Proposed Staff Recommendation Consent Calendar for April 27, 2017

ENGINEERING AND OPERATIONS COMMITTEE

9- 1. Construction contract for San Vicente Dam inclinometer installation. Authorize the General Manager to award a construction contract to Crux Subsurface, Inc., in the amount of $175,135 for the San Vicente inclinometer installation project.

9- 2. Professional services contract with Pure Technologies U.S. Inc. for acoustic fiber optic cable monitoring services on Pipelines 3, 4, 5 and the Crossover Pipeline. Authorize the General Manager to award a professional services contract to Pure Technologies U.S. Inc. for acoustic fiber optic cable monitoring services in the amount of $2,319,814 for two years, from July 1, 2017 through June 30, 2019, with an option to extend the contract for an additional three years.

9- 3. Miramar Pump Station Rehabilitation project.
   a. Authorize the General Manager to accept the Miramar Pump Station Rehabilitation project as complete, record the Notice of Completion, and release funds held in retention to Kiewit Infrastructure West Co. following expiration of the retention period.
   b. Authorize the General Manager to execute the Reimbursement Agreement between San Diego County Water Authority and City of San Diego for design, construction, ownership, operation, and maintenance of San Diego 27 Flow Control Facility in the amount of $400,000.

9- 4. San Vicente Energy Storage Facility Study. Approve issuing a Request for Proposal, to all full-service teams, for potential implementation of the San Vicente Energy Storage Facility Study.

9- 5. Funding of low-flow meter installation at Skinner Water Treatment Plant to reduce the minimum treated water delivery from Metropolitan Water District. Authorize the General Manager to fund the installation of a low-flow meter at the Skinner Water Treatment Plant in an amount not to exceed $2,630,360.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE

9- 6. Adopt bill positions.
   A) Adopt a position of Support if Amended on AB 798 (Garcia), relating to Salton Sea restoration.
   B) Adopt a position of Support on AB 1587 (Levine), relating to quagga mussels.
C) Adopt a position of Oppose on AB 1667 (Friedman), relating to dedicated landscape meters.

D) Adopt a position of Oppose Unless Amended on AB 1668 (Friedman), relating to drought contingency planning.

E) Adopt a position of Oppose on AB 1669 (Friedman), relating to long-term water use efficiency standards.

F) Adopt a position of Support if Amended on SB 615 (Hueso), relating to Salton Sea restoration.

G) Adopt a position of Oppose on Proposed Budget Trailer Bill RN 17-12268, relating to long-water water use standards.

H) Adopt a position of Oppose Unless Amended on Proposed Budget Trailer Bill RN 17-09926, relating to drought contingency planning.

9- 7. Co-sponsor AB 968 (Rubio) and AB 1654 (Rubio).
   a. Co-sponsor and adopt a position of Support on AB 968 (Rubio), relating to long-term water use efficiency standards and performance measures.
   b. Co-sponsor and adopt a position of Support on AB 1654 (Rubio), relating to drought contingency plans.

      Adopt a position of Oppose Unless Amended on AB 885 (Rubio), relating to lead testing.

WATER PLANNING COMMITTEE

      Adopt Resolution No. 2017-______ that:

         a. Finds that the project will not have a significant effect on the environment;
         b. Adopts the Final Mitigated Negative Declaration;
         c. Adopts the Mitigation Monitoring and Reporting Program;
         d. Approves the Second San Diego Aqueduct Moosa Canyon Crossing Erosion Control Project; and
         e. Authorizes filing a Notice of Determination.
IMPORTED WATER COMMITTEE

9-10. Amend agreement for Consulting Services with Laing Strategic Communications.
Amend the agreement with Laing Strategic Communications for continued consulting services to the Water Authority through June 30, 2018, by $36,000, for a period of 12 additional months, and increasing total contract funding to an amount not to exceed $157,000.

Amend the agreement with SCN Strategies for continued consulting services to the Water Authority through June 30, 2018 by $150,000, for a period of 12 additional months, and increasing total contract funding to an amount not to exceed $1,139,050.


ADMINISTRATION AND FINANCE COMMITTEE

Note and file monthly Treasurer’s Report.

Approve the extension of the Bank of Tokyo liquidity facility agreement and adopt Resolution 2017-___ authorizing the amendment of the Bank of Tokyo agreement.
Date: April 26, 2017
To: San Diego County Water Authority Board Members
From: Ken Carpi, Washington Representative
Subject: Federal Legislative Update

**FY2017 Funding Picture Remains Unclear As Deadline Approaches**

Funding for most federal programs expires at midnight on April 28 and congressional leaders need to decide how to address this deadline after returning on April 24 following a two-week recess. President Trump had proposed that Congress pass a funding bill for the remainder of FY2017 that includes deep cuts to numerous domestic programs to offset additional funding for a border wall along the US-Mexican frontier and more immigration-related enforcement positions. Republican leaders in Congress have not voiced support for this approach and are hoping to avoid controversial policy issues at this time. As a result, the President has dropped his request for funding for a border wall at this point.

Congressional leaders are weighing different strategies. For the immediate deadline, Congress will most likely pass a short extension of the current CR to buy time to negotiate a final deal for FY2017. This could last as little as a few days or 1-2 weeks. For the full year, they could elect to pass a simple extension of the current Continuing Resolution (which itself is based on funding passed originally in 2015) for the remainder of the year; an omnibus based on individual appropriations bills that have already been negotiated; or through a "CRomnibus" that would combine individuals spending bills for some programs with a CR for others.

Any delay in finalizing funding for the current fiscal year threatens to delay further work on spending for FY2018. As a practical matter, appropriators need final funding numbers for FY2017 to base their FY2018 bills upon. Meanwhile, federal agencies are already trying to prepare their requests for FY2019 and will not be able to make much headway until they have more certainty on the current budget picture.
White House Lifts Hiring Freeze, Launches Government-wide Reorganization Effort

The White House Office of Management & Budget (OMB) issued a memo to federal agencies lifting the hiring freeze in place since January 20 and ordering them to prepare plans to reduce the federal workforce, eliminate or combine duplicative functions, and devolve more programs to state or local governments. This may include moving some operations out of Washington, DC or closing field offices.

Some agencies, including EPA, announced that they intend to maintain a general hiring freeze, but fill some key positions as needed. Federal agencies will also accelerate early buy-outs and other incentives to reduce personnel headcounts and budgets.

Secretary Zinke Appoints Leaders for Regulatory Task Force

Interior Secretary Ryan Zinke has appointed Daniel Jorjani and James Cason to lead a task force within Interior to propose regulations in need of elimination or overhaul. Both were members of President Trump’s transition team that landed at Interior on January 20 and are lightning rods for criticism from environmentalists.

Jorjani has close ties to the Koch Foundation. Cason served at Interior during the Reagan and both Bush administrations. President George H.W. Bush nominated him for the post of Assistant Secretary for Natural Resources and Environment in the Department of Agriculture. His nomination was withdrawn in the face of strident Democratic opposition spurred on by environmental organizations.

President Issues Executive Order on “Buy American and Hire American”

President Trump issued a “Buy American and Hire American” executive order. According to the White House, the order’s goal is “maximizing Made in America content and minimizing waivers and exceptions to Buy American laws.” Agencies have 150 days to evaluate their current compliance with Buy American statutes and develop new policies to maximize the use of domestic content and minimize requests for waivers. Any proposed waivers must be reviewed by agency heads and consider the cost advantage of foreign-sourced iron and steel as the result of “injuriously subsidized steel, iron, or manufactured goods.”
April 26, 2017

Attention: Imported Water Committee

Colorado River Board Representative’s report. (Discussion)

Purpose
The Colorado River Board (CRB) Representative’s report summarizes monthly activities of the Colorado River Board of California.

