May 22, 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 (Delegates). This report includes MWD Board activities from May 13 and 14, 2019. The MWD committees and Board meet next on May 28 and June 10, 11, and 25.

Discussion
The Delegates supported 11 of 14 action items approved by the MWD Board at its May 2019 meeting.1 MWD Board actions of interest to the Water Authority include:

- Approved MWD’s Appendix A to its Official Statement;
- Adopted a resolution to continue MWD’s Water Standby Charge;
- Authorized a Local Resources Program (LRP) agreement with the Central Basin Municipal Water District;
- Authorized an increase of $100,000, to an amount not-to-exceed $300,000, for MWD’s contract with Olson Hagel Fishburn LLP to review and make recommendations to modify the Ethics Office policies, procedures, and guidelines; and
- Authorized agricultural leases on MWD-owned land in the Palo Verde Valley.

The Delegates opposed MWD’s Appendix A to its Official Statement for bond offerings.2 As they have in the past, the Delegates expressed concern that the draft Appendix A does not disclose the risks associated with reduced demand for MWD water and the potential for loss of wheeling revenues. Additionally, the draft Appendix A did not include:

- A description of Governor Newsom’s April 29, 2019 Executive Order, which directed a fresh “portfolio” approach to water supply planning, with a greater emphasis on regional approaches and partnerships on multi-benefit solutions and a downscaling of a Delta Fix;
- Information on the Department of Water Resources’ dismissal of its WaterFix validation case and rescission of WaterFix bond approvals; and
- A discussion of various agreements negotiated by the state and federal governments in December 2018 that may affect State Water Project supplies.

The Board approved the distribution of Appendix A without a presentation or discussion.

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1 Director Butkiewicz opposed an item to award $53.3 million contract to J.F. Shea Construction, Inc. to procure materials and perform construction for the rehabilitation of portions of the Second Lower Feeder and authorize an increase in change order authority.

At MWD’s Board meeting, Director Goldberg thanked staff for agreeing to accommodate her request to hold a Board workshop on the Board’s fiduciary responsibility in approving bond disclosure statements. She also inquired about how MWD would address the comments received about Appendix A. General Counsel Scully said MWD would provide a response a few days after the Board meeting.

The Delegates opposed MWD’s resolution to continue MWD’s Standby Charge for fiscal year 2020. Although not opposed to the use of a water standby charge in the abstract, the Water Authority opposed this action for the reasons stated in their prior letters and the pending rate litigation.

The Delegates supported a Local Resources Program (LRP) agreement with the Central Basin Municipal Water District. Director Butkiewicz noted that the Delegates supported this action because the Water Authority is attempting to settle the claims regarding MWD’s Water Stewardship Rate and the LRP. He also noted that the Water Authority and its member agencies have submitted LRP applications.

At the Water Planning and Stewardship (WP&S) Committee, the Board received an update of MWD’s revised emergency storage objective. In 2019, MWD will increase this objective to 750,000 acre-feet (from 626,000 acre-feet). Director Smith noted that Water Authority staff requested in a letter that MWD not include the Water Authority’s dry-year supplies in its emergency storage calculation and suggested an approach to handle the Water Authority’s Emergency Storage Program supplies until MWD’s emergency storage objective is reviewed and updated following MWD’s Integrated Resources Plan update in 2020. MWD staff responded that it is “fine with characterizing that [the Water Authority has] a total of 34,000 acre-feet of emergency storage.” Later in the WP&S Committee, during the Water Surplus and Drought Management Plan update, staff reported that based on current supply and demand projections, MWD does not project any surplus water would be made available for discounted cyclic deliveries this year.

At the Communications and Legislation Committee, the Board received a report on activities from Sacramento. Butkiewicz asked if MWD has a position on a bill that would expand the membership of the Imperial Irrigation District Board. General Manager Kightlinger responded that the bill “is a local matter” and “we’re recommending to watch it and not take a position on that.” In reference to a letter MWD signed expressing concerns on Senate Bill 1, Butkiewicz asked about MWD’s policy for joining coalitions to co-sign letters, how staff determines the coalition’s “interests” are aligned with MWD’s, and why staff did not seek Board approval

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4 See Attachment 1 for Butkiewicz’s support statement.


