February 27, 2019

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 February 2019. The MWD committees and Board met on February 11 and 12, 2019, and meet next on March 11 and 12.

Discussion
The Water Authority Delegates (Delegates) supported 11 of 13 action items approved by the MWD Board at its February 2019 meeting,1 recusing themselves on authorizing a partial payment related to the rate litigation and splitting their vote on an item to acquire additional property in the Palo Verde Valley. MWD Board actions of interest to the Water Authority were:

- Authorizing a payment for contract damages awarded with reservation of appeal rights in the rate litigation;
- Authorizing the purchase of up to 732 acres of property in the Palo Verde Valley;2
- Authorizing selling MWD’s portion of Chipps Island to the Department of Water Resources (DWR);
- Authorizing funding for the Sites Reservoir 2019 Workplan;
- Modifying the Landscape Transformation Program; and
- Electing two non-officer members, whom the Delegates supported, to the Executive Committee.

Related to settling the rate litigation, the Legal and Claims Committee unanimously authorized “tendering payment for trial court’s contract damages award for Water Stewardship Rate payments under the Exchange Agreement for 2011-2014, plus statutory interest through February 15, 2019, with reservation of appeal rights.” Later, during its meeting, the MWD Board unanimously supported the committee’s action (newly seated Director Solorio (Santa Ana) abstained). The Delegates were not present during the committee’s discussion and vote on the item, and later, recused themselves during the Board action.

The February 2019 Board meeting was held shortly after Governor Newsom’s State of the State address, during which he said he does not support California WaterFix (WaterFix) “as currently configured,” and instead supports “a single tunnel.”3 In his report to the Board, General Manager

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1 The Delegates abstained on approving the minutes of the January 22 Special Board Workshop to Review the Water Authority’s rate litigation settlement proposal and Director Smith recused himself on one item due to a potential conflict of interest.
2 With this purchase, MWD’s vote entitlement in the Palo Verde Irrigation District increased to about 21 percent.
3 A transcript of Newsom’s complete address found here: [https://www.gov.ca.gov/2019/02/12/state-of-the-state-address/](https://www.gov.ca.gov/2019/02/12/state-of-the-state-address/)
Kightlinger highlighted that Newsom was “committed to getting a project done.” Attachment 1 summarizes the Board discussion of WaterFix and other Bay-Delta issues.

Attachment 2 summarizes the Board’s discussion of acquiring additional land in the Palo Verde Valley and selling some of its Bay-Delta property. The Delegates supported selling the land MWD owns on Chipps Island; however, Director Butkiewicz did not support purchasing more property in the Palo Verde Valley.

The Board authorized changes to its recently implemented Landscape Transformation Program, including increasing the subsidy. Attachment 3 summarizes the Board’s discussion of the program’s modifications.

In addition to these action items, the Board received a quarterly financial report at the Finance and Insurance (F&I) Committee’s meeting. Staff forecasted that for fiscal year 2019, MWD’s revenues are tracking about $15 million below budget while expenditures are projected to come in about $37 million below budget. Including $24 million in increased required reserves and a $1 million deposit into the rate litigation set-aside fund, MWD projects unrestricted reserves to increase by $36 million. Responding to Director Steiner, Interim Chief Financial Officer Skillman said that of MWD’s $86 million committed WaterFix start-up costs, it has “advanced” $41.5 million via a bank note, and is paying the associated interest through rates and charges. Elaborating, Skillman said about 50 percent of MWD’s budgeted WaterFix costs were assigned to the System Access Rate and the other 50 percent or so were allocated to the Readiness-to-Serve Charge.

Additionally, at the start of F&I Committee meeting, Chairwoman Gray (West Basin) addressed the Board. Referring to “a couple of exchanges between directors” that occurred during one of last month’s committee meetings, Gray said she was “reminding the Board that it is my intent in all meetings to facilitate dialogue among directors” and that she wishes “to foster an environment of respect including respect for differing perspectives and to work collaboratively on Board matters.” Gray requested “that directors, especially those in leadership positions help facilitate discussion at our meetings and ensure we respond to all questions,” which she considers “important for decision-making and to ensure the public that we have open, transparent deliberations that encourage input from all parties.” Gray reiterated her remarks at the start of subsequent day’s Board meeting.

During the Water Planning and Stewardship Committee, the Board received an oral report on the exchange agreement MWD has with Desert Water Agency and Coachella Valley Water District, and an update on the Lower Colorado River Drought Contingency Plan during the Colorado River Matters report, both of which are summarized in Attachment 4.

The L&C Committee went into closed session, without the Delegates in attendance, to review the settlement proposal received from the Water Authority and hear a report on the rate litigation.

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4 At January’s Special Committee on Bay-Delta, the Committee Chair chastised one of the committee members in responding to her questions. He subsequently apologized to the committee member at close of the meeting.
With the Delegates’ support, Directors Pressman (Beverly Hills) and Treviño (Upper San Gabriel) were elected to serve as non-officer members of the Executive Committee. Also, Director Butkiewicz was assigned to the Audit and Ethics and Communications and Legislation Committees; Director Hogan was assigned to the Special Committee on Bay-Delta. The Board inducted three new members: 1) Jasmine Hall, representing Inland Empire Utilities Agency (replacing Michael Camacho); 2) Adán Ortega, representing the city of Fullerton (replacing Peter Beard); and Jose Solorio, representing the city of Santa Ana (replacing Michelle Martinez).

