WATER PLANNING COMMITTEE

9-1. Professional services contracts with A&N Technical Services, Inc., and Envirosmart Solutions Group for as-needed planning and evaluation of water-use efficiency programs. Authorize the General Manager to award two individual two-year professional services contracts, with options for two-year extensions, in the amount of $250,000 to A&N Technical Services, Inc., and $125,000 to Envirosmart Solutions Group, for a not-to-exceed total of $375,000 for as-needed planning and evaluation of water-use efficiency programs.

9-2. Authorization to market, sell or exchange excess mitigation credits at San Miguel Conservation Bank. Authorize the General Manager to market, sell or exchange up to 240 excess mitigation credits at San Miguel Conservation Bank and deposit sales proceeds in the CIP Mitigation Program to provide funding for future acquisition or development of mitigation sites or credits. Any credits shall be sold at fair market value and the revenue from such sale, less the brokerage fees/transactional costs, shall be greater than the Water Authority’s investment.

9-3. Review of Water Authority Annexation Policies. Authorize the General Manager to make non-substantive updates to the Implementation Procedure for Annexation Policy #2 to ensure consistency with updates to supply and shortage contingency planning documents.

ADMINISTRATION AND FINANCE COMMITTEE


9-5. Revised record retention schedule. Adopt Resolution No. 2017-__ to approve the revised record retention schedule and authorize the General Manager, in concurrence with General Counsel, to authorize the destruction of Water Authority records in accordance with the record retention schedule.

9-6. Resolution amending the titles of authorized officers and employees to invest monies in the Local Agency Investment Fund (LAIF). Adopt Resolution No. 2017-__ amending the titles of authorized officers and employees to invest monies in the Local Agency Investment Fund (LAIF).

9-7. Approve the selection of Carollo Engineers, LLC to provide financial rate modeling support. Authorize the General Manager to award a multi-year professional services contract to Carollo Engineers, LLC (Carollo) for a total base amount not-to-exceed $350,000 for the twenty-month period from October 1, 2017 to June 30, 2019. The contract has two one-year renewal options.
San Diego County Water Authority

September 27, 2017

Attention: Engineering and Operations Committee

Agreements for the management of water quality south of Mission Trails Flow Regulatory Structure. (Presentation)

Purpose
This information item provides a summary of terms for the agreements entered into by the General Manager for the management of water quality south of the Mission Trails Flow Regulatory Structure.

Discussion
On August 24, 2017, the Board authorized the General Manager to negotiate and execute agreements with up to five member agencies, as needed, to address water quality challenges south of the Mission Trails Flow Regulatory Structure.

The Board also requested staff to return and present the terms of each agreement. The main objective for each agreement is to identify opportunities to increase treated water demands without adversely impacting water quality or member agency operations. Another objective is to ensure that any identified opportunity does not result in additional cost to the member agency, and allows the Water Authority to avoid costs associated with maintaining water quality. Costs associated with maintaining water quality include the loss of the treatment cost and the total loss of the water in the event of a spill for water flushed into Otay Reservoir.

The following is a summary of the tentative terms for each agreement:

<table>
<thead>
<tr>
<th>Member Agency</th>
<th>Treated Water Demand Increase Opportunity</th>
<th>Tentative Agreement Terms</th>
</tr>
</thead>
</table>
| Helix WD      | Transfer flow to Helix 5 FCF from Levy WTP | • Exchange flow at Helix 5 with water in El Capitan Reservoir or reduce production at Levy WTP  
• Helix will not be charged for cost of water at Helix 5  
• Helix will pay Water Authority for cost of treatment at Levy WTP  
• Helix will pay Water Authority for cost of untreated water if production is reduced at Levy WTP |
| Otay WD       | Transfer flow from Otay 14 FCF to Otay 11 FCF | • Otay 11 flow will be counted towards Otay's East County Agreement obligation  
• No financial terms included |
| Padre Dam MWD                  | Transfer flow from Padre Dam 6 & 7 FCF to Padre Dam 4 FCF | • Flow requests above the normal Padre Dam 4 amount will be counted towards Padre Dam’s East County Agreement obligation  
• No financial terms included |
|------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Sweetwater Authority         | Transfer flow to NCSB 4 FCF from Perdue WTP              | • Exchange flow at NCSB 4 with water in Sweetwater Reservoir  
• Sweetwater will not be charged for cost of water at NCSB 4  
• Sweetwater will pay Water Authority for cost of treatment at Perdue WTP |

Each of these agreements, and the opportunities identified, will be considered and implemented as operationally needed. Water Authority staff will continue to closely monitor water quality conditions, investigate all potential mitigation alternatives, and work closely with our member agencies to ensure we maintain safe and reliable water.

In addition to the above agreements, Water Authority staff met with the City of San Diego to discuss potential opportunities for increasing treated water demands. Due to current reservoir levels and operational constraints, the City is unable to participate at this time. Staff will continue to discuss potential opportunities with the City as conditions allow.

Prepared by:  James E. Fisher, Director of Operations and Maintenance
Approved by:  Sandra L. Kerl, Deputy General Manager  

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Hurricanes Harvey, Irma, and Maria disrupted the congressional schedule for the month. Votes and committee business were delayed and the passage of emergency aid bills was required. The staggering cost of these disasters will require additional funding bills as the full cost of recovery becomes clearer. These storms also highlighted the problems within the National Flood Insurance Program and have elevated reforms in the NFIP to a higher level that will occupy more legislative time over the coming months than previously expected.

**President and Congress Reach Temporary Deal on Funding, Debt**

Catching Republican leaders by surprise, President Trump agreed to a timetable put forward by Democratic leaders to pass a Continuing Resolution (CR) and debt limit extension. The CR will keep the government operating through December 8th; the federal fiscal year begins October 1st.

Many politically divisive issues, with funding for a border wall at the forefront, remain as potential roadblocks to a deal in December. This leaves open the possibility that Congress may pass another short-term CR or one that covers the remainder of FY2018. The ability to pass a new spending plan may rest, at least in part, on progress towards tax reform with the current year spending being used to induce support for long-term tax changes.

Part of the agreement also allowed an extension of the debt ceiling, or limit on government borrowing, until December 8th. However, the Treasury can use “extraordinary measures” to effectively extend borrowing until February or March. Democrats had hoped to use the debt ceiling as additional leverage in their negotiations with the Republicans.

**House Passes Omnibus Spending Bill**

On September 14th, after debating more than 450 amendments, the House approved a long-term FY2018 appropriations measure that includes all twelve spending bills. This is the first time since 2009 that the House passed all 12 spending bills before the end of the fiscal year.

The $1.2 trillion omnibus spending bill, called the “Make America Secure and Prosperous Appropriations Act” (H.R. 3354), was approved by a vote of 211-198. The bill incorporated
four spending bills previously passed by the House, including funding for the Bureau of Reclamation, and added bills that included funding for the EPA. After President Trump urged an increase in funding for the Clean Water SRF, the House adopted an amendment to add $250 million for the program. This brings the House level in line with the FY2017 level of funding.

The Senate has announced no plan for how it intends to address spending bills in that chamber. Several of its bills have been reported out by the Appropriations Committee, but there is no schedule for bringing them up for a vote before the full Senate.

**Tax Plan May Target Muni Bonds**

Details of Republican’s tax reform plans are just beginning to be unveiled. They are pushing to make the first major overhaul of the U.S. tax code since 1986. While attention will be on new tax rates for business and individuals, the offsets for tax cuts will be the source of vigorous debate in coming weeks. The first draft of the plan repeals the ability to deduct state and local taxes (SALT) from federal returns. At $1.2 trillion per year cost to the Treasury, the SALT deduction is an attractive target for elimination or reduction.

At this time, the fate of the tax-exempt status of municipal debt remains unclear. Costing the Treasury over $400 billion annually, several tax writers have mentioned the possibility of ending or curtailing this item too. The Association of Metropolitan Water Agencies (AMWA) and the National Association of Clean Water Agencies (NACWA) released a study earlier this year estimating that this tax exemption saved water and wastewater agencies nearly $16 billion in financing costs in just 2016.

**Nominations Update**

President Trump nominated David Ross, an assistant attorney general from Wisconsin, to lead the EPA’s Office of Water. Ross previously served as an assistant AG in Wyoming. He has an extensive record in environmental law with a specialization in the Clean Water Act. Trump also nominated Matthew Leopold, an environmental advisor to former Florida Governor Jeb Bush, for EPA General Counsel.

The nomination of Brenda Burman to be Commissioner of Reclamation still awaits a vote before the full Senate. This month, the Committee on Natural Resources approved the nomination of Ryan Nelson to be Solicitor for the Department of the Interior. This is the top legal position within Interior. He now joins Burman in the wait for final confirmation.

