Status on the next COVID-19 Relief Legislative Package

In mid-May, the House has approved a fifth COVID-19 relief package called “The HEROES Act” (H.R. 6800). The $3 trillion COVID-19 relief package was authored by House Democratic Leadership and does not have the support of the Republican Senate or the White House. Speaker Nancy Pelosi (D-CA) is using this package as a marker to continue negotiations with Senate Republicans and the Administration. Of particular interest to the Water Authority, the legislation included the following:

- $1.5 billion (to be administered through the Administration for Children and Families) to support paying water bills for low income families (provides financial assistance to low income and other adversely affected consumers to assist with payments for drinking water and wastewater expenses)
- Requires states and utilities receiving federal emergency funds to adopt or maintain in force policies to prevent shutoffs and ensure safety and continuity of home energy and water services to residential customers during the COVID-19 public health emergency
- Adds additional requirements to protect water services to residential customers during the COVID-19 public health emergency. Ensures all occupied residences are connected to water services throughout the emergency’s duration, and that any reconnections are conducted in a manner that minimizes health risks. It also prohibits providers from assessing late fees for nonpayment occurring during the emergency period.
- Extends the payroll tax credits included in the “Families First Coronavirus Response Act” for paid sick and family leave to public entities

Senate Majority Leader Mitch McConnell continues to want to take a wait-and-see approach to discussions on a new COVID-19 relief package saying he would prefer to see what is needed after more states move to reopening their economies—while also waiting for the Administration to continue to distribute the remainder of the CARES Act funding. However, some Republican Senators are starting to push for discussions to begin soon, citing conversations with local governments and businesses in their states that will need additional relief.
Additional Congressional Actions to COVID-19

**House Approves Remote Voting.** Speaker Pelosi announced that the House of Representatives would begin a 45-day period in which Members could vote by proxy. Additionally, the House can now conduct virtual hearings and markups, which will allow the House to now begin to move forward on non-COVID related legislation such as Fiscal Year 2021 appropriations bills, the Water Resources Development Act and the National Defense Authorization Act.

**Senate Judiciary Committee Holds Hearing on Liability Issues During the COVID-19 Pandemic.** On May 12th, the Senate Judiciary Committee held a hearing to examine the liability issues during the COVID-19 pandemic. Witnesses included representatives from Kwik Chek Convenience Stores, United Food and Commercial Workers International Union, National Employment Law Project, Texas Christian University, Georgetown University Law Center, and Explore Charleston. During the hearing, Chair Lindsey Graham (R-SC) said that the government must tell employers what they need to do to protect the workforce and hold them accountable if they don’t. Witnesses agreed that enforceable rules could give workers recourse while providing employers a defense in cases, and certainty in reopening, although business witnesses and many of the Republicans on the panel, including Graham, argued for reforms to the liability system. The rules would likely come through the Occupational Safety and Health Administration, but the Administration has already blocked the Centers for Disease Control and Prevention from issuing specific reopening guidance to daycare centers, restaurants, theaters and other businesses out of concern the recommendations were too prescriptive.

**House Speaker Announces Appointments to Committee on Oversight of Coronavirus Relief Funds.** House Speaker Nancy Pelosi (D-CA) announced her appointments of the Democrat Members who will serve on the House Select Committee on the Coronavirus Crisis. The appointments include:

- House Majority Whip Jim Clyburn (D-SC), Chair
- Rep. Maxine Waters (D-CA), Chair, Financial Services Committee
- Rep. Carolyn Maloney (D-NY), Chair, Oversight and Government Reform Committee
- Rep. Nydia Velazquez (D-NY), Chair, Small Business Committee
- Rep. Bill Foster (D-IL), Chair, Subcommittee on Investigations and Oversight of the Science, Space, and Technology Committee
- Rep. Jamie Raskin (D-MD), Chair, Subcommittee on Civil Rights and Civil Liberties of the Oversight and Reform Committee
- Rep. Andy Kim (D-NJ), Chair, Subcommittee on Economic Growth, Tax, and Capital Access of the Small Business Committee