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

Attachments:
Attachment 1 – Discussion Summary of Bay-Delta Update
Attachment 2 – Discussion Summary of Real Property Actions
Attachment 3 – Discussion Summary of Landscape Transformation Program
Attachment 4 – Discussion Summary of Colorado River Issues
Attachment 5 – MWD’s committee and Board meeting agendas dated February 11 and 12, 2019
Discussion Summary of Bay-Delta Update

Shortly following Governor Newsom’s State of the State address, General Manager Kightlinger reflected on Newsom’s comments that he does not support California WaterFix (“WaterFix”) “as currently configured,” and instead supports “a single tunnel” project. Kightlinger said that Newsom “seriously reached out to Metropolitan” and “wanted to make clear that he is absolutely committed to getting a project done.” Kightlinger also pointed out that the Governor highlighted the “critical need for voluntary settlement agreements” in relation to the State Water Resources Control Board’s (State Board) effort to update the Bay-Delta Water Quality Control Plan (Bay-Delta Plan). Later, Director Steiner reiterated her request from the previous day’s Water Planning and Stewardship Committee meeting for MWD to update its WaterFix analysis to incorporate the “dramatic changes” in the Bay-Delta such as the Governor’s plan to downsize WaterFix as well as DWR’s “no harm” agreement and the renegotiated Coordinated Operating Agreement (COA). In response to her request that the updated analysis be provided next month, Kightlinger stated that MWD is “far from having all the information we need.” Kightlinger added his belief that the project will be scaled down to a single, 6,000 cubic feet-per-second tunnel, which will require additional analysis and understanding of the permitting process; therefore, MWD will not be able to provide a detailed report within the next “several months.” Suggesting MWD would not need to reinvent the wheel, Steiner noted that after the Central Valley Project contractors failed to shore-up participation in the project, MWD’s April 2018 analysis was based on a single tunnel project and that MWD could build-off its earlier analysis.

During his Bay-Delta Matters Report Assistant General Manager/Strategic Water Initiatives Patterson reported that the Delta Conveyance Design and Conveyance Authority selected an Executive Director, Kathryn Mallon, who is scheduled to assume her position in mid-March. Patterson also reported that work on the voluntary settlement agreements for the Bay-Delta Plan continues. Aiming to have the agreements completed by March 1, 2019, Patterson said Newsom “embraced” the “voluntary settlement package” and the State Board will make a final decision by the end of 2019. Following Patterson’s report, Director Smith asked about MWD’s efforts to analyze the Bureau of Reclamation’s recently released Biological Assessment and if it will impact the recently approved COA addendum. Kightlinger said staff is in “the early stages of assessing that report,” which will result in a new Biological Opinion. Patterson added that this federal process impacts the State Water Project and that there is a state-level permitting process running in parallel to the federal one. Stressing the importance of keeping “communication open” to ensure there is “enough alignments so that we have common operating criteria,” Patterson said the new Biological Opinion is expected by the end of the year.

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1 A transcript of Newsom’s address found here: https://www.gov.ca.gov/2019/02/12/state-of-the-state-address/
2 Prior to the MWD Board meeting, MWD issued a statement on the Governor’s address, which is found here: http://www.mwdh2o.com/PDF_NewsRoom/GM%20Statement%20Re%20CWF_SOTS%2002122019%20FINAL.pdf
Discussion Summary of Real Property Actions

During its February 2019 Real Property and Asset Management (RP&AM) Committee meeting, the MWD Board considered two real property actions: 1) sell the entire portion of a Bay-Delta island (Chipps Island) that MWD owns; and 2) acquire additional property in the Palo Verde Valley. Prior to discussing the items in closed session, the RP&AM Committee received presentations on the items and discussed them in open session.

First, staff presented the option for MWD to purchase up to 732 acres in the Palo Verde Valley. Staff reported that Wegis & Wey approached MWD about buying the properties, of which 667 are water toll acres1 not currently enrolled in MWD’s fallowing program with the Palo Verde Irrigation District (PVID). Staff offered potential benefits of purchasing the lands, including, but not limited to, allowing MWD to “encourage” property lessees to use water more efficiently (therefore making MWD’s Colorado River supplies “more reliable” and “forestall[ing] potential shortages on the River”), enhancing MWD’s “flexibility” in its fallowing program, obtaining “more voting rights,” and generating lease revenue.

Following its open session presentation, in response to Director Steiner, Real Property Group Manager Shraibati confirmed that MWD has reached the limit on the number of acres that can be enrolled in its fallowing program. Replying to Steiner, General Manager Kightlinger said that “the Board would have a number of options” for the properties such as to lease or manage the property, or “treat it as if it were in the program and fallow just that portion of it” and confirmed that MWD’s adopted budget does not including funding to make this purchase. Later, RP&AM Committee Chair Hogan surmised that although purchasing the properties would improve MWD’s “flexibility” in managing its fallowing program no “new water” would be created. Kightlinger replied that MWD could “look at updating or amending the [fallowing program’s] environmental documentation and add more property into it.”

