovation Center. The planned regional recycled water program could be one of the largest in the world if brought to full scale.
- By making investments in watershed protection programs, Metropolitan safeguards the source waters of the Colorado River and State Water Project, helping to prevent contaminants from entering the regional conveyance systems.
- Invasive species in watersheds can have significant effects on water quality and aquatic ecosystem health, so Metropolitan supports programs and coordinated efforts to prevent and manage the spread of quagga and zebra mussels, and other non-native species.

Metropolitan is making significant investments in infrastructure that will add resiliency and equity to supplies for all member agencies.

METROPOLITAN PLANS

« A tunnel boring machine will help complete the 1-mile Perris Valley Pipeline to better serve growing western Riverside County communities.

Metropolitan uses strategic and collaborative planning to ensure water supply reliability for Southern California as the climate changes and the region's needs evolve.

» In recent years, California has experienced some of the worst droughts and extreme weather events in state history. If not for Metropolitan's smart planning, including investments in conservation and building Diamond Valley Lake – Southern California's largest reservoir – the region would have faced even more dire shortages.

» Climate change presents a monumental long-term challenge to the reliability of Southern California's water supplies. Every watershed our region depends on is becoming more stressed and less dependable.

» While Metropolitan has conducted long-range planning for its water resources portfolio since the mid-1990s with an Integrated Water Resources Plan, it is updating its long-term projections to account for the complexities and uncertainties of climate change through the new Climate Adaptation Master Plan for Water, work that began in 2023.

» This planning is coordinated with other long-term plans such as the Climate Action Plan and the Urban Water Management Plan, through a collaborative process with member agencies, organizations representing diverse interests, and the public.

» The latest planning effort continues decades of work to diversify the region's water portfolio and considers different scenarios to:

- **Increase** water conservation savings with a greater emphasis on outdoor efficiency
- **Develop** local supplies, including groundwater management, stormwater capture, desalination and recycling
- **Manage** Colorado River Aqueduct supplies and State Water Project supplies
- **Maximize** surface and groundwater storage

» As an agency responsible for delivering water in one of the world's most seismically active regions, Metropolitan works to enhance the resiliency of infrastructure and water deliveries in response to earthquakes. In 2023, work was completed on the Casa Loma Siphon, a part of the Colorado River Aqueduct, that will improve its operational capability during and after an earthquake, and allow the pipeline to return to service if damage occurs.

Because of its fiscal integrity and sound business practices, Metropolitan maintains some of the nation's highest credit ratings for government agencies.

METROPOLITAN INVESTS

« Zero-emission vehicles are being tested to help Metropolitan meet its climate goals and reduce greenhouse gas emissions.

Metropolitan's reliability and forward-thinking planning resonates in the financial community and earns high credit ratings.

» To keep Metropolitan's vast water delivery system running smoothly and able to meet Southern California's water demands, forward-thinking investments are made in supplies, storage, conservation and infrastructure.

» These strategically important programs provide Metropolitan operational flexibility to deliver water from diverse sources and meet regional demands, while storing available water in wet years for use in dry ones.

» Water rates are set in an open and transparent public process to recover the costs of providing water service as part of Metropolitan's biennial budget process. The district's budget includes capital spending of approximately $400 million annualy, largely to rehabilitate existing facilities so they are well-maintained, reliable and seismically sound.

Some of Metropolitan's largest strategic investments in recent years include:

Investments in Tomorrow's Workforce: As part of its commitment to improving communities across the region, Metropolitan approved a Project Labor Agreement, which applies to a majority of its construction projects valued at a combined $1 billion. The PLA will provide quality, local jobs and expand opportunities for people wanting to enter the construction trades through apprenticeships, internships and educational programs.

Storage: In 2023, Metropolitan celebrated the opening of the High Desert Water Bank, a new groundwater storage project that will hold up to 280,000 acre-feet of State Water Project supplies. With this new project, Metropolitan has developed more than 5.5 million acre-feet of storage capacity since 1990. An acre-foot is enough water to serve three typical Southland families annually.

