September 26, 2018

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report. (Discussion)

Purpose
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 2018. The MWD committees and Board met on September 10 and 11, 2018, and meet next on October 8 and 9.

Discussion
The Water Authority Delegates (Delegates) supported all 16 action items approved by the MWD Board at its September 2018 meetings. Actions of interest to the Water Authority taken by the MWD Board were:

- Adopting a reporting structure for MWD’s Ethics Officer; and
- Approving a job description and hiring process for the Ethics Officer.

The Board’s discussion surrounding the Ethics Office is summarized in Attachment 1.

The Board received informational reports on a proposed “interim” target for the Local Resources Program and a potential water bank program with Antelope Valley-East Kern Water Agency during the Water Planning and Stewardship Committee meeting. Attachment 2 summarizes the Board’s discussion of these two items. During the Conservation and Local Resources Committee, the Board heard a presentation on conservation in disadvantaged communities; Attachment 3 summarizes the Board’s subsequent discussion. An update on the Regional Recycled Water Program, which focused on the construction progress of the demonstration plant, was presented during the Engineering and Operations Committee. The Board’s discussion of the program is summarized in Attachment 4.

During the Water Planning and Stewardship (WP&S) Committee, Bay-Delta Initiatives Manager Arakawa reminded the Board of two ongoing State Water Resources Control Board’s (SWRCB) processes related to the Bay-Delta for the change in points of diversion permitting for California WaterFix (WaterFix) and the Bay-Delta Water Quality Control Plan update. Arakawa said a more thorough report on the status of these processes would be provided later in the month at the Special Committee on Bay-Delta meeting. Noting the nine appeals filed on the Delta Stewardship Council’s (DSC) determination that WaterFix is consistent with the Delta Plan, Arakawa said the DSC has 60 days from when the appeals were filed to schedule a hearing and then 60 days after the hearing to issue a decision on the appeals.1 Turning to the ongoing discussions between state and federal representatives on the operations of the State Water Project (SWP) and Central Valley Project (CVP), General Manager Kightlinger said the focus is on the Coordinated Operating Agreement, the long-term operations of the two projects, and the reconsultation on the Biological Opinions. Also included in the talks is “how the Bureau of Reclamation will cooperate on California WaterFix

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1 After the September 2018 WP&S Committee meeting, the DSC scheduled public hearings on the nine appeals commencing on October 24 and running through October 26, if necessary.
proceedings moving forward at the” SWRCB and “how the two projects would participate in” a “voluntary settlement agreement” related to the Water Quality Control Plan update. Kightlinger said “there’s going to be some give and take” related to how the two projects “move forward.”

Turning to the Joint Budget Legislative Committee hearing on the SWP contract extension, Kightlinger said it was postponed twice and suggested “people” are using the hearing as a tool to block WaterFix. (Subsequent to the WP&S committee meeting, the hearing was held on September 11.)

Returning to the CVP and SWP discussions, Director Steiner described Secretary of Interior Zinke’s letter regarding CVP operations (Attachment 5) as a “bomb” and expressed concern with its implications on WaterFix. Kightlinger said Zinke’s letter lays out actions he would like to take on various issues being considered in the Biological Opinions reconsultation process. Stating Zinke’s desired actions would not impact WaterFix “per se,” Kightlinger said, instead, the actions would impact the current coordinated operations of the CVP and SWP during WaterFix’s 15-year construction period and that MWD does not “see” the actions “as really impacting WaterFix, except that eventually all that will be reconsulted on 15 years down the road again.” Steiner suggested the outcome of the reconsultation process could impact the percent of water each project exports. “Regardless of what the baseline is,” Kightlinger said “WaterFix will provide benefits and the ability to move water in wet years.”

In closed session, the Legal & Claims Committee, without the Delegates in attendance, heard a report on the rate litigation. The MWD Board, in closed session, discussed the department head evaluation process guidelines and received department head evaluation presentations. Director Smith was added to three committees: Audit and Ethics, Legal and Claims, and Real Property and Asset Management. Attachment 6 is a copy of MWD’s September 2018 committee and Board meeting agendas.

Prepared by: Liz Mendelson-Goossens, Senior Water Resources Specialist
Reviewed by: Audit and Ethics Committee by Michael Hogan
Communications and Legislation Committee by Jerry Butkiewicz
Conservation and Local Resources Committee by Fern Steiner and Michael Hogan
Engineering and Operations Committee by Fern Steiner and Tim Smith
Finance and Insurance Committee by Tim Smith
Legal and Claims Committee by Fern Steiner
Organization, Personnel and Technology Committee by the Michael Hogan
Real Property and Asset Management Committee by Michael Hogan
Water Planning and Stewardship Committee by Fern Steiner and Jerry Butkiewicz

Attachments:
Attachment 1 – Discussion Summary of Discussion Summary of Ethics Officer
Attachment 2 – Discussion Summary of a Potential Water Banking Program and Local Resources Program Target
Attachment 3 – Discussion Summary of Conservation in Disadvantaged Communities
Attachment 4 – Discussion Summary of Potential Regional Recycled Water Program
Attachment 5 – Department of Interior Secretary Zinke’s letter dated August 17, 2018
Attachment 6 – MWD’s committee and Board meeting agendas dated September 10 and 11, 2018
**Discussion Summary of Ethics Officer**

At its September 2018 Audit and Ethics (A&E) Committee meeting, MWD discussed the Ethics Officer’s reporting structure and the position’s job description and recruitment process. Following an oral report by MWD’s outside counsel, Lance Olson of Olson, Hagel & Fishburn LLC., the Board discussed the reporting structure.

In response to Director Hogan, Olson envisioned returning in October with a “first round of recommendations” related to Administrative Code changes, assuming the Board approved this month’s recommended reporting structure. Hogan suggested that the Administrative Code updates should be completed before a new Ethics Officer is hired. Olson said that Administrative Code updates do not need to be finalized to start the hiring process. Emphasizing the importance of keeping the review and hiring processes “moving together,” A&E Committee Chair Ramos (Burbank) said MWD would be “lucky” if an Ethics Officer is hired when Olson’s work concludes in February 2019.

Describing that he had an internal “debate” about the reporting structure, Director Quiñonez (Los Angeles) agreed with Olson’s recommendations and highlighted the need for “an independent” office give the requirements of SB 60. Quinonez said that MWD needs to hire an Ethics Officer that will “exercise their authority in a prudent, smart way with concern for the rights of individuals too.” Stating that MWD’s “integrity” is “at stake” and the Ethics Office was created for “a reason,” Quinonez said there should be a way for employees “to raise issues and raise concerns about ethics.” Quinonez motioned to adopt the Ethics Office reporting structure recommendations and Hogan seconded his motion.

Director Dick (Municipal Water District of Orange County) said that during his tenure on the Board the Ethics Office has grown, which he surmised might be due to the department doing work “that used to go elsewhere” and not because “there has been a spiraling down the drain of the overall integrity of the organization.” Opining that MWD’s General Auditor has been “outstanding” at heading that independent office, Dick suggested “an independent Ethics Officer that reports to the Board” could be “equally successful” and the Board and the Ethics Officer can work well together. Expressing regret at the length of time it is taking to find an Ethics Officer, Dick agreed with Ramos that MWD “move forward as quickly as practical.”