Director Butkiewicz asked what MWD’s policy is for purchasing land to get water and referenced the impacts Mono Lake endured due to Los Angeles’ water diversions from the Eastern Sierras2 to express concern with MWD’s expanding presence in the Palo Verde Valley. Butkiewicz also suggested that MWD consider using the funds to support local projects rather than purchase land in PVID. Kightlinger responded that “the Board can decide what to do with the money” MWD collects from ratepayers.

Director Smith sought confirmation that MWD is “following all the rules and terms of getting appraisals” and environmental documentation, which he understood would occur following the land purchase and depending on how MWD would use the land. He also expressed his desire to avoid litigation, noting that PVID previously sued MWD.3 Responding to Smith, Kightlinger

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1 Properties with water rights in the Palo Verde Irrigation District.
2 More information on Mono Lake and Los Angeles’ water diversions found in KCET’s April 3, 2015 article “The upside to cutting water to L.A. from Mono Lake:” https://www.kcet.org/redefine/the-upside-to-cutting-water-to-la-from-mono-lake
3 More information on PVID’s lawsuit against MWD, which was dropped, is found in Desert Sun’s March 20, 2018 article “California farm district drops water lawsuit, seeking to settle dispute:” https://www.desertsun.com/story/news/environment/2018/03/20/california-farm-district-drops-water-lawsuit-seeking-settle-dispute/440628002/
noted MWD “prevailed” in that lawsuit and that MWD “certainly cannot prevent anyone from filing a lawsuit.” Shraibati added that this purchase would involve a “title change of ownership” and MWD has “no prescribed plans for that land” so the purchase would not require environmental documentation. Director Record (Eastern) echoed Kightlinger’s comments, reflecting that “we’re going to put ourselves out there and we’re going to get sued,” and assumed that staff is doing all it can to prevent litigation while also positioning itself to “win” any litigation. Returning to Butkiewicz’s remarks, Record said he could not see the comparison to MWD’s Palo Verde Valley land purchases to Mono Lake and that buying this property is MWD’s “opportunity” to manage the land “to the benefit of the community and to the benefit of our ratepayers.” Stating the he reviewed the appraisal, Record said the acquisition is at a “fair price.”

Noting that PVID is not a party to the Quantification Settlement Agreement, Director Peterson (Las Virgenes) said “any water used [above a certain amount] in PVID comes off our tab.” Indicating support for purchasing the property, Peterson agreed the property offers “flexibility” and that if “we determined we wanted to fallow it all at some point, we could do that.”

Moving onto the next real property item, staff presented on selling MWD’s portion of Chipps Island (totaling 243 acres) to the Department of Resources (DWR). Staff reported that DWR will use the property for habitat restoration required under the existing Biological Opinions for the State Water Project’s operation and will also contribute to meeting Longfin Smelt incidental take permit under the California Endangered Species Act. Staff said that consolidating ownership of Chipps Island would “streamline planning, permitting, and mitigation crediting processes” and maximize the island’s restoration opportunity, providing habitat specifically for the Longfin Smelt and Chinook Salmon.

Following the presentation, Smith noted that this is the first of its Delta Islands properties MWD is selling and asked if MWD plans to sell additional property to DWR. Kightlinger stated that when the Board purchased the islands, staff presented multiple benefits of their acquisition and that MWD would “pursue all of those” benefits. Continuing, Kightlinger said that this option “came up first” and that Chipps Island is the “most suitable for mitigation.” Kightlinger said the “timing” on options for the remaining Delta Island properties “is coming up now,” adding that those properties have other benefits including for California WaterFix construction.

After meeting in closed session, staff reported that the RP&AM Committee gave “directions” and “authorizations” to staff on price and terms for both items and “any finalized agreements and transactions will be reported at a future date.” At its subsequent meeting, the MWD Board approved the committee’s recommendation, but prior to its action Hogan noted that he had received several questions regarding MWD’s fallowing program’s cap after the RP&AM Committee’s meeting and requested clarification. Kightlinger stated that if MWD purchased the properties, it is staff’s “intention” to lease them for “farming operations” and treat them as if they were enrolled in the fallowing program without actually enrolling them in the program. According to Kightlinger, MWD has “sufficient coverage under our environmental documentation” to manage the properties that way.
Discussion Summary of Colorado River Issues

During its February 2019 Water Planning and Stewardship (WP&S) Committee meeting, the MWD Board received a presentation on potential amendments to MWD’s exchange agreement with Desert Water Agency (DWA) and Coachella Valley Water District (CVWD) and an oral report on the status of the Lower Colorado River Drought Contingency Plan (DCP).

Colorado River Resources Manager Hasencamp provided background on this item. DWA and CVWD are both State Water Project (SWP) contractors but lack a physical connection to the SWP system. Therefore, they entered into an agreement for MWD to deliver Colorado River water in exchange for an equal amount of their SWP Table A Allocations. Via the agreement, MWD established an advanced delivery account in the Coachella Valley Groundwater Basin with a capacity of 800,000 acre-feet. To call on the water, MWD does not deliver the exchange water and instead CVWD/DWA rely on water stored in the account. Additionally, MWD transferred 100,000 acre-feet of its SWP Table A allocation to DWA and CVWD as part of the Quantification Settlement Agreement package but retained the right to recall the transfer in any year.