Discussion
This report covers activities from the April 12, 2017 CRB meeting in Blythe, California. The meeting also included a tour of the recently renovated Palo Verde Diversion Dam and surrounding agricultural areas hosted by the Palo Verde Irrigation District (PVID).

Agency Updates
CRB agencies provided updates, including:

- **Metropolitan Water District of Southern California (MWD)** – MWD stated that their reservoirs are almost full and all Colorado River water is being put into storage. The Colorado River Aqueduct was shut-down for a Whitewater gate upgrade that increased capacity from a three-pump to a four-pump flow at the Whitewater diversion.

- **Los Angeles Department of Water and Power (LADWP)** – LADWP reported that the Eastern Sierra snowpack is at 151 percent of normal. This year’s anticipated runoff has the potential to impact Owens Valley dust control projects and endangered species. To manage excess supplies, LADWP and MWD are finalizing an unbalanced exchange agreement for LADWP to store water in MWD’s system through 2019.

- **Coachella Valley Water District (CVWD)** – CVWD is moving forward on appeal to the Supreme Court in the precedent-setting Agua Caliente case that ruled in favor of the tribes on groundwater rights. MWD continued advanced deliveries to CVWD at the Whitewater diversion per their SWP exchange agreement.

- **Department of Water Resources (DWR)** – DWR stated the state has had five times the average number of storms this year, leading to a high snowpack level and good storage. SWP Table A allocation is still at 60 percent and may change depending on the state of Oroville Dam. On April 7, Governor Brown rescinded the state’s drought emergency.

- **Imperial Irrigation District (IID)** – IID’s underrun is at 102,000 acre-feet. Their fallowing program will end at the end of 2017 and land will soon move into production.

Colorado River Basin Water Report
After three months of one of the wettest periods on record, March was warm and dry across much of the Colorado River basin. Water supply and storage conditions as of the April 17, 20171 Bureau of Reclamation (Reclamation) Weekly Water Supply Report are shown in Table 1. For the first time in several years, California’s Colorado River water use forecast for calendar year 2017 is projected to be less than four million acre-feet.

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1 These hydrologic conditions are updated from those reviewed at the CRB meeting.
Table 1. Colorado River Reservoir Conditions

<table>
<thead>
<tr>
<th>Conditions as of April 17</th>
<th>Volume (million acre-feet)</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total System Storage</td>
<td>30.12</td>
<td>51%</td>
</tr>
<tr>
<td>Lake Powell</td>
<td>11.72</td>
<td>48%</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>10.55</td>
<td>40%</td>
</tr>
<tr>
<td>Upper Colorado River Snowpack</td>
<td></td>
<td>110% of average</td>
</tr>
<tr>
<td>Water Year 2017 Precipitation</td>
<td></td>
<td>118% of average</td>
</tr>
<tr>
<td>Forecasted Inflows to Lake Powell in Water Year 2017</td>
<td></td>
<td>124% of average</td>
</tr>
</tbody>
</table>

**Drought Contingency Plan (DCP)**
Reclamation and Basin States representatives continue to evaluate modeling assumptions and results associated with both the Lower Basin DCP and Upper Basin Drought Operation Memorandum of Agreement. The technical modeling workgroup met in Las Vegas, Nevada on April 5 to evaluate modeling results. The modeling group plans to develop data the Basin States can utilize to make decisions associated with the finalization and implementation of drought contingency plans and Minute 32X. The group is moving closer to a point of agreement on the modeling and is aiming to develop plans that would prevent shortage triggers.

**Negotiations of Minute 32X**
As has been reported, a near-final draft of Minute 32X has been developed by U.S. and Mexican representatives. While the current positions of the U.S. and Mexican federal administrations remain unclear, the Basin States are working with Reclamation to develop final drafts of the various domestic agreements required for the execution and implementation of 32X.

**Salinity Control Program**
The Colorado River Basin Salinity Control Forum is in the process of preparing testimony to congressional subcommittees in support of fiscal year 2018 appropriations for the Natural Resources Conservation Service’s Environmental Quality Incentives Program (EQIP) to fund Reclamation’s salinity control program. The Paradox Valley Unit Injection resumed operations at a reduced rate on April 6 after a shut down since the March 12 injection-induced earthquake.

**Lower Colorado River Multi-Species Conservation Program (LCR MSCP)**
Discussions are still taking place regarding the addition of the recently listed northern Mexican garter snake to the LCR MSCP. An amendment to the program’s Habitat Conservation Plan to add coverage for the species has been drafted and will be brought to the Steering Committee for action in June. There are two new conservation areas being developed in Needles, California and PVID. LCR MSCP staff reported an outbreak of ich parasite (*Ichthyophthirius multifiliis*) at the Willow Beach National Fish Hatchery, which resulted in the death of approximately 33,000 razorback suckers being raised for release into the Lower Colorado River to meet the LCR MSCP’s fish stocking requirements.

Prepared by:  Kimberlyn Velasquez, Assistant Water Resources Specialist
Reviewed by:  Doug Wilson, CRB Representative
April 26, 2017

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Discussion)

Background
This report summarizes key discussions held and actions taken at the Metropolitan Water District (MWD) committee and Board meetings, as reported by the Water Authority Delegates. This report includes MWD Board activities for April 2017. The MWD committees and Board met on April 10 and 11, and meet next on May 8 and 9.

Discussion
Key actions at the April MWD Board and committee meetings included: 1) adoption of the Treatment Charge Workgroup’s recommended policy principles; 2) authorization to expand MWD’s cyclic storage agreements to all member agencies with storage capability; and 3) adoption of MWD’s 2018 Readiness-to-Serve (RTS) and Capacity charges. The Delegates opposed the adoption of the RTS and Capacity charges because MWD’s rates and charges are unlawful.¹ The Delegates also did not support the cyclic storage agreements because MWD failed to address how it intends to maximize and prioritize storage in its own accounts first.² In conjunction with MWD’s storage management, the Delegates also expressed concern with an “exchange agreement” MWD staff negotiated with the city of Los Angeles to store the city’s surplus supplies from its Los Angeles Aqueduct. While empathizing with Los Angeles’ need to manage excess supplies, the Delegates expressed concerns that MWD intends to not properly charge Los Angeles for the costs associated with its use of MWD’s facilities. The Delegates articulated their opposition and their questions surrounding these agreements in a letter to MWD.³ Attachment 1 describes the Board’s discussion of cyclic storage and Los Angeles’ emergency storage. The Board also appropriated $1.5 million for a water recovery project at Lake Perris and another $1.5 million to participate in the Sites Reservoir Phase 1 process, which are described in Attachment 2.

Treatment Charge Workgroup
Instead of supporting staff’s recommendation to approve the Treatment Charge Workgroup’s proposed fixed charge, the MWD Board, with the Delegates’ support, approved only the Workgroup’s proposed policy principles.⁴ Prior to MWD’s committee meetings, the Delegates sent a letter to MWD stating they cannot support the Workgroup’s fixed charge recommendation because MWD refused to provide its rate model and the necessary data to ensure costs are

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² MWD’s Water Surplus and Drought Management plan shows MWD has adequate “put” capability in its storage programs to store all projected surplus supplies.
⁴ With a modification to the resolution removing an implementation date reference.
properly allocated to rate components, and any new charges must be part of 2018’s full cost of service process. Attachment 3 details the Treatment Charge Workgroup discussion.