Additionally, House Minority Leader appointed Republican Members who will serve on the House Select Committee on the Coronavirus Crisis. The appointments include:

- House Minority Whip Steve Scalise (R-LA), Ranking Member
- Rep. Jim Jordan (R-OH)
- Rep. Blaine Luetkemeyer (R-MO)
- Rep. Mark Green (R-TN)
- Rep. Jackie Walorski (R-IN)
House Coronavirus Panel Holds Hearing on Requirements to Safely Open Economy. On May 13th, the Select Subcommittee on the Coronavirus Crisis held its first hearing on the requirements for safely reopening the nation during the COVID-19 pandemic. Witnesses included representatives from the American Enterprise Institute, Duke-Margolis Center for Health Policy, Harvard Global Health Institute, Johns Hopkins Bloomberg School of Public Health, and the American Public Health Association. During the hearing, witnesses provided recommendations to guide federal and state efforts to safely reopen the country, including increased testing with assurances that tests are available to vulnerable communities and stronger federal leadership.

Bipartisan Letter Asks for Water Infrastructure in COVID-19 Package. On May 12th, Representatives Dan Newhouse (R-WA) and Jim Costa (D-CA) led a bipartisan letter to House leadership urging the inclusion of critical water infrastructure in the upcoming COVID-19 economic and infrastructure recovery package. The letter was signed by 24 Members and outlines the importance of Bureau of Reclamation water infrastructure projects in addressing water storage, conservation, and delivery to rural areas and municipalities across the country.

House Coronavirus Panel Holds Briefing on the Effects of COVID-19 on Frontline and Essential Workers. On May 21st, the Select Subcommittee on the Coronavirus Crisis held a briefing titled “Heroes of the Coronavirus Crisis: Protecting Frontline and Essential Workers During the Pandemic”. Witnesses included representatives from GetUsPPE, National Nurses United, the New York City Fire Department, the Detroit Department of Transportation, Custodians, Phoebe Putney Health System, and a supermarket worker. During the briefing, essential workers described the health risks, financial hardships, and emotional impacts they have faced during the coronavirus pandemic. The witnesses also emphasized that they need personal protective equipment, fair pay, and paid leave.

CBO Report on Interim Economic Projections for 2020 and 2021. The Congressional Budget Office (CBO) issued a report that shows the nation’s real gross domestic product is projected to contract by 11.2% in the second quarter of 2020 and by 5.6% for the year. In addition, CBO projects that unemployment is expected to average 15.1% in the second quarter and 15.8% in the third quarter of 2020, before gradually dropping to 8.6% in the last quarter of 2021. It is projected to average 11.5% in 2020 and 9.3% in 2021. The longer-term unemployment projections are slightly more optimistic than interim estimates the CBO released April 24, but they still portend a high unemployment rate for more than a year and a half.

White House and Federal Agency Actions to COVID-19

Fed Announces Expansion of Scope and Duration of the Municipal Liquidity Facility. The Federal Reserve Board announced an expansion of the scope and duration of the Municipal Liquidity Facility (MLF). The facility, which was announced on April 9th as part of an initiative to provide up to $2.3 trillion in loans to support U.S. households, businesses, and communities, will offer up to $500 billion in lending to states and municipalities to help manage cash flow stresses caused by the coronavirus pandemic.
The facility, as revised, will purchase up to $500 billion of short-term notes issued by U.S. states (including the District of Columbia), U.S. counties with a population of at least 500,000 residents, and U.S. cities with a population of at least 250,000 residents. The new population thresholds allow substantially more entities to borrow directly from the MLF than the initial plan announced on April 9. The facility continues to provide for states, cities, and counties to use the proceeds of notes purchased by the MLF to purchase similar notes issued by, or otherwise to assist, other political subdivisions and governmental entities. The expansion also allows participation in the facility by certain multistate entities.