Local Resources Program: Metropolitan has several incentive programs aimed at testing and developing different ways to conserve and create new local water sources. Financial incentives totaling $737 million help local and member agencies develop projects that have produced about 4.3 million acre-feet of recycled and recovered groundwater to date.

Pure Water Southern California: In partnership with the Los Angeles County Sanitation Districts, the demonstration facility in Carson is testing new treatment methods to produce a sustainable source of high-quality water for Southern California. In 2023, California approved new regulations that allow water systems to develop treatment protocols to convert wastewater into high-quality drinking water, a landmark step in ensuring a climate-resilient water supply.

Grants: Metropolitan is actively seeking state and federal grants and other funding to offset project and program costs to increase Southern California's water resiliency. Recent grants include state funding of $40 million for conservation programs, $80 million for the planning and environmental study for the Pure Water Southern California program, and $50 million to accelerate a set of drought emergency projects. In 2023, Metropolitan also negotiated a federal B.F. Sisk Dam cost share agreement that will save about $235 million over a multi-year period.

Investments in conservation and outreach programs have made conservation a way of life, saving nearly 4 million acre-feet of water to date.

METROPOLITAN CONSERVES

« A partnership with the Angel City Football Club brought raised brand awareness of bewaterwise.com and reached new and younger audiences.

Since the 1990s, investments of more than $1.6 billion in conservation, recycled water and groundwater recovery have led to a nearly 40 percent reduction in per capita potable water use.

» Southern Californians have made conservation a sustainable way of life by cutting average per capita potable water use from about 209 gallons per day in 1990 to about 126 gallons per day now. This represents a nearly 40 percent reduction, despite a population growth in the region of nearly 30 percent.

» Diverse local resource programs like water recycling, desalination, groundwater recovery and storage have increased our resiliency and reliability.

» Over the years, Metropolitan has invested $910 million in conservation programs, including rebates for high-efficiency toilets, turf removal, sprinklers and smart irrigation controllers and custom efficiency projects for the region's businesses and industries.

» While early conservation efforts greatly improved indoor water use efficiency, Metropolitan is now focused on saving water outdoors where up to 75 percent of water is used. Metropolitan has the nation's largest turf removal incentive program and provides rebates for water-saving equipment like smart irrigation controllers and flow monitoring devices.

» Beginning in 2024, homeowners will receive rebates for up to five trees planted in their yards as part of the Turf Replacement Program.

» In 2023, Metropolitan co-sponsored state legislation (AB 1572) that will prohibit the use of potable water to irrigate grass that is not used for recreation or other purposes – also known as non-functional turf – on commercial, industrial, municipal and institutional properties.

» In partnership with other agencies throughout the West, Metropolitan signed a Memorandum of Understanding to limit unnecessary grass in a cooperative effort to use less precious water from the Colorado River.

» This commitment to conservation is bolstered through strong strategic partnerships with schools, universities, community groups, environmental organizations and energy utilities, with an emphasis on programs that reach and serve underrepresented and disadvantaged communities.

Metropolitan helps manage four multi-species ecological reserves spanning 30,000 acres.

METROPOLITAN SUSTAINS

« The Dr. Roy E. Shipley Reserve, located between Diamond Valley Lake and Lake Skinner, is home to at least eight types of natural habitat.

Metropolitan's commitment to taking care of the environment is reflected in our business values – embracing renewable and clean energy, investing in ecosystem protection and restoration, and promoting sustainable landscapes.

» Four multi-species reserves encompassing about 30,000 acres of protected open space are the cornerstone of Metropolitan's investments in environmental conservation and stewardship. These reserves help mitigate the impacts of construction from Metropolitan infrastructure projects, and provide watershed protection and habitat for native species.

» As part of its role in the Lower Colorado River Multi-Species Conservation Program, Metropolitan has participated in a comprehensive restoration effort with the states of Arizona, Nevada and California to restore about 7,000 acres of riparian, marsh and backwater habitats.