Focusing on one of Olson’s recommendations, Dick asked why it is necessary to make the A&E Committee a standing committee. Ramos replied that given the Ethics Office’s “importance” and the role of the A&E committee in working “collaboratively to solve the issues that may arise and the conflicts that may arise,” making it a standing committee would allow it to bring issues to the Executive Committee while sending a signal that MWD takes audit and ethics “seriously” and gives the committee “strength and support at every level.” Olson echoed Ramos, making A&E a standing committee would acknowledge the committee’s “prestige” and offer “recognition” that the Ethics Office is “important.” Dick opined that over the last year the committee’s only issue

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1 For more information, see the “Metropolitan Water District Program Report” starting on page 40 of the Water Authority’s September 2018 Board Packet: [https://www.sdcwa.org/meetings-and-documents](https://www.sdcwa.org/meetings-and-documents).

2 Signed into law in 1999, SB 60 (Hayden) established MWD’s Ethics Office among other things. The full text of the bill is found here: [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=199920000SB60](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=199920000SB60).
has been how to run the committee. Disagreeing with Dick, Ramos said the A&E Committee has
done more such as looking at the Ethics Office’s “overall role” and process. Dick recalled that in
the “recent past” the committee reviewed ethics investigation, which he thinks “lasted entirely
too long.” Ramos said she believed the “public updates of where we are in processes is very
important.” Agreeing process is important, Dick stressed the need for “timely activities” and
expressed frustration that the Ethics Office review is taking longer than a year.

Director Kurtz (Pasadena) said she also “talked myself in and out of different reporting
structures” but “weigh[s] heavily” on Olson’s recommendation. Focusing on the Ethics Office’s
independence, Kurtz asked about its ability to contract outside legal counsel. General Counsel
Scully said that the Ethics Office could independently hire investigators, which may happen to
be attorneys, but these consultants cannot “represent the district in a dispute or provide counsel
to an officer of the district.” Olson further clarified that the Ethics Office’s “independence goes
to the ability to conduct investigations” but would operate as other MWD offices, stressing that
the Ethics Office’s “responsibility” to work “collaboratively within the agency.” Under his
recommendations, Olson said the Ethics Officer would annually “certify to the Board” that it is
working collaboratively and if there is “friction” then the A&E Committee may “get involved.”

Disagreeing with Dick, Director Peterson (Las Virgenes) expressed support for making A&E a
standing committee while voicing concern with the number of standing committees. Peterson
said that having too many standing committees may allow “the Chair to become too powerful,”
but that over the past few years MWD has not had “despot chairs.” Peterson requested a
“discussion of governance,” which would include the number of standing committees, the
number of Vice Chairs, and how Vice Chairs are selected – whether voted on by the Board or
appointed by the Chair. Later, Hogan echoed Peterson’s request to discuss MWD’s committee
structure and supported that A&E become a standing committee. If A&E became a standing
committee, Quinonez said the A&E Committee Chair would then be on MWD’s Executive
Committee and able to “help make policy for the Board” at the Executive Committee level,
which he supported. Should the committee become a standing committee, Peterson urged
Ramos to increase its membership to be “reflective of the Board.”

Switching gears, Director Dake (Los Angeles) said it was his “understanding” that
unrepresented, executive employees are responsible for securing their own legal counsel should
they be the subject of an ethics investigation. Scully confirmed Dake’s understanding and further
clarified that directors being investigated also need to engage their own counsel. Surmising that
“although it may seem to the directors that we haven’t had a lot of ethics problems,” Dake
suspected that MWD employees have a different perspective, which could hinder MWD from
“attracting the best and brightest employees,” and supported Olson’s recommendations.

Supporting the recommendation, Director Blois (Calleguas) said that there has been
“consternation” over “the degree of independence that the Ethics Officer has” and suggested that
its job description clarify how MWD “define[s] independence.” Ramos noted that later in its
meeting, the committee will tackle the job description. Wrapping up the discussion, Dake asked
if Scully had any “remarks.” Scully responded no and subsequently, the A&E Committee
unanimously approved Quiñonez’s motion.
Moving onto the next item, staff presented on the Ethics Officer’s job description and the hiring process that would be initiated following the Board’s approval of the description. Reiterating his reservations regarding the definition of the Ethics Office’s independence, Blois said he wasn’t sure “we want to make them totally independent” and urged that the job description “define what we mean by independence.” Ramos suggested that the job posting include this description, which Blois indicated satisfied his request. Before the A&E Committee unanimously supported the job description, staff agreed to provide an updated job description that incorporates the committee’s feedback, including Blois’ suggestion. At the following day’s Board meeting, the updated Ethics Officer job description (Attachment A) was unanimously approved, adding two statements addressing the office’s independence: 1) “This position makes independent determination on whether to investigate a complaint and the conclusions of the investigation;” and 2) “Reports to the Board of Directors and has the ability to fulfill its responsibilities in an unbiased manner that is free of conditions that would threaten its independence or objectivity while still remaining ultimately accountable to the Board of Directors.”
ETHICS OFFICER

<table>
<thead>
<tr>
<th>Group-Section:</th>
<th>FLSA Status: Exempt</th>
<th>Salary Grade:</th>
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<tr>
<td>Office of the Ethics Officer</td>
<td>Bargaining Unit: Unrepresented</td>
<td>Job #: Z16</td>
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JOB SUMMARY

Under the general administrative direction of Metropolitan’s Audit and Ethics Committee, the Ethics Officer is responsible for continuing to fostering and maintaining strong ethics programs that contribute to the establishment of an enduring ethical culture at Metropolitan, provision of ethics education, and direction of policies, programs and activities related to the administration and enforcement of Metropolitan’s ethics and conflicts of interest rules. This position makes independent determination on whether to investigate a complaint and the conclusions of the investigation.

OVERSIGHT

Reports to the Board of Directors and has the ability to fulfill its responsibilities in an unbiased manner that is free of conditions that would threaten its independence or objectivity while still remaining ultimately accountable to the Board of Directors. Manages and supervises a staff of managers, professionals, paraprofessional, and administrative Support.

JOB DUTIES

1. Educates, administers, develops, monitors and directs Metropolitan’s ethics program, including policies and procedures, educational and enforcement components.

2. Develops and conducts educational and training programs and materials for Board members, managers, staff and contractors/vendors.

3. Provides advice to Board members, managers, staff, or contractors/vendors on Metropolitan ethical and conflict of interest rules, California Political Reform Act ethics and conflicts of interest rules and Government Code section 1090 conflict of interest laws.

4. Manages Metropolitan’s ethics and compliance program; implements initiatives to foster an ethical culture throughout Metropolitan; may propose ethical guidelines for review by the Audit and Ethics Committee and approval by the Board of Directors.

5. Reviews Statements of Economic Interest filed by Metropolitan Board members and managers and ensures compliance with financial disclosure by all Metropolitan personnel and, where applicable, contractors and vendors.

6. Informs the Board of Directors and senior management of risks, incidents, and initiatives driven by the ethics and compliance program, and progress toward program goals in a timely manner.

7. Oversees and participates in investigations of potential ethics violations, by directors, employees and contractors/vendors, of ethical and conflict of interest rules in a timely
8. Develops and implements procedures to protect both complainants and the confidentiality of sources; and maintains a hot line and investigates incidents reported to the hotline.

9. Proposes to the Audit and Ethics Committee a biennial budget and annual business plan for the Ethics Office.

10. Manages the day-to-day administration of the Ethics Office, including supervising ethics and compliance staff.

11. Works in a collaborative manner with the Offices of the General Manager, General Counsel, and General Auditor in developing and implementing the ethics program.

