



MWDOC Update to Mesa Water

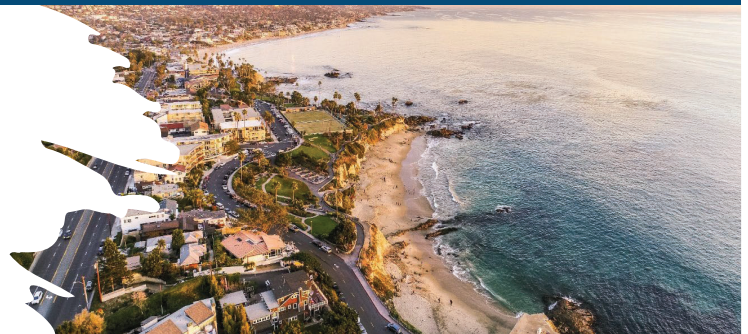
Harvey De La Torre, General Manager

August 12, 2026



Agenda

- ◆ MWDOC's Partnership with Mesa Water in 2025-26
- ◆ Adopted Metropolitan Rates for 2027 & 2028
- ◆ SDCWA Water Exchanges
- ◆ Open Q&A Exchange



MWDOC & Mesa Water

MWDOC & Mesa Water's Partnership FY 25-26:

- ◆ Water Use Efficiency Rebates
 - ◆ **155,263 sq. ft.** of turfgrass transformed to CA Friendly Landscapes
 - ◆ Rebated **25** Smart Timers & **99,389 sq. ft.** of Drip irrigation
 - ◆ Planted 40 trees
- ◆ Water Loss Control
 - ◆ **100 miles** of distribution system leak detection (completed)
 - ◆ Water Audit Validation (completed)
 - ◆ Customer meter accuracy testing **235 meters** (completed)



MWDOC & Mesa Water

MWDOC & Mesa Water's Partnership FY 25-26 (cont'd):

- ◆ 2025 Urban Water Management Plan (completed & submitted)
- ◆ 2026 Annual Water Supply & Demand Assessments
- ◆ Facilitated Metropolitan's two (2) *Contractor Academy* Workshops at Mesa's Water Education Center to help prepare small businesses to propose on projects in MWD's service area (May 6 & 27)





Metropolitan Adopted Rates & Projections

Metropolitan Key Rate Drivers

- ◆ **6.2%** rate increase in both 2027 and 2028
- ◆ Increasing the biennial base CIP from \$666 million in the prior biennium to **\$875 million** between FY 26/27 and 27/28
- ◆ Increasing authorized staffing by **79 positions**
- ◆ Includes **\$150 million** dedicated to initial planning and design of Pure Water SoCal
- ◆ **Increasing the Ad Valorem property tax rate from 0.007 to 0.0085 percent - \$465.1 M (increase of \$57M) for FY 2026-27**



Metropolitan Rate Increases



SDCWA/MET Water Exchanges

A New Era with Metropolitan

Settlement with Metropolitan created an innovative pathway for intrastate transfers

◆ Amended & Restated Exchange Agreement:

- ◆ Ended years of litigation
- ◆ Fixed Pricing Schedule for transportation of QSA Supplies
- ◆ Created a framework to exchange supplies to Southern California Agencies

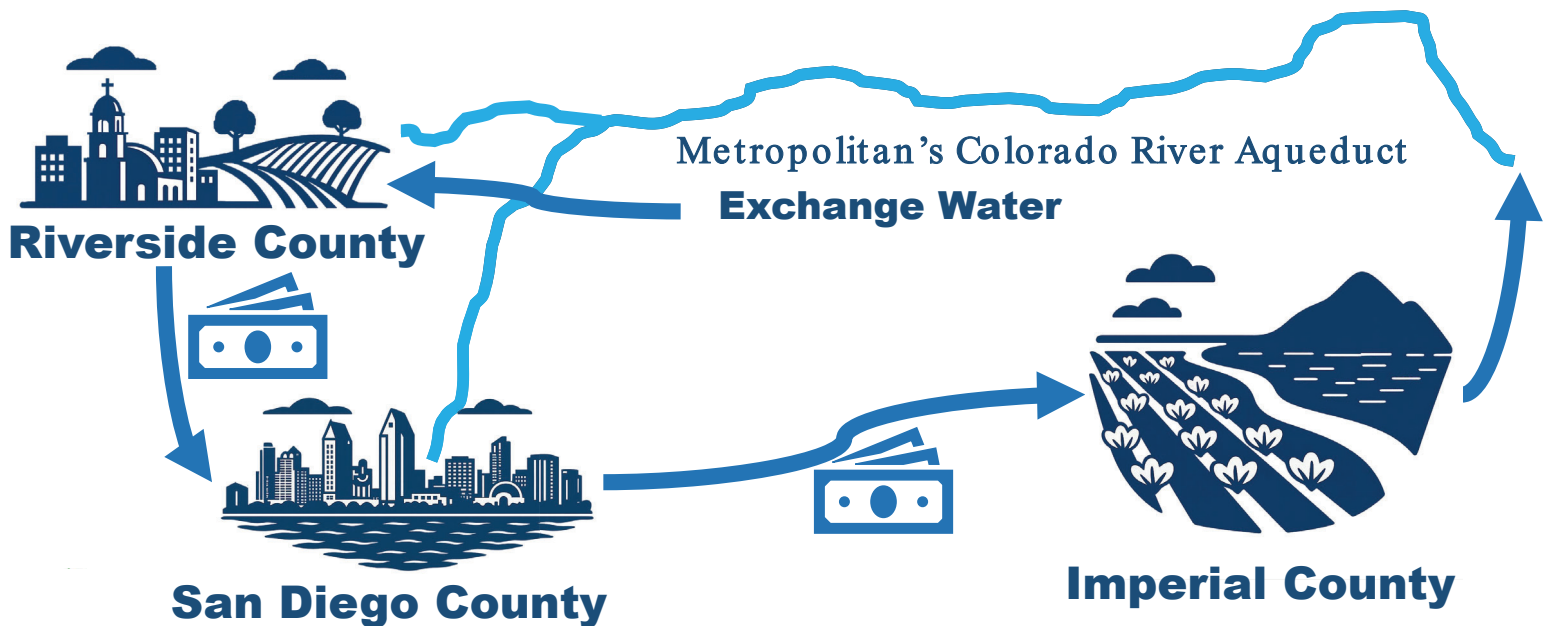


SDCWA Partnership in Riverside County

- **March 2026:** Western Agreement
- **April 2026:** Eastern Agreement
- Agreements total **20,000 acre-feet/year**.
- Water Authority generates **\$660 million**, including \$174 million in the 1st five years.
- Ability for agencies to increase commitments
- Revenues will help offset the cost of reliability investments.
- Significant step forward in developing a new business model.



Southern California Exchange



Interstate Exchange Framework



MOU SIGNED TO
EXPLORE
OPPORTUNITIES



LEVERAGES
INVESTMENTS IN
RELIABLE SUPPLY



ENABLES CREATION OF
A FRAMEWORK FOR
VOLUNTARY,
COMPENSATED
TRANSFERS



CREATION OF A
FLEXIBLE PATHWAY
THAT CAN SUPPORT
THE ENTIRE BASIN



FOCUSED ON
EXCHANGE OF DESAL &
RECYCLED WATER



Open Q & A Exchange



Thank you for your attention. Please let us know if you have any questions.