» While the CAMP4Water and Climate Action Plan will help the Southland adapt to changing climate conditions, Metropolitan has been on the path for decades. Our environmental awareness began with our founding in 1928, when planners and engineers designed the Colorado River Aqueduct to deliver water primarily by gravity flow across 242 miles of California desert to the state's south coastal plain.

» Those same planners recognized the need for a reliable supply of power, investing in construction of Hoover Dam and Parker Dam, which together supply more than half of the energy needed today to power the CRA pumps with clean, carbon-free energy.

» Through a highly collaborative process, Metropolitan adopted a Climate Action Plan establishing a pathway to the state's target of reducing greenhouse gas emissions 40 percent below 1990 levels by 2030, and a goal of carbon neutrality by 2045. This plan includes utility improvements, a zero emissions fleet, and increased support of conservation and local water resources programs.

» Metropolitan has launched a new interactive online dashboard that allows the public to view its progress on greenhouse gas emission reduction targets.

» With an investment of tens of millions of dollars annually for environmental and science-based activities in the Sacramento-San Joaquin Delta, Metropolitan supports research to improve water supply reliability, protect Delta smelt and other native species, and help restore the Delta ecosystem.

» In 2023, Metropolitan received a nearly $21 million grant from the Delta Conservancy to develop a multi-benefit landscape opportunity on Webb Tract to construct rice fields and wetlands that can stop and/or reverse subsidence, reduce pressure on the levees and protect water quality.

Innovation in wastewater treatment is the cornerstone of the Pure Water Southern California Program.

METROPOLITAN INNOVATES

« Metropolitan leaders Board Chair Adán Ortega, Jr., Vice Chair Michael Camacho and General Manager Adel Hagekhalil celebrate the naming of the Grace F. Napolitano Pure Water Southern California Innovation Center in honor of the congresswoman's seminal role in water policy leadership.

Metropolitan drives water innovation through an exchange of ideas, collaboration, outreach and evaluation of new technologies.

» Through a growing portfolio of innovation programs, the district is exploring more efficient and economical ways to move and treat water, testing creative approaches to conservation and investing in new ways to maintain vital infrastructure.

» Metropolitan is investing in renewable energy resources. In addition to using power generated at Parker and Hoover Dams, 15 in-stream hydroelectric plants operate throughout the distribution system with a capacity of about 130 megawatts. Metropolitan has also installed 5.5 megawatts of photovoltaic solar power at its facilities and will soon add battery storage for green energy when power rates are low and discharge that energy when rates are higher.

» The Innovative Conservation Program funds research to document the water savings and reliability of innovative water savings devices and technologies. As part of a joint program with SoCalGas, six projects received funding for work including leak detection, cooling tower efficiency, commercial turf replacement savings analysis, and showerheads that provide water and energy savings. All projects will be completed in late 2024.

» The Future Supply Actions Program helps fund research projects for recycled water, seawater desalination, groundwater recovery and local stormwater. The focus is to promote low-cost, low-risk investments that address technological, regulatory, and institutional barriers to new supplies.

» The Water Savings Incentive Program encourages innovation at commercial, industrial and agricultural facilities. More than 125 facilities have received funding for customized projects that have resulted in nearly 30,000 acre-feet of water savings.

» In 2023, Metropolitan's One Water Awards ceremony honored six organizations from throughout the region that used funding from Metropolitan's WSIP to make major improvements to their water management operations and equipment, such as installing smart irrigation technology, water recirculation systems for public agencies and fire departments, and soil moisture sensors.