Hasencamp reported that although all parties receive benefits from the exchange agreement, “there are areas for improvement.” Related to the Table A Allocation transfer, CVWD and DWA want “increased certainty in their water supplies” and that “on the books they show” the Table A Allocations transfer “as a liability” since MWD can chose to recall the transfer water. Also, DWA and CVWD want longer-term “certainty” beyond the current agreement’s termination date. MWD’s focus is on ensuring it would fill its Colorado River Aqueduct in dry years and not “spill” any water during wet years; staff noted that in 2017, MWD spilled over 100,000 of SWP water. In addition to all parties seeking “equal sharing of SWP benefits and risks,” the parties also sought to simplify payment provisions. Thus, MWD proposes the following amendments:

- “Consolidate exchange agreements;”
- Extend the agreements to match the SWP contract extension;
- Remove the provision to recall MWD’s Table A Allocation transfer;
- Allow MWD to defer MWD’s exchange deliveries of Colorado River water in dry years;
- “Share the operational risks and benefits of the state project more equally;” and
- Simplify and amend the payment structure to include CVWD and DWA paying a portion of MWD’s costs of storing water in its Central Valley groundwater banking programs, which according to MWD staff, is CVWD and DWA recognizing that when MWD manages SWP supplies in wet years there are associated costs.

Staff plans to finalize the term sheet with DWA and CVWD and return to the Board with recommended amendments this Spring.

In response to Director Kurtz (Pasadena), Hasencamp explained that the proposed amendments would require that any water MWD defers delivering in dry years is made-up in future years while under the current agreements if MWD recalls the Table A Allocation transfer, it is not required to make-up that water later. General Manager Kightlinger added that the proposed changes assist DWA and CVWD in showing their available supplies in their Urban Water Management Plans.
In response to Director Hogan, staff reported that MWD has 235,000 acre-feet stored in the advanced delivery account. Focusing on the proposed amendments for the Table A Allocation transfer, Director De Jesus (Three Valleys) asked if that was a “permanent deletion” from MWD’s SWP Table A Allocation. Hasencamp said that the transfer would be extended to match the new SWP contract.

During his Colorado River Matters report, Hasencamp updated the Board on the DCP’s progress. Hasencamp reported that since MWD authorized its DCP participation at its December Board meeting, the PVID Board approved the DCP agreements and the Arizona legislature approved the DCP after the agreements were modified to accommodate Arizona. However, Arizona is “not finished yet” and has to work on internal agreements; also, the Imperial Irrigation District (IID) and CVWD are not “done.” Therefore, on February 1, Bureau of Reclamation (Reclamation) Commissioner Burman announced that “she is going to start her own process” and that “by the first week of March, take public comment on input on some other alternative.” However, if DCP is approved by all the seven basin states by the first week of March, she will “withdraw” that effort. Hasencamp surmised that Arizona is “on pace” to approve the DCP and that CVWD is “scheduled to approve the agreements” over the next week or so. Hasencamp described that “IID made a demand or condition that they want money for the Salton Sea” before approving the DCP. However, Hasencamp said that “we’re all still working together, all the agencies are working on the ICS exhibits,” including IID staff. Kightlinger added that MWD is “supportive of getting federal funds for the Salton Sea” since the DCP might not come to fruition if IID’s terms are not satisfied. Therefore, in March staff will present analysis of the impact to MWD if it “assumed” IID’s “burden” (250,000 acre-feet of DCP contributions).1

In response to Director Peterson (Las Virgenes), Kightlinger confirmed MWD “is not taking up the Salton Sea.” Referring the MWD’s effort to move some of its water out of its Lake Mead Intentionally Created Surplus (ICS) account, Director Steiner asked how much water was moved. Kightlinger said that how much ICS is moved will be figured out at the end of the year, but MWD “is positioning ourselves so we have that option [to drawdown ICS storage] down the road.”2

Director Butkiewicz noted that when the Board was asked to vote on the DCP in December, staff reported that IID and CVWD “were basically ready to sign off on everything.” However, following MWD’s meeting, news reports indicated otherwise and found staff’s report to “not [be] very accurate.” In response to Butkiewicz’s request for the exhibits, Kightlinger responded that he does not believe they are available for Board review. Hasencamp expanded on Kightlinger’s comments, stating that “each agency has shared draft exhibits with the other staff [from the different agencies] and we’re in the process of incorporating comments and have all the staff agree on the exhibits and until that point they are not ready for public disclosure.” Butkiewicz reiterated his frustration with receiving more information from news reports rather than from MWD staff reports, to which Kightlinger disagreed stating that staff reports are more “accurate.”

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1 More information on the DCP found in the memo “Drought Contingency Plan Update” starting on page 45 of the Water Authority’s February 2019 Board Packet: https://www.sdcwa.org/meetings-and-documents
2 Although MWD did ramp-up deliveries on its Colorado River Aqueduct in January, this month, staff reported that it reduced its Colorado River Aqueduct deliveries due to the current wet conditions.
Discussion Summary of Landscape Transformation Program

During its February 2019 Water Planning and Stewardship (WP&S) Committee meeting, the MWD Board considered modifications to its Landscape Transformation Program, which aims to “transform” turf to more sustainable, water-efficient landscape. The modifications are intended to increase program participation levels. Staff recommended:

- increasing the subsidy from $1 to $2 per square foot;
- increasing the size of residential and commercials projects to 5,000 square feet (from 1,500 square feet) and 50,000 square foot (from 10,000 square feet), respectively;
- reducing the plant requirement to three plants (from five plants) per 100 square feet;
- not requiring that a backyard conversion be completed with a front yard project; and
- changing the name of the program back to “Turf Removal Program.”