EDA Announces Availability of $1.5 Billion in CARES Act Funds. On May 7th the Economic Development Administration (EDA) announced that it is now accepting applications from eligible grantees for CARES Act supplemental funds to the Economic Adjustment Assistance (EAA) program which will help communities prevent, prepare for, and respond to COVID-19. The funding will support a wide range of non-construction and construction activities, including Revolving Loan funds, in regions across the country experiencing severe economic dislocations brought about by the COVID-19 pandemic.

CISA Releases Version 3.1 of Guidance on Essential Critical Infrastructure Workers During COVID-19. The Cybersecurity and Infrastructure Security Agency (CISA) released version 3.1 of the Essential Critical Infrastructure Workers guidance to help state and local jurisdictions and the private sector identify and manage their essential workforce while responding to COVID-19. Version 3.1 provides clarity around many individual worker categories, including expanded language for those workers supporting at-risk communities and the essential nature of health facility workers in communities across the country. The revision also includes updated language to better reflect terminology used in food and agriculture industries and includes other minor technical adjustments. Further, it addresses changes in the daily lives and routines driven by COVID, adding as essential those who enable telehealth and the availability and sale of goods and services to enable home schooling.

OMB Memo on Aligning Federal Agency Operations with the National Guidelines for Opening Up America Again. The White House’s Office of Management and Budget has issued a memo alerting departments and agencies that the federal government is actively planning to ramp back up government operations to the maximum extent possible, as local conditions warrant, consistent with the National guidelines for Opening Up America Again.

FY21 Appropriations Update

To date, neither the House nor the Senate Appropriations Committees have held any hearings on markups for their fiscal year 2021 (FY2021) appropriations bills. House Democratic leadership had hoped to have all twelve of their FY21 appropriations bills passed on the floor by the July 4th Congressional recess. The House will clearly miss this deadline, but with the recent decision to allow committees to hold virtual hearings and markups, House leadership is hopeful that subcommittees will begin moving their FY21 appropriation bills soon. On the Senate side, Senate Appropriations Committee Chair Richard Shelby (R-AL) has indicated that he hopes to provides subcommittee chairs with their top-line funding allocation when the Senate returns to Washington, DC the 1st week of June, with subcommittees beginning to hold markups starting the 3rd week of June.
Senate EPW Committee Passes Two Water-Related Bills

The Senate Environment and Public Works (EPW) Committee marked up and passed two water-related bills. The first bill is the Water Resources Development Act (WRDA) 2020 bill (which the committee is now calling America’s Water Infrastructure Act (AWIA) of 2020). The AWIA bill includes approximately $17 billion in new federal authorizations for the Army Corps of Engineers as well as provide policy updates. The second bill is the Drinking Water Infrastructure Act of 2020. This bill includes approximately $2.5 billion in federal authorizations. It reauthorizes programs under the Safe Drinking Water Act to provide resources and technical assistance to communities to help meet their drinking water needs. Additionally, the bill include language that would incorporate drinking water standards for two types of per-and polyfluoroalkyl substances (PFAS) within two years. Both bills are currently awaiting consideration by the full Senate.

House Democrats Introduce Legislation to Block new WOTUS Rule

House Democrats have introduced legislation aimed at blocking the Army Corps of Engineers (Corps) and Environmental Protection Agency’s (EPA) new Waters of the US (WOTUS) rule, now called the “Navigable Waters Protection Rule” (NWPR). In late April, the Corps and EPA published their final rewrite of the WOTUS rule and is scheduled to go into effect on June 22nd. The “Clean Water for All Act” would prohibit the implementation of the new rule. In addition, the bill would require EP and the Corps to start over and instead develop a new regulation to protect rivers, streams, and wetlands, that is based on the best available science, and whose implementation will not degrade water quality, contaminate drinking water, or increase local flood-related risks. The bill’s sponsors, Rep. Peter DeFazio (D-OR), chair of the House Transportation and Infrastructure Committee, and Rep. Grace Napolitano (D-CA), chair of the House Subcommittee on Water Resources and the Environment, have called the new rule the “most draconian rollback” in the Clean Water Act’s history.

