

The Metropolitan Water District of Southern California

NEWS RELEASE

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METROPOLITAN EXPLORES WATER MARKET DURING CRITICALLY DRY YEAR

To ensure Southern California has reliable water as the state faces a second consecutive year of drought, Metropolitan Water District's Board of Directors <u>voted</u> today to explore purchasing supplies on the water market.

While Metropolitan has enough water from its diverse sources and in storage to serve the region's needs, even during this critically dry year, purchasing transfer supplies will help the agency strategically manage future risk. The purchases will particularly increase reliability in areas of Metropolitan's service area that rely more heavily on water from the State Water Project.

"We need to be prepared if these dry conditions continue next year, or the year after that," said board Chairwoman Gloria D. Gray. "If there is water available from our partners across the state that we can efficiently transfer, we should take advantage of those opportunities."

The board decision authorizes Metropolitan staff to purchase up to 65,000 acre-feet of water from water agencies north of the Sacramento-San Joaquin River Delta. Metropolitan could pay up to \$675 for an acre-foot, but under agreements negotiated earlier with participating agencies, the actual amount paid would likely be less and, in some cases, much less. (An acre-foot of water is enough to serve three average Southern California households for a year.)

"Metropolitan's diverse supplies means we can make managed decisions, not desperate ones," General Manager Jeffrey Kightlinger said. "We will be very judicious about the transfers we pursue. We have a lot of flexibility."

Last month, the California Department of Water Resources reduced the State Water Project water allocation to just 5 percent of contracted amounts – matching the record-low allocation recorded in 2014 during the depths of California's last drought. The state project on average provides about 30 percent of Southern California's water supply. Despite the low allocation, Metropolitan has <u>announced it is prepared</u> to meet the region's demands, thanks to its Colorado River supplies, record water in storage, and a growing conservation ethic among Southern Californians.

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The Metropolitan Water District of Southern California is a state-established cooperative that, along with its 26 cities and retail suppliers, provide water for 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.