Following staff’s presentation, the committee discussed the proposed changes. Supporting staff’s recommendation, Director Abdo (Santa Monica) urged other directors to support the changes. Although supportive of the recommendation and appreciative of the program’s “controls,” Director McKenney (Municipal Water District of Orange County, MWDOC) noted his “trepidation” with MWD’s “shift from a return on investment (ROI) approach to how much we spend on types of conservation to a market approach or level of participation goal.” Calling this shift “somewhat dangerous,” McKenney expressed understanding for why MWD is taking the latter approach in this specific circumstance but warned against assuming that MWD has changed its “philosophy.” He also suggested that MWD alter the program’s name to include “turf” but keep it in line with the intention to promote landscape transformation and recommended the name “Turf Replacement Program.” Later, Director Ackerman (MWDOC) supported McKenney’s suggestion regarding the program’s name.

Director Dick (MWDOC) questioned the need for limits on project size if the program’s goal is to conserve water, suggesting participants, like Home Owners Associations, might just have become aware of the opportunity to convert their turf. Water Resources Management Group Manager Coffey replied that MWD is increasing the eligible participation area for commercial properties as well as residential ones but said MWD found having a “cap” on project size “worthwhile.” Noting that in the past program golf courses received “much more” than the current program’s cap and some directors were hesitant to provide funding to golf courses, Dick indicated that all that was important was that turf “was taken out of existence” and he “would prefer to take it out in big swaths,” but he will support the recommendation.

Also expressing support for the changes, Director Record (Eastern) echoed McKenney’s comments to consider MWD’s ROI and implied that MWD should consider member agencies’ rate structures, specifically water budget-based, tiered rates. Record suggested such rates are a “stick to go along with this carrot that Metropolitan usually provides” and can “bring people to the table.” Calling “all these suggestions good,” WP&S Chair Atwater suggested that MWD continue evaluating the program to “keep fine-tuning” it.

Agreeing with the need for an ROI analysis, Director Steiner echoed McKenney’s concern with changing the program’s name to turf removal.
Steiner asked how MWD’s conservation program was progressing in achieving the 2015 Integrated Water Resources Plan’s conservation target of 180,000 acre-feet by 2040. Staff said it would return with this information next month.

Reflecting that staff reported that member agencies offering supplemental funding to the program have significantly higher program participation, Director Cordero (Long Beach) asked if there were other ways to increase participation besides co-funding, such as through partnerships or other best practices. Noting that MWD tries to assist member agencies with marketing, staff said it would look into Cordero’s suggestions. Pointing out that turf removal projects may require upfront funding, Cordero asked how MWD is working with “disadvantaged communities” (DAC) on the program. Staff replied that MWD is doing “direct outreach” through its DAC program (that offers significantly higher subsides to replace toilets in pre-1994 multi-family dwellings) and that MWD staff would assist member agencies that choose to use their Member Agency Administered Program funding for turf removal.

The committee unanimously approved staff’s recommendation and at the subsequent day’s Board meeting, MWD approved the recommendation with Directors Barbre (MWDOC) and Ortega (Fullerton) opposing it.
Finance and Insurance Committee

Meeting with Board of Directors*

February 11, 2019

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

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**F&I Committee**

G. Dake, Chair  
F. Steiner, Vice Chair  
B. Barbre  
S. Blois  
L. Dick  
S. Faessel  
P. Hawkins  
L. Paskett  
M. Ramos  
R. Record  
T. Smith  
L. Vasquez Wilson

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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.

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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 Finance and Insurance Committee held January 7, 2019**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None

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Date of Notice: January 31, 2019
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

   a. Quarterly Financial Report
   b. Investment Activities for January 2019

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: January 31, 2019
Water Planning and Stewardship Committee

Meeting with Board of Directors*

February 11, 2019

10:00 a.m. – Room 2-145

Monday, February 11, 2019

Meeting Schedule

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<td>9:30 AM</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 Water Planning and Stewardship Committee held January 7, 2019

3. CONSENT CALENDAR ITEMS — ACTION

None

Date of Notice: February 6, 2019
4. **OTHER BOARD ITEMS — ACTION**

8-3  Appropriate $4,212,500, and authorize entering into a project agreement with the Sites Project Authority for participation in the Sites Reservoir 2019 Workplan; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

8-4  Authorize implementation of modifications to the Landscape Transformation Program; the General Manager has determined that these actions are exempt or otherwise not subject to CEQA

5. **BOARD INFORMATION ITEMS**

Withdrawn 9-2  Information on potential credit to enhance in-lieu deliveries to cyclic storage under limited conditions. [Posting Separately]

6. **COMMITTEE ITEMS**


b. Update on Water Surplus and Drought Management Plan

7. **MANAGEMENT REPORTS**

a. Bay-Delta Matters

b. Colorado River Matters

c. Water Resource Management Manager's report

8. **FOLLOW-UP ITEMS**

None
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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Engineering and Operations Committee

Meeting with Board of Directors*

February 11, 2019

12:00 p.m. – Room 2-456

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 January 7, 2019**

3. **CONSENT CALENDAR ITEMS — ACTION**

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

   **8-1** Award $20,975,000 contract to J.F. Shea Construction, Inc., to rehabilitate the Greg Avenue Pump Station; and authorize an agreement with Black & Veatch for a not-to-exceed amount of $900,000 for engineering services during construction; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA.