**EPA Staff Levels Continue to Fall**

During August and September, at least 400 EPA officials have taken buyouts and other incentives to retire early. Administrator Pruitt announced earlier this year his goal to reduce personnel levels at the agency by as many as 1,200. These are in addition to other headcount reduction plans set by the President and congressional appropriators. A real concern is that staff reductions, which have been occurring for many years, is compromising the ability of the EPA to approve projects, permits, and grant requests at the same time the Administration is seeking to reduce review times by federal agencies.
September 27, 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 September 2017. The MWD committees and Board met on September 11 and 12, and meet next on October 9 and 10.

Discussion
Key actions at the September MWD Board meeting included: 1) accepting the resignation of the Ethics Officer, placing her on paid administrative leave effective immediately, and appointing the General Auditor as interim Ethics Officer; and 2) authorizing entering into agreements related to Minute 323 of the international water treaty with Mexico and funding system conservation programs along the Colorado River. Although supportive of Minute 323 and water use efficiency, the Water Authority Delegates opposed funding system conservation program in the seven basin states because they were unable to receive assurance that staff would return to the Board for further discussion should future projects under the program impact the Salton Sea. Attachment 1 details the Board’s discussion of the Colorado River related agreements.

The Board received a report on MWD’s fiscal year 2017 year-end financial results, financial forecast for fiscal year 2018, and potential issues to consider during the upcoming budget and rates setting process.1 Attachment 2 provides a summary of the Board’s discussion of the report. Additionally, the Board received a presentation on legislation responding to the Governor’s Executive Order B-37-16, “Making Water Conservation a Way of Life.” The Board’s discussion of the legislation is summarized in Attachment 3.

California WaterFix
MWD received three public comments at both its Water Planning and Stewardship Committee (WP&S Committee) and Board meetings related to California WaterFix (WaterFix). During his address to the WP&S Committee, Water Authority Vice Chair Madaffer noted the Water Authority’s Board leadership’s letter regarding WaterFix.2 Echoing the comments in the letter, Madaffer urged MWD to postpone action on the project “until reasonable and reliable information, documentation and third-party analysis has been provided.” Madaffer underscored that the Water Authority Board has yet to take a position on WaterFix, but is concerned with the lack of key information and risk analysis. He also questioned the transparency of WaterFix’s planning process, noting the Inspector General’s recent finding that the Bureau of Reclamation

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1 For more details, see memo “Financial Review of Metropolitan Water District’s Mid-Term Biennial Budget found starting on page 76 of the Water Authority’s September 2017 Board Packet: [http://www.sdcwa.org/meetings-and-documents](http://www.sdcwa.org/meetings-and-documents)

improperly paid $85 million in project planning costs, which were supposed to be funded by the federal water contractors.3 (The federal contractors not paying for their share of the planning costs suggests MWD’s assumption that they would accept responsibility for 45 percent of WaterFix cost is optimistic). Attachment 4 is Madaffer’s testimony. The other two speakers during the WP&S Committee meeting and the three speakers at MWD’s Board meeting, opposed WaterFix. Following these comments, during his report to the Board, Chairman Record (Eastern) said he would postpone the vote on MWD’s participation in the project until the October 10 Board meeting. Record asked directors and member agencies to “get your questions in” for the September 26 Board workshop on WaterFix, adding that MWD would not have a presentation at its October Board meeting (See Attachment 5 for Water Authority General Manager’s letter identifying her Board’s questions).

Water Resources Manager’s Report

Water Resources Management Group Manager Upadhyay reported on a meeting between MWD staff, Water Authority staff, and Gordon Hess & Associates, Inc., (GHA) that took place on September 1 regarding the GHA study commissioned by the Water Authority. This study compared the demand for MWD water reported in MWD’s 2015 Urban Water Management Plan (UWMP) to the cumulative demand for MWD water reported in its member agencies’ plans.4 Upadhyay reported “that there continues to be a need for increased coordination with the Water Authority on this” and welcomed discussions with member agencies “on planning for supplies going forward.” Director Steiner expressed the Water Authority’s understanding that there may be some differences in perspectives, but that MWD and Water Authority staff had “agreement on the methodology that was used.”5 Agreeing that progress was made, Upadhyay said he thought “additional work” was needed “to make sure that we understand each other’s methodology.” Noting that the Natural Resources Defense Council (NRDC) issued a similar study (which also found MWD’s 2015 UWMP forecasted higher demand for its water than the cumulative amount reported in the member agencies’ plans), Steiner asked that MWD provide a Board report on this study.6 Stating that staff is “looking at” NRDC’s study, Upadhyay said MWD was still determining if a “response” is needed.

Overview

Overall, the Water Authority Delegation supported seven of the eight action items approved by the MWD Board in September. During public comment at MWD’s Board meeting, Director Ballin (San Fernando) speaking as Mayor of San Fernando reiterated her concerns that Chairman Record is creating a “shroud of secrecy around the Ethics Office,” hindering public transparency.

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5 Water Authority staff’s September 6, 2017 summarizing the meeting with MWD staff and requesting data letter found here: http://www.mwdfacts.com/wp-content/uploads/2017-09-06-WA-ltr-re-MWD-UWMP.pdf
6 NRDC blog post with link to study found here: https://www.nrdc.org/experts/doug-obegi/new-study-waterfix-unnecessary-socals-water-supply
and stymying the Ethics Office from functioning as intended under Senate Bill 60. The Ethics Officer resigned prior to the Board meeting. Attachment 5 is a copy of MWD’s September 2017 committee and Board meeting agendas and summary report.

Prepared by: Liz Mendelson-Goossens, Water Resources Specialist
Reviewed by: Communications and Legislation Committee by Keith Lewinger and Elsa Saxod
Conservation and Local Resources Committee by Fern Steiner
Engineering and Operations Committee by Fern Steiner
Finance and Insurance Committee by Keith Lewinger and Elsa Saxod
Legal and Claims Committee by Fern Steiner
Organization, Personnel and Technology Committee by the Delegates
Water Planning and Stewardship Committee by Keith Lewinger and Fern Steiner

Attachment 1: Discussion Summary of MWD’s Participation in Colorado River Conservation Programs
Attachment 2: Discussion Summary of MWD’s Mid-Cycle Biennial Budget Review
Attachment 3: Discussion Summary on Making Conservation a California Way of Life
Attachment 4: Water Authority Vice Chair Madaffer’s public comments at MWD’s September 11, 2017 Water Planning & Stewardship Committee meeting
Attachment 5: Water Authority General Manager’s letter regarding California WaterFix dated September 6, 2017
Attachment 6: MWD’s committee and Board meeting agendas and Board summary, dated September 11 and 12, 2017

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7 Senate Bill 60 was passed in 1999. Section 2 of the bill created MWD’s Ethics Office, which intended “to avoid potential ethical abuses.” Full text of SB 60 found here: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=199920000SB60
Discussion Summary of MWD’s Participation in Colorado River Conservation Programs

At its September meeting, the Water Planning and Stewardship Committee (WP&S Committee) received a presentation to authorize funding for two Colorado River programs. Through one program, related to Minute 323, MWD would provide up to $7.5 million in funding for conservation projects in Mexico in exchange for 54,550 acre-feet of water. Under the other program, MWD would provide $2 million in additional funding for a “pilot” conservation program in the U.S. with the intention of creating system water to increase the elevations of Lake Mead and Powell.1 The WP&S committee, and subsequently the Board approved participation in and funding for these programs.

During the WP&S Committee discussion of conservation projects in Mexico, Director Lewinger asked about estimated water savings associated with projects created under Minute 319.2 MWD staff reported that “progress is being made” on the Mexican conservation projects and if the projects are not completed when Minute 319 expires, U.S. water agencies will be credited the amount of water expected to be conserved by the projects they invested in. MWD staff added that Minute 323 requires “Minute 319 conditions are met by Mexico before we’ll make additional payments” and that once an agency pays for a project in Mexico, it will be credited the amount expected to be conserved. Building on Lewinger’s questions, Director Gold (Los Angeles) requested MWD provide information on “how well the conservation projects are working.” MWD staff noted that a technical working group is monitoring the projects and MWD will provide the Board the information produced by the group.

Related to the system conservation pilot program, Director Steiner sought to understand if projects funded through this program could impact the Salton Sea and if they did, would environmental mitigation be required. MWD staff reported that water users in the Lower Basin have not had to “undertake mitigation measures,” but the program “has been consistent with the existing environmental compliance requirements.” General Manager Kightlinger added that “projects within the program haven’t required specific project mitigation.” Later, Colorado River Resources Manager Hasencamp reported that currently projects funded through the program are not having “any impact to the Salton Sea, so there was no need to address any Salton Sea impacts in the system conservation program today.”