President Issues Executive Order regarding Regulatory Relief to Support Economic Recovery

On May 19th, President Trump signed an Executive Order directing federal agencies to ease up on businesses that make good-faith attempts to follow agency guidance and regulations during the coronavirus pandemic. The executive order asks agencies to make permanent any deregulation possible and asks them to look for more ways to deregulate to get the economy going.

Federal Agency Nominations/Positions

**Bureau of Reclamation.** Chris Beardsley has been named the Director of Policy and Programs at the Bureau of Reclamation. He is responsible specifically for the planning and execution of the following divisions: Security, Safety and Emergency Management,

**National Oceanic and Atmospheric Administration.** The Senate Commerce, Science, and Transportation Committee approved the nomination of Neil Jacobs to serve as the Administrator of the National Oceanic and Atmospheric Administration. Jacobs nomination will now go before the full Senate for a vote.

**Federal Agency Grant Announcements**

**WaterSMART Drought Resiliency Program.** The Bureau of Reclamation has released a funding opportunity for the WaterSMART Drought Resiliency Program. This program focuses on entities who are taking a proactive approach to drought through building projects that increase water supply reliability, improve water management, or provide benefits for fish, wildlife, and the environment. Applications are due July 8\textsuperscript{th}.

**New, Innovative Water Treatment Technology.** The Bureau of Reclamation has released a funding opportunity within the Desalination and Water Purification Research program for innovative and cost-effective new water treatment technologies. This unique, two-phase funding opportunity will have selected applicants pitch their new technology to technical experts this fall. Applications are due June 17\textsuperscript{th}.

**Conservation Innovation Grants.** The Department of Agriculture Natural Resources Conservation Service is accepting proposals for Conservation Innovation Grants (CIG). CIG projects inspire creative problem-solving solutions that boost production on farms, ranches and private forests and improve natural resources. This year’s priorities are water reuse, water quality, air quality, energy and wildlife habitat. Applications are due by June 29\textsuperscript{th}.
May 27, 2020

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report. (Information)

Purpose
This report summarizes activities of interest at the Metropolitan Water District (MWD) committee and Board meetings. This report includes MWD Board activities from April 28, May 11, May 12, and May 26, 2020. The MWD Board will meet next on June 8 and 9.

Discussion
The Water Authority Delegates (Delegates) supported 7 of the 8 action items approved by the MWD Board at its May 2020 meeting. MWD Board items of interest to the Water Authority were:

- Approved and authorized the distribution of Appendix A of MWD’s Official Statement for use in the issuance and remarketing of MWD’s Bonds; and
- Discussed the General Manager recruitment process.

The Finance and Insurance (F&I) Committee considered, and the Board approved and authorized, distribution of the updated Appendix A with the Water Authority Delegates opposing. The F&I Committee also received a presentation on MWD’s fiscal year 2020 third quarter Financial Review. Attachment 1 summarizes these presentations and their subsequent discussions.

The Water Planning and Stewardship Committee received an update on MWD’s Water Surplus and Drought Management Plan, during which staff reported that MWD will draw on some of its Central Valley banking programs to help meet demands. (As of April 28, calendar year 2020 demands were projected to exceed supplies by about 341,000 acre-feet, including losses.) Staff’s comment prompted Director McKenney (Municipal Water District of Orange County) to ask how MWD determines whether it uses the Central Valley banking programs or storage in Lake Mead to augment its supplies. Assistant General Manager/Chief Operating Officer Upadhyay said the use of storage is dictated by supplies and operating conditions. For this year, the Colorado River Aqueduct’s capacity has been somewhat limited due to maintenance, which hinders MWD’s ability to utilize Lake Mead storage. He commented that however, with low agricultural demands along the Colorado River due to wet conditions, MWD may be able to add to its Lake Mead storage account this year. Later, at the May 26 Executive Committee meeting, General Manager Kightlinger reported that MWD had completed maintenance work along the Colorado River Aqueduct and will ramp up the aqueduct’s operations to a seven-pump flow (about 88 percent capacity) by the end of the week; MWD plans to maintain this level through the summer. He did not explain why the aqueduct is not operating at its full eight-pump capacity to import water to meet demands rather than store water in Lake Mead and withdraw from its Central Valley storage accounts. On May 22, the Department of Water Resources announced the

