CALIFORNIA WATERFIX IMPLEMENTATION

Metropolitan will be the primary investor in this important project to modernize our state’s water delivery system. This investment is necessary to prevent a far more expensive, disruptive water future if reliable supplies from Northern California are lost to climate change or other natural risks, such as earthquakes.

Project Benefits

- **Seismic Resiliency**
- **Protect Fish**
- **Climate Adaptation**
- **Water Reliability**
- **Restore Natural Flow Patterns**
- **Improved Water Quality**

$17 billion
Total Project Cost for Construction and Mitigation: Includes 35% contingency

64.6% or up to $10.8 billion
Metropolitan’s Share

Estimated average household cost of California WaterFix within the MWD Service Area

Assumes 4% interest rate, based on 6.2 million households and residential sector paying 70 percent of costs. The per household cost will vary depending on retail agencies’ wide variation of costs, water sources and rate decisions.

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SUMMARY OF RECENT HIGHLIGHTS

California WaterFix
Metropolitan’s board made a historic decision to invest $10.8 billion, nearly 65 percent of the project cost, to allow for the construction of the fully envisioned California WaterFix project. California WaterFix is a comprehensive solution proposed by state and federal agencies to ensure our state has a reliable water supply for many years to come. It will improve the state’s water transportation infrastructure by constructing new, state-of-the-art facilities that can secure more reliable water supplies, improve water quality, respond to climate change risks and protect ecosystem health.

Participating public agencies, including Metropolitan, have formed a joint powers authority to manage, design and construct the project, while the State of California maintains a strong and important oversight role. This partnership is the most suitable structure to manage risk and ensure WaterFix is built on time and on budget, meeting all design and construction standards.

Budget
Metropolitan’s newly adopted biennial budget for fiscal years 2018/19 and 2019/20 will improve the reliability of local and imported water supplies, ensure public health and safety, and plan for the future while managing costs through relatively modest rate increases of 4% a year that reflect the cost of service. Metropolitan maintains some of the nation’s highest credit ratings among government agencies. This was reaffirmed by S&P Global Ratings in June 2018.

Budget Highlights
• Plans capital spending of $500 million to maintain the region’s water infrastructure
• Increases investments in conservation programs
• Provides funding for California WaterFix
• Decreases annual debt service costs by $13 million
• Offsets increases in operations and maintenance costs with lower State Water Project charges

Conservation
To help make conservation a California Way of Life, Metropolitan has increased its annual conservation budget to $75 million. In addition to rebates for high efficiency toilets and washers, Southern Californians interested in transforming their lawns into more water-efficient gardens with native plants and smart irrigation will once again have an added incentive to do so with a new landscape transformation rebate program to promote outdoor water savings.

The district is offering a rebate of $1 per square foot of turf removed. The program will accept up to $50 million in applications each year. Some Metropolitan’s member agencies also may add additional incentives. Information about the landscape transformation program and many other rebates is available at bewaterwise.com.
**LOOKING FORWARD**

**Colorado River Programs**
After years of drought in the Colorado River basin, forecasters say there are better-than-even odds that low storage levels in the nation’s largest reservoir system will trigger shortage conditions by 2020. Managing through those conditions will be critical for Metropolitan to stay reliable. Last year, the U.S. and Mexico agreed on a new strategy that will help conserve more water. Arizona, California and Nevada are negotiating to finalize drought contingency plans. Metropolitan continues to work with desert water agencies to create more storage opportunities, and with agricultural districts on new partnerships that benefit urban areas and farmers, such as water transfers and fallowing agreements.

**Investing in Regional Recycling**
Metropolitan is making a major investment in a water recycling project to clean and reuse treated wastewater currently sent to the ocean. Construction on the new water recycling demonstration plant in Carson will be completed by the end of 2018. A partnership with the Sanitation Districts of Los Angeles County, the demonstration project will evaluate an innovative alternative recycling process to meet water quality requirements. Depending on the outcomes of the demonstration plant and an additional investment from Metropolitan, the project could eventually become one of the largest advanced water treatment plants in the world.

**Fostering Innovation**
Metropolitan is supporting innovation to produce and test the next generation of water-saving devices and technologies. A dozen innovative water-saving technologies were awarded funding through the Innovative Conservation Program, a competitive program in collaboration with the U.S. Bureau of Reclamation and other Colorado River water contractor agencies that evaluates innovative devices, technologies and strategies. Other forward-thinking programs include the Water Savings Incentive Program that encourages technical advances for improving water efficiency with upgraded equipment or services.

**Commitment to Stewardship**
As part of an ongoing commitment to stewardship of our water and other resources, Metropolitan is making major investments to protect open spaces for native species and their habitats, address climate change risks, preserve cultural treasures and promote sustainable business practices. Expanding scientific studies and research that can benefit ecosystem health in the Delta also is a priority for Metropolitan. This includes supporting California EcoRestore, a multi-agency effort to restore 30,000 acres of Delta habitat, protect water supplies and assure the stewardship of natural resources.