At the Board meeting the following day, Steiner expressed the Water Authority Delegates’ desire to support the item, especially after Hasencamp clarified that projects funded had not had any impact to the Salton and Sea; she sought confirmation from staff that if “there are future pilot projects that would impact the Salton Sea, that they be brought back” the Board to vote on. Kightlinger responded that he could not make that “commitment” since the program is out of MWD’s control and MWD is one of the program “partners.” Because there was no assurance that if participating projects in the system conservation program would be required to mitigate their impacts on the Salton Sea, the Delegates opposed the item.

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1 For more details on these programs see the “Metropolitan Water District Program Report” starting on page 91 of the Water Authority’s September 2017 Board Packet: http://www.sdcwa.org/meetings-and-documents
2 Minute 323 is the successor to Minute 319, which allowed Mexico to share in storage and surplus on the Colorado River, store water in Lake Mead, and receive funding from U.S. water agencies for conservation projects, which in return would receive the conserved water through reduced diversions to Mexico. Minute 319 will expire at the end of 2017 and Minute 323 will continue many of the programs established under Minute 319 from 2018 through 2026.
Discussion Summary of MWD’s Mid-Cycle Biennial Budget Review

At its September Finance and Insurance Committee (F&I Committee) meeting, MWD provided a report that reviewed its fiscal year 2017 financials, forecasted its financial condition for fiscal year 2018, and presented five-year financial trends. Additionally, MWD identified issues that the Board may consider during its upcoming biennial budget and rate setting process, including:

- “Potential impacts of the 2015 IRP update to the Local Resource Program expenditures;”\(^1\)
- Cost to replenish MWD’s dry-year storage accounts;
- MWD’s participation level in WaterFix; and
- Various other assumptions used to develop MWD’s 10-year financial forecast.\(^2\)

Following staff’s presentation, Director Kurtz (Pasadena) suggested the costs to repair Oroville Dam is another factor that may impact MWD’s upcoming budget and rate process. Budget and Rates Manager Skillman said that the Department of Water Resources (DWR) is keeping track of these expenses but has yet to pass along the costs to the State Water Project (SWP) contractors since DWR is waiting to see how much funding the Federal Emergency Management Agency (FEMA) will provide. Chief Financial Officer Breaux added that DWR is currently using commercial papers to finance the repairs and once DWR knows the amount of FEMA funding it will receive, then he would expect DWR to finance the repairs using longer term bonds.

Focusing on MWD’s short-term sales forecast, Director Faessel (Anaheim) asked if MWD’s projection of 1.46 million acre-feet for fiscal year 2018 sales and exchanges\(^3\) included in-lieu water sales.\(^4\) Staff confirmed that it did. (This means that water sales are tracking about 240,000 acre-feet below budget.) Turning to the 10-year financial forecast, Director McKenney (Municipal Water District of Orange County) asked if it included MWD’s potential recycled water program with the Los Angeles County Sanitation Districts. Skillman replied that the program is not included. In response to McKenney’s question about the impact of lowering MWD’s sales assumption, Breaux said that lowering MWD’s sales assumption by 150,000 acre-feet would have an impact of “least $100 million” of reduced revenue.\(^5\)

Referring to how MWD presents its actual financials to its budget, Director Lewinger pointed out that MWD compares actuals to its modified budget numbers, which include expenditures authorized after the adoption of the budget. Lewinger suggested that MWD present how it tracks against its adopted budget as well as its amended budget. F&I Committee Chair Barbre (Municipal Water District of Orange County) pointed out that the amendments to the budget were for “one-time expenditures.” Expressing his understanding of Barbre’s point, Lewinger reiterated his request, adding that the way MWD presents information currently is not transparent

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\(^1\) MWD reported that during the upcoming budget and rate setting process, MWD will look “at the targets for the 2015 IRP and rolling those costs through and seeing how those would impact” its 10-year financial forecast.

\(^2\) For more details, see memo “Financial Review of Metropolitan Water District’s Mid-Term Biennial Budget found starting on page 76 of the Water Authority’s September 2017 Board Packet: [http://www.sdcwa.org/meetings-and-documents](http://www.sdcwa.org/meetings-and-documents)

\(^3\) MWD’s fiscal year 2018 budget planned for 1.70 million acre-feet of sales and exchanges.

\(^4\) In July 2017, the MWD Board authorized amendments to its cyclic storage agreement with member agencies to provide a credit up to $225 per acre-foot for in-lieu deliveries during fiscal year 2018.

\(^5\) At MWD’s March 2013 F&I Committee meeting, General Manager Kightlinger stated that “100 thousand acre-feet is a $100 million in revenues.”
nor is it easily digestible by the public. Chairman Record (Eastern) added to Lewinger’s request that staff also indicate which one-time expenditures were real property acquisitions, including if they were financed. Later, Director Wunderlich (Beverly Hills) expressed support for the status quo presentation (showing only the amended budget) since it would be “misleading” to provide a comparison that didn’t show the one-time expenses.

Switching to specific budget assumptions, Lewinger questioned why MWD’s actual SWP costs are consistently below budget despite fluctuations in the SWP allocation. Skillman replied that MWD has received “rate management credits” from DWR, which MWD has not included in its budget, and that DWR completes annual reviews of what was actually spent and issues credits when it collected more revenues than it expended. Instead, Skillman said MWD uses DWR’s Statement of Charges to develop its budget. Responding to Lewinger, Skillman said that MWD’s SWP costs may be less than budgeted despite a higher allocation than assumed in the budget because “rate management credits” from prior years offset the increase in energy costs. Lewinger requested that in the upcoming budget workshops, the Board examine why MWD’s budget is consistently overestimating SWP costs and consider establishing a balancing fund so that when “the expenditures come in under budget, we can put money into that reserve; and in those years, when the expenditures are greater than budget, we can take money out of that reserve.” Barbre responded that Lewinger’s request “will be part of the discussion if you raise it.” Later, on a similar note, Director Steiner suggested that during the workshops, MWD consider developing a fund to replenish MWD’s storage accounts. Also noting that MWD’s unrestricted reserves would be below the minimum fund balance without the use of debt, Steiner suggested MWD manage its financials to stop debt-funding its reserves.

Director Blois (Calleguas) pointed out that MWD’s 10-year financial forecast includes “average” rate increases of 4.5 percent, but that for his agency that actual rate increase is often higher due to “inequitable treated water costs.” He requested a breakdown of what goes into the average rate increase so directors may better understand the rate increase’s implications for their agencies. In a similar vein, Director Saxod requested more detail on the breakdown of MWD’s supply programs budget. Breaux noted that MWD’s budget document has a section on supply programs, but that during the budget workshop staff would provide “a little more detail.”

Director Dake (Los Angeles) pointed out that MWD’s presentation indicated that there is about $91 million remaining in the Water Management Fund and asked if staff is “working on doing the tasks that that $91 million is intended to achieve.” MWD indicated it would provide information on the use of this fund.

6 MWD made two unplanned land purchases: the Delta Islands and lands in the Palo Verde Irrigation District (PVID). MWD issued $175 million of debt in fiscal year 2017 for the Delta Islands purchase. (See page A-41 of MWD’s February 24, 2017 Official Statement: http://www.mwdh2o.com/PDF_Who_We_Are/MWD_2017_AuthSerAFOS.pdf) In contrast, for its $264 million PVID land acquisition, MWD used $164 million from its Replacement & Refurbishment Fund (effectively debt financing more of its capital program than it had budgeted) and withdrew $100 million from unrestricted reserves. (See slides 13 and 14 of MWD’s October 12, 2015 Quarterly Financial Review presentation: http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003736195-1.pdf)

7 MWD’s fiscal years 2017 and 2018 biennial budget states “[t]he forecasted amount for SWP expenditures reflects incorporation of rate management credits into the forecast.” (Page 35 http://www.mwdh2o.com/PDF_Who_We_Are/1.4.7_Biennial_budget.pdf)
Discussion Summary on *Making Conservation a California Way of Life*

During its September Communications and Legislation Committee (C&L Committee) meeting, MWD provided an update on legislative activities related to Governor Brown’s Executive Order B-37-16, “Making Water Conservation a Way of Life.” In July, after the introduction of several bills in response to the Brown Administration’s report on implementing the executive order, the Senate policy committees directed the bills’ authors to work with each other to develop a more unified approach. MWD reported that the authors engaged with stakeholders to develop legislation, resulting in two bills: SB 606 (Skinner/Hertzberg) and AB 1668 (Friedman). Following MWD staff’s assessment of the bills, staff concluded that the two bills were consistent with Board-adopted legislative priorities\(^1\) and “expressed full support” for the legislation. MWD’s support position conflicted with the oppose and oppose unless amended positions expressed by many MWD member and sub-agencies.