   **8-2** Award $16,452,832 contract to Baker Electric, Inc. to replace the 6.9 kV power cables at each Colorado River Aqueduct pumping plant; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

5. **BOARD INFORMATION ITEMS**

   None

6. **COMMITTEE ITEMS**

   a. Annual Report on Seismic Resilience Activities

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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Real Property and Asset Management Committee

Meeting with Board of Directors*

February 11, 2019

1:00 p.m. -- Room 2-145

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

2. Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held January 7, 2019

3. CONSENT CALENDAR ITEMS — ACTION

   None

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* The Metropolitan Water District’s Real Property and Asset Management Committee meeting is noticed as a joint 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 Real Property and Asset Management 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 Real Property and Asset Management Committee will not vote on matters before the Real Property and Asset Management Committee.

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

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Date of Notice: January 31, 2019
4. OTHER BOARD ITEMS – ACTION

8-5 Authorize the General Manager to acquire up to 732 acres of property located in Riverside County in the Palo Verde Valley; the General Manager has determined that the action is exempt or otherwise not subject to CEQA

[Conference with real property negotiators; property identified as Riverside County Assessor's Parcel Nos. 830-050-015; 830-210-005; 830-210-014; 830-220-004; 833-030-030; 833-081-001; 833-081-002; 833-091-001; 833-091-003; 833-091-004; 833-091-005; 833-091-032; 836-050-015; 836-050-017; 836-100-010; 836-100-011; 836-155-018; 857-130-003; 857-130-006; 857-130-010; 857-130-013; 866-040-002; 866-040-003; 866-080-008; 866-120-003; 866-120-004; 869-260-001; agency negotiators: Stephen Vollucci and James Vanden Akker; negotiating parties: Wegis Family, LP and Wey Almond Farms, LLC; under negotiation: price and terms; to be heard in closed session pursuant to Gov. Code Section 54956.8]

8-6 Authorize the General Manager to sell 243 acres on Chipps Island located in Solano County to the Department of Water Resources; the General Manager has determined that this action is exempt from or otherwise not subject to CEQA

[Conference with real property negotiators; property identified as Metropolitan Water District Parcel Number BD3033210 (Solano County Assessor's Parcel No. 0090-060-010); agency negotiators: Laura Simonek and Bryan Otake; negotiating party: State of California Department of Water Resources; under negotiation: price and terms; to be heard in closed session pursuant to Gov. Code Section 54956.8]

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

None

Date of Notice: January 31, 2019
7. MANAGEMENT REPORT
   a. Real Property Management Manager’s Report

8. FOLLOW-UP ITEMS

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Communications and Legislation Committee

Meeting with Board of Directors*

February 11, 2019

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

* 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 meetings of the Communications and Legislation Committee held December 10, 2018 and January 7, 2019

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None
5.   BOARD INFORMATION ITEMS

None

6.   COMMITTEE ITEMS

Deferred

a.  Update on proposed new definition of “Waters of the United States”

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

c.  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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Date of Notice: February 6, 2019
Legal and Claims Committee

Meeting with Board of Directors*

February 12, 2019

9:00 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 Legal and Claims Committee meeting held January 8, 2019`

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

4. CONSENT CALENDAR ITEMS — ACTION
   None

* 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.
5. OTHER BOARD ITEMS — ACTION

8-7 Authorize partial settlement in San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830 and CPF-12-512466; 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 the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

[Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Review Settlement Proposal received from SDCWA and 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, CGC-17-563350, and CPF-18-516389; 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 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; and 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.

[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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Organization, Personnel and Technology Committee

Meeting with Board of Directors*

February 12, 2019

11:00 a.m. -- Room 2-456

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 January 8, 2019

3. CONSENT CALENDAR ITEMS – ACTION

   7-1 Award a contract in an amount not to exceed $799,170 to ViaTRON Systems, Inc. for conversion of hardcopy documents into electronic images for migration into the planned Enterprise Content Management System; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA
4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

None

7. MANAGEMENT REPORT

a. Human Resources Manager’s report
b. Information Technology 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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Regular Board Meeting
February 12, 2019
12:00 p.m. – Boardroom

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

1. Call to Order
   (a) Invocation: Waheeda Ali, Associate Engineer, Engineering Services Group
   (b) Pledge of Allegiance: Director Linda Ackerman, Municipal Water District of Orange County

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))
   a. Presentation by David Wright, General Manager, Los Angeles Department of Water and Power: $1.4 million solar incentive program rebate for Joseph Jensen Water Treatment Plant

5. OTHER MATTERS
   A. Approval of the Minutes of the Meeting for January 8, 2019; the Minutes for the Special Board Workshop to Review San Diego County Water Authority Proposal for Settlement of Pending Litigation; and the Special Board Meeting for January 22, 2019 (Copies have been mailed to each Director)
      Any additions, corrections, or omissions