1 This document provides a summary of certain discussions as summarized and understood by Water Authority staff. It is not intended to be any form of official transcript.
State Water Project (SWP) allocation at 20 percent, a 5 percent increase, resulting in about 96,000 acre-feet of additional SWP supplies for MWD and a corresponding drop in its draw on storage to meet demands this year.

During the Organization, Personnel, and Technology Committee, the Board discussed the recruitment process for the next general manager. This discussion is summarized in Attachment 2.

During the Legal and Claims Committee, Director Goldberg requested staff provide a written report on the preliminary injunction granted in favor of the State in its litigation against the federal government related to Central Valley Project operations. The State sued over the new federal water project operating rules, alleging they reduce protections for threatened species and were adopted without adequate consideration of environmental impacts. (The State Water Contractors, of which MWD is the largest member, intervened in the litigation on the federal government’s behalf, arguing that requiring the government to recreate the rules would create “uncertainty in water supply availability.” MWD and the State Water Contractors have since filed separate lawsuits against the State for its updated SWP operating rules.) The court ruled that the federal government must implement a more restricted operating ratio for exports through May 31, 2020, but has not yet decided on the legality of the rules in the long-term. In response to Goldberg’s request for staff’s initial reaction, Kightlinger said since the SWP has been operating under the state’s updated rules, which are more restrictive than the federal rules, MWD does not expect any impacts to its water supply as a result of the order, but offered that the ruling “has implications for the rest of the litigation.”

Attachment 3 is a copy of MWD’s May 2020 committee and Board meeting agendas and Board summary.

Prepared by: Megan Couch, Assistant Management Analyst
Reviewed by: Finance and Insurance Committee by Gail Goldberg & Tim Smith
             Legal and Claims Committee by Gail Goldberg & Tim Smith
             Organization, Personnel, and Technology Committee by Michael Hogan & Tim Smith
             Water Planning and Stewardship Committee by Gail Goldberg & Michael Hogan
             Executive Committee by Jerry Butkiewicz, Michael Hogan, and Tim Smith

Attachments:
Attachment 1 – Discussion Summary of Financial Items
Attachment 2 – Discussion Summary of MWD’s General Manager Selection Process
Attachment 3 – MWD’s committee and Board meeting agendas dated May 11 and May 12, 2020 and Board summary dated May 12, 2020

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2 For more information on the recent changes to State Water Project and Central Valley Project operations, see the Bay-Delta Update memo starting on page 208 in the Water Authority’s April 2020 Board packet found here: https://www.sdcwa.org/meetings-and-documents.
Summary of Financial Items