Following staff’s presentation, the Board discussed the legislation. Director Lewinger noted that the Association of California Water Agencies (ACWA) has an opposed unless amended position on the bills. He pointed out that earlier that morning ACWA’s legislative committee held a special committee meeting via conference call to reconsider its position on the legislation, and 25 out of 27 participating committee members voted to keep ACWA’s oppose unless amended position (and none of the yes votes were from MWD member or sub-agencies). Describing the meeting as a last minute “opera call at best,” State Legislative Representative Cole said that although the committee’s vote may appear to be a landslide, several urban agencies that support the legislation were not on the call. Additionally, Cole said that agricultural agencies, which would be minimally impacted by the legislation, voted to maintain ACWA’s position because they “tend to go to the conservative side.”

Director Steiner highlighted that the legislation would designate the State Water Resources Control Board (State Board) as the enforcer of water use efficiency standards, expanding the State Board’s jurisdiction. Water Resources Management Group Manager Upadhyay stated that the State Board would enforce the targets established for each agency.\(^2\) Another concern Steiner pointed out is that the legislation applies a “one size fits all” approach. Like Steiner, Peterson (Las Virgenes) expressed concern with the State Board’s expanded control over water agencies, and also voiced apprehension with the legislation’s indoor water use efficiency target. Director Treviño (Upper San Gabriel) expressed concern with the bills erosion of local control. Similarly, Director McKenney (Municipal Water District of Orange County) voiced support for “preserving” local control. However, he also said he believes there “is a role for the state to play in regulating this water use if we’re also going to maintain our position with regard to imported water, that water is a resource of the state,” highlighting that MWD’s “right” to export water from the Bay-Delta is based on the concept that water is a state resource.

In contrast to other directors, Director Gold (Los Angeles) noted that the bills were substantially modified to the point that environmental organizations are considering withdrawing their

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\(^1\) In May 2017, the MWD Board adopted legislative priorities related to "Making Water Conservation a California Way of Life."

\(^2\) Under the proposed legislation, the State Board would establish the water use efficiency targets and then enforce them.
support. He described the “give-and-take” measures that the two bills resulted in and commended MWD for its position.

General Manager Kightlinger described MWD staff’s efforts to express the Board’s concern with the legislation initially introduced and said MWD obtained “middle of the road positions, compromises on all the issues we raised.” Despite a split among the member agencies’ positions on the bills, after reviewing the Board’s legislative priorities, Kightlinger said he “felt in good faith” to support the legislation with its amendments. Without MWD’s “full support,” Kightlinger surmised that the “compromises” included in the bills would not have happened.

In response to Lewinger, staff said that the legislation would become two-year bills if doesn’t gain enough support in the Legislature.3 Lewinger requested that if the legislation becomes two-year bills that MWD have a more detail discussion on the issues that member agencies have and consider refining its legislative priorities. C&L Committee Chair Kurtz (Pasadena) concurred that further discussion would occur should the bills become two-year ones.

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3 After the C&L Committee meeting, the legislation failed to be considered on the Assembly and Senate Floors and are two-year bills.
Good morning, Committee Members. I am Jim Madaffer, Vice-Chairman of the San Diego County Water Authority Board of Directors, representing the City of San Diego.

I wanted to appear before you briefly today to personally present a copy of a letter written by me and my fellow board officers, Mark Muir and Gary Croucher, to elected officials throughout the MWD service area, urging that this Board's vote on the WaterFix twin tunnels be rescheduled for a time after more information is available to MWD's member agencies and the public.

Roger Patterson came to our board meeting this last month, and our board was very concerned about the number of assumptions contained in MWD's three white papers and the absence of any real risk analysis what happens if those assumptions don't materialize.

Our board was also concerned about the fact it looks like MWD is not only one of few parties actually ready to pony up money, but it looks like there is no limit on the share of the project MWD is prepared to pay for. Mr. Patterson did not provide any comfort on this point.

We were troubled by MWD's willingness to pay 100% of the costs of delta islands that, in fairness, should have been paid for by all project beneficiaries. We see no reason that MWD should have borne 100% of these project costs. This is leaving aside the serious concerns we have raised about not obtaining an appraisal of the property before you bought it.

And now, to further heighten concerns, over the past few days we have learned the Bureau of Reclamation has paid $85 million of costs that should have been paid – and we thought were being paid, by federal contractors.

We are greatly disturbed by the lack of transparency about how the federal share has been funded. Newspaper accounts quote others stating that "everyone knew" that's how the federal contractors' share was being funded. We did not know any of this and our MWD directors did not know this either. Now, we also wonder what else we don’t know about.

We understand the State Auditor's report is due to be released in October. I hope every board member will agree with me this is information the MWD board and the public should have before a vote is taken.

As our MWD board members have reported many times, the San Diego County Water Authority has not yet taken any position on the WaterFix twin tunnels, because there isn't enough information or risk analysis available to make an intelligent decision on it.

After over 30 years in government, and if there’s one thing my tenure on the San Diego City Council taught me more than anything, is you can never have too much information. You should never shy away from transparency. You should not make financial decisions without all possible information. There are never enough questions. You should always benefit from outside third-party opinions – not just those of your staff or those they hire.

There is no question to me you do not have all the facts. There are way too many unknowns.
The vote should be delayed until reasonable and reliable information, documentation and third-party analysis has been provided to this board and the public, and until all your member agencies and public have had at least 90-days for public review.

Thank you and I would be happy to answer any questions.
September 6, 2017

Jeff Kightlinger, General Manager
Metropolitan Water District
P. O. Box 54153
Los Angeles, CA 90054-0153

Re: California WaterFix

Dear Jeff:

This letter responds to your August 31 email to the MWD Board of Directors and member agency managers soliciting input in order to prepare a summary of key questions asked by MWD board members and member agencies, and the status of MWD's responses. To this end, we have prepared and attached a summary of the questions previously posed by the Water Authority's MWD Delegates, and the status of MWD's responses.

As you know, Roger Patterson made a presentation at our last Water Authority Board meeting on August 24, and some additional questions were asked at that time (we have added them to the attached matrix). In general, while we appreciated the broad overview based on MWD's stated assumptions of the project's supply benefits and cost, the main concern our Board has is that at this point, there are too many assumptions and not enough concrete information to make a decision. For this reason, our Board officers have joined other MWD member agencies in asking that a decision be deferred until more information is available.

In the meantime, it would be extremely helpful if MWD staff would conduct a risk analysis of what happens, within a range of potential outcomes, if MWD's assumptions do not come to fruition. This would include modeling various scenarios of supply benefits and costs, including but not limited to impacts based on the number of contractors that ultimately choose to participate in the project, or not. This is particularly, but not exclusively important with regard to the $7.5 billion share of Central Valley Project (CVP) contractor participation assumed in MWD's white papers, as well as the State Water Project contractors' ability to absorb the additional cost if CVP contractors' participation falls below 45 percent. There should also be some demonstration, tied to MWD's current Urban Water Management Plan and IRP, how much additional supply benefit MWD actually requires or will even be able to absorb to either meet annual demands or to replenish its own water storage from the project.

A public agency providing a safe and reliable water supply to the San Diego region
Finally, our Board would like to know if any state or federal contractor other than MWD has expressed a willingness to absorb the share of water supply and related costs of other contractors that may choose not to participate. Also, how the baseline of non-participating contractors will be measured and agreed upon.

Please let me know if you have any questions about the information the Water Authority board is seeking.