12. Performs other duties as assigned by the Board of Directors.

EMPLOYMENT STANDARDS

MINIMUM REQUIREMENTS

Education and Experience: A bachelor's degree from an accredited college or university with major course work in ethics, accounting, business administration, law, public administration or a related field and 5 years of increasingly responsible experience in the development, management, or administration of an ethics program in either the private or public sector. Preference is given for an advanced degree, but this is not an absolute requirement. Preference is also given for some formal training in the field of ethics and conflicts of interest rules.

• Required Knowledge of: The field of ethics in government and business
• Public administration
• Local, state and federal laws, rules and regulations related to governmental ethics and conflicts of interest
• California Political Reform Act of 1974
• Methods of education in the field of ethics in government and business
• Principles of investigation and protection of due process rights
• Principles and practices of supervision, training, and performance evaluations

• Required Skills and Abilities to: Oversee the operations of ethics and conflict of interest programs
• Determine strategies to achieve goals
• Establish and implement policies and procedures
• Compile, analyze, and interpret complex data
• Understand, interpret, and apply laws, rules, regulations, policies, procedures, contracts, budgets, and labor/management agreements
• Analyze situations, identify problems, and recommend solutions
• Exercise judgment and creativity in making decisions

Job Title: Ethics Officer
Job Code: Z16
MWD
Metropolitan Water District of Southern California

- Effectively use strong oral and written communication skills
- Represent Metropolitan before the public
- Prepare comprehensive reports and correspondence
- Interact professionally with various levels of Metropolitan employees and outside representatives
- Supervise subordinate staff
- Resolve conflict
- Effectively use strong interpersonal relationship skills
- Travel to offsite locations within a reasonable timeframe

CERTIFICATES, LICENSES, AND REGISTRATIONS REQUIREMENTS
Employees in this position may be required to obtain and maintain the following certifications, licensing, and registrations:

Certificates
- Certified Compliance and Ethics Professional (CCEP) from The Society of Corporate Compliance and Ethics

Licenses
- Valid California Class C Driver License that allows you to drive in the course of your employment

Registrations
- None

PHYSICAL DEMANDS, WORK ENVIRONMENT, AND VISION REQUIREMENTS
The physical demands and work environment characteristics described here are representative of those that must be met or may be encountered by an employee to successfully perform the job duties of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the job duties.

Physical Demands: The work is sedentary. Typically, the employee may sit comfortably to do the work. However, there may be some walking; standing; bending; carrying of light items such as paper, books, or small parts; driving an automobile, etc. No special physical demands are required to perform the work.

Work Environment: The work environment involves everyday risks or discomforts that require normal safety precautions typical of such places as offices, meeting and training rooms, libraries, and residences, e.g., use of safe work practices with office equipment, avoidance of trips and falls, observance of fire regulations and traffic signals, etc. The work area is adequately lighted, heated, and ventilated.

Vision Requirements: No special vision requirements

PERFORMANCE CATEGORIES
Performance expectations would typically be tailored to the job and incumbent. The general categories for this job could include but are not limited to:
- Budget

Job Title: Ethics Officer
Job Code: Z16
MWD
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- Organizational effectiveness and efficiency
- Compliance with applicable Local, State and Federal regulatory agencies
- Mutually beneficial working relationships with external regulatory and government agencies
- Research development and anticipation of emerging issues
- Selection and retention of workforce to meet Metropolitan diversity objectives
- Legislative/regulatory impact

Job Title: Ethics Officer
Job Code: Z16
Discussion Summary of a Potential Water Banking Program and Local Resources Program Target

At MWD’s September 2018 Water Planning and Stewardship (WP&S) Committee meeting, the Board received reports on a potential water banking program with the Antelope Valley-East Kern Water Agency (AVEK) and an “interim” target for the Local Resources Program (LRP).1

Following staff’s presentation on the potential AVEK water banking program, Director De Jesus (Three Valleys) asked what the 10 percent water loss for water stored in the program equated to monetarily and if this cost was included in the estimated “full cycle cost of $300 per acre-foot.” Staff replied the storage loss would equate to the transportation costs to move State Water Project water, which is roughly $200 per acre-foot and that cost is not included in its estimate. However, staff estimated that if included, the storage loss would add an additional $20 per acre-foot to the program’s costs. In response to Director Dick (Municipal Water District of Orange County), staff said MWD would provide a $2 million minimum payment annually. Later, staff clarified that the Recovery Usage Fee ($100/acre-foot) “is part of the minimum [annual] payment” and that these payments would be applied in future years when MWD has “an obligation to recover water.” Director Steiner asked about the price escalator for the Recovery Usage Fee. Staff said it had yet to determine the specific Consumer Price Index that would be used but suggested it would likely be one used for one of its other groundwater banking programs. Steiner asked which index MWD currently uses and Water Resources Management Group Manager Coffey said MWD would get back to her.

Switching gears, Steiner noted that the Antelope Valley groundwater basin has had overdraft issues and that the Watermaster is in the process of implementing the judgment resulting from the basin’s recent adjudication. She asked if MWD would have an agreement with the Watermaster for the program. Staff answered affirmatively, adding that AVEK would work with the Watermaster on that agreement and confirmed it would be brought to the Board before it’s executed.

Steiner pointed out that MWD has been discussing taking a portion of Kern County Water Agency’s California WaterFix (WaterFix) supply benefit and asked if water received through that deal could be stored in this program. Indicating there are “some benefits” related to that deal, staff added that the program would allow MWD to “supply and store more of any supplies” it obtains over the program’s 40-year term. Later, related to the program’s benefits, Director Blois (Calleguas) asked if it would benefit the West Branch of the State Water Project (SWP). Kightlinger said if more water is available on the East Branch then it would free-up water coming from Northern California to be delivered to the West Branch and there is potential to build infrastructure to allow direct deliveries from the program to the West Branch.

Expressing support for the program, Director Treviño (Upper San Gabriel) advocated that MWD also look at local storage and projects within MWD’s service area. Kightlinger agreed with Treviño. Director Hogan noted the “great potential” of the project and requested that in future

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1 For more information on the potential storage program and LRP target, see the “Metropolitan Water District Program Report” starting on page 40 of the Water Authority’s September 2018 Board Packet: https://www.sdcwa.org/meetings-and-documents.
reports, staff provide more information on MWD’s existing storage program with AVEK, including more details on cost comparisons. Also, supporting the program, Director McKenney (Municipal Water District of Orange County) requested that staff provide analysis of how the costs and benefits of this program compare to “incrementally expanding” MWD’s existing programs. Responding to McKenney, Kightlinger indicated staff would provide some information but said MWD’s “overall strategy” is to have geographically diverse partners as well as different partners. Related to MWD’s storage strategy, Director Butkiewicz asked for MWD’s storage policy and how this program would fit into the policy. Assistant General Manager/Chief Operating Officer Upadhyay replied that MWD’s Integrated Water Resources Plan (IRP) sets “targets for different resource areas.” However, Upadhyay said the 2015 IRP Update does not include storage targets but does define MWD’s expectations for being “able to get water into and out of storage” over time. Pointing out that some of MWD’s storage programs expire in 2035, Upadhyay said this program would help MWD maintain its storage capacities beyond 2035 (to 2057). Upadhyay added that MWD’s Water Surplus and Drought Management Plan describes the “hierarchy” and “steps” to store water and use stored water during dry periods. Upadhyay mentioned that staff is reviewing “lessons learned” from the last drought and “reevaluating our ability to meet our needs with the storage programs we have now or potentially new ones. Upadhyay also noted that MWD is reviewing its storage portfolio.