6 More information on the Board’s previous discussion of SB 1 is described in the Metropolitan Water District Delegates’ Report starting on page 6 of the Water Authority’s April 25, 2019 Supplemental Materials packet found here: [http://www.sdcwa.org/meetings-and-documents](http://www.sdcwa.org/meetings-and-documents)
before co-signing the letter. Kightlinger said, “we didn’t join a coalition, but we signed on to a letter with a coalition. There is no group that has been formed for this. We just signed on with them, and typically we do that if it meets the criteria that the Board has laid out to staff.”

At the Conservation and Local Resources Committee, the Board received updates on the Disadvantaged Communities (DAC) program and a stormwater pilot for direct use. The DAC program presentation focused on MWD’s outreach efforts and the status of the program’s three elements: 1) administering a regional pilot program that provides incentives to entice third party contractors to install water-efficient toilets in pre-1994 multi-family buildings; 2) providing technical assistance to local agencies implementing programs that target DAC; and 3) assisting local agencies in securing grant funding. Butkiewicz asked if MWD plans to use actual meter data to confirm water saved through the pilot DAC program. MWD staff said that it did not incorporate meter data collection when designing the program; however, it could calculate the water saved based on the number of toilets replaced. The stormwater pilot for direct use presentation focused on the pilot’s proposed budget and timeline.

The Finance and Insurance Committee received a presentation on MWD’s demand management cost allocation, the first step to determine whether any of MWD’s Water Stewardship Rate may be charged on wheeled water. The presentation focused on the history of demand management, the impacts of past demand management projects, demand management costs, and an overview of the demand management cost allocation study. MWD plans to complete the analysis in time to incorporate the results into its next rate cycle (for calendar years 2021 and 2022 rates). The subsequent discussion of the demand management cost allocation is described in Attachment 2.

At the Legal and Claims Committee, Goldberg asked the status of the voluntary settlement agreements as they relate to the Bay-Delta Water Quality Control Plan. Kightlinger replied that the State Water Resources Control Board plans to complete the plan by end of the year and will provide a status update on the settlement in June. He said MWD plans to monitor the discussion. The committee also went into closed session, without the Delegates in attendance, to review the Water Authority’s settlement proposal and hear a report on the rate litigation.

Prepared by: Skylar Stephens, Management Analyst
Reviewed by: Communications and Legislation Committee by Jerry Butkiewicz & Tim Smith
Conservation and Local Resources Committee by Delegates
Engineering and Operations Committee by Tim Smith
Finance and Insurance Committee by Gail Goldberg and Tim Smith
Legal and Claims Committee by Gail Goldberg and Tim Smith
Organization, Personnel and Technology Committee by Tim Smith
Real Property and Asset Management Committee by Tim Smith
Water Planning and Stewardship Committee by Gail Goldberg

Attachments:
Attachment 1 – Statement RE Board Memo 7-4 Central Basin Municipal Water District LRP
Attachment 2 – Discussion Summary of Demand Management Cost Allocation
Attachment 3 – MWD’s committee and Board meeting agendas dated May 13 and 14
Statement RE Board Memo 7-4
Central Basin Municipal Water District LRP

- As everyone is well aware, the Water Authority has claims pending in litigation regarding Metropolitan’s Water Stewardship Rate and LRP program.

- As everyone also knows, we are attempting to reach a settlement of those claims.

- And the Water Authority and some of its member agencies have submitted LRP applications.

- For these reasons and on this basis, we support Board Memo 7-4.

- We ask this statement be part of today’s board record.
Discussion Summary of Demand Management Cost Allocation

In April 2018, the MWD Board suspended the billing and collection of the Water Stewardship Rate on the Water Authority’s exchange water for calendar years 2018 through 2020. In the same action, staff informed the Board that it planned to undertake “an internal process with input from the member agencies to further study and determine the most appropriate cost allocation of the Demand Management cost function that is recovered through the Water Stewardship Rate.” At MWD’s May 2019 Finance and Insurance (F&I) Committee meeting, staff presented an information item on the allocation of demand management costs into rates. In order to appropriately recover costs, staff reported that its study will identify “functional categories” affected by demand management spending and the proportion by which each of these categories is impacted, with a focus on future costs avoided by current demand management investments. MWD intends to incorporate “demand management cost functionalization recommendations into the cost of service process” in fall 2019 to use in the development of the next biennial budget (for fiscal years 2021 and 2022).

MWD retained Peter Mayer, Principal of Water Demand Management, to assist in the study. During the discussion, Director Smith asked Mayer whether demand management costs would be recovered through the Water Stewardship Rate alone or if they may be recovered “from other areas, such as supply and system access.” MWD Interim Assistant General Manager and Chief Financial Officer Skillman noted that the study aims to “develop an appropriate methodology” for allocating costs. She added that Mayer will discuss cost recovery for demand management in the fall 2019 and the presentation this month is meant to “frame up” the process.