Sincerely,

Maureen A. Stapleton
General Manager

cc: Water Authority Board of Directors

Attachment 1: Summary of Questions Previously Posed by the Water Authority
Attachment 2: Water Authority’s Delegates June 9, 2017 Letter to MWD Re California WaterFix Board Review – Request for Adequate Time to Review and Distribute Information
**Water Authority Delegates’ Questions (6/9/2017)**

<table>
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<td><strong>Incomplete response.</strong> White paper No. 2 described certain assumptions made in projecting the supply benefits, but did not explain why different operating criteria were used to project WaterFix supply benefits as reported in the 2015 IRP and UWMP, nor did MWD explain why its water supply benefit differs from that in Dr. Sunding’s report. MWD has not presented any risk analysis associated with its assumptions including risks associated with key permits that project still requires but does not yet have.</td>
</tr>
<tr>
<td>We note that in its 2015 Integrated Resources Plan, MWD states that the supply benefit is 376,000 AF, while in its 2015 UWMP, MWD states that the supply benefit is 248,000 AF. In his draft economic analysis of WaterFix, Dr. David Sunding described the water supply benefit as 291,000 AF.</td>
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<td><strong>Not addressed.</strong> White paper No. 2 did not answer how various proceedings may impact WaterFix yield.</td>
</tr>
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<td>It is our understanding from third party sources that while the project has received initial approvals from fishery agencies, additional reviews and approvals are still required before the project can be operated, but these have not been described and the risks have not been addressed. The State Board’s change in diversion points process is also ongoing and could have impacts that have not been described or assessed. And while the State Board’s Bay Delta Water Quality Control Plan update is a separate process and encompasses broader areas, its potential outcome may also change the assessment of WaterFix cost and benefits. MWD must provide a risk assessment on how these different proceedings may impact the WaterFix implementation schedule, projected yields and cost.</td>
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**Status of MWD Response**

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**Financing plan and cost allocations.** Please describe in detail how WaterFix costs and benefits will be allocated including a) as between state and federal contractors; b) as between state contractors; c) as between MWD member agencies.

Please provide copies of any and all draft documentation confirming these cost allocations and commitments to pay them, along with any guarantee, "step up" or other agreements, or provisions that could result in any party's share being increased by the failure on the part of any other party to agree to pay, or pay its assumed or allocated share of costs.

Please address specifically how the $4 billion Dr. David Sunding identified as being necessary for Central Valley Project (CVP) participation has been addressed, including how it impacts, if at all, the cost allocation percentage as between CVP and SWP contractors.

Finally, please also describe the terms of the proposed joint powers authority now under discussion, as described in the attached AP news article and provide a copy of the draft JPA.

Please describe how MWD will allocate its WaterFix costs between and among its member agencies, under both these scenarios: a) MWD ultimately loses on the SWP cost-allocation issue (i.e., inclusion of SWP costs in the wheeling rate) in the currently pending litigation; or b) MWD ultimately prevails on the SWP cost-allocation issue in the litigation. It is important that MWD's member agencies, their ratepayers and public have a very clear understanding of these potential outcomes and associated cost implications - win or lose.

---

**Status of MWD's Response & WA Follow-up Question**

*Not addressed.* White paper No. 3 listed assumptions on which its financial analysis is based, without any information supporting the assumptions or even assessing a range of potential outcomes.

No documents (draft or otherwise) on cost allocation agreement, financial funding arrangements have been provided. While the U.S. Bureau of Reclamation made clear that it will not participate financially to address the $4 billion funding gap Dr. Sunding identified and which has not been disputed by MWD, MWD continues to assume CVP contractors will participate at 45 percent and thus cover the $4 billion funding gap.

Given MWD is proposing to vote on the project based on the assumptions it has made, it is imperative that it conduct an assessment of WaterFix feasibility assuming a range of CVP contractors' participation (20 - 45 percent); similarly, SWP contractors' ability and willingness to absorb up to 80 percent of WaterFix cost should be assessed.

As requested by Water Authority Board members, MWD must determine if there a point at which WaterFix no longer is feasible due to lack of contractors' participation. MWD has suggested that it may be willing to assume other contractors' share of WaterFix and receive the associated supply benefit based on a "costs follow water" methodology. As part of its risk assessment, MWD must also provide an analysis of how much more water its member agencies need from WaterFix and whether MWD itself has adequate put capacity to store any additional water that may actually be needed by individual member agencies that want MWD to buy additional shares of the project in order to meet their water supply needs.

MWD has not yet disclosed the terms of the amended or new SWP contracts, and/or the new finance Joint Powers Authority Agreement or whether they include "step-up" provisions that protect bondholders but could significantly increase MWD's financial liability and risk exposure as a result of the project.

Additionally, the cost analysis in white paper No. 3 indicates MWD plans to recover the WaterFix cost via its transportation rates. Please confirm that is staff's intent.
**Taxing Authority.** Please describe the assumptions and/or agreements made or proposed regarding the applicability of MWD's taxing authority as related to the expanded State Water Project costs associated with WaterFix. We understand past comments by the General Manager that the current plan is to use the existing (highly volumetric) rate structure to recover these costs; does MWD believe it has the legal authority to recover all or some of these additional costs via a parcel tax if necessary for the fiscal integrity of MWD? Under the proposed agreements, will the State have the right to require MWD to place all or part of these costs on the tax roll on the same terms as the existing SWP contract?

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<td>Not addressed. We renew our request for information.</td>
</tr>
</tbody>
</table>
June 9, 2017

Randy Record and
Members of the Board of Directors
Metropolitan Water District of Southern California
P. O. Box 54153
Los Angeles, CA 90054-0153

RE: California WaterFix Board Review – Request for Adequate Time to Review and Distribute Information

Chairman Record and Members of the Board,

We are pleased to learn that MWD staff is now planning to provide written board reports on the proposed physical infrastructure, operations, financing plan and cost allocations of the California WaterFix. However, we are troubled by the extremely short time schedule for review of this information by the public, member agencies and MWD's Board of Directors. The Water Authority Board was assured by Resources Secretary Laird and his staff that it would not be asked to support the project without having been provided a financing plan and other information necessary to have a complete understanding of project benefits and costs it would be expected to pay. Obviously, this commitment must include a reasonable amount of time after all the information is provided so that it can be thoroughly analyzed by our staff and presented to the Water Authority's Board of Directors for its review. Included with this letter is a copy of the Delta Policy Principles adopted by our Board (Attachment 1).

MWD Staff's proposed schedule allows only one week from the time the finance plan and cost allocation information is made available (August 14), to the date of the board workshop (August 22), and then less than 30 days before the MWD Board action proposed to be taken on September 12. This schedule does not provide sufficient time for MWD's member agencies and sub-agencies to properly analyze the data provided, inform the public, or seek input from their governing boards as to the project. Given the complexity and enormous price tag of the project at more than $15 billion, we request that the schedule be extended by at least one month, for MWD Board action no earlier than the October Board meeting. There is no urgency we are aware of dictating an MWD Board vote in September, on such a tight schedule.

A list of the issues we request be covered in the MWD Board memos follows, consistent with the questions and concerns our Board members have had and previously expressed about the project. We hope to be in a position to answer our Board members’ questions after the MWD white papers and workshop.

Sincerely,

Michael T. Hogan
Director

Keith Lewinger
Director

Elsa Saxod
Director

Fern Steiner
Director

cc: Water Authority Board of Directors

Attachments

A public agency providing a safe and reliable water supply to the San Diego region
Issues to be Addressed Re California WaterFix

1. **Supply benefit.** Please describe all the assumptions made to calculate projected supply benefits of WaterFix as identified in the MWD Board reports and any underlying planning documents. At times, MWD has stated that WaterFix will not produce more water per se, but that it is expected to stabilize the supply decline MWD staff is projecting as a result of future environmental restrictions. Please include all the specific assumptions MWD staff utilizes about the scope of anticipated environmental restrictions affecting the water supply from a completed project. We note that in its 2015 Integrated Resources Plan, MWD states that the supply benefit is 376,000 acre-feet, while in its 2015 Urban Water Management Plan MWD states that the supply benefit is 248,000 acre-feet. In his draft Economic Analysis of WaterFix, Dr. David Sunding described the water supply benefit as 291,000 acre-feet.

2. **Status and timing of legal proceedings.** Please describe the status and anticipated timing of resolution of the State Board proceedings to change the point of diversion and Bay Delta Plan update, and court approval of the Delta Stewardship Council amendments addressing the court's prior invalidation of the Delta Plan. How might these and any other pending and anticipated legal proceedings impact the implementation schedule, projected yield and cost of WaterFix?

3. **Financing plan and cost allocations.** Please describe in detail how WaterFix costs and benefits will be allocated including a) as between state and federal contractors; b) as between state contractors; c) as between MWD member agencies.

Please provide copies of any and all draft documentation confirming these cost allocations and commitments to pay them, along with any guarantee, "step up" or other agreements or provisions that could result in any party's share being increased by the failure on the part of any other party to agree to pay or pay its assumed or allocated share of costs. Please address specifically how the $4 billion Dr. David Sunding identified as being necessary for Central Valley Project (CVP) participation has been addressed, including how it impacts, if at all, the cost allocation percentage as between CVP and SWP contractors. Finally, please also describe the terms of the proposed joint powers authority now under discussion, as described in the attached AP news article and provide a copy of the draft JPA.