Housing Conditions at MWD’s Desert Facilities
For the second month in a row, the Organization, Personnel and Technology (OP&T) Committee received public comment from Mike Jones representing the employees at the Iron, Eagle and Hinds facilities, and Alan Shanahan, the executive president of American Federation of State, County and Municipal Employees (AFSCME) Local 1902 (MWD’s largest labor union). Jones and Shanahan reported on the continued poor housing conditions at MWD’s remote desert housing facilities along the Colorado River Aqueduct. The Board agreed that MWD must address this issue quickly and effectively to ensure housing is safe for employees. Following public comment and staff’s presentation on the current housing conditions and MWD’s efforts to ameliorate the situation, Director Hogan asked about the confidential investigative report referenced during public comment. General Counsel Scully replied that MWD’s Chairman requested the fact-finding (staff’s presentation states “fact-finding initiated to review documents provided by AFSCME”), and that the investigation is ongoing. Once completed, Scully said the Board will be briefed on the reports’ conclusions. Scully did not state why the fact-finding effort is being conducted confidentially, nor did she indicate if the report’s findings will be presented in open or closed session. Reacting to staff’s stated need for budget approval, which staff estimated to be less than $10 million, Director Lewinger urged that MWD take more swift action to improve the housing conditions, reminding the Board that it authorized over $1 billion in unbudgeted expenditures with less discussion. Chair Record (Eastern) responded that, “the Board can pretty much do whatever it wants to,” and “staff is on top of that.” Director Ballin (San Fernando) requested a monthly status update, which staff indicated it would provide at the appropriate committee. Staff reported that it plans to provide an update, including a written report, to the Engineering and Operations Committee next month.

Overview
Overall, the Water Authority Delegation supported 14 of the 19 action items approved by the MWD Board in April. The MWD Board took positions on three pieces of legislation, expressing support for SB 231 (Hertzberg, D-Van Nuys) – Local Government: Fees and Charges and support, and seek amendment, for AB 1654 (Rubio, D-Baldwin Park) – Shortage: Urban Water Management Planning. Lastly, the Board expressed opposition to AB 472 (Frazier, D-Oakley) – Water Transfers: Idled Agricultural Land: Wildlife, Waterfowl, and Bird Nesting Habitat. Debra Man, Assistant General Manager/Chief Operating Officer, announced she would retire this June. Attachment 4 is a copy of MWD’s April 2017 committee and Board meeting agendas and summary report.

Prepared by: Anne Middleton, Water Resources Specialist
Reviewed by: Finance and Insurance Committee by Keith Lewinger and Elsa Saxod
Water Planning and Stewardship Committee by Keith Lewinger
Engineering and Operations Committee by the Delegates
Communications and Legislation Committee by Keith Lewinger and Elsa Saxod
Legal and Claims Committee by the Delegates

Attachment 1: Discussion Summary of Future Storage and Supply Projects
Attachment 2: Discussion Summary of Cyclic Storage and Los Angeles’ Emergency Storage Program
Attachment 3: Discussion Summary of Treatment Charge Workgroup
Attachment 4: MWD’s committee and Board meeting agendas and Board summary, dated April 10 and 11, 2017.
Discussion Summary of Future Storage and Supply Projects

At the April 2017 Water Stewardship and Planning (WP&S) Committee meeting, MWD discussed two opportunities related to water supply and storage: 1) to recover water seepage at Lake Perris; and 2) to participate in Phase 1 of Sites Reservoir development.

First, the WP&S Committee received a presentation on staff’s recommendation to appropriate $1.5 million for a water recovery project at Lake Perris. Staff reported that the project would annually recover 6,000 to 8,000 acre-feet of water seeping from Lake Perris Dam and would include building a pipeline to connect the water recovery system to MWD’s Colorado River Aqueduct (CRA). MWD indicated that the costs of the water recovery system would be recovered through the transportation rate on its State Water Project Statement of Charges.

Following staff’s presentation, which revealed that an existing smaller recovery system is already in place, the committee discussed the proposed project. Director Morris (San Marino) questioned if the estimate of total recoverable water and annual pumping capacity was under the control of Department of Water Resources (DWR). Staff responded yes. In response to Director Lefevre (Torrance), staff said a second pipeline was needed because the existing system’s pipeline has limited capacity. Director Hogan asked how much water is being recovered through the existing system; staff said about 2,000 acre-feet per year is being recovered, which is near the existing pipeline’s maximum capacity. Responding to Director Lewinger, staff said the agreement’s term is based on life-time recovery of 400,000 acre-feet of water, rather than a set number of years. Staff further reported that MWD can negotiate to extend the agreement terms, once 400,000 acre-feet of water is recovered. The WP&S Committee, and later the Board, appropriated the $1.5 million for the Lake Perris project. The Delegates supported the action because of its supply benefit, but in their letter on this project, they reserved the Water Authority’s rights to challenge the characterization of this project as a transportation cost.1

Next, the WP&S Committee discussed appropriating $1.5 million and entering into an agreement to participate in Phase 1 (of five) of Sites Reservoir, a proposed reservoir located in Antelope Valley. This agreement would allow MWD to hold a 25,000 acre-feet stake of Class 1 supplies (if enough existing participants relinquish their requests), or 50,000 acre-feet of Class 2 supplies (subject to DWR’s first right of refusal), in the reservoir pool. Following staff’s presentation on this item, General Manager Kightlinger reiterated his “skepticism” of north-of-Delta storage without “clarity on what a Delta conveyance is going to look like” and that “the value of north-of-Delta storage is tremendously undermined absent a conveyance improvement.” He had hoped WaterFix would be further along; however, Sites has a deadline and he feels it is important for MWD to have a seat at the table to discuss the development of the project and offer its expertise. Kightlinger recommended that MWD’s participation at a “modest scale,” at this time, is appropriate, adding that MWD may increase its participation level beyond staff’s current recommendation in the future. Following staff’s presentation, Lewinger asked if the $1.5 million would come from the existing budget or draw on reserves; Assistant General Manager/Chief Financial Officer Breaux said the funding was in this fiscal year’s budget. Kightlinger further

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1 This project is also another example of MWD’s ad hoc spending trend. The Delegates’ April 8, 2017 letter found here: http://www.mwdfacts.com/wp-content/uploads/2017-04-08-WA-ltr-re-8-5-Lake-Perris.pdf
clarified that MWD’s participation beyond the proposed $1.5 million in the project would require additional board action, and MWD’s participation in Phase 1 does not commit MWD to future project funding or participation. He also stated that if MWD may sell its share, if in the future it decides it is in its best interest to. In response to Lewinger, Kightlinger agreed that this action is not tied to California WaterFix’s outcome.

Peterson asked if there was a third type of water, as in 2011 when water was vacated from Oroville, that may be diverted to Sites. Kightlinger responded that there is still additional space that could be used in a variety of ways, which is another reason why MWD wants to be at the table. Peterson supported the development of Sites, adding that the project would prevent MWD from losing water with or without WaterFix. Director Lefevre supported MWD’s participation, but questioned MWD’s ability to secure a stake in the project since the Class 1 water is already allocated and the Class 2 water depends on DWR’s right of first refusal. Agreeing with Lefevre’s understanding, staff noted that the Sites Authority Joint Powers Authority (JPA) must apply for funding—the JPA is requesting $2.2 billion out of the $2.7 billion Proposition 1 grant funding. Staff said, if MWD proceeds to acquire Class 2 water and then DWR lays claim to it, then MWD’s funding would be reimbursed accordingly. Additionally, even though 24 water agencies have reserved Class 1 water, but not all agencies have put money forward and some might want to sell their shares. There will be a renegotiation after Phase 1, staff said.