Replying to Director Lefevre’s (Torrance) questions about the potential to expand the program, staff said the program’s recharge capability, wells, and, possibly, the total storage capacity could be increased. Although supportive of the program, Director Peterson (Las Virgenes) expressed concern that the water MWD stores in the program might “migrate” away from its recovery facilities, prohibiting MWD from recovering its water when needed. Staff pointed out that through the program MWD can recover the water through exchange, but Peterson suggested direct pumpback would be needed when the SWP allocation is low and recovering water via exchange is limited. Stating that MWD will look into Peterson’s concern, Kightlinger suggested that MWD may more frequently call on water stored in this program that it would in others.

Switching from storage programs to demand management programs, the WP&S committee received a report on staff’s recommendation to set an “interim” LRP target of 150,000 acre-feet per year (AFY). MWD’s current LRP target, which was established in 2007, has a remaining balance of 68,000 AFY. Following staff’s report, Director Quiñonez (Los Angeles) pointed out that MWD reported member agencies have submitted or are planning to submit projects totaling 170,000 AFY of local supple production and suggested setting the interim target at that amount or higher to send a signal that MWD continues to “focus” on local supplies. Director Steiner noted that while MWD presented data that showed the Claude “Bud” Lewis Carlsbad Desalination Plant’s contribution to meeting the 2015 IRP’s local supply development target but excluded the program from the list of LRP applications submitted. Referring to a footnote in MWD’s presentation that stated the LRP application list only includes projects “that aren’t already operating,” Steiner asked if the project was excluded because it was already operating even through LRP applications have been submitted. Coffey replied MWD excluded the project because the target is “relative to the need” for local supply development. Later, Director Smith questioned “why an existing project like Carlsbad is not being considered for LRP [funding] when it’s providing local resources” and surmised that if other directors were in the same situation, they would want to ensure that funding was set aside for their projects. Kightlinger
responded that MWD “pay[s] for projects that are in development” and there are “lots of reasons why,” which have associated “legal issues,” an LRP application for the project was not submitted at the appropriate time.

Returning to the interim target, Director Abdo (Santa Monica) echoed Quiñonez’s suggestion to increase the target above the proposed 150,000 AFY to encourage agencies to pursue additional local supplies. Coffey explained that the proposed target would allow the projects “most likely to move within the next two years” to proceed, adding that MWD will “revise” the target based on the “region’s needs” identified during the 2020 IRP update. Abdo reiterated her support for increasing the interim target above staff’s recommendation.

Focusing on staff’s estimate that the adopting the proposed interim target would result in an annual LRP budget of $71 million, Director Dake (Los Angeles) asked if staff considered MWD’s financial commitment to fund 64.6 percent of WaterFix. Dake pointed out that the Board’s WaterFix action increased MWD’s projected average rate increases by 1.1 percent, which would narrow the gap between LRP projects’ unit costs and MWD’s rates. Staff confirmed that it included the Board’s WaterFix action in its analysis.

Supporting an interim target above staff’s recommendation, McKenney expressed his view that MWD’s goal “is not to have a LRP program” but rather “to improve groundwater storage in local projects.” Noting that staff reported groundwater levels are “critically low” and “declining,” McKenney said the LRP is one “tool” to improve basins’ conditions and suggested that MWD better understand how groundwater managers decide to buy recharge water to offer other tools to improve basins’ conditions. Responding to Dick, Kightlinger said “there’s a reason” MWD’s local supply production is “always under target” and there’s a reason “LRP and groundwater production have been falling.” According to Kightlinger, MWD tries to provide “tools” to help agencies “get better” at developing local projects, which he described as “difficult to develop” with poor track record to develop “on pace.” Dick offered another explanation: local projects have not produced as much water as anticipated. Wrapping up the discussion, Dick advocated that the LRP have “a prioritization dimension” to provide “redundancy in the areas where we need it.” MWD anticipates setting an interim LRP target at its October 2018 Board meeting.

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2 The LRP budget for fiscal years 2019 and 2020 is $44 million and $41 million, respectively, and MWD projects the program’s budget will be $47 million annually in fiscal years 2021 through 2028.
Discussion Summary of Conservation in Disadvantaged Communities

During MWD’s September 2018 Conservation and Local Resources (C&LR) Committee, staff presented its proposed “hybrid approach” to increase conservation in disadvantaged communities (DAC). The three-pronged strategy includes: 1) a regional pilot program to target device installation in pre-1994 multi-family housing; 2) providing “local support” by utilizing existing Member Agency Administered Program (MAAP) funding; and 3) offering “grant funding support.”

Following staff’s presentation, the Board provided feedback on the proposed approach.

Supporting staff’s proposed approach, Director Hogan encouraged MWD to work with its member agencies to increase the flexibility of how MAAP funding can be used. In response to Hogan’s questions about increasing the subsidy amount for devices in the pilot program, staff said increasing the subsidy is “the only experimental change” MWD can make and “ties to the data” MWD provided showing that higher subsidies “spurred” participation by “third parties” in device programs, specifically for high-efficiency toilets. Staff said subsidies around $250 per device or higher would increase third party participation. Replying to Director McKenney (Municipal Water District of Orange County), staff said local agency matching would not be allowed in the pilot program. McKenney asked if MWD could increase subsidies without increasing the Conservation Credit Program’s (CCP) budget. Staff replied that the CCP would be managed to its budgeted amount and noted staff’s proposal for the pilot program to have a “fixed budget,” which staff said would help further manage the CCP’s budget.

Switching gears, McKenney referenced the committee’s past discussions on “the difference between addressing disadvantaged communities versus low-income individuals” and asked if “older housing stock and multi-family residential units” is a “good proxy for reaching actually low-income people.” Water Resources Management Group Manager Coffey answered affirmatively. Staff added that the data collected through the pilot program is intended to provide further insight into if that is a good proxy. McKenney surmised that under the pilot program, “low-income people” are unlikely to be the ones receiving the subsidies. Staff agreed, stating “they won’t” and stressed that the program’s “intention is to increase water savings within those communities.” Not replying to McKenney’s question about how MWD would impact the behavior of those living in multi-family homes by providing rebates to their landlords, staff said the devices installed in the homes would result in water savings. McKenney questioned if the pilot program would address MWD’s concern, which he understood as the CCP not reaching its full potential in DAC since “they don’t have the wherewithal as individuals to take advantage of rebates.” Staff responded that MWD is trying to “induce the installation of water-saving devices within the housing units where the lower-income and disadvantage communities reside.”

Describing staff’s proposed approach as a “compromise” to provide “equity” across MWD’s service area, C&LR Committee Chair Gold said pre-1994 multi-family housing serves as an acceptable “surrogate” without “singling out certain communities and giving disproportionate advantages to those communities.” Gold asked McKenney if he would prefer that MWD return to the “original premise” of deciding what a DAC is and then determining if people are in one to qualify for program participation. Stating that he is not advocating a position, McKenney said he

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1 For more information, see the “Metropolitan Water District Program Report” starting on page 40 of the Water Authority’s September 2018 Board Packet: https://www.sdcwa.org/meetings-and-documents.
is trying to understand how staff’s proposal is addressing the problem that MWD’s CCP is not “reaching a particular population.” Gold said he believes the pilot program is “testing a hypothesis” to see if “multi-family, old buildings” are a “surrogate” for DACs. Staff and Gold assured McKenney that MWD would track the subsidies DACs receive through the pilot program. Additionally, Gold suggested MWD have a two-year pilot program with a mid-term review to determine if a “mid-course correction” is needed. Agreeing with Gold, C&LR Vice Committee Chair Abdo (Santa Monica) said it may take longer than the proposed year or year-and-a-half for the program to “gear up,” including getting the program’s marketing and outreach “right.” Later, in response to Hogan, Coffey confirmed the pilot program’s recommended duration was based on being able to have data and analysis available to provide “guidance” during the next budget cycle.