Smith also asked whether the location of a Local Resources Program (LRP) project could affect an agency’s individual Water Stewardship Rate or if every agency would be charged the same rate. Following Skillman’s clarification that the details of how demand management costs would be recovered through rates will occur in a future meeting, F&I Committee Chair Dake (Los Angeles) encouraged discussion of that issue at a future meeting. Director Blois (Calleguas) then asked if there had been consideration as to whether demand management costs “are fixed or variable.” Mayer emphasized that the current focus of the study is to identify “appropriate categories” from which to recover costs and Skillman reiterated that this presentation was an introduction.

Referring to the presentation, Director Lefevre (Torrance) asked how “hydropower fit[s] into demand management of water.” Mayer responded that hydropower is simply one of the potential functional categories, but that it “may not apply” to demand management.

Dake asked how avoided costs would be calculated. Mayer responded that the strategy used in the past has been to look at infrastructure and “adding up the total of avoided projects,” which

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1 Demand Management costs are defined in MWD’s biennial budget as “expenditures for funding local water resource development programs and water conservation programs.” In response to an inquiry by Director Smith, Interim AGM/CFO Skillman confirmed that demand management costs are operations and maintenance costs as opposed to capital costs.

2 MWD’s Water Stewardship Rate is a volumetric rate paid by all users of MWD’s conveyance and distribution system that provides funding for MWD’s programs aimed to promote conservation and local resources development.
“works at one place in time.” He argued that the “real challenge” of the current cost allocation study is to develop a “repeatable and reproducible” method that will likely be different than calculating total avoided projects.
Finance and Insurance Committee

Meeting with Board of Directors*

May 13, 2019

9:30 a.m. – Room 2-456

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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 April 8, 2019

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-1 Approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

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Date of Notice: May 1, 2019
8-2 Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2019/20; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

8-3 Authorize a professional services agreement with PFM Asset Management, LLC to provide investment management services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

5. BOARD INFORMATION ITEMS

9-2 Renewal Status of Metropolitan's Property and Casualty Insurance Program

6. COMMITTEE ITEMS

a. Demand Management Cost Allocation

b. Financing Overview

c. Investment Activities: April 2019

7. MANAGEMENT REPORT

a. Interim Chief Financial Officer’s report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

Date of Notice: May 1, 2019
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*

May 13, 2019
10:30 a.m. – Room 2-145

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

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

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

2. Approval of the Minutes of the meeting of the Engineering and Operations Committee held April 8, 2019

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Award $648,745 contract to Pride Construction Engineering Services for erosion control improvements at Garvey Reservoir; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

7-2 Award $331,996 procurement contract to Pacific Mechanical Supply for sodium hypochlorite storage tanks at Lake Mathews; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Date of Notice: May 1, 2019
7-3 Authorize agreement with Southern California Edison in an amount not to exceed $421,932 to implement a relay coordination system on the Eagle Mountain-Iron Mountain 230kV transmission line to improve the reliability of the Colorado River Aqueduct 230kV transmission system; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

4. OTHER BOARD ITEMS — ACTION

8-4 Review and consider Addendum No. 3 to the certified 2017 Programmatic Environmental Impact Report; award $53,273,196 contract to J.F. Shea Construction, Inc. to procure materials and perform construction for the rehabilitation of portions of the Second Lower Feeder; and authorize an increase in change order authority to an existing procurement contract on the Second Lower Feeder.

8-5 Award $8,888,000 contract to Myers & Sons Construction, LLC to rehabilitate the flocculators in Module Nos. 2 and 3 at the Joseph Jensen Water Treatment 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. Energy Sustainability Plan Update

7. MANAGEMENT REPORTS

a. Water System Operations Manager’s report

b. Engineering Services Manager’s report

Date of Notice: May 1, 2019
8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Water Planning and Stewardship Committee

Meeting with Board of Directors*

May 13, 2019

12:30 p.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 Water Planning and Stewardship Committee held April 8, 2019

3. CONSENT CALENDAR ITEMS — ACTION

7-4 Review and consider the Central Basin Municipal Water District’s approved Mitigated Negative Declarations and authorize the General Manager to enter into a Local Resources Program agreement with Central Basin Municipal Water District for the Central Basin Municipal Water District Recycled Water Expansion Phase I Project