Director McKenney (Municipal Water District of Orange County) expressed his support for MWD’s involvement in Phase 1, but asked about vulnerability of reservoir’s benefits with pending future flow regulations. Kightlinger responded that every water project has vulnerability associated with environmental regulations. Director Abdo (Santa Monica) stated that she has similar concerns, and questioned whether MWD’s participation is critical for Sites to be a viable project. Kightlinger responded “it might happen, with or without us,” but added that MWD offers resources and expertise to the project. Although noting some environmental concerns, Director Gold (Los Angeles) said the project offers resiliency to climate change by preparing for changes in snowmelt and precipitation patterns, but said the project must not jeopardize flow requirements for the Bay-Delta ecosystem. He also commented on the media’s portrayal of MWD’s potential involvement in Sites as a “water grab,” urging MWD to proactively quash such claims. Supporting MWD’s participation in the project, Chairman Record (Eastern) agreed that the project would offer climate change resiliency and described MWD’s potential investment as “prudent.” The committee and later, the Board, unanimously authorized MWD’s participation in Sites Reservoir Phase 1.
Discussion Summary of Cyclic Storage and Los Angeles’ Emergency Storage Program

During MWD’s April 2017 Water Stewardship and Planning (WP&S) Committee, staff sought authorization to expand cyclic storage agreements to all member agencies with storage capability to capture additional water during wet years. Currently, MWD has cyclic agreements with Upper San Gabriel Valley and Three Valleys.\(^1\) The agreements allow MWD to “pre-deliver” water to agencies with surface and ground water storage space and then, in the future, MWD may request participating agencies to utilize the pre-delivered water to meet their imported water demands. Following staff’s report, the Board discussed the potential agreements.

Noting that MWD reported last month that delivery constraints may limit its ability to take all of its Article 21 water, Director Lewinger questioned MWD’s ability to deliver water to the cyclic storage accounts. Staff responded that “demand capacity” (lack of demand), along with storage constraints, impact MWD’s ability to store its surplus supplies\(^2\) and suggested that the cyclic storage agreements would address the demand issue, allowing MWD to maximize the delivery of water. General Manager Kightlinger added that there are several factors impacting MWD’s ability to utilize its Article 21 supplies, such as San Luis Reservoir being at capacity (which limited moving water south of the Delta) and system capacity constraints. Furthermore, the availability of Article 21 supplies are impacted by San Joaquin River flows and MWD’s ability to move its Article 21 supplies depends on the State Water Project (SWP) allocation. Kightlinger noted that if the allocation increased from its current 60 percent to 70 percent it would potentially “squeeze out” MWD’s ability to take all of its Article 21 supplies.\(^3\) Responding to Lewinger, Kightlinger also said that MWD decides when water is pre-delivered into the cyclic storage accounts, and it is looking to create a “payment schedule” for how the water is withdrawn. In response to Director Blois (Calleguas), staff confirmed that when water is withdrawn from the accounts, it will be assessed at the then untreated or treated full service rate (excluding the Capacity Charge) depending on the type of water that is pre-delivered. The WP&S Committee, and subsequently the Board, authorized the agreements despite opposition from the Delegates and Director Ballin (San Fernando). The Delegates opposed the item because MWD failed to demonstrate that the agreements will result in improved operational flexibility and have no financial impact on MWD along with additional concerns that are expressed in their letter.\(^4\)

MWD added an oral report on “Los Angeles’ Emergency Supply Management Program” to its April 2017 Engineering and Operations Committee (E&O Committee) agenda.\(^5\) The City of Los Angeles (LA) declared an emergency on March 20, 2017 due to the above average expected runoff from Owens Valley. Due to the abnormally high Eastern Sierra Snowpack, LA expects

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\(^1\) For details on the agreements, please see the April 19, 2017 Program Report memo available on page 154 of the Board packet, available here: [http://www.sdcwa.org/sites/default/files/Board/2017_04_27FormalBoardPacketSEC_0.pdf](http://www.sdcwa.org/sites/default/files/Board/2017_04_27FormalBoardPacketSEC_0.pdf)

\(^2\) While MWD may not have the demand for this water, its Water Surplus and Drought Management Plan reports it has ample storage capacity; staff did not explain why it could not deliver that water into MWD’s storage accounts instead.

\(^3\) On April 14, 2017, the Department of Water Resources increased South-of-Delta contractors to 85%: [http://www.water.ca.gov/swpao/docs/notices/17-05.pdf](http://www.water.ca.gov/swpao/docs/notices/17-05.pdf)


\(^5\) The presentation for this item was posted on April 5, the Wednesday prior to MWD’s April 2017 Board meeting.
up to 1 million acre-feet of runoff, with only about 500,000 acre-feet of aqueduct capacity, the excess supplies could cause significant damage to infrastructure (particularly the berms in Owens Lake that mitigate dust) and endangered species. Staff reported that MWD has the flexibility in its system to help LA manage the excess supplies it can deliver to Southern California, and reported that the two locations where MWD can receive the additional water are Jensen Treatment Plant and the East Branch facility of the SWP. MWD staff reported that MWD can take delivery of up to 200,000 acre-feet through the SWP from the East Branch turn-in where LA previously constructed a connection facility without impairing MWD’s ability to manage its existing supplies. However, where MWD would store the water remains unclear. Staff reported that the agreement is structured so that for every three acre-feet MWD stores for LA, LA will receive two acre-feet if LA requests its return before the end of 2017. For 2018 and 2019, LA will receive one acre-foot for every two acre-feet of water it delivers. For any water returned after 2019, LA will pay MWD’s then full service rates. Staff also said LA will provide indemnification and cover any additional costs. Kightlinger commented at the onset that the program is “a rather straightforward exchange” where LA has extra Owen’s Valley supply and needs a place to store it and that MWD’s participation in the exchange required a quick decision. He characterized the exchange as “a good neighbor policy” that will have “no cost” to MWD. As General Manager, Kightlinger stated that he made similar decisions in the past with Castaic, Central Coast, Westlands, and San Luis Water Districts without seeking Board approval.

Further in the discussion, staff confirmed that before 2019, MWD would not necessarily recover any of the costs associated with the agreement from LA. Because staff said when LA called for its stored water, LA would receive water moved through both the SWP’s and MWD’s distribution systems, Lewinger questioned the agreement’s terms excluding LA from paying the wheeling rate, which is unlike the exchange agreement MWD has with the Water Authority. Kightlinger responded “they’re both exchanges” but with two different negotiated terms that both benefit MWD. Lewinger asked if MWD had an analysis demonstrating that the benefits of the agreement with LA are commensurate with costs MWD will accrue. Kightlinger responded that no analysis was completed but offered his “discretion” that the agreement with LA is “a fair exchange” similar to other unbalanced exchange MWD has done previously. Lewinger objected to not having analysis demonstrating that the LA agreement is “a fair and equitable deal to all the member agencies” and said he does not “see how the Board could support” the agreement. Director Peterson (Las Virgenes) responded that the Board’s approval of the agreement is not an agendized item, which promoted Lewinger to express discontent that the Board approval for the agreement is not even being sought. Peterson concluded the E&O Committee’s discussion of this item by saying that Lewinger could present his arguments at the upcoming May 10 appellate court hearing on the Water Authority’s rate litigation.
Discussion Summary of Treatment Charge Workgroup

During MWD’s April 2017 Finance and Insurance (F&I) Committee meeting, the Board received an update on the Treatment Charge Workgroup’s (Workgroup) final proposed policy principles and recommendations and considered implementing the proposal. Staff presented three options for the Board’s consideration:

1. Adopt the Workgroup’s proposed policy principles, and recommended fixed charge (intended to recover a portion of MWD’s treatment costs reportedly associated with peaking) and implementation guidelines (the Workgroup proposal);
2. Adopt the Workgroup’s policy principles and take no further action; or
3. Take no action (maintaining the current 100 percent volumetric treatment surcharge).