Director Kurtz (Pasadena) asked if MWD would expand the program beyond replacing indoor devices to encourage landlords to also make outdoor water use efficiency improvements. Coffey said the initial pilot program focuses on increasing device subsidy amounts and provided an example of increasing toilet subsidies to “spur third party activity, which we believe would hit multi-family homes first and more frequently.” Kurtz suggested MWD should also look to promote additional water savings when landlords make these updates and asked if MWD was “doing just toilets.” Coffey said MWD was focusing on toilet replacement and Gold added that MWD should also take the opportunity to market MWD’s other conservation programs through the pilot program.

Switching gears, Director Pressman (Beverly Hills) asked if MWD examined the “opportunity” of saving water in specific communities since the goal of the CCP is to save water and expressed concern that MWD is going to invest funding that will result in lower water savings than if the funds had been applied elsewhere. Pressman asked if the pilot program, which he viewed as “preferential for some areas and not others,” would raise “legal and other policy issues.” Staff did not respond to Pressman’s comments.

Supporting the “hybrid” approach, Director Cordero (Long Beach) encouraged that MWD frame the program as trying to outreach and market to areas that are underserved and not being reached. Indicating that the pilot program would not reach those living in the targeted housing, Cordero promoted that local agencies reach out to those individuals. Wrapping up the discussion, Hogan requested, and Gold echoed his request, that MWD provide more details on the subsidy amounts being proposed and the analysis behind those amounts.
**Discussion Summary of Potential Regional Recycled Water Program**

The Board received an update on the potential Regional Recycled Water Program with the Los Angeles County Sanitation Districts (LACSD) during the Engineering and Operations Committee. Currently MWD is constructing the program’s demonstration plant, which is scheduled to be completed in December 2018. Following staff’s presentation, Steiner noted that the project is not included in MWD’s 10-year rate forecast or 2015 Integrated Water Resources Plan (IRP) update. Kightlinger said MWD does not include projects in its IRP until their California Environmental Quality Act (CEQA) process is complete and staff anticipates seeking Board approval for funding of the program’s CEQA work in 2019. Later, Steiner surmised, and Kightlinger confirmed, that since the program is still in the demonstration phase, MWD has yet to complete a rate analysis and one would be provided when the Board considers the full-scale program in 2019. In response to Steiner’s question if LACSD will provide any financial support for the program, staff described LACSD’s “in-kind contributions.” Steiner asked if MWD was still considering take-or-pay contracts with the basins that would purchase the program’s product water. Kightlinger said take-and-pay contracts “will be part of the discussion.” Pointing out that originally the program envisioned selling water to six groundwater basins but now is reduced to four basins, Steiner asked if the Board will review the program’s groundwater modeling. Staff responded that modeling will be presented during the Board “workshops” on the program. In a similar vein, Director Lefevre (Torrance) said the Water Replenishment District (WRD) is contemplating using this program’s product water to manage salinity in the West Coast and Central basins and asked if MWD has been in contact with WRD. Staff replied affirmatively.

Responding to Director Hogan, staff said that MWD and LACSD have been studying potential methods to reduce nitrogen in the program’s source water and will further assess a couple of these options. Staff also noted that LACSD is looking at source control options to minimize nitrogen loading in source water. Later, Director Peterson (Las Virgenes) opined that nitrogen control is LACSD’s responsibility and urged that MWD take this position in its negotiations with LACSD. Director McKenney (Municipal Water District of Orange County) asked about the potential for the demonstration project to investigate direct potable reuse (DPR). Staff confirmed that with direction from the Board, MWD could utilize the demonstration plant to explore DPR.
Memorandum

To: Solicitor
Assistant Secretary for Fish and Wildlife and Parks
Assistant Secretary – Water and Science
Commissioner, Bureau of Reclamation
Director, U.S. Fish and Wildlife Service

From: Secretary

Subject: California Water Infrastructure

Leadership in California and at the Department of the Interior (Department) has spent decades evaluating the need to improve the water infrastructure and water delivery situation in California’s Central Valley Project. While the Federal and State Governments have engaged in negotiations, our infrastructure has degraded. Communities have been harmed, productive land has stood fallow, and the populations of fish these particular water delivery limitations were intended to protect have seen no meaningful improvements.

The Central Valley Project is an important project operated by the Bureau of Reclamation. It is a major water source for farms, families, industry, and fish and wildlife in California. It is a significant contributor in facilitating California’s ability to produce more than a third of our Nation’s vegetables and two-thirds of our fruits and nuts.

Today, the Central Valley Project is in such a desperate state of disrepair that it cannot effectively achieve its design capacity operations without the assistance of California’s own State Water Project to move water. Beyond neglecting our infrastructure, actions taken by the various agencies have significantly reduced the water available for delivery south of the Sacramento-San Joaquin River Delta.

The State of California is now proposing additional unacceptable restrictions that further reduce the Department’s ability to deliver water to Federal contractors. Our operational needs and our environmental regulations must innovate, incorporate best science, implement best practices, and produce greater reliability and better stewardship. The time for action is now.

Therefore, I direct:

- Within 15 days, the Assistant Secretary – Water and Science, the Assistant Secretary for Fish and Wildlife and Parks, and the Solicitor shall jointly develop and provide to the Office of the Deputy Secretary an initial plan of action that must contain options for:
  - maximizing water supply deliveries;
better incorporating best science into real-time and long-term decision making;
streamlining the Endangered Species Act consultation and National Environmental Policy Act processes to more expeditiously modify long-term Central Valley Project operations;
moving to construction of new water storage;
identifying and making infrastructure improvements necessary to independently operate the Central Valley Project;
reassessing legal interpretations, which were adopted prior to the existence of the significant constraints on Central Valley Project operations and those enacted since 2009;
resolving issues with the State of California regarding the Coordinated Operations Agreement, the California Water Fix, and the potential enhancement of Shasta Dam;
preparing legislative and litigation measures that may be taken to maximize water supply deliveries to people; and
coordinating between the National Marine Fisheries Service and the U.S. Fish and Wildlife Service.

Within 10 days after receiving the initial plan of action, the Office of the Deputy Secretary shall provide me with a final recommendation for action. Such a recommendation must include specific objectives and implementation timelines, identify the accountable official, and be designed to meet any legal procedural requirements by the earliest possible date.
Finance and Insurance Committee

Meeting with Board of Directors*

September 10, 2018

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

<table>
<thead>
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<th>September 10, 2018 Meeting Schedule</th>
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<tbody>
<tr>
<td>9:30 a.m.</td>
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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

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

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

2. **Approval of the Minutes of the meeting of the Adjourned Finance and Insurance Committee held August 20, 2018**

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

4. **OTHER BOARD ITEMS — ACTION**
   
   None
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Investment Activities for August 2018

7. MANAGEMENT REPORT

a. Chief Financial Officer’s report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: 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.

Date of Notice: August 29, 2018
Water Planning and Stewardship Committee

Meeting with Board of Directors*

September 10, 2018
10:00 a.m. – Room 2-145

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

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

2. Approval of the Minutes of the Adjourned Water Planning and Stewardship Committee held August 20, 2018

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None

REVISED: Date of Notice: September 4, 2018
5. BOARD INFORMATION ITEMS

9-2 Information on the Antelope Valley - East Kern Water Agency High Desert Water Bank Program


9-4 Review of Local Resources Program Target

6. COMMITTEE ITEMS

a. None

7. MANAGEMENT REPORTS

a. Bay-Delta Matters

b. Colorado River Matters

c. Water Resource Management Manager's report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
NOTE: 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.