Please describe how MWD will allocate its WaterFix costs between and among its member agencies, under both these scenarios: a) MWD ultimately loses on the SWP cost-allocation issue (i.e., inclusion of SWP costs in the wheeling rate) in the currently pending litigation; or b) MWD ultimately prevails on the SWP cost-allocation issue in the litigation. It is important that MWD's member agencies, their ratepayers and public have a very clear understanding of these potential outcomes and associated cost implications - win or lose.

4. **Taxing Authority.** Please describe the assumptions and/or agreements made or proposed regarding the applicability of MWD's taxing authority as related to the expanded State Water Project costs associated with WaterFix. We understand past comments by the General Manager that the current plan is to use the existing (highly volumetric) rate structure to recover these costs; does MWD believe it has the legal authority to recover all or some of these additional costs via a parcel tax if necessary for the fiscal integrity of MWD? Under the proposed agreements, will the State have the right to require MWD to place all or part of these costs on the tax roll on the same terms as the existing SWP contract?

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1 The news report is included as Attachment A.
FRESNO, Calif. (AP) — California’s powerful regional water districts are working alongside Gov. Jerry Brown to take on more responsibility for designing, building and arranging financing for a $15.7 billion twin tunnel project that would ship water southward from Northern California as they push to finally close the deal on the controversial plan, two officials working closely on the project told The Associated Press.

Talks among Brown’s office, state agencies and the water contractors have been under way since May that could lessen the state’s hands-on role in one of California’s biggest water projects in decades, according to the two sources, one a senior official involved in the project, the other an employee working closely on the project.
Some water district officials say California water agencies in the state would speed up the mega-project to build WaterFix, which is the name of the proposed tunnels. Critics who oppose the tunnels say water districts to cut corners on the environment.

Asked for comment, state spokespeople were under way between the state and regional water agencies “on the build WaterFix,” which is the name of the proposed tunnels.

“Details have not been finalized, but our shared goal is a structure that assures the best design and construction talent and protects state oversight,” Vogel said. Brown’s press office did not immediately respond to an email seeking comment.

Brown long has pushed projects that would streamline the delivery of water from the delta of Northern California’s biggest rivers, the Sacramento and San Joaquin, southward to water districts selling water to cities and farms, mostly in Central and Southern California. The current plan calls for 33 miles (53 kilometers) of two 40-foot (12-meter) high tunnels.

The group of water agencies, which includes the biggest urban and agricultural water suppliers in the United States, has engaged in years of talks on the tunnels, but the current proposal as described by the two people involved would give the agencies a substantially bigger role in shaping the final outcome.

“The water contractors don’t believe DWR is capable of delivering a $15 billion project,” said the employee working on the project.

The water agencies forming the JPA for financing and construction is something that they think makes sense, said the senior official. He said the state would still play a role.

Patricia Schifferle, an environmental consultant who opposes the proposed...
"It's an outrageous takeover of a public process and public resources," Schifferle said.

This spring, Brown's administration has pushed especially hard for the water districts, which want the tunnels in theory but fear the costs, to commit to a plan for paying for the project so construction can get under way before Brown leaves office next year.

Many see it as a legacy project in the vein of Brown's father, Gov. Pat Brown, who built much of California's existing water infrastructure, and Brown has mocked critics, telling an audience in 2015: "Until you've put a million hours into it, shut up, because you don't know what the hell you're talking about."

Advocates for the tunnels say they would provide more reliable water to the 25 million Californians to the south who get some or all of their water from California's north-south water delivery systems. Opponents say the project would harm the delta and the San Francisco Bay, and the communities and already struggling native species that get their water there.

Delta residents have accused the state Department of Water Resources of already delegating too much decision-making to the water contractors that would benefit from them financially.

The aim is for water districts that would take part in the tunnels project, mainly in Central and Southern California, to make a final decision by September if they are on board with the project or not, the official said. Water districts then would sign an agreement with the state giving them a greater role in financing, design and construction. Officials would break ground on the years-long project in summer of 2018, assuming state and federal regulators give all the needed approvals.

Tom Birmingham, general manager for Fresno-based Westlands Water District, one of the water agencies in the talks, denied that the proposal under consideration now would give water agencies a bigger role in the design and building of the tunnels.

But he acknowledged water districts have concerns about how well the state DWR can take on the complex tunnels project given other pressing jobs, including repairing two dam spillways that ruptured this winter at one of the state's most vital water reservoirs.

"It's not a question of DWR not being able to get it done," Birmingham said. "It's a question of how are we able to move this forward."

Knickmeyer reported from San Francisco.
The San Diego County Water Authority Board of Directors supports a Bay Delta solution that will meet the co-equal goals and provide San Diego County with a reliable, high-quality supply of affordable, imported water consistent with the Water Authority’s Urban Water Management Plan and Regional Facilities Optimization and Master Plan. The adopted policy principles will guide staff in evaluating projects and actions concerning the Bay-Delta.

Water Supply Reliability
- Continue to support the co-equal goals of water supply reliability and environmental restoration embodied in the 2009 Delta bill package.
- Support deliberative processes that are designed to ensure a meaningful dialogue with all stakeholders in order to reduce future conflicts and challenges to implementation of a Bay Delta solution.
- Provide regulatory certainty and predictable supplies to help meet California’s water needs in the long-term.
- Encourage a Bay Delta solution that acknowledges, integrates and supports the development of water resources at the local level including water use efficiency, seawater and brackish water desalination, groundwater storage and conjunctive use, and recycled water including direct and indirect potable reuse.
- Improve the ability of water-users to divert water from the Delta during wet periods, when impacts on fish and ecosystem are lower and water quality is higher.
- Encourage the development of a statewide water transfer market that will improve water management.
- Support improved coordination of Central Valley Project and State Water Project (SWP) operations.

Ecosystem Restoration
- Restore the Bay-Delta ecosystem consistent with the requirements established under the state Natural Community Conservation Plan and the federal Habitat Conservation Plan, taking into account all factors that have degraded Bay-Delta habitat and wildlife.
- Work with all stakeholders to ensure a meaningful dialogue and that ecosystem restoration issues are addressed in an open and transparent process.

Finance and Funding
- Encourage and support a Bay Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California’s water needs.
- Require the total cost of any Bay Delta solution be identified before financing and funding decisions are made. The total cost must include the cost of facilities, mitigation and required or negotiated ecosystem restoration.
- Allocate costs of the Bay-Delta solution to stakeholders in proportion to benefits they receive.

Adopted February 23, 2012 by the Water Authority Board.
• Seek and support independent financial analyses of Bay-Delta solution including the ability of all parties to pay their proportional costs.
• Require a firm commitment and funding stream by all parties to pay for the fixed costs associated with the proportional benefits they will receive from a Bay Delta solution, through take-or-pay contracts or legal equivalent.
• Condition financial support on provisions allowing access to any water conveyance or storage facilities that are included in the Bay Delta solution.
• Support the use of public funds to support specific projects and actions with identified costs that protect and restore the environment and provide broad-based public benefits.
• Oppose water user fees to fund ecosystem restoration and other public purpose, non-water-supply improvements in the Delta that benefit the public at large.

Facilities
• Require independent technical analysis of proposed key elements of the Bay-Delta solution, including forecasting future urban and agricultural demands and size and cost of any proposed conveyance facility, to ensure the solution realistically matches statewide needs.
• Support “right-sized” facilities to match firm commitments to pay for the Bay Delta solution.
• Allow access to all SWP facilities to facilitate water transfers.

Governance
• Support continued state ownership and operation of the SWP as a public resource.
• Support improved efficiency and transparency of all SWP operations.
• Oppose any transfer of operational control of the SWP or any of its facilities to MWD, the State Water Project Contractors, Central Valley Project Contractors, the State and Federal Contractors Water Agency, any entity comprised of MWD or other water project contractors, or any other special interest group.

Adopted February 23, 2012 by the Water Authority Board.
Finance and Insurance Committee
Meeting with Board of Directors*

September 11, 2017
09:30 a.m. -- Room 2-145

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 Adjourned Finance and Insurance Committee held August 14, 2017
   Draft Minutes

3. CONSENT CALENDAR ITEMS - ACTION
   None

4. OTHER BOARD ITEMS - ACTION
   None

5. BOARD INFORMATION ITEMS
   9-2 Mid-cycle Biennial Budget Review. (F&I)
9-2 Board Letter

9-2 Presentation

6. COMMITTEE ITEMS
   a. Oral Report on Investment Activities

   6a Presentation

7. MANAGEMENT REPORT
   a. Chief Financial Officer's review

   7a Presentation

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.
Water Planning and Stewardship Committee
Meeting with Board of Directors*

September 11, 2017
10:30 a.m. -- Room 2-456

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

2. Approval of the Minutes of the Adjourned Water Planning and Stewardship Committee held August 14, 2017

   Draft Minutes

3. CONSENT CALENDAR ITEMS - ACTION

   None

4. OTHER BOARD ITEMS - ACTION

   8-1 Adopt CEQA determination and authorize entering into agreements related to international cooperative measures in the Colorado River Basin, payment of up to $7.5 million for acquisition of supplies from international projects, continuing participation in pilot program to fund water use efficiency measures for the Colorado River, and payment of up to $2 million for efficiency measures.