Staff’s recommendation was to adopt Option 1 (the Workgroup’s Proposal).

Following staff’s presentation, the F&I Committee discussed the various options. In response to Director Blois (Calleguas), General Manager Kightlinger said if the Board adopted the proposed policy principles only (Option 2), the principles would be used to guide future discussions on fixed treated water charges but there would be no “implementation approach.” Director Dake (Los Angeles) expressed support for Option 2, and suggested that the discussion of adopting and implementing a fixed charge should be undertaken during MWD’s budget process. Dake reiterated his previous comment that the proposed fixed charge would negatively impact agencies that roll onto MWD’s system if there is an emergency or loss of local supply. Following Dake’s comments, Director Dear (West Basin) moved to adopt Option 2.

Director Lewinger offered a friendly amendment to Dear’s motion to remove a statement referencing an implementation date from the policy principles’ resolution to avoid future confusion about whether the Board needs to adopt a fixed charge to be implemented by a certain date. Director McKenney (Municipal Water District of Orange County) used Lewinger’s amendment as an “illustration of the problem,” saying it would instead prevent creating a record that the Board considered acting to implement a fixed charge and “would defer action indefinitely.” He expressed support for Option 1. Dear accepted Lewinger’s amendment.

Switching gears, Director Peterson (Las Virgenes) focused on Los Angeles’ positon to oppose a fixed treated water charge, noting that the “issue” at hand is MWD’s treatments costs, which are significantly higher than those incurred by Los Angeles and other agencies with their own treatment facilities. Peterson identified two causes of MWD’s high treatment costs: 1) expanding capacity; and 2) investing in treatment technology. Referencing Director Paskett’s (Los Angeles) statement from last month that those agencies who drove the treatment investments should pay for them, Peterson said that MWD expanded treatment capacity at Jensen to cover Los Angeles’ anticipated loss supply from Mono Lake. Turning to another decision to expand treatment capacity, Peterson pointed out that MWD expanded Skinner at the same time it

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knew the Water Authority was building its own treatment plant (Twin Oaks). He called the decision to expand Skinner under these circumstances “very bad policy,” holding himself and the rest of the Board members who voted for the expansion responsible (the vote to expand Skinner’s capacity was unanimous). Continuing, Peterson said the other driver of treatment costs was the implementation of ozonation at all MWD’s treatment plants to comply with water quality regulations. With the understanding that Los Angeles’ representatives “weren’t engaged” in the Workgroup process and took the position that the city “built” MWD, Peterson expressed support for Option 1 because MWD is “a conglomerate” and “costs should be balanced.” Director Abdo (Santa Monica) also expressed concern with Option 1. The committee approved Dear’s motion with Lewinger’s amendment gaining seven out of the 10 committee members’ support.

At the next day’s Board meeting, F&I Committee Vice Chair Wunderlich (Beverly Hills), after moving the F&I committee action to adopt amended Option 2, said he would vote against the Committee’s recommendation. Blois seconded the committee’s action. Peterson made a substitute motion to approve Option 1, noting the importance of seeing the vote’s outcome. Expressing support for Peterson’s motion, Wunderlich said there was “inconsistency between” adopting the policy principles and not implementing them through the adoption of a fixed charge. He further observed that the fixed charge before the Board is “not changing the total amount of money,” but rather “changing the way it would be allocated” to prevent shifting MWD’s treatment costs from agencies who have their own treatment facilities to those that do not. Wunderlich argued that those agencies that have treatment facilities benefited from MWD’s treatment facilities in the past and continue to benefit from the “insurance” they offer. Director Dick (Municipal Water District of Orange County) agreed with Wunderlich’s comments and expressed support for Peterson’s substitute motion. Dake reiterated his comments from the previous day’s discussion, adding that it’s unclear how agencies will respond to the charge, for example, Los Angeles may be able to “re-operate” its system “to avoid paying” the Workgroup’s proposed charge. Peterson’s substitute motion failed, only gaining 35.59 percent support. The Board then considered the original motion to adopt only the Workgroup’s recommended policy principles as modified by the Delegates. The motion passed with 75.25 percent support from the Delegates and representatives from Anaheim, Burbank, Calleguas, Central Basin, Compton, Eastern, Foothill, Inland Empire Utilities Empire, Long Beach, Los Angeles, Torrance, San Fernando, San Marino, Santa Monica, Three Valleys, and West Basin delegations. (Municipal Water District of Orange County had a split vote with McKenney supporting the original motion while the other three opposed it.)
REVISED AGENDA

Finance and Insurance Committee
Meeting with Board of Directors*

April 10, 2017

9:30 a.m. -- Room 2-145

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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District’s Finance and Insurance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Finance and Insurance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Finance and Insurance Committee will not vote on matters before the Finance and Insurance Committee.

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Finance and Insurance Committee held March 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-5 Adopt CEQA determination and adopt resolution for the 105th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)

REVISED: Date of Notice: April 4, 2017
Recommendation:

Option #1:

Adopt the CEQA determination to review and consider the information provided in the 2017 Mitigated Negative Declaration and Mitigation Monitoring Reporting Program, and

Adopt the Lead Agency’s findings related to the proposed actions; and adopt resolution granting approval for the 105th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation as set forth in Attachment 3 of the board letter dated April 11, 2017, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $31,129.72.

7-6 Adopt CEQA determination and adopt resolution for the 107th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination to review and consider the 2016 NOE prepared by Eastern as the Lead Agency and determine no further environmental analysis or documentation is required, and

Adopt resolution granting approval for the 107th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation as set forth in Attachment 3 of the board letter dated April 11, 2017, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $16,570.24.

4. OTHER BOARD ITEMS — ACTION

8-1 Adopt Approve CEQA determination and adopt resolution approving Treatment Charge Workgroup’s proposed policy principles, recommended treatment capacity charge, and treatment capacity charge implementation. (F&I)
Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Adopt the Resolution Approving the Treatment Charge Workgroup’s Policy Principles, Recommendation for a Treatment Capacity Charge, and Implementation of a Treatment Capacity Charge.

8-2 Adopt CEQA determination and approve resolutions fixing and adopting a Readiness-to-Serve Charge and a Capacity Charge for calendar year 2018. (F&I)

Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

a. Adopt Resolution Fixing and Adopting a Readiness-to-Serve Charge Effective January 1, 2018, as set forth in the form of Attachment 1 of the board letter dated April 11, 2017, using the charge shown in Section 4 of the Resolution; and

b. Adopt Resolution Fixing and Adopting a Capacity Charge effective January 1, 2018, as set forth in the form of Attachment 2 of the board letter dated April 11, 2017, using the charge shown in Section 5 of the Resolution.

5. BOARD INFORMATION ITEMS

   None

6. COMMITTEE ITEMS

   a. Oral Report on Investment Activities

   b. Quarterly Financial Update

   c. Debt Management Update

REVISED: Date of Notice: April 4, 2017
7. MANAGEMENT REPORT
   a. Chief Financial Officer's report

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED AGENDA

Water Planning and Stewardship Committee

Meeting with Board of Directors*

April 10, 2017

10:30 a.m. – Room 2-456

Meeting Schedule

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<td>WP&amp;S</td>
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<td>12:00 p.m.</td>
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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District's Water Planning and Stewardship Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Water Planning and Stewardship Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Water Planning and Stewardship Committee will not vote on matters before the Water Planning and Stewardship Committee.