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

September 10, 2018
11:00 a.m. -- Room 2-456

* 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 Adjourned Organization, Personnel and Technology Committee held August 21, 2018

3. CONSENT CALENDAR ITEMS – ACTION

7-5 Adopt CEQA determination and adopt resolution designating Metropolitan’s maximum contribution for medical benefits in order to comply with the current authorized Memoranda of Understanding

Date of Notice: August 29, 2018
Recommendation:

Option #1:

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

Adopt resolution requiring Metropolitan to base its maximum medical contributions on the highest cost HMO plan between Los Angeles and Other Southern California regions, Anthem Traditional HMO, Los Angeles Region, for employees and annuitants under Government Code Section 22892(a).

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. None

7. MANAGEMENT REPORT

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

Date of Notice: August 29, 2018
10. ADJOURNMENT

NOTE: 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.

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E&O Committee
G. Peterson, Chair
S. Blois, Vice Chair
B. Barbre
P. Beard
M. Camacho
G. Dake
D. De Jesus
L. Dick
S. Faessel
D. Galleano
P. Hawkins
R. Lefevre
J. Morris
T. Smith
F. Steiner
C. Treviño
H. Williams
J. Zurita

Engineering and Operations Committee
Meeting with Board of Directors*

September 10, 2018
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 Joint Adjourned Engineering and Operations Committee and Adjourned Finance and Insurance Committee; and Adjourned Engineering and Operations Committee held August 20, 2018 (Revised)
3. **CONSENT CALENDAR ITEMS — ACTION**

7-1  Adopt CEQA determination and appropriate $970,000; and authorize: (1) preliminary investigations to remediate slopes at the Robert B. Diemer Water Treatment Plant; and (2) agreement with GEI Consultants in an amount not to exceed $485,000 to provide geotechnical support (Appropriation No. 15478)

**Recommendation:**

Option #1:

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

a. Appropriated $970,000;
b. Authorize preliminary investigations to remediate slopes at the Diemer plant; and
c. Authorize agreement with GEI Consultants in an amount not to exceed $485,000 to provide geotechnical support.

7-2  Adopt CEQA determination and appropriate $870,000; and award $619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant (Appropriation No. 15495)

**Recommendation:**

Option #1:

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

a. Appropriated $870,000; and
b. Award $619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant.

7-3  Adopt CEQA determination and appropriate $970,000; and award $556,000 contract to American Construction and Supply, Inc. to install cathodic protection on the Orange County Feeder (Appropriation No. 15441)
Recommendation:

Option #1:

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

a. Appropriate $970,000; and
b. Award $556,000 contract to American Construction and Supply, Inc. to install cathodic protection on the Orange County Feeder.

7-4 Adopt CEQA determination and award $420,000 contract to Southern Contracting Company for replacement of 15 kV circuit breakers at Hiram W. Wadsworth Pumping Plant (Appropriation No. 15467)

Recommendation:

Option #1:

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

Award $420,000 contract to Southern Contracting Company for replacement of circuit breakers at Hiram W. Wadsworth Pumping Plant.

4. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $6.68 million; and authorize upgrades to three hydroelectric power plants (Appropriation No. 15458)

Recommendation:

Option #1:

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

a. Appropriate $6.68 million;
b. Authorize design and construction to rehabilitate Red Mountain Power Plant;
c. Authorize final design and procurement to rehabilitate Foothill Power Plant; and
d. Authorize completion activities for the modification of Yorba Linda Power Plant.
8-2 Adopt CEQA determination and appropriate $2.78 million; and award $866,600 contract to J. F. Shea Construction, Inc. to replace service connection valves on the Rialto Pipeline (Appropriation No. 15480)

Recommendation:

Option #1:

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

a. Appropriate $2.78 million; and
b. Award $866,600 contract to J. F. Shea Construction, Inc. to replace valves for Service Connections CB-12 and CB-16 on the Rialto Pipeline.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Capital Investment Plan Quarterly Report for period ending June 2018
b. Update on Regional Recycled Water Program
c. Update on the Impacts of the Federal Steel Tariffs
d. Climate Action Plan

7. MANAGEMENT REPORTS

a. Water System Operations Manager’s report
b. Engineering Services Manager’s report
8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED: Date of Notice: September 5, 2018
Communications and Legislation Committee

Meeting with Board of Directors*

September 10, 2018
1:00 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 Adjourned Communications and Legislation Committee held August 20, 2018**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None

Date of Notice: August 29, 2018
5. **BOARD INFORMATION ITEMS**

   None

6. **COMMITTEE ITEMS**

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

7. **MANAGEMENT REPORT**

   a. External Affairs Management report

8. **FOLLOW-UP ITEMS**

   None

9. **FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

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Audit and Ethics Committee

Meeting with Board of Directors*

September 10, 2018
1:30 p.m. – Room 2-145

September 10, 2018
Meeting Schedule

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<td>Rm. 2-456</td>
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<tr>
<td>10:00 a.m.</td>
<td>WP&amp;S</td>
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<td>11:00 a.m.</td>
<td>OP&amp;T</td>
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<tr>
<td>12:00 p.m.</td>
<td>E&amp;O</td>
<td>Rm. 2-145</td>
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<tr>
<td>1:00 p.m.</td>
<td>C&amp;L</td>
<td>Rm. 2-456</td>
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<tr>
<td>1:30 p.m.</td>
<td>A&amp;E</td>
<td>Rm. 2-145</td>
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1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Audit and Ethics Committee held July 24, 2018

3. MANAGEMENT REPORTS
   a. Interim Ethics Officer’s report
   b. General Auditor’s report

4. COMMITTEE ITEMS
   None
5. CONSENT CALENDAR ITEMS – ACTION

None

6. OTHER BOARD ITEMS – ACTION

8-4 Adopt CEQA determination and adopt reporting structure for Metropolitan’s Ethics Officer

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, and
Direct that the reporting relationship of the Ethics Office to the Board prospectively shall be done through the Audit and Ethics Committee.

Added 8-5 Adopt CEQA determination, approve the job description for the Ethics Officer and approve the hiring process for the Ethics Officer

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, and
Approve the job description for the Ethics Officer, and approve the hiring process described above.

7. BOARD INFORMATION ITEMS

None

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 11, 2018
9:00 a.m. -- Room 2-145

* 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 Adjourned Legal and Claims Committee meeting held August 21, 2018

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

4. CONSENT CALENDAR ITEMS — ACTION
   7-6 Adopt CEQA determination and authorize increase of $100,000, to an amount not to exceed $200,000, for contract for legal services with Hanson Bridgett LLP to provide legal tax and benefits advice on deferred compensation plans, other employee benefits, and CalPERS matters. (L&C)
Recommendation:

Option #1:

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

Authorize the General Counsel to increase the amount payable under its agreement with Hanson Bridgett LLP by $100,000 to an amount not to exceed $200,000

5. OTHER BOARD ITEMS — ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Report on discussions with San Bernardino and Riverside Counties regarding the California Surface Mining & Reclamation Act.
   [Conference with legal counsel—anticipated litigation; may be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]

REVISED  

b. Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282, CPF-16-515391 and CGC-17-563350; 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; the petition for extraordinary writ in the second 2016 action, Court of Appeal for the First Appellate District Case No. A154325 and California Supreme Court Case No. S251025; and Los Angeles County Superior Court Case No. BS173868.
   [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]
8. FOLLOW-UP ITEMS