Date of Notice: May 1, 2019
4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

9-3 Update of Metropolitan’s Emergency Storage Objective

6. COMMITTEE ITEMS

a. 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

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Real Property and Asset Management Committee

Meeting with Board of Directors*

May 13, 2019

1:30 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 April 8, 2019**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS – ACTION**

   8-7 Authorize the Employee Village Enhancement Program and agreement with Roesling Nakamura Terada Architects in the amount not to exceed $1,500,000 to prepare a conceptual master plan and to conduct property assessments for District housing; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
Authorize agricultural leases on Metropolitan-owned land to Joey DeConinck Farms, Quail Mesa Ranch, Nish Noroian Farms and Red River Farms in the Palo Verde Valley; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

[Conference with real property negotiators; property is approximately 3,842 gross acres of land north of Interstate 10 near Blythe, California, also known as Riverside County Assessor Parcel Nos. 815-302-008; 815-310-013; 815-320-007; 815-190-007; 815-190-012; 815-190-014; 815-200-007; 815-200-011; 827-061-004; 827-061-005; 827-062-006; 827-062-003; 827-062-008; 827-062-016; 827-062-017; 827-071-002; 827-080-004; 827-080-008; 827-080-010; 827-080-027; 827-080-028; 827-080-029; 833-030-012; 833-050-014; 833-050-007; 833-050-008; 833-050-010; 833-050-012; 827-190-006; 827-190-004; 827-190-005; 827-190-006; 827-190-007; 827-190-009; 827-190-010; 827-190-012; 833-060-001; 833-060-004; 833-060-018; 833-060-024; 833-060-025; 833-060-026; 833-060-027; 833-100-005; 833-100-007; 833-100-011; 833-100-012; 833-100-017; 830-230-006; 833-140-005; 830-210-009; 830-210-010; 833-210-013; 833-220-003; 833-230-001; 833-230-002; and 833-280-002; agency negotiators: Diane Doesserich, Anna Olvera, and Michael Yu; negotiating parties: Joseph Albert DeConinck dba Joey DeConinck Farms, James R. Lloyd dba Quail Mesa Ranch, Linda Noroian dba Nish Noroian Farms, and Red River Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8]
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Communications and Legislation Committee

Meeting with Board of Directors*

May 13, 2019

2:30 p.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 Communications and Legislation Committee held April 8, 2019

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None

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5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

   a. Metropolitan’s Construction Outreach: Being a Good Neighbor in Local Communities

   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: May 1, 2019
Legal and Claims Committee

Meeting with Board of Directors*

May 14, 2019

8:30 a.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 Legal and Claims Committee meeting held April 9, 2019

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

4. CONSENT CALENDAR ITEMS — ACTION
   None

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5. OTHER BOARD ITEMS — ACTION

8-6 Authorize increase of $100,000, to an amount not-to-exceed $300,000, for existing General Counsel contract with Olson Hagel Fishburn LLP to review and make recommendations to modify the Ethics Office policies, procedures, guidelines and applicable provisions of Metropolitan’s Administrative Code; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Report on Existing Bay-Delta and State Water Project Litigation

b. 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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C&LR Committee
M. Gold, Chair
J. Abdo, Vice Chair
L. Ackerman
R. Atwater
S. Blois
G. Cordero
J. Hall
M. Hogan
C. Kurtz
R. Lefevre
L. McKenney
J. Morris
A. Ortega
B. Pressman

Conservation and Local Resources Committee

Meeting with Board of Directors*

May 14, 2019

9:30 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 April 9, 2019

3. CHAIRMAN’S REPORT

4. COMMITTEE ITEMS
   a. Conservation Update
   b. Disadvantaged Communities Program Update
   c. Update on Stormwater Pilot for Direct Use

Date of Notice: May 1, 2019
5. FOLLOW-UP ITEMS

None

6. FUTURE AGENDA ITEMS

7. ADJOURNMENT

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Organization, Personnel and Technology Committee
Meeting with Board of Directors*
May 14, 2019
10:30 a.m. – Room 2-145

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

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

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

2. Approval of the Minutes of the meeting of the Organization, Personnel and Technology Committee held April 9, 2019

3. CONSENT CALENDAR ITEMS – ACTION
   None

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

None

6. **COMMITTEE ITEMS**

   a. Succession Planning: Diversity, Inclusion, Culture, Equity

   b. Succession Planning: Recruitment and Hiring

   **Updated**

   c. Datacenter Modernization Project Update

   [Conference with Metropolitan Information Technology Group Manager Charles Eckstrom, or other designated security operations manager, on threats to public services or facilities; to be heard in closed session pursuant to Gov. Code Section 54957(a).]