1. Opportunity for members of the public to address the committee on matters within the committee’s jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Water Planning and Stewardship Committee held March 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-7 Adopt CEQA determination and adopt resolution to apply for and accept funding from the State Water Resources Control Board’s Water Recycling Funding Program. (WP&S)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is statutorily exempt and is not defined as a project, and

Adopt revised resolution authorizing the General Manager to accept grant funding or low interest loans, if awarded, and to enter into agreements with SWRCB.

4. OTHER BOARD ITEMS — ACTION

8-4 Adopt CEQA determination and authorize the General Manager to enter into Cyclic Agreements with Metropolitan's member agencies. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt and not subject to CEQA, and

Authorize the General Manager to enter into Cyclic Agreements with Metropolitan member agencies consistent with the terms as set forth in Attachment 1 of the board letter dated April 11, 2017.

8-5 Adopt CEQA determination and appropriate $1.5 million; and authorize agreement with the California Department of Water Resources for preliminary design of a water recovery project at Lake Perris (Appropriation No. 15402). (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $1.5 million in capital funds;

b. Authorize agreement with DWR for preliminary design and environmental review of a proposed recovery system at Lake Perris; and

c. Authorize preliminary design of a water conveyance pipeline to the Colorado River Aqueduct.

8-6 Adopt CEQA determination, appropriate $1.5 million, and authorize entering into a project agreement with the Sites Reservoir Joint Powers Project Authority for participation in the Sites Reservoir Phase 1 planning process for an amount not to exceed $1.5 million. (WP&S)
Added  Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA pursuant to Sections 15262, 15306, 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines, and

a. Authorize the General Manager to negotiate a project agreement amendment with the Sites Project Authority and other participants for participation in the Sites Reservoir Phase 1 process for an amount not to exceed $1.5 million; and

b. Appropriate $1.5 million for Sites Reservoir Phase 1 based on reserving an option for 25,000 acre-feet of Class 1 water supply yield or 50,000 AF of Class 2 water supply yield, or a combination thereof.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral report on Water Surplus and Drought Management Plan

7. MANAGEMENT REPORTS

a. Bay-Delta Matters

b. Colorado River Matters

c. Water Resource Management Manager's report

8. FOLLOW-UP ITEMS

None

REVISED: Date of Notice: April 4, 2017
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED AGENDA

Engineering and Operations Committee

Meeting with Board of Directors*

April 10, 2017
12:00 p.m. -- Room 2-145

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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

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* The Metropolitan Water District’s Engineering and Operations Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Engineering and Operations Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Engineering and Operations Committee will not vote on matters before the Engineering and Operations Committee.

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Engineering and Operations Committee held March 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $1.32 million; and authorize design to rehabilitate finished water reservoirs at the Joseph Jensen and Henry J. Mills Water Treatment Plants (Appropriation No. 15417). (E&O)

REVISED: Date of Notice: April 4, 2017
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $1.32 million;
b. Authorize preliminary design to rehabilitate three finished water reservoirs with floating covers at the Jensen and Mills plants; and
c. Authorize final design to repair the concrete roof of one finished water reservoir at the Jensen plant.

7-2 Adopt CEQA determination and appropriate $540,000; award $325,000 procurement contract to Golden Empire Concrete Products, Inc. for a precast concrete building at Mile 12 on the Colorado River Aqueduct; and authorize installation of discharge line coupling at Gene Pumping Plant (Appropriations Nos. 15438 & 15481). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt from CEQA, and

a. Appropriate $540,000;
b. Award $325,000 procurement contract to Golden Empire Concrete Products, Inc. for a precast concrete building for Mile 12 on the CRA; and

c. Authorize installation of a discharge line isolation coupling at Gene Pumping Plant.

7-3 Adopt CEQA determination and authorize increase in change order authority for the construction contract to refurbish lagoons for the Joseph Jensen Water Treatment Plant. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize increase of $400,000 in change order authority for the contract with Zusser Company, Inc. to refurbish solids lagoons for the Jensen plant, up to an aggregate amount not to exceed $650,000.
Adopt CEQA determination and appropriate $1.35 million; and authorize design and procurement to replace chemical storage tanks at the Joseph Jensen and Henry J. Mills Water Treatment Plants (Appropriations Nos. 15486 and 15479). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $1.35 million;

b. Authorize design and procurement to replace chemical storage tanks at the Jensen and Mills plants.

4. OTHER BOARD ITEMS — ACTION

Adopt CEQA determination and appropriate $23.73 million; and authorize: (1) full-scale control and electrical system upgrades at Hiram W. Wadsworth Pumping Plant; (2) $15,993,000 agreement with Glenmount Global Solutions; and (3) increase of $630,000 to agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,974,000 (Appropriation No. 15467). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $23.73 million;

b. Authorize $15,993,000 agreement with Glenmount Global Solutions;

c. Authorize increase of $630,000 to an agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,974,000; and

d. Authorize full-scale control and electrical system upgrades at Wadsworth pumping plant.

5. BOARD INFORMATION ITEMS

None
6. COMMITTEE ITEMS
   a. Update on New Colorado River Aqueduct Energy and Transmission Agreements
      Added
   b. Los Angeles Emergency Supply Management Program

7. MANAGEMENT REPORTS
   a. Water System Operations Manager’s report
   b. Engineering Services Manager’s report

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED: Date of Notice: April 4, 2017
REVISED AGENDA

Communications and Legislation Committee

Meeting with Board of Directors*

April 10, 2017

1:00 p.m. -- Room 2-456

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* The Metropolitan Water District’s Communications and Legislation Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Communications and Legislation Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Communications and Legislation Committee will not vote on matters before the Communications and Legislation Committee.

1. Opportunity for members of the public to address the committee on matters within the committee’s jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Communications and Legislation Committee held March 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-7 Adopt CEQA determination and express support for SB 231 (Hertzberg, D-Van Nuys) - Local Government: Fees and Charges. (C&L)
Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to support SB 231 as described in the board letter dated April 11, 2017.

8-8 Adopt CEQA determination and express support for AB 1654 (Rubio D-Baldwin Park) – Shortage: Urban Water Management Planning. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA, and

Authorize the General Manager to support AB 1654.

8-9 Adopt CEQA determination and express opposition to AB 472 (Frazier, D-Oakley) – Water Transfers: Idled Agricultural Land: Wildlife, Waterfowl, and Bird Nesting Habitat. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to express opposition to AB 472.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Report on activities from Washington, D.C.

b. Report on activities from Sacramento

REVISED: Date of Notice: April 6, 2017
7. MANAGEMENT REPORT
   
a. External Affairs Management report

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Legal and Claims Committee
Meeting with Board of Directors*

April 11, 2017

9:00 a.m. -- Room 2-145

Tuesday, April 11, 2017
Revised Meeting Schedule

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<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
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1. Opportunity for members of the public to address the committee on matters within the committee’s jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Legal and Claims Committee held March 14, 2017

3. MANAGEMENT REPORTS
   a. General Counsel’s report of monthly activities

4. CONSENT CALENDAR ITEMS — ACTION
   7-8 Adopt CEQA determination and amend the Administrative Code to add Conservation and Local Resources Special Committee. (L&C)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
Approve the changes to the Administrative Code set forth in Attachment 1 of the board letter dated April 11, 2017 to add the Conservation and Local Resources Special Committee to the Administrative Code.