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* The Metropolitan Water District’s Water Planning and Stewardship Committee and the Special Committee on Bay-Delta are 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 and the Special Committee on Bay-Delta 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 committees as advisory to the Board, members of the Board who are not assigned to the Water Planning and Stewardship Committee and the Special Committee on Bay-Delta will not vote on matters before the Water Planning and Stewardship Committee and the Special Committee on Bay-Delta.
Recommendation:

Option #1: Adopt CEQA determination that the proposed actions are exempt from CEQA or are not defined as a project, and:

a - Authorize Metropolitan to enter into multiple agreements in support of a program to augment Metropolitan's Colorado River supply through the funding of international projects in Mexico, consistent with the terms described in this board letter, and in a form approved by the General Manager and General Counsel;

b - Authorize payment of up to $7.5 million for acquisition of supplies from the international projects;

c - Authorize the General Manager to continue to participate in the pilot program for funding the creation of Colorado River system water through voluntary reductions in use; and

d - Authorize payment of up to an additional $2 million for partially funding the pilot program.

8-1 Board Letter and Attachment

8-1 Presentation

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Presentation by California Fish and Wildlife Director Charles Bonham on California Eco Restore and Bay-Delta Restoration Efforts

b. Metropolitan Climate Change Impacts and Adaptations

6b Presentation

7. MANAGEMENT REPORTS

a. Bay-Delta Matters

7a Report

b. Colorado River Matters

7b Report

c. Water Resource Management Manager's report

7c Presentation

8. FOLLOW-UP ITEMS
9. **FUTURE AGENDA ITEMS**

None

10. **ADJOURNMENT**

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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.
Engineering and Operations Committee - Revised Agenda
Meeting with Board of Directors*

September 11, 2017
12:00 p.m. -- Room 2-145

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

* 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 August 14, 2017**

   Draft Minutes

3. **CONSENT CALENDAR ITEMS - ACTION**

   7-1 Adopt CEQA determination and appropriate $1.9 million; award $748,353.67 procurement contract to Allen Instruments & Supplies; and authorize upgrades to the geodetic deformation monitoring system at Diamond Valley Lake (Appropriation No. 15419). (E&O)

   Recommendation:

   Option #1:

   Adopt the CEQA determination that the proposed action has been previously addressed in the 2016 Notice of Exemption and that no further environmental analysis or documentation is required, and

   a - Appropriate $1.9 million;
   b - Award $748,353.67 procurement contract to Allen Instruments & Supplies to
provide deformation monitoring equipment; and

c - Authorize upgrades to the geodetic deformation monitoring system at Diamond Valley Lake.

7-1 Board Letter and Attachments

7-1 Presentation

7-2 Adopt CEQA determination and appropriate $1.81 million; award $556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and authorize design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures (Appropriations Nos. 15377 and 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that for Project No.1, the proposed action has been previously addressed in the adopted 2014 Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required; and that for Project No. 2, the proposed action is categorically exempt; and

a - Appropriate $1.81 million;
b - Award $556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and
c - Authorize design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures.

7-2 Board Letter and Attachments

7-2 Presentation

4. OTHER BOARD ITEMS - ACTION

8-2 Adopt CEQA determination and appropriate $7.12 million; and award $5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Robert B. Diemer Water Treatment Plant (Appropriation No. 15436). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and

a - Appropriate $7.12 million; and
b - Award $5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Diemer plant.

8-2 Board Letter and Attachments

8-2 Presentation

5. BOARD INFORMATION ITEMS
6. COMMITTEE ITEMS

   a. Update on Lake Oroville Spillway
      6a Presentation

   b. Security Update
      [Conference with Metropolitan Interim Security Manager Tomer Benito or
designated Metropolitan Security Agent on threats to public services or facilities;
to be heard in closed session pursuant to Gov. Code Section 54957(a).] (Revised)

7. MANAGEMENT REPORTS

   a. Water System Operations Manager’s report
      7a Presentation

   b. Engineering Services Manager’s report
      7b Presentation

8. FOLLOW-UP ITEMS

   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

    REVISED: Date of Notice: September 7, 2017

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committee.

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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

    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.
Communications and Legislation Committee
Meeting with Board of Directors*

September 11, 2017
01:00 p.m. -- Room 2-456

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

* 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 August 14, 2017

   Draft Minutes

3. CONSENT CALENDAR ITEMS - ACTION

   None

4. OTHER BOARD ITEMS - ACTION

   None

5. BOARD INFORMATION ITEMS

   None
6. COMMITTEE ITEMS
   a. Update on SB 623 (Monning; D-Carmel) - Water Quality: Safe and Affordable Drinking Water Fund
      6a Presentation
   b. Update on Conservation as a California Way of Life
      6b Presentation
   c. Report on activities from Washington, D.C.
   d. Report on activities from Sacramento

7. MANAGEMENT REPORT
   a. External Affairs Management report
      7a Presentation

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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**Legal and Claims Committee**

**Meeting with Board of Directors***

September 12, 2017

09:00 a.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 Legal and Claims 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 Legal and Claims 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 Legal and Claims Committee will not vote on matters before the Legal and Claims 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 Legal and Claims Committee held** August 15, 2017

   **Draft Minutes**

3. **MANAGEMENT REPORT**

   a. **General Counsel’s report of monthly activities**

      **3a Report**

4. **CONSENT CALENDAR ITEMS - ACTION**

   None

5. **OTHER BOARD ITEMS - ACTION**

   None
6. BOARD INFORMATION ITEMS

9-3 Claim for attorneys’ fees and costs involving investigation of executive manager - one potential case. (L&C) [Conference with legal counsel-anticipated litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]

7. COMMITTEE ITEMS

a. Report on Palo Verde Irrigation District v. Metropolitan Water District, Riverside County Superior Court, Case No. RIC1714672 [Conference with legal counsel – existing and anticipated litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1) and (d)(2)]

c. Report on San Diego County Water Authority v. Metropolitan Water District, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004 and CPF-16-515282; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266, and California Supreme Court Case No. S243500; and Los Angeles County Superior Court Case No. BS169881 [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

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Conservation and Local Resources Committee
Meeting with Board of Directors*

September 12, 2017
10:00 a.m. -- Room 2-456

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

* The Metropolitan Water District’s Conservation and Local Resources 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 Conservation and Local Resources 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 Conservation and Local Resources Committee will not vote on matters before the Conservation and Local Resources Committee.

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

2. Approval of the Minutes of the meeting of the Conservation and Local Resources Committee held June 27, 2017
   Draft Minutes

3. CHAIRMAN’S REPORT

4. COMMITTEE ITEMS
   a. Update of On-site Retrofit Pilot Program
      4a Presentation
      4a2 EMWD Presentation
      4a3 CofSD Presentation
      4a4 Corona Presentation
      4a5 MWDOC Presentation
   b. Update on Conservation Program
5. **MANAGEMENT REPORT**

6. **FOLLOW-UP ITEMS**
   None

7. **FUTURE AGENDA ITEMS**

8. **ADJOURNMENT**

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Organization, Personnel and Technology Committee - Revised Agenda
Meeting with Board of Directors*

September 12, 2017
11:00 a.m. -- Room 2-145

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

* 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 August 15, 2017**
   
   Draft Minutes

3. **CONSENT CALENDAR ITEMS - ACTION**
   
   None

4. **OTHER BOARD ITEMS - ACTION**

   8-3 Adopt CEQA determination and approve entering into 2017-2021 Memorandum of Understanding between The Metropolitan Water District of Southern California and The American Federation of State, County and Municipal Employees, Local 1902. (OP&T)
[Conference with Labor Negotiators to be heard in closed session pursuant to Gov. Code 54957.6. Agency representative: Stephen Lem, Manager of Labor Relations and EEO Investigations Section. Employee organizations: The American Federation of State, County and Municipal Employees. Association of The Metropolitan Water District of Southern California (AFSCME), Local 1902.] (Revised)