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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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. Call to Order

   (a) Invocation: Ankit Patel, Assistant Engineer II, Engineering Services Group

   (b) Pledge of Allegiance: Director Steve Blois, Calleguas Municipal Water District

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 Government Code Section 54954.3(a))

5. OTHER MATTERS

   A. Approval of the Minutes of the Meeting for April 9, 2019; Board Workshop on Delta Water Conveyance of March 26, 2019; and corrected Special Meeting of the Board of Directors of January 22, 2019
      (Copies have been mailed to each Director)
      Any additions, corrections, or omissions

   B. Report on Directors’ events attended at Metropolitan expense for month of April
C. Induction of new Director Sylvia Ballin from the City of San Fernando
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

D. Approve Commendatory Resolution for Director Yasdan T. Emrani representing the City of San Fernando

E. Presentation of 5-year Service Pin to Director Glen C. Dake

F. Approve committee assignments

G. Chairwoman’s Monthly Activity Report

6. DEPARTMENT HEADS’ REPORTS
   A. General Manager’s summary of activities for the month of April
   B. General Counsel’s summary of activities for the month of April
   C. General Auditor’s summary of activities for the month of April
   D. Interim Ethics Officer’s summary of activities for the month of April

7. CONSENT CALENDAR ITEMS — ACTION
   7-1 Award $648,745 contract to Pride Construction Engineering Services for erosion control improvements at Garvey Reservoir; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)

   7-2 Award $331,996 procurement contract to Pacific Mechanical Supply for sodium hypochlorite storage tanks at Lake Mathews; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
7-3 Authorize agreement with Southern California Edison in an amount not to exceed $421,932 to implement a relay coordination system on the Eagle Mountain-Iron Mountain 230kV transmission line to improve the reliability of the Colorado River Aqueduct 230kV transmission system; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)

7-4 Review and consider the Central Basin Municipal Water District’s approved Mitigated Negative Declarations and authorize the General Manager to enter into a Local Resources Program agreement with Central Basin Municipal Water District for the Central Basin Municipal Water District Recycled Water Expansion Phase I Project. (WP&S)

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

8-1 Approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)

8-2 Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2019/20; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)

8-3 Authorize a professional services agreement with PFM Asset Management, LLC to provide investment management services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)
8-4  Review and consider Addendum No. 3 to the certified 2017 Programmatic Environmental Impact Report; award $53,273,196 contract to J.F. Shea Construction, Inc. to procure materials and perform construction for the rehabilitation of portions of the Second Lower Feeder; and authorize an increase in change order authority to an existing procurement contract on the Second Lower Feeder. (E&O)

8-5  Award $8,888,000 contract to Myers & Sons Construction, LLC to rehabilitate the flocculators in Module Nos. 2 and 3 at the Joseph Jensen Water Treatment Plant; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)

8-6  Authorize increase of $100,000, to an amount not-to-exceed $300,000, for existing General Counsel contract with Olson Hagel Fishburn LLP to review and make recommendations to modify the Ethics Office policies, procedures, guidelines and applicable provisions of Metropolitan’s Administrative Code; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)

8-7  Authorize the Employee Village Enhancement Program and agreement with Roesling Nakamura Terada Architects in the amount not to exceed $1,500,000 to prepare a conceptual master plan and to conduct property assessments for District housing; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (RP&AM)
8-8 Authorize agricultural leases on Metropolitan-owned land to Joey DeConinck Farms, Quail Mesa Ranch, Nish Noroian Farms and Red River Farms in the Palo Verde Valley; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (RP&AM)

[Conference with real property negotiators; property is approximately 3,842 gross acres of land north of Interstate 10 near Blythe, California, also known as Riverside County Assessor Parcel Nos. 815-302-008; 815-310-013; 815-320-007; 815-190-007; 815-190-012; 815-190-014; 815-200-007; 815-200-011; 827-061-004; 827-061-005; 827-062-006; 827-062-003; 827-062-008; 827-062-016; 827-071-002; 827-080-004; 827-080-008; 827-080-010; 827-080-027; 827-080-028; 827-080-029; 833-030-012; 833-050-014; 833-050-007; 833-050-008; 833-050-010; 833-050-012; 827-190-006; 827-190-004; 827-190-005; 827-190-006; 827-190-007; 827-190-009; 827-190-010; 827-190-012; 833-060-001; 833-060-004; 833-060-018; 833-060-024; 833-060-025; 833-060-026; 833-060-027; 833-100-005; 833-100-007; 833-100-011; 833-100-012; 833-100-017; 830-230-006; 833-140-005; 830-210-009; 830-210-010; 833-210-013; 833-220-003; 833-230-001; 833-230-002; and 833-280-002; agency negotiators: Diane Doessrich, Anna Olvera, and Michael Yu; negotiating parties: Joseph Albert DeConinck dba Joey DeConinck Farms, James R. Lloyd dba Quail Mesa Ranch, Linda Noroian dba Nish Noroian Farms, and Red River Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8]

