



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

June 15, 2016

Ms. Felicia Marcus, Chair
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Marcus,

Drought Emergency Water Conservation – Wholesaler Supply Information

The Metropolitan Water District of Southern California has evaluated our water conditions using the prescribed 'stress test' required in California Code of Regulations, Title 23, Section 864.5(g) and determined we have sufficient water supplies to meet the water demands of our 26 member public agencies over the next three years. The results and analysis are posted on our publicly accessible website: <http://mwdh2o.com/AboutYourWater/Planning/PlanningDocuments/Pages/default.aspx>.

The results of the test are due in large part to the extraordinary response of Southern California residents and businesses to reduce water during the region's ongoing drought and to make conservation a way of life long-term. Monthly water sales by Metropolitan continue to be lower than conservative projections, strong evidence that Southland residents are voluntarily reducing water use at levels similar to a significant mandatory action by Metropolitan via its allocation plan. The results advance the region's commitment over the past 25 years to: 1) permanently lower per capita water use, and 2) improve water supply reliability during dry years. Since 1990, Metropolitan and its 26 member public agencies have worked to develop a diverse water resource portfolio that is designed to help the region through California's inevitable droughts. Specific actions include:

- Investing nearly \$1 billion in region-wide conservation programs, water recycling, and groundwater recovery;
- Constructing Diamond Valley Lake to increase Southern California's storage by 800,000 acre-feet;
- Developing numerous surface and groundwater banking and transfer agreements throughout Central and Southern California, as well as the Colorado River, to provide additional storage for dry-periods; and

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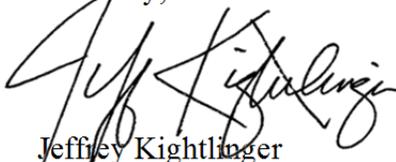
- Collaborating with water agencies on projects and programs to improve reliability of imported water supplies.

These efforts help implement priorities in California's Water Action Plan and the California Water Plan Update. They also help achieve the goals in Metropolitan's Integrated Water Resources Plan that was updated in January 2016. These efforts demonstrate prudent water planning to ensure reliable water supplies for growth and economic development, and address the uncertainties of climate change and drought, in a region with half the state's population.

The state's 'stress test' was an important exercise to complement our ongoing efforts to determine our water management actions for the remainder of this year. Given how Metropolitan anticipates modest increases in our water supply reserves thanks to continued conservation within our service area and expected supplies from Northern California, new short-term mandates at this time do not appear necessary. If drought conditions do persist for three additional years, mandatory restrictions of supplies to our 26 member agencies would be a strong possibility, if not a probability. Metropolitan plans to carefully manage its reserves to avoid exhausting these vital buffer supplies.

Metropolitan looks forward to collaborating with water agencies, environmental organizations, the business sector, and other stakeholders, to achieve California's future conservation goals.

Sincerely,



Jeffrey Kightlinger
General Manager