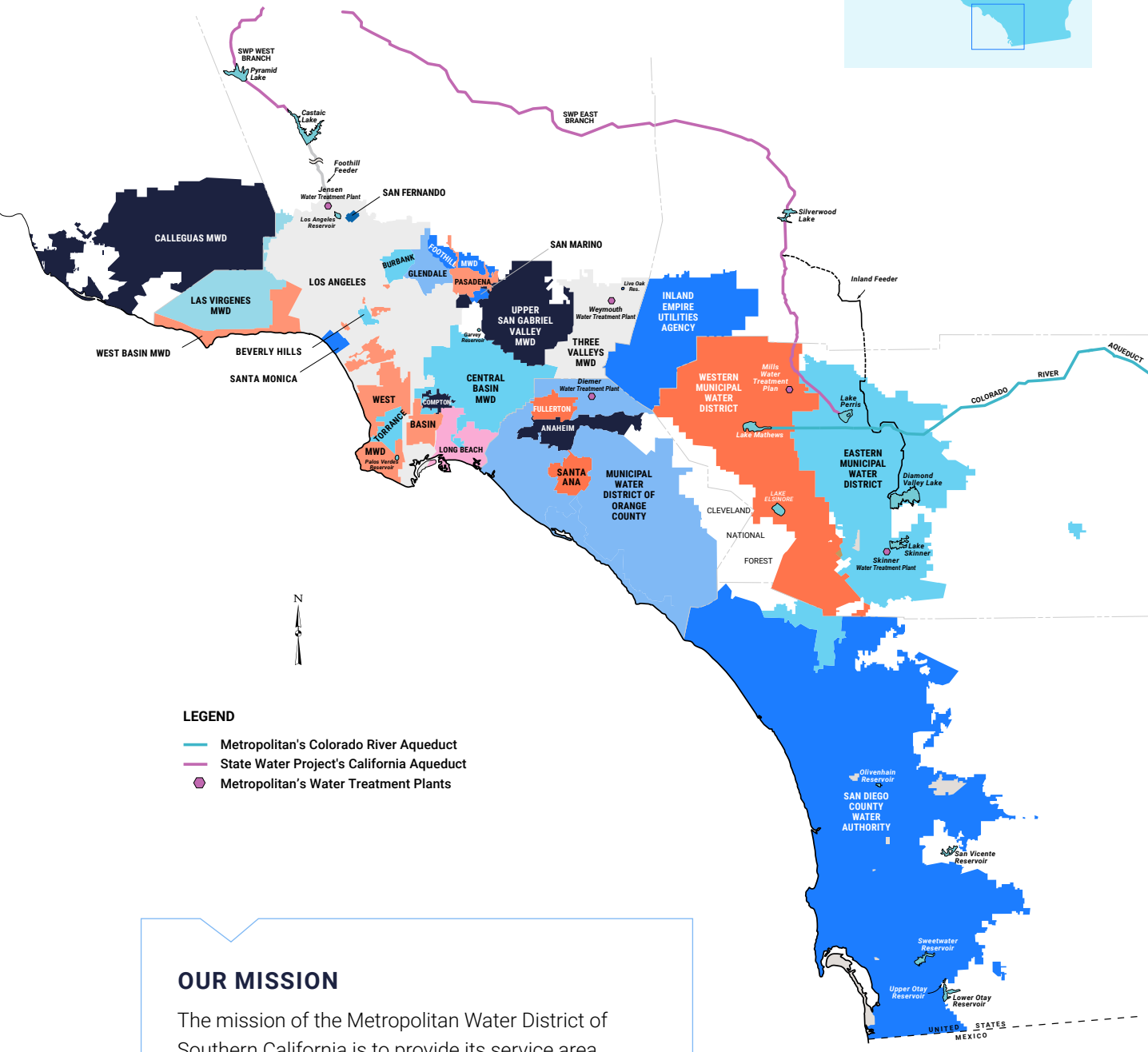
DELIVERING WATER TO

SOUTHERN CALIFORNIA

Metropolitan imports supplies from the Colorado River through the Colorado River Aqueduct, which it owns and operates; from Northern California via its participation in the State Water Project; and from exchanges and transfer arrangements. An increasing percentage of Southern California's water supply comes from local resources, including water recycling and recovered groundwater.

METROPOLITAN'S

MEMBER AGENCIES



Map is current as of February 2024.

OUR MISSION

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

@mwdh2o mwdh2o.com bewaterwise.com