9. BOARD INFORMATION ITEMS

9-1 Update on Conservation Program

9-2 Renewal Status of Metropolitan's Property and Casualty Insurance Program. (F&I)

9-3 Update of Metropolitan's Emergency Storage Objective. (WP&S)

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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COMMITTEE ASSIGNMENTS

Approved appointing Director Sylvia Ballin to the Audit and Ethics Committee and the Organization, Personnel and Technology Committee. (Agenda Item 5F)

FINANCE AND INSURANCE COMMITTEE

Approved the draft of Appendix A (Attachment 1) attached to the board letter; authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale or remarketing of bonds. (Agenda Item 8-1)

Adopted resolution to continue Metropolitan's Water Standby Charge for fiscal year 2019/20. (Agenda Item 8-2)

Authorized a professional service agreement with PFM Asset Management, LLC to provide investment management services. (Agenda Item 8-3)

ENGINEERING AND OPERATIONS COMMITTEE

Reviewed and considered Addendum No. 3 to the 2017 Programmatic Environmental Impact Report, awarded $53,273,196 contract to J.F. Shea Construction, Inc. to procure materials and perform construction for the rehabilitation of portions of the Second Lower Feeder, and authorized an increase in change order authority to an existing procurement contract. (Agenda Item 8-4)

Awarded $8,888,000 contract to Myers & Sons Construction, LLC to rehabilitate the flocculators in Module Nos. 2 and 3 at the Jensen plant. (Agenda Item 8-5)

LEGAL AND CLAIMS COMMITTEE

Authorized the General Counsel to increase the amount payable under its agreement with Olson Hagel & Fishburn LLP by $100,000 to a maximum amount payable not-to-exceed $300,000. (Agenda Item 8-6)
REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Amended the current Capital Investment Program to include a new capital program called the Employee Village Enhancement Program; and authorized an agreement with Roesling Nakamura Terada Architects in the amount not to exceed $1,500,000 to provide master planning of one pumping plant village and to conduct property assessment for all desert houses. (Agenda Item 8-7)

Authorized agricultural leases on Metropolitan-owned land to Joey DeConinck Farms, Quail Mesa Ranch, Nish Noroian Farms and Red River Farms in the Palo Verde Valley at price and terms directed in closed session; and authorized staff to issue replacement lease(s) in the event of a tenant default. (Agenda Item 8-8; no closed session)

CONSENT CALENDAR

In other actions, the Board:

Awarded $648,745 contract to Pride Construction Engineering Services for drainage and erosion control improvements at Garvey Reservoir. (Agenda Item 7-1)

Awarded $331,996 procurement contract to Pacific Mechanical Supply to furnish sodium hypochlorite tanks for Lake Mathews. (Agenda Item 7-2)

Authorized an agreement with Southern California Edison for a not-to-exceed amount of $421,932 to implement a pilot relaying system on the Eagle Mountain-Iron Mountain 230kV transmission line. (Agenda Item 7-3)

Reviewed and considered information provided in the adopted 2017 Final Mitigated Negative Declarations, Addenda, Mitigation Monitoring and Reporting Programs, and Notice of Exemption, and adopted the Lead Agency’s findings related to the proposed action, and authorized the General Manager to enter into a Local Resources Program agreement with Central Basin Municipal Water District for the CBMWD Recycled Water Expansion Phase I Project for up to 500 AFY of tertiary-treated water under the terms included in the board letter. (Agenda Item 7-4)

OTHER MATTERS

Inducted new Director Sylvia Ballin representing the City of San Fernando. (Agenda Item 5C)

Approved Commendatory Resolution for Director Yasdan T. Emrani representing the City of San Fernando. (Agenda Item 5D)
Presented 5-year Service Pin to Director Glen C. Dake.  *(Agenda Item 5E)*