   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED: Date of Notice: September 6, 2018
Conservation and Local Resources Committee

Meeting with Board of Directors*

September 11, 2018
10:00 a.m. – Room 2-456

* 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 August 21, 2018

3. CHAIRMAN’S REPORT

4. COMMITTEE ITEMS
   a. Conservation in Disadvantaged Communities
   b. Conservation Update
   c. Update on the On-Site Retrofit Program

Date of Notice: August 29, 2018
5. FOLLOW-UP ITEMS

None

6. FUTURE AGENDA ITEMS

7. ADJOURNMENT

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

2. Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held July 10, 2018

3. CONSENT CALENDAR ITEMS — ACTION

7-7 Adopt CEQA determination and authorize granting a lease amendment to Greenland Farm, Inc., for agricultural purposes on Metropolitan fee-owned property in the City of Hemet, within the county of Riverside

Recommendation:

Option #1:

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

Authorize granting a lease extension on a year-to-year basis through 2023 to Greenland Farm Inc., for farming purposes.
7-8 Adopt CEQA determination and authorize granting a lease amendment to the City of Los Alamitos, for a recreational city park referred to as Stansbury Park located in the City of Los Alamitos within Orange county

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
Authorize granting a year-to-year lease extension through the year 2048 to the City of Los Alamitos for a public park.

7-9 Adopt CEQA determination and authorize granting a permanent easement to the California Department of Transportation on Metropolitan owned property to facilitate widening State Route 62 across a siphon along the Colorado River Aqueduct within the county of Riverside

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt, and
Authorize granting a permanent easement to Caltrans to facilitate widening State Route 62 across one of the siphons along the Colorado River Aqueduct.

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None
6. COMMITTEE ITEMS

None

7. MANAGEMENT REPORT

a. Real Property Management Manager's Report

8. FOLLOW-UP ITEMS

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: 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.

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Date of Notice: August 29, 2018
Board Meeting

September 11, 2018

12:00 p.m. – Boardroom

1. Call to Order
   (a) Invocation: Marco A. De Jeronimo, Assistant Engineer, Engineering Services Group
   (b) Pledge of Allegiance: Director Marsha Ramos, the City of Burbank

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 Special Board Meeting for August 20, 2018 and Adjourned Regular Board Meeting for August 21, 2018 (Copies have been mailed to each Director) any additions, corrections, or omissions
   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 5-year Service Pin to Director Russell Lefevre
6. DEPARTMENT HEADS’ REPORTS

   A. General Manager’s summary of activities for the month of August
   B. General Counsel’s summary of activities for the month of August
   C. General Auditor’s summary of activities for the month of August
   D. Ethics Officer’s summary of activities for the month of August

7. CONSENT CALENDAR ITEMS — ACTION

   7-1 Adopt CEQA determination and appropriate $970,000; and authorize: (1) preliminary investigations to remediate slopes at the Robert B. Diemer Water Treatment Plant; and (2) agreement with GEI Consultants in an amount not to exceed $485,000 to provide geotechnical support (Appropriation No. 15478). (E&O)

   Recommendation:

   Option #1:

   Adopt the CEQA determination that the proposed action is categorically exempt, and
   a. Appropriate $970,000;
   b. Authorize preliminary investigations to remediate slopes at the Diemer plant; and
   c. Authorize agreement with GEI Consultants in an amount not to exceed $485,000 to provide geotechnical support.

   7-2 Adopt CEQA determination and appropriate $870,000; and award $619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant (Appropriation No. 15495). (E&O)
Recommendation:

Option #1:

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

a. Appropriate $870,000; and
b. Award $619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant.

7-3 Adopt CEQA determination and appropriate $970,000; and award $556,000 contract to American Construction and Supply, Inc. to install cathodic protection on the Orange County Feeder (Appropriation No. 15441). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $970,000; and
b. Award $556,000 contract to American Construction and Supply, Inc. to install cathodic protection on the Orange County Feeder.

7-4 Adopt CEQA determination and award $420,000 contract to Southern Contracting Company for replacement of 15 kV circuit breakers at Hiram W. Wadsworth Pumping Plant (Appropriation No. 15467). (E&O)

Recommendation:

Option #1:

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

Award $420,000 contract to Southern Contracting Company for replacement of circuit breakers at Hiram W. Wadsworth Pumping Plant.

7-5 Adopt CEQA determination and adopt resolution designating Metropolitan’s maximum contribution for medical benefits in order to comply with the current authorized Memoranda of Understanding. (OP&T)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, and
Adopt resolution requiring Metropolitan to base its maximum medical contributions on the highest cost HMO plan between Los Angeles and Other Southern California regions, Anthem Traditional HMO, Los Angeles Region, for employees and annuitants under Government Code Section 22892(a).

7-6 Adopt CEQA determination and authorize increase of $100,000, to an amount not to exceed $200,000, for contract for legal services with Hanson Bridgett LLP to provide legal tax and benefits advice on deferred compensation plans, other employee benefits, and CalPERS matters. (L&C)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
Authorize the General Counsel to increase the amount payable under its agreement with Hanson Bridgett LLP by $100,000 to an amount not to exceed $200,000

7-7 Adopt CEQA determination and authorize granting a lease amendment to Greenland Farm, Inc., for agricultural purposes on Metropolitan fee-owned property in the City of Hemet, within the county of Riverside. (RP&AM)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
Authorize granting a lease extension on a year-to-year basis through 2023 to Greenland Farm Inc., for farming purposes.

7-8 Adopt CEQA determination and authorize granting a lease amendment to the City of Los Alamitos, for a recreational city park referred to as Stansbury Park located in the City of Los Alamitos within Orange county. (RP&AM)
Recommendation:

Option #1:

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

Authorize granting a year-to-year lease extension through the year 2048 to the City of Los Alamitos for a public park.

7-9 Adopt CEQA determination and authorize granting a permanent easement to the California Department of Transportation on Metropolitan owned property to facilitate widening State Route 62 across a siphon along the Colorado River Aqueduct within the county of Riverside. (RP&AM)

Recommendation:

Option #1:

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

Authorize granting a permanent easement to Caltrans to facilitate widening State Route 62 across one of the siphons along the Colorado River Aqueduct.

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $6.68 million; and authorize upgrades to three hydroelectric power plants (Appropriation No. 15458). (E&O)
Recommendation:

Option #1:

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

a. Appropriate $6.68 million;

b. Authorize design and construction to rehabilitate Red Mountain Power Plant;

c. Authorize final design and procurement to rehabilitate Foothill Power Plant; and

d. Authorize completion activities for the modification of Yorba Linda Power Plant.

8-2 Adopt CEQA determination and appropriate $2.78 million; and award $866,600 contract to J. F. Shea Construction, Inc. to replace service connection valves on the Rialto Pipeline ( Appropriation No. 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $2.78 million; and

b. Award $866,600 contract to J. F. Shea Construction, Inc. to replace valves for Service Connections CB-12 and CB-16 on the Rialto Pipeline.

8-3 Adopt CEQA determination and adopt Metropolitan's Proposed Facilities Naming Policies and Procedures

Recommendation:

Option #1:

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

Adopt the proposed Metropolitan Facilities Naming Policy Principle as a Board-Adopted Policy Principle.

8-4 Adopt CEQA determination and adopt reporting structure for Metropolitan’s Ethics Officer. (A&E)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, and
Direct that the reporting relationship of the Ethics Office to the Board prospectively shall be done through the Audit and Ethics Committee.