5. OTHER BOARD ITEMS — ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004 and CPF-16-515282; and the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266. (L&C) [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
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Real Property and Asset Management Committee

Meeting with Board of Directors*

April 11, 2017

9:30 a.m. -- Room 2-456

Meeting Schedule

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1. **Opportunity for members of the public to address the committee on matters within the committee’s jurisdiction** (As required by Gov. Code Section 54954.3(a))

2. **Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held February 14, 2017**

3. **CONSENT CALENDAR ITEMS – ACTION**

   None

4. **OTHER BOARD ITEMS – ACTION**

   None

Date of Notice: March 20, 2017
5. BOARD INFORMATION ITEMS
   None

6. COMMITTEE ITEMS
   a. Update on Diamond Valley Lake
   b. Bay-Delta Reclamation Districts Update

7. MANAGEMENT REPORT
   a. Real Property Management Manager's Report

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: March 20, 2017
REVISED AGENDA

Organization, Personnel and Technology Committee

Meeting with Board of Directors*

April 11, 2017

10:30 a.m. -- Room 2-145

* The Metropolitan Water District’s meeting of the Organization, Personnel and Technology Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Organization, Personnel and Technology Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Organization, Personnel and Technology Committee will not vote on matters before the meeting of the Organization, Personnel and Technology Committee.

1. Opportunity for members of the public to address the committee on matters within the committee’s jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Organization, Personnel and Technology Committee held March 14, 2017

3. CONSENT CALENDAR ITEMS – ACTION

None

4. OTHER BOARD ITEMS – ACTION

None

REVISED: Date of Notice: April 4, 2017
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

   a. Update on Desert Housing
   b. Update on Records Management Program
   c. Update on Recruitment

Withdrawn
d. Update on Conference with Labor Negotiators.
   [Conference with Labor Negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency representative: Stephen Lem, Manager of Labor Relations and EEO Investigations Section. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902, the Association of Confidential Employees, and The Supervisors Association.]

7. MANAGEMENT REPORT

   a. Human Resources Manager's report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site http://www.mwdh2o.com.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
REVISED AGENDA
(Revision No. 2)

Regular Board Meeting
April 11, 2017

12:00 p.m. – Board Room

| MWD Headquarters Building | 700 N. Alameda Street | Los Angeles, CA 90012 |

1. **Call to Order**
   
   (a) Invocation: Anna Serobyan, Human Resources Group
   
   (b) Pledge of Allegiance: Director Glen C. Dake, City of Los Angeles

2. **Roll Call**

3. **Determination of a Quorum**

4. Opportunity for members of the public to address the Board on matters within the Board’s jurisdiction. (As required by Gov. Code § 54954.3(a))

5. **OTHER MATTERS**

   A. Approval of the Minutes of the Meeting for March 14, 2017. (A copy has been mailed to each Director)
      Any additions, corrections, or omissions

   B. Report on Directors’ events attended at Metropolitan expense for month of March

   C. Presentation of Commendatory Resolution to past Director Michael Touhey, representing Upper San Gabriel Valley Municipal Water District

   D. Approve committee assignments

   E. Chairman’s Monthly Activity Report
6. DEPARTMENT HEADS' REPORTS

A. General Manager's summary of Metropolitan's activities for the month of March

B. General Counsel’s summary of Legal Department activities for the month of March

C. General Auditor’s summary of activities for the month of March

D. Ethics Officer’s summary of activities for the month of March

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $1.32 million; and authorize design to rehabilitate finished water reservoirs at the Joseph Jensen and Henry J. Mills Water Treatment Plants (Appropriation No. 15417). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $1.32 million;
b. Authorize preliminary design to rehabilitate three finished water reservoirs with floating covers at the Jensen and Mills plants; and
c. Authorize final design to repair the concrete roof of one finished water reservoir at the Jensen plant.

7-2 Adopt CEQA determination and appropriate $540,000; award $325,000 procurement contract to Golden Empire Concrete Products, Inc. for a precast concrete building at Mile 12 on the Colorado River Aqueduct; and authorize installation of discharge line coupling at Gene Pumping Plant (Appropriations Nos. 15438 & 15481). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt from CEQA, and

a. Appropriate $540,000;

b. Award $325,000 procurement contract to Golden Empire Concrete Products, Inc. for a precast concrete building for Mile 12 on the CRA; and

c. Authorize installation of a discharge line isolation coupling at Gene Pumping Plant.

7-3 Adopt CEQA determination and authorize increase in change order authority for the construction contract to refurbish lagoons for the Joseph Jensen Water Treatment Plant. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize increase of $400,000 in change order authority for the contract with Zusser Company, Inc. to refurbish solids lagoons for the Jensen plant, up to an aggregate amount not to exceed $650,000

7-4 Adopt CEQA determination and appropriate $1.35 million; and authorize design and procurement to replace chemical storage tanks at the Joseph Jensen and Henry J. Mills Water Treatment Plants (Appropriations Nos. 15486 and 15479). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $1.35 million;

b. Authorize design and procurement to replace chemical storage tanks at the Jensen and Mills plants.

7-5 Adopt CEQA determination and adopt resolution for the 105th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)
Recommendation:

Option #1:

Adopt the CEQA determination to review and consider the information provided in the 2017 Mitigated Negative Declaration and Mitigation Monitoring Reporting Program, and

Adopt the Lead Agency’s findings related to the proposed actions; and adopt resolution granting approval for the 105th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation as set forth in Attachment 3 of the board letter dated April 11, 2017, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $31,129.72.

7-6 Adopt CEQA determination and adopt resolution for the 107th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination to review and consider the 2016 NOE prepared by Eastern as the Lead Agency and determine no further environmental analysis or documentation is required, and

Adopt resolution granting approval for the 107th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation as set forth in Attachment 3 of the board letter dated April 11, 2017, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $16,570.24.

7-7 Adopt CEQA determination and adopt resolution to apply for and accept funding from the State Water Resources Control Board’s Water Recycling Funding Program. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is statutorily exempt and is not defined as a project, and

Adopt revised resolution authorizing the General Manager to accept grant funding or low interest loans, if awarded, and to enter into agreements with SWRCB.
7-8 Adopt CEQA determination and amend the Administrative Code to add Conservation and Local Resources Special Committee. (L&C)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Approve the changes to the Administrative Code set forth in Attachment 1 of the board letter dated April 11, 2017 to add the Conservation and Local Resources Special Committee to the Administrative Code.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt Approve CEQA determination and adopt resolution approving Treatment Charge Workgroup’s proposed policy principles, recommended treatment capacity charge, and treatment capacity charge implementation. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Adopt the Resolution Approving the Treatment Charge Workgroup’s Policy Principles, Recommendation for a Treatment Capacity Charge, and Implementation of a Treatment Capacity Charge.

8-2 Adopt CEQA determination and approve resolutions fixing and adopting a Readiness-to-Serve Charge and a Capacity Charge for calendar year 2018. (F&I)
Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

a. Adopt Resolution Fixing and Adopting a Readiness-to-Serve Charge Effective January 1, 2018, as set forth in the form of Attachment 1 of the board letter dated April 11, 2017, using the charge shown in Section 4 of the Resolution; and

b. Adopt Resolution Fixing and Adopting a Capacity Charge effective January 1, 2018, as set forth in the form of Attachment 2 of the board letter dated April 11, 2017, using the charge shown in Section 5 of the Resolution.

8-3 Adopt CEQA determination and appropriate $23.73 million; and authorize: (1) full-scale control and electrical system upgrades at Hiram W. Wadsworth Pumping Plant; (2) $15,993,000 agreement with Glenmount Global Solutions; and (3) increase of $630,000 to agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,974,000 (Appropriation No. 15467). (E&O)

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $23.73 million;

b. Authorize $15,993,000 agreement with Glenmount Global Solutions;

c. Authorize increase of $630,000 to an agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,974,000; and

d. Authorize full-scale control and electrical system upgrades at Wadsworth pumping plant.