Recommendation:

Option #1:

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

Authorize the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor MOU with AFSCME. (Added)

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Conference with Labor Negotiators – The Supervisors Association


7. MANAGEMENT REPORT

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

REVISED: Date of Notice: September 7, 2017

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Board Meeting - Revised Agenda

September 12, 2017

12:00 p.m. -- Boardroom

1. Call to Order
   (a) Invocation: Laura Garcia, Administrative Assistant, Engineering Services
   (b) Pledge of Allegiance: Director Stephen Faessel, City of Anaheim

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 Meetings for August 8 and 15, 2017. (A copy has been mailed to each Director) Any additions, corrections, or omissions
      Draft Minutes August 8, 2017
      Draft Minutes August 15, 2017
   B. Report on Directors’ events attended at Metropolitan expense for month of August
   C. Approve committee assignments
   D. Chairman’s Monthly Activity Report
   E. Presentation of 10-year service pin to Director Sylvia Ballin
6. **DEPARTMENT HEADS’ REPORTS**

A. **General Manager’s summary of activities for the month of August**

   6A Report

B. **General Counsel’s summary of activities for the month of August**

   6B Report

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

   6C Report

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

   6D Report

7. **CONSENT CALENDAR ITEMS — ACTION**

7-1 **Adopt CEQA determination and appropriate $1.9 million; award $748,353.67 procurement contract to Allen Instruments & Supplies; and authorize upgrades to the geodetic deformation monitoring system at Diamond Valley Lake ( Appropriation No. 15419). (E&O)**

   Recommendation:

   Option #1:

   Adopt the CEQA determination that the proposed action has been previously addressed in the 2016 Notice of Exemption and that no further environmental analysis or documentation is required, and
   a - Appropriate $1.9 million;
   b - Award $748,353.67 procurement contract to Allen Instruments & Supplies to provide deformation monitoring equipment; and
   c - Authorize upgrades to the geodetic deformation monitoring system at Diamond Valley Lake.

   **7-1 Board Letter and Attachments**

   **7-1 Presentation**

7-2 **Adopt CEQA determination and appropriate $1.81 million; award $556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and authorize design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures (Appropriations Nos. 15377 and 15480). (E&O)**

   Recommendation:

   Option #1:

   Adopt the CEQA determination that for Project No. 1, the proposed action has been previously addressed in the adopted 2014 Mitigated Negative Declaration and
Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required; and that for Project No. 2, the proposed action is categorically exempt; and
a - Appropriate $1.81 million;
b - Award $556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and
c - Authorize design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures.

7-2 Board Letter and Attachments

7-2 Presentation

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and authorize entering into agreements related to international cooperative measures in the Colorado River Basin, payment of up to $7.5 million for acquisition of supplies from international projects, continuing participation in pilot program to fund water use efficiency measures for the Colorado River, and payment of up to $2 million for efficiency measures. (WP&S)

Recommendation:

Option #1: Adopt CEQA determination that the proposed actions are exempt from CEQA or are not defined as a project, and:

a - Authorize Metropolitan to enter into multiple agreements in support of a program to augment Metropolitan's Colorado River supply through the funding of international projects in Mexico, consistent with the terms described in this board letter, and in a form approved by the General Manager and General Counsel;
b - Authorize payment of up to $7.5 million for acquisition of supplies from the international projects;
c - Authorize the General Manager to continue to participate in the pilot program for funding the creation of Colorado River system water through voluntary reductions in use; and
d - Authorize payment of up to an additional $2 million for partially funding the pilot program.

8-1 Board Letter and Attachment

8-1 Presentation

8-2 Adopt CEQA determination and appropriate $7.12 million; and award $5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Robert B. Diemer Water Treatment Plant (Appropriation No. 15436). (E&O)

Recommendation:

Option #1: Adopt the CEQA determination that the proposed action is categorically exempt, and
a - Appropriate $7.12 million; and
b - Award $5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Diemer plant.

8-2 Board Letter and Attachments

8-2 Presentation

Adopt CEQA determination and approve entering into 2017-2021 Memorandum of Understanding between The Metropolitan Water District of Southern California and The American Federation of State, County and Municipal Employees, Local 1902. (OP&T) [Conference with Labor Negotiators to be heard in closed session pursuant to Gov. Code 54957.6. Agency representative: Stephen Lem, Manager of Labor Relations and EEO Investigations Section. Employee organizations: The American Federation of State, County and Municipal Employees. Association of The Metropolitan Water District of Southern California (AFSCME), Local 1902.] (Revised)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and Authorize the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor MOU with AFSCME (Added)

9. BOARD INFORMATION ITEMS

9-1 Board Report on Conservation Program

9-1 Report

9-2 Mid-cycle Biennial Budget Review. (F&I)

9-2 Board Letter

9-2 Presentation

9-3 Claim for attorneys' fees and costs involving investigation of executive manager - one potential case. (L&C) [Conference with legal counsel-anticipated litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]

10. OTHER MATTERS

10-1 Review of Department Head Performance Evaluations [Public employee's performance evaluations: General Manager, General Counsel, General Auditor, and Ethics Officer, to be heard in closed session pursuant to Gov. Code Section 54957] (Code number revised)

10-2 Public Employee Discipline/Dismissal/Release [to be heard in closed session pursuant to Gov. Code Section 54957] (Added)
10-3  Report on 2017 Department Head Salary Survey

10-3 and 10-4 Presentation

10-4  Adopt the CEQA determination to discuss and approve compensation recommendations for General Manager, General Counsel, General Auditor, and Ethics Officer

10-3 and 10-4 Presentation

11. FOLLOW-UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

REVISED: Date of Notice: September 7, 2017

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COMMITTEE ASSIGNMENTS

None. (Agenda Item 5C)

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized: 1) entering into multiple agreements in support of a program to augment Metropolitan’s Colorado River supply through the funding of international projects in Mexico, consistent with the terms described in the 8-1 board letter, and in a form approved by the General Manager and General Counsel, 2) payment of up to $7.5 million for acquisition of supplies from the international projects, 3) the General Manager to continue to participate in the pilot program for funding the creation of Colorado River system water through voluntary reductions in use, and 4) payment of up to an additional $2 million for partially funding the pilot program. (Agenda Item 8-1)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $7.12 million; and awarded $5,961,003 procurement contract to Flowserve Corporation for valve actuators for the Diemer plant. (Appropriation No. 15436) (Agenda Item 8-2)

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

Authorized the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into the 2017-2021 Memorandum of Understanding with The American Federation of State, County and Municipal Employees (AFSCME), Local 1902. (Agenda Item 8-3; heard in closed session)

CONSENT CALENDAR

In other action, the Board:

Appropriated $1.9 million; awarded $748,353.67 procurement contract to Allen Instruments & Supplies to provide deformation monitoring equipment; and authorized upgrades to the geodetic deformation monitoring system at Diamond Valley Lake. (Appropriation No. 15419) (Agenda Item 7-1)

Appropriated $1.81 million; awarded $556,944 procurement contract to Southwest Valve & Equipment to provide plug valves for the Orange County Feeder; and authorized design and construction to replace valves at the Fairplex and Walnut Pressure Control Structures. (Appropriation Nos. 15377 and 15480) (Agenda Item 7-2)
OTHER MATTERS

In other action, the Board:

Presented a 10-year Service Pin to Sylvia Ballin, representing the City of San Fernando.  
(Agenda Item 5E)

Reviewed Department Head Performance Evaluations for the General Manager, General Counsel, General Auditor, and Ethics Officer.  
(Agenda Item 10-1; heard in closed session)

Discussed Public Employee Discipline/Dismissal/Release.  
(Agenda Item 10-2; heard in closed session)

Report on 2017 Department Head Salary Survey.  (Agenda Item 10-3 DEFERRED)

Discuss and approve compensation recommendations for General Manager, General Counsel, General Auditor, and Ethics Officer.  (Agenda Item 10-4 DEFERRED)

Added Item 10-5 to the agenda to consider the Ethics Officer resignation.  
(Agenda Item 10-5 ADDED; heard in closed session)

Accepted the Ethics Officer’s tender of voluntary resignation effective October 10, 2017 and approved paid administrative leave effective immediately.  
(Agenda Item 10-5; heard in closed session)

Added Item 10-6 to the agenda to consider appointing an Interim Ethics Officer.  
(Agenda Item 10-6 ADDED)

Appointed Gerry Riss as Interim Ethics Officer.  (Agenda Item 10-6)

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

All current month materials, before they are moved to the Board Letter Archive, are available on the public website here:  http://mwdh2o.com/WhoWeAre/archived-board-meetings