Added 8-5  Adopt CEQA determination, approve the job description for the Ethics Officer and approve the hiring process for the Ethics Officer. (A&E)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, and
Approve the job description for the Ethics Officer, and approve the hiring process described above.

9. BOARD INFORMATION ITEMS

9-1  Update on Conservation Program

9-2  Information on the Antelope Valley – East Kern Water Agency High Desert Water Bank Program. (WP&S)


9-4  Review of Local Resources Program Target. (WP&S)
10. OTHER MATTERS

10-1 Discussion of Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations

[Public employee's performance evaluations; General Manager, General Counsel, and General Auditor, to be heard in closed session pursuant to Gov. Code 54957(b)]

11. BROWN ACT TRAINING

12. FOLLOW-UP ITEMS

13. FUTURE AGENDA ITEMS

14. ADJOURNMENT

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

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COMMITTEE ASSIGNMENTS

Director Smith was appointed to the Legal and Claims Committee, Audit and Ethics Committee and the Real Property and Asset Management Committee. (Agenda Item 5C)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $6.68 million; authorized design and construction to rehabilitate Red Mountain Power Plant; authorized final design and procurement to rehabilitate Foothill Power Plant; and authorized completion activities for the modification of Yorba Linda Power Plant. (Appropriation No. 15458) (Agenda Item 8-1)

Appropriated $2.78 million; and awarded $866,600 contract to J. F. Shea Construction, Inc. to replace valves for Service Connections CB-12 and CB-16 on the Rialto Pipeline. (Appropriation No. 15480) (Agenda Item 8-2)

BOARD (FACILITIES NAMING COMMITTEE)

Adopted the proposed Metropolitan Facilities Naming Policy Principle as a Board-Adopted Policy Principle. (Agenda Item 8-3)

AUDIT AND ETHICS COMMITTEE

Directed that the reporting relationship of the Ethics Office to the Board prospectively shall be done through the Audit and Ethics Committee and that the Audit and Ethics Committee shall be a standing committee of the Board. (Agenda Item 8-4)

Approved the job description for the Ethics Officer in Attachment 1 of Item 8-5 as modified by the committee in the redlined version of the job description, and approved the hiring process described in the Board letter. (Agenda Item 8-5)

CONSENT CALENDAR

In other actions, the Board:

Appropriated $970,000; authorized preliminary investigations to remediate slopes at the Diemer plant; authorized agreement with GEI Consultants in an amount not to exceed $485,000 to provide geotechnical support. (Appropriation No. 15478) (Agenda Item 7-1)

Appropriated $870,000; and awarded $619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant. (Appropriation No. 15495) (Agenda Item 7-2)
Appropriated $970,000; and awarded $556,000 contract to American Construction and Supply, Inc. to install cathodic protection on the Orange County Feeder. (Appropriation No. 15441) (Agenda Item 7-3)

Awarded $420,000 contract to Southern Contracting Company for replacement of circuit breakers at Hiram W. Wadsworth Pumping Plant. (Appropriation No. 15467) (Agenda Item 7-4)

Adopted resolution requiring Metropolitan to base its maximum medical contributions on the highest cost HMO plan between Los Angeles and Other Southern California regions, Anthem Traditional HMO, Los Angeles Region, for employees and annuitants under Government Code Section 22892(a). (Agenda Item 7-5)

Authorized the General Counsel to increase the amount payable under its agreement with Hanson Bridgett LLP by $100,000 to an amount not to exceed $200,000. (Agenda Item 7-6)

Authorized granting a lease extension on a year-to-year basis through 2023 to Greenland Farm Inc., for farming purposes. (Agenda Item 7-7)

Authorized granting a year-to-year lease extension through the year 2048 to the City of Los Alamitos for a public park. (Agenda Item 7-8)

Authorized granting a permanent easement to Caltrans to facilitate widening State Route 62 across one of the siphons along the Colorado River Aqueduct. (Agenda Item 7-9)

OTHER MATTERS

The Board:

Presented 5-year Service Pin to Director Russell Lefevre. (Agenda Item 5E)

Discussed Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations. (Agenda Item 10-1)

Brown Act Training. (Agenda Item 11)

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
FY2019 Appropriations Bills Make Progress

As the calendar gets closer to the end of the federal fiscal year on September 30th, Congress has been making progress on the FY2019 appropriations bills. Earlier this month, both the House and the Senate passed a “minibus” spending package that included the FY2019 Energy and Water Appropriations bill, which funds the Army Corps of Engineers and the Bureau of Reclamation. The bill included the following funding levels:

- Army Corps of Engineers: $7 billion (an increase of $172 million from FY2018)
- Bureau of Reclamation: $1.57 billion (an increase of $85 million from FY2018)
- Title XVI: $58.617 million (an increase of $4.211 million from FY2018)
- Title XVI WIIN Program: $20 million (equal to FY2018 funding)

The President signed the “minibus” package into law on September 21st.

To date, Congress has passed 5 of the 13 FY2019 appropriations bills. This fact, coupled with the end of the federal fiscal year less than 10 days away, has resulted in Congress sending the President a Continuing Resolution (CR) that would allow the federal government to remain funded until December 7th. The President has made comments this week that have left the door open to the possibility that he will not sign the legislation containing the CR, resulting in a government shutdown.

Litigation Continues for “Waters of the United States” Rule

The uncertainty and confusion that has plagued the definition of the “Waters of the United States” took another turn recently. The U.S. District Court of the District of South Carolina issued a decision to vacate and nationally enjoin the EPA and the Corps’ final rule that added an applicability date to the Clean Water Rule issued in 2015. The 2015 Rule is now in effect in 26 states, including California. EPA and the Corps are appealing this ruling and seeking a stay of the court’s order. However, the jumble of competing legal claims for and against both the 2015
Rule and actions taken by EPA and the Corps over the past two years continues to bedevil a clear and coherent policy on regulating actions in or near bodies of water.

One practical effect of this latest ruling is that the Corps of Engineers has “paused” issuance of all Section 404 permits while it considers the legal ramification of this ruling. Corps Headquarters has communicated that this pause is temporary, but further disruptions in permit reviews and issuances cannot be ruled out until the Supreme Court ultimately settles the issue as it seems destined to do.

The Bureau of Reclamation (Reclamation) released an updated Draft Supplemental Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) for the California WaterFix. The document outlines several changes that the California Department of Water Resourced proposed. The modifications to the report include:

- Changing the location of reusable tunnel material storage sites near the intermediate forebay, on Zacharias Island, on Bouldin Island and near the relocated Byron Tract Forebay.
- Relocating the tunnel boring machine launch shaft and barge landing location on Bouldin Island.
- Creating a new Byron Tract Forebay (eliminating the extensive modifications to Clifton Court Forebay) and relocating the consolidated pumping plant.
- Realigning the 40-foot diameter tunnels slightly to accommodate the relocated Bouldin Island TBM launch shaft and Byron Tract Forebay consolidated pumping plant relocation.
- Relocating or eliminating appurtenant facilities such as barge landing sites, concrete batch plants and construction access roads to improve facility design.
- Realigning the 40-foot diameter tunnels to avoid the town of Hood and municipal water wells.

Reclamation has clarified that the proposed changes do not change any conclusions on the impacts to resource areas from those included in the Final EIR/EIS, as well as do not change the original federal action to adjust Central Valley Project operations in the Delta to accommodate new conveyance facility operations and/or flow requirements in coordination with State Water Project operators. Reclamation is now accepting public comments on the document until November 5th.