Date of Notice: February 6, 2019
B. Report on Directors’ events attended at Metropolitan expense for month of January

C. Approve committee assignments

D. Chairwoman’s Monthly Activity Report

E. Induction of new Director Jasmin A. Hall from Inland Empire Utilities Agency
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

F. Induction of new Director Adan Ortega from the City of Fullerton
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

G. Induction of new Director Jose Solorio from the City of Santa Ana
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

H. Nomination and Election of nonofficer members of the Executive Committee for two-year term effective February 12, 2019

I. Approve Commendatory Resolutions for Directors Peter Beard representing the City of Fullerton, Michael Camacho representing Inland Empire Utilities Agency, and Michelle Martinez representing the City of Santa Ana

J. Presentation of Commendatory Resolution honoring Randy A. Record for his leadership during his term as Chairman of Metropolitan’s Board of Director
6. DEPARTMENT HEADS' REPORTS

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

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

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

D. Interim Ethics Officer's summary of activities for the month of January

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Award a contract in an amount not to exceed $799,170 to ViaTRON Systems, Inc. for conversion of hardcopy documents into electronic images for migration into the planned Enterprise Content Management System; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA. (OP&T)

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

8-1 Award $20,975,000 contract to J.F. Shea Construction, Inc., to rehabilitate the Greg Avenue Pump Station; and authorize an agreement with Black & Veatch for a not-to-exceed amount of $900,000 for engineering services during construction; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (E&O)

8-2 Award $16,452,832 contract to Baker Electric, Inc. to replace the 6.9 kV power cables at each Colorado River Aqueduct pumping plant; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
8-3  Appropriate $4,212,500, and authorize entering into a project agreement with the Sites Project Authority for participation in the Sites Reservoir 2019 Workplan; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA. (WP&S)

8-4  Authorize implementation of modifications to the Landscape Transformation Program; the General Manager has determined that these actions are exempt or otherwise not subject to CEQA. (WP&S)

8-5  Authorize the General Manager to acquire up to 732 acres of property located in Riverside County in the Palo Verde Valley; the General Manager has determined that the action is exempt or otherwise not subject to CEQA. (RP&AM)

[Conference with real property negotiators; property identified as Riverside County Assessor’s Parcel Nos. 830-050-015; 830-210-005; 830-210-014; 830-220-004; 833-030-030; 833-081-001; 833-081-002; 833-091-001; 833-091-003; 833-091-004; 833-091-005; 833-091-032; 836-050-015; 836-050-017; 836-100-010; 836-100-011; 836-155-018; 857-130-003; 857-130-006; 857-130-010; 857-130-013; 866-040-002; 866-040-003; 866-080-008; 866-120-003; 866-120-004; 869-260-001; agency negotiators: Stephen Vollucci and James Vanden Akker; negotiating parties: Wegis Family, LP and Wey Almond Farms, LLC; under negotiation: price and terms; to be heard in closed session pursuant to Gov. Code Section 54956.8]

8-6  Authorize the General Manager to sell 243 acres on Chipps Island located in Solano County to the Department of Water Resources; the General Manager has determined that this action is exempt from or otherwise not subject to CEQA. (RP&AM)

[Conference with real property negotiators; property identified as Metropolitan Water District Parcel Number BD3033210 (Solano County Assessor’s Parcel No. 0090-060-010); agency negotiators: Laura Simonek and Bryan Otake; negotiating party: State of California Department of Water Resources; under negotiation: price and terms; to be heard in closed session pursuant to Gov. Code Section 54956.8]
8-7 Authorize partial settlement in San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830 and CPF-12-512466; 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 the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C) [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

9. BOARD INFORMATION ITEMS

9-1 Update on Conservation Program

Withdrawn

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. 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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Date of Notice: February 7, 2019
COMMITTEE ASSIGNMENTS

Audit and Ethics:
Director Butkiewicz

Communications and Legislation:
Directors Butkiewicz, Gold and Record

Conservation and Local Resources:
Directors Hall and Ortega

Engineering and Operations:
Directors Murray and Ortega

Legal and Claims:
Director Hall

Organization, Personnel and Technology:
Directors Hall, Ortega, Quiñonez and Solorio

Real Property and Asset Management:
Directors Dake and Record

Special Committee on Bay Delta:
Director Hogan

Water Planning and Stewardship:
Director Quiñonez

(Agenda Item 5C)

ENGINEERING AND OPERATIONS COMMITTEE

Awarded $20,975,000 contract to J.F. Shea Construction Inc., to rehabilitate the Greg Avenue Pump Station; and authorized an agreement with Black & Veatch, with a not-to-exceed amount of $900,000, for technical support during construction. (Agenda Item 8-1)

Awarded $16,452,832 contract to Baker Electric, Inc. to replace the 6.9 kV power cables at all five CRA pumping plants. (Agenda Item 8-2)
WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to sign the 2019 Agreement with the Sites Project Authority and other participants for participation in the 2019 Workplan process for an amount not to exceed $4,212,500; and appropriated $4,212,500 for the Sites Reservoir 2019 Workplan based on reserving an option for 50,000 AF of Class 1 water supply yield.  (Agenda Item 8-3)

