



The Metropolitan Water District of Southern California

# NEWS RELEASE

P. O. Box 54153, Los Angeles, California 90054-0153 • (213) 217-6485 • [www.mwdh2o.com](http://www.mwdh2o.com)

Contact: Bob Muir, (213) 217-6930; (213) 324-5213, mobile

Dec. 9, 2014

GEARING UP FOR MORE DROUGHT, METROPOLITAN WATER BOARD REVISES SUPPLY ALLOCATION PLAN, ALSO ADDS \$40 MILLION TO REBATE PROGRAM

## **Adjusted allocation plan would divide available supplies among Metropolitan's 26 member public agencies during shortage**

In response to California's record drought, Metropolitan Water District's Board of Directors today revised the district's region-wide, water allocation plan and added \$40 million to its conservation rebate budget to keep pace with unparalleled public demand.

The adjusted allocation plan distributes Metropolitan's imported supplies among its 26 member agencies during shortages and establishes a surcharge for excess water use. If drought conditions persist, the board could consider triggering the allocation plan in the first quarter of 2015.

"Making tough decisions about restricting supplies is one of the hardest things we do as a water board," said Metropolitan board Chairman Randy Record. "By taking this action today, we are better prepared to manage water shortages should the situation worsen."

The decision to increase the district's conservation incentive budget from \$60 million to \$100 million during the ongoing drought marks the second time this year Metropolitan's board has boosted funding for water-saving rebates. Last February, the board added \$20 million to Metropolitan's conservation budget, which brought the total to \$60 million.

Metropolitan General Manager Jeff Kightlinger said the combination of heightened public drought awareness, the need to conserve and the expanded rebate options—particularly turf removal—has generated extraordinary demand from consumers and businesses for water-savings incentives.

"We've never experienced anything like it," said Kightlinger about the public's demand for rebates. "Last year, we spent a total of \$18.6 million on our entire conservation budget, which is nearly equal to the amount expended during *just* the first five months of the current fiscal year. Driven by the public's response to the increased turf removal incentive, overall rebate requests are already more than nine times the total rebates paid last year."

more . . . . .

As for the allocation plan, the primary principle of its tiered pricing levels is to alleviate disparate impacts at the retail level for Metropolitan's member public agencies across the district's six-county service area. The plan's formula includes mechanisms to balance many considerations and help ensure that no member agencies are disproportionately impacted.

"The plan provides a prudent and responsible contingency plan should we face continued drought in 2015," Kightlinger said. "It's important to realize that this plan is being updated, but not implemented at this time. It ultimately will be up to Metropolitan's board to decide whether to declare a shortage and begin allocating supplies."

Under the plan, Metropolitan's member agencies and their retailers would be allocated supplies partly based on their dependency on the district's imported supplies, while taking into account other local supply sources. Initially adopted by the board in February 2008, the plan incorporates considerations for impact on retail customers and the economy; changes and losses in local supplies; the investment in and development of local resources, and conservation achievements.

The approved revisions culminate nearly six months of discussion, collaboration and negotiation among Metropolitan, its member agencies and affected local agencies. Among the changes were an update to the base period to fiscal years ending 2013 and 2014, and revised credits for per capita water use reductions for agencies that have already put in place mandatory conservation ordinances and requirements.

Other changes establish a separate allocation for drought-impacted groundwater basins and replace current penalty rates with an allocation surcharge based on Metropolitan's current turf removal program costs. Under the new surcharge, water use between 100 percent and 115 percent of an allocation would be charged \$1,480 per acre-foot. Water use greater than 115 percent would be charged two times the surcharge or \$2,960 per acre-foot. Any revenues collected would fund the turf removal program or other similar conservation program that reduces future demands.

###

*The Metropolitan Water District of Southern California is a cooperative of 26 cities and water agencies serving nearly 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.*