8-4 Adopt CEQA determination and authorize the General Manager to enter into Cyclic Agreements with Metropolitan’s member agencies. (WP&S)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt and not subject to CEQA, and

Authorize the General Manager to enter into Cyclic Agreements with Metropolitan member agencies consistent with the terms as set forth in Attachment 1 of the board letter dated April 11, 2017.

8-5 Adopt CEQA determination and appropriate $1.5 million; and authorize agreement with the California Department of Water Resources for preliminary design of a water recovery project at Lake Perris (Appropriation No. 15402). (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $1.5 million in capital funds;

b. Authorize agreement with DWR for preliminary design and environmental review of a proposed recovery system at Lake Perris; and

c. Authorize preliminary design of a water conveyance pipeline to the Colorado River Aqueduct.

Subject updated 8-6 Adopt CEQA determination, appropriate $1.5 million, and authorize entering into a project agreement with the Sites Reservoir Joint Powers Project Authority for participation in the Sites Reservoir Phase 1 planning process for an amount not to exceed $1.5 million. (WP&S)

Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA pursuant to Sections 15262, 15306, 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines, and

a. Authorize the General Manager to negotiate a project agreement amendment with the Sites Project Authority and other participants for participation in the Sites Reservoir Phase 1 process for an amount not to exceed $1.5 million; and

b. Appropriate $1.5 million for Sites Reservoir Phase 1 based on reserving an option for 25,000 acre-feet of Class 1 water supply yield or 50,000 AF of Class 2 water supply yield, or a combination thereof.
8-7  Adopt CEQA determination and express support for SB 231 (Hertzberg, D-Van Nuys) - Local Government: Fees and Charges. (C&L) [To be mailed separately]

Added

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to support SB 231 as described in the board letter dated April 11, 2017.

8-8  Adopt CEQA determination and express support for AB 1654 (Rubio D-Baldwin Park) – Urban Water Management Planning. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA, and

Authorize the General Manager to support AB 1654.

8-9  Adopt CEQA determination and express opposition to AB 472 (Frazier, D-Oakley) – Water Transfers: Idled Agricultural Land: Wildlife, Waterfowl, and Bird Nesting Habitat. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to express opposition to AB 472.

9. BOARD INFORMATION ITEMS

None
10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

NOTE: At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g., (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

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Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
COMMITTEE ASSIGNMENTS

Director Gray was reinstated as Vice Chair of the Board. Director Gedney was assigned to the Engineering and Operations Committee, Finance and Insurance Committee, and Organization, Personnel and Technology Committee. Director Vasquez was assigned to the Conservation and Local Resources Committee. Director De Jesus was appointed as Colorado River Board of California Alternate. (Agenda Item 5D)

FINANCE AND INSURANCE COMMITTEE

Adopted the Resolution Approving the Treatment Charge Workgroup’s Proposed Policy Principles, as amended by deleting the fourth “Whereas” clause on page 2 of attachment 4 and take no further action at this time. (Agenda Item 8-1)

Adopted the Resolution Fixing and Adopting a Readiness-to-Serve Charge effective January 1, 2018, as set forth in the board letter dated April 11, 2017, using the charge shown in Section 4 of the Resolution; and adopted the Resolution Fixing and Adopting a Capacity Charge effective January 1, 2018, as set forth in the board letter dated April 11, 2017, using the charge shown in Section 5 of the Resolution. (Agenda Item 8-2)

ENGINEERING AND OPERATIONS COMMITTEE

 Appropriated $23.73 million; authorized $15,993,000 agreement with Glenmount Global Solutions; authorized increase of $630,000 to an agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,974,000; and authorized full-scale control and electrical system upgrades at Wadsworth pumping plant. (Appropriation No. 15467) (Agenda Item 8-3)

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to enter into Cyclic Agreements with Metropolitan member agencies consistent with the terms as set forth in Attachment 1 of the board letter dated April 11, 2017. (Agenda Item 8-4)

 Appropriated $1.5 million in capital funds; authorized agreement with DWR for preliminary design and environmental review of a proposed recovery system at Lake Perris; and authorized preliminary design of a water conveyance pipeline to the Colorado River Aqueduct. (Agenda Item 8-5)
Authorized the General Manager to negotiate a project agreement amendment with the Sites Project Authority and other participants for participation in the Sites Reservoir Phase 1 process for an amount not to exceed $1.5 million; and appropriated $1.5 million for Sites Reservoir Phase 1 based on reserving an option for 25,000 acre-feet of Class 1 water supply yield or 50,000 AF of Class 2 water supply yield, or a combination thereof.  

(Agenda Item 8-6)

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorize the General Manager to support SB 231 as described in the board letter dated April 11, 2017.  

(Agenda Item 8-7)

Authorized the General Manager to support AB 1654 (Rubio, D-Baldwin Park) – Urban Water Management Planning and seek amendments to consider provisions from the Governor’s package and request that any bill to implement a framework for long-term efficient water use advance through legislative policy and fiscal committees rather than by budget trailer bill.  

(Agenda Item 8-8)

Authorized the General Manager to express opposition to AB 472 (Frazier, D-Oakley) – Water Transfers: Idled Agricultural Land: Wildlife, Waterfowl, and Bird Nesting Habitat.  

(Agenda Item 8-9)

CONSENT CALENDAR

In other action, the Board:

Appropriated $1.32 million; authorized preliminary design to rehabilitate three finished water reservoirs with floating covers at the Jensen and Mills plants; and authorized final design to repair the concrete roof of one finished water reservoir at the Jensen plant.  

(Appropriation No. 15417)  

(Agenda Item 7-1)

Appropriated $540,000; awarded $325,000 procurement contract to Golden Empire Concrete Products, Inc. for a precast concrete building for Mile 12 on the CRA; and authorized installation of a discharge line isolation coupling at Gene Pumping Plant.  

(Appropriation Nos. 15438 & 15481)  

(Agenda Item 7-2)

Authorized increase of $400,000 in change order authority for the contract with Zusser Company, Inc. to refurbish solids lagoons for the Jensen plant, up to an aggregate amount not to exceed $650,000.  

(Agenda Item 7-3)

Appropriated $1.35 million; authorized design and procurement to replace chemical storage tanks at the Jensen and Mills plants.  

(Appropriation Nos. 15486 and 15479)  

(Agenda Item 7-4)
Adopted the Lead Agency’s findings related to the proposed actions; and adopt resolution granting approval for the 105th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation as set forth in Attachment 3 of the board letter dated April 11, 2017, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $31,129.72. *(Agenda Item 7-5)*

Adopted the resolution granting approval for the 107th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation as set forth in Attachment 3 of the board letter dated April 11, 2017, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $16,570.24. *(Agenda Item 7-6)*

Adopted the revised resolution authorizing the General Manager to accept grant funding or low interest loans, if awarded, and to enter into agreements with SWRCB. *(Agenda Item 7-7)*

Approved the changes to the Administrative Code set forth in Attachment 1 of the board letter to add the Conservation and Local Resources Special Committee to the Administrative Code. *(Agenda Item 7-8)*

**OTHER MATTERS:**

In other action, the Board:

Presented a Commendatory Resolution to past Director Michael Touhey, representing Upper San Gabriel Valley Municipal Water District. *(Agenda Item 5C)*

**THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.**

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser:

http://edmsidm.mwdh2o.com/idmweb/home.asp.