Authorized implementation of changes to the Landscape Transformation Program and increased the incentive to $2 per sq. ft.  (Agenda Item 8-4)

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Authorized the General Manager to acquire up to 732 acres of property located in Riverside County in the Palo Verde Valley at the price and terms directed in closed session.  (Agenda Item 8-5)

Authorized the General Manager to sell 243 acres on Chipps Island located in Solano County to the Department of Water Resources at the price and terms directed in closed session.  (Agenda Item 8-6)

LEGAL AND CLAIMS COMMITTEE

Authorized tendering payment for trial court’s contract damages award for Water Stewardship Rate payments under the Exchange Agreement for 2011-2014, plus statutory interest through February 15, 2019 with reservation of appeal rights in the San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., Case Nos. CPF-10-510830 and CPF-12-512466; 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 the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310.  (Agenda Item 8-7)

CONSENT CALENDAR

In other actions, the Board:

Awarded a contract not to exceed $799,170 to ViaTRON Systems Inc. for scanning and digital conversion services in order to digitize Metropolitan’s hard copy documents.  (Agenda Item 7-1)

OTHER MATTERS

Inducted new Director Jasmin A. Hall representing Inland Empire Utilities Agency.  (Agenda Item 5E)

Inducted new Director Adan Ortega representing the City of Fullerton.  (Agenda Item 5F)

Inducted new Director Jose Solorio representing the City of Santa Ana.  (Agenda Item 5G)
Nominated and Elected nonofficer members Directors Treviño and Pressman to the Executive Committee for two-year term effective February 12, 2019. (Agenda Item 5H)

Approved Commendatory Resolutions for Directors Peter Beard representing the City of Fullerton, Michael Camacho representing Inland Empire Utilities Agency, and Michelle Martinez representing the City of Santa Ana. (Agenda Item 5I)

Presented Commendatory Resolution honoring Randy A. Record for his leadership during his term as Chairman of Metropolitan’s Board of Director. (Agenda Item 5J)

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
FY19 Appropriations Update/FY20 President Budget Proposal

After 35 days, Congress and the President were able to come to an interim agreement on another Continuing Resolution (CR) funding bill to reopen the government through Friday, February 15th. The agreement to re-open the government directed a House-Senate Appropriations conference committee to develop a legislative package that will fund the remaining FY19 appropriations bills.

The week of February 15th Congressional leaders in both the House and the Senate announced that a bipartisan deal had been reached on the remaining 7 FY19 appropriations bills. The spending package was passed by both the House and the Senate and signed into law by the President.

Now that all 12 of the FY19 appropriations bills have been signed into law, Congress and the White House will turn their attention to FY20. The release of the President’s FY20 budget proposal is slated for mid-March (its release was delayed from early February due to the partial shutdown). Once the President’s budget proposal is released, Congress will begin to hold federal agency budgetary hearings, as well as start to work on the FY20 appropriations bills.

New WOTUS Proposed Rule Published in the Federal Register

On February 14th the new proposed Environmental Protection Agency (EPA) and the Army Corps of Engineers Waters of the United States (WOTUS) rule was officially posted in the Federal Register. This posting marks the beginning of the 60-day comment period. Additionally, Democratic Members in both the House and the Senate sent letters to the EPA asking that the comment period be extended given the length and complexity of the rule. No word yet on whether there will be an extension; however, the comment period for the 2015 Obama-era rule did receive an extension to the comment period.
President Signs Executive Order Strengthening Buy America

The President recently signed an Executive Order (EO) that aims to strengthen the Buy America requirements for infrastructure projects that use federal funding through loan guarantees or financing measures. The EO will be implemented at the discretion of each federal agency; however, the White House has indicated that it will be closely monitoring that implementation to ensure the expansion of Buy America requirements wherever possible. The EO could result in an increase in costs for infrastructure projects around the country.

President Signs EPA Integrated Planning Bill into Law

Before the holidays, the House and the Senate passed the “Water Infrastructure Improvement Act” (H.R. 7279). The bipartisan legislation introduced by Reps. Bob Gibbs (R-OH) and Grace Napolitano (D-CA) would codify the Environmental Protection Agency’s permit process for integrated planning into law. Integrated planning offers a voluntary opportunity for municipalities to propose to meet multiple Clean Water Act requirements by identifying efficiencies from separate wastewater and stormwater programs and sequencing investments so that the highest priority projects come first. Many national organizations such as the U.S. Conference of Mayors, the National Association of Counties, the National League of Cities, and the American Public Works Association supported the legislation.

Federal Agency Nominations

At the end of the 115th Congress, any individual who had been nominated by the President to hold a position in a federal agency that was not confirmed by the Senate had to be nominated again for consideration in the new Congress. So far, the President has nominated the following individuals:

- Andrew Wheeler—Administrator of the Environmental Protection Agency
- Susan Combs—Assistant Secretary at the Department of the Interior
- David Bernhardt—Secretary for the Department of the Interior

Wheeler’s confirmation has been approved by the Senate Environment and Public Works Committee and is currently awaiting consideration by the full Senate. Neither Combs nor Bernhardt have a date set for their nomination hearing before the Senate Energy and Natural Resources Committee.