**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](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](http://mwdh2o.com/WhoWeAre/archived-board-meetings)
May 22, 2019

Attention: Imported Water Committee

Colorado River Board Representative’s report. (Discussion)

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

Discussion
This report covers activities from the May 15, 2019 CRB meeting in Ontario, California. The meeting included the following program and status reports:

Agency Updates
- California Department of Water Resources reported the good water year is continuing late into the season and another winter storm is due to hit this month. The Western States Water Council and California Department of Water Resources will hold its annual sub-seasonal to seasonal precipitation workshop in San Diego on May 22-24.
- Metropolitan Water District of Southern California (MWD) reported their storage is currently at 974,000 acre-feet or 94 percent of capacity. Total deliveries this year are at 219,000 acre-feet or 67 percent of annual average.
- Los Angeles Department of Water and Power (LADWP) reported precipitation in the Eastern Sierra is at 128 percent of normal. LADWP plans to purchase 70,000 acre-feet of water from MWD this year.

Fiscal Year 2020 Budgets
The fiscal year 2020 budgets for the CRB, Six Agency Committee (SAC), and Colorado River Authority (CRA) were presented as an information item for adoption next month. The SAC funds the Governor’s Budget for the CRB as well as system augmentation and conservation programs. The CRA conducts education programs and tours. The Water Authority’s cost share is ten percent of the SAC and CRA budgets. With carryover from previous year funds, the proposed budgets are as follows:

<table>
<thead>
<tr>
<th>SAC (includes CRB)</th>
<th>$2,175,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRA</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$2,175,000</td>
</tr>
</tbody>
</table>

Drought Contingency Plan (DCP) Update
The President signed the Colorado River Drought Contingency Plan Authorization Act on April 16 and Reclamation has initiated a process to finalize execution of the package of interstate agreements. Reclamation will hold a signing ceremony to finalize the DCP at Hoover Dam on May 20. California agencies that have executed both the Companion Agreement and the Lower Basin DCP include: Coachella Valley Water District, MWD, Palo Verde Irrigation District, and the City of Needles. Efforts will now shift to implementation of Minute 323 related to Mexico’s Binational Water Scarcity Contingency Plan (WSCP). Both the WSCP and the DCP are
anticipated to be fully effective by the release of Reclamation’s August 2019 24-Month Study Report.

**LADWP Boulder Canyon Pumped Storage Project Presentation**
Representatives from LADWP gave a presentation on the potential Boulder Canyon Pumped Storage Project. The project would grow LADWP’s ability to use pumped storage to use more renewable energy such as wind and solar and adhere to SB100 (100 percent renewable energy by 2045). Water would be released from Lake Mead and pumped back to Hoover Dam from 30 to 40 miles downstream. LADWP is looking for potential partners for the project and is reaching out to all stakeholders.

**Colorado River Basin Water Report**
Water supply and storage conditions as of the May 13 U.S. Bureau of Reclamation (Reclamation) Weekly Water Supply Report are shown in Table 1. Reclamation is finalizing the Accounting and Water Use Report for Calendar Year 2018, which is expected to be released in the month of May.

<table>
<thead>
<tr>
<th>Conditions as of May 13*</th>
<th>Volume (million acre-feet)</th>
<th>Percent of Capacity</th>
<th>Elevation (feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Powell</td>
<td>9.67</td>
<td>40%</td>
<td>3,576.80</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>10.71</td>
<td>41%</td>
<td>1,088.23</td>
</tr>
<tr>
<td>Total System Storage</td>
<td>27.83</td>
<td>47%</td>
<td>---</td>
</tr>
<tr>
<td>Water Year 2019 Precipitation</td>
<td>119% of average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Colorado River Basin Snowpack</td>
<td>160% of average</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Conditions shown are updated from those discussed at the CRB meeting.

**Lower Colorado River Multi-Species Conservation Program**
The Lower Colorado River Multi-Species Conservation Program Work Group met May 8-9 at the San Diego County Water Authority to discuss the Draft Implementation Report, Fiscal Year 2020 Work Plan and Budget, and Fiscal Year 2018 Accomplishments Report. The program is ahead of schedule with approximately 6,000 acres of established habitat out of the required 8,132 acres.

**Glen Canyon Dam Adaptive Management Program**
The Technical Work Group of the Glen Canyon Dam Adaptive Management Program met on May 1 to discuss the fiscal year 2020 budget and work plan. Going forward, the Adaptive Management Program will likely be supported by annual federal appropriations, which will affect the ability to create and use contingency funds for unforeseen monitoring and native fish management needs. In April, the Department of Interior approved the recommendation to continue “bug flow” releases from Glen Canyon Dam to improve the aquatic food base that supports native fish populations and the blue-ribbon rainbow trout fishery.

Prepared by:  Kimberlyn Velasquez, Water Resources Specialist
Reviewed by:  Doug Wilson, CRB Representative
During the month of May, there was significant Congressional focus on the FY20 appropriations process. This week, the House Appropriations Committee is expected to pass out of committee two FY20 appropriations bills: the Energy and Water Appropriations bill (which funds the Army Corps of Engineers and the Bureau of Reclamation), and the Interior and Environment Appropriations bill (which funds the Environmental Protection Agency). Below is a summary of the programmatic spending levels in each of the two bills.

**Energy and Water**
Overall funding level of the bill: $46.4 billion (an increase of $1.8 billion above the FY19 enacted level)

<table>
<thead>
<tr>
<th>Agency/Program</th>
<th>FY20 House Bill</th>
<th>Change from FY19 Enacted Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army Corps of Engineers</td>
<td>$7.36 billion</td>
<td>Increase of $357</td>
</tr>
<tr>
<td>Bureau of Reclamation</td>
<td>$1.65 billion</td>
<td>Increase of $82.8 million</td>
</tr>
<tr>
<td>WaterSMART Grants</td>
<td>$60 million</td>
<td>Increase of $26 million</td>
</tr>
<tr>
<td>Title XVI</td>
<td>$63.617 million</td>
<td>Increase of $5 million</td>
</tr>
<tr>
<td>WIIN Desal</td>
<td>$6 million</td>
<td>Decrease of $6 million</td>
</tr>
<tr>
<td>WIIN Title XVI</td>
<td>$10 million</td>
<td>Decrease of $10 million</td>
</tr>
</tbody>
</table>

**Interior and the Environmental**
Overall funding level of the bill: $37.28 billion (an increase of $1.73 billion above the FY19 enacted level)

<table>
<thead>
<tr>
<th>Agency/Program</th>
<th>FY20 House Bill</th>
<th>Change from FY19 Enacted Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Fish &amp; Wildlife Service</td>
<td>$1.7 billion</td>
<td>Increase of $79 million</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>$9.52 billion</td>
<td>Increase of $672 million</td>
</tr>
<tr>
<td>Clean Water SRF</td>
<td>$1.81 billion</td>
<td>Increase of $106 million</td>
</tr>
<tr>
<td>Drinking Water SRF</td>
<td>$1.3 billion</td>
<td>Increase of $136 million</td>
</tr>
<tr>
<td>WIFIA</td>
<td>$50 million</td>
<td>Decrease of $10 million</td>
</tr>
</tbody>
</table>
The Chair of the House Appropriations Committee, Rep. Nita Lowey (D-NY), has indicated that she hopes to have all 12 FY20 appropriations bills passed out of committee and ready to be considered on the House floor by the end of June. By the end of this week, the full Committee will have approved 7 of the 12 bills.

The Senate has yet to begin consideration of their FY20 appropriations bills. With Congress going into recess on Friday for the week of Memorial Day, the earliest the Senate could begin moving their spending bills would be early June.

**Trump and Democratic Leaders Discuss Infrastructure**

On April 30th, President Trump held a meeting at the White House with the Speaker of the House Nancy Pelosi and Senate Minority Leader Chuck Schumer to discuss a potential infrastructure package. Upon completion of the meeting, Pelosi and Schumer held a press conference outside of the White House expressing positive reviews of the meeting. Most notably, the Democratic leaders and the President agreed on a top-line funding level of $2 trillion. Pelosi also indicated that a potential package would take a broad definition of infrastructure to include not only traditional transportation infrastructure, but also water infrastructure as well as broadband. Additionally, Pelosi, Schumer and the President agreed to meet again in three weeks to discuss potential ideas on how to pay for the package. The follow-up meeting has now been scheduled for Wednesday, May 22nd.

**Federal Agency Nominations Update**

The White House announced its intends to nominate Robert Wallace, a former energy lobbyist, to be assistant secretary for the Fish and Wildlife Service. Wallace, a Wyoming native, worked for 17 years as the government relations manager for GE Power. He also worked as the Republican staff director for the Senate Energy and Natural Resources committee for three years during the George H.W. Bush administration. No date has been set for his Senate confirmation hearing.