During its May 2020 meetings, the Metropolitan Water District (MWD) Finance and Insurance (F&I) Committee approved and authorized the distribution of Appendix A to MWD’s Official Statement for use in the issuance and remarketing of bonds and received a presentation on MWD’s third quarter financial report. The Water Authority Delegates (Delegates) sent a letter to MWD regarding its draft Appendix A expressing continued concerns that the way the draft disclosure portrays MWD’s water sales does not adequately disclose their downward trend, among other comments. During the F&I Committee’s discussion, Director Goldberg asked why the draft Appendix A did not disclose that the April rate action afforded the Board the ability to take further action by or in September to reduce the adopted 2021 and 2022 budget and rates. General Manager Kightlinger replied that since the Board always has the authority to “take action at any time on the budget to reduce expenditures,” and because the budget document “clearly” states the Board may “revisit” it during the September review, staff “felt that that was not a significant item for disclosure.” (During the April budget discussion, staff was asked how the Board’s action to review its budget and rates later would impact the creditworthiness of MWD’s bonds. Assistant General Manager/Chief Financial Officer Kasaine said that it would be “problematic” for MWD to state that it will “reevaluate” the budget; instead, the market would view MWD more favorably if it simply says that it is adopting a budget and, separately, evaluating the impacts of the COVID-19 response.) Kightlinger did not comment on the potential for the Board to reduce rates. Ultimately, the Board approved and authorized distribution of the updated Appendix A with the Water Authority Delegates opposing the action.

The F&I Committee also received a presentation on MWD’s fiscal year 2020 third quarter Financial Review, during which staff reported that projected revenues are below budget by over $265 million. Much of the dip in expected revenues is caused by depressed water sales, which are projected to be 270,000 acre-feet, or about $291 million, below budget. MWD also projects expenditures to be $255 million under budget due to reductions in costs for its State Water Contract, debt service, Colorado River Aqueduct power, demand management programs (for both its Conservation and Local Resources programs), and Pay-As-You-Go (PAYGo) capital financing. About a third of the $255 million expenditure reduction is due to MWD’s unplanned debt financing to shift revenues originally budgeted for PAYGo funding to pay for operating expenditures. (When faced with a projected revenue shortfall in September 2019, MWD staff recommended that the Board issue unplanned debt to debt-fund more of its Capital Investment Plan and reduce the PAYGo funding level.) Although MWD expects to end the fiscal year with $107.5 million in net revenues, unrestricted reserves are only expected to increase by about $27 million. The increase in unrestricted reserves was dampened primarily due to a $79 million

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1 This document provides a summary of certain discussions as summarized and understood by Water Authority staff. It is not intended to be any form of official transcript.
2 The Delegates’ concerns are articulated in their May 10, 2020 letter found here: https://mwprograms.sdcwa.org/wp-content/uploads/2020-05-10-WA-Del-to-MWD-Chair-re-8-2-OS.pdf
4 For more information on MWD’s use of unplanned debt, see the Metropolitan Water District Mid-Cycle Biennial Budget Review memo starting on page 121 in the Water Authority’s October 2019 Board packet found here: https://www.sdcwa.org/meetings-and-documents
increase in required reserves, which were expected to only increase by $41.3 million in MWD’s budget.

Director Smith asked why the increase in required reserves was needed, and Kasaine said “anytime you have additional revenue…you also have to increase your reserves to keep up with” financial targets. She did not explain, however, why the increase was greater than budget despite expected revenues being lower than budget. Goldberg requested details about the impact of the COVID-19 response on MWD’s expenditures and the specific actions MWD is taking to cut costs in line with the Board’s April budget and rates action, such as considering whether to postpone recruitment of some of its unfilled positions. Kightlinger said staff would provide the report, but Kasaine said Goldberg was describing the report the Board requested in its April budget and rate action, which is to be presented in September, implying she would not accommodate the request until later. Committee Chair Quiñonez (Los Angeles) said staff will provide a detailed report in September but agreed with Goldberg that “it would be worthwhile for staff” to provide updates on trends staff is seeing in real-time during the Chief Financial Officer’s monthly reports, so the Board can “begin thinking about” the impacts prior to September. Kasaine suggested this report be provided in July after the close of the fiscal year because “it’s not easy” to provide information until MWD has “closed [its] books.” (By contrast, during the May Water Planning and Stewardship Committee meeting, Water Resource Management staff presented preliminary impacts of the COVID-19 response on MWD’s conservation programs and said that it will provide a full report at the June Conservation and Local Resources Committee meeting.)

In the same vein, Director Ortega (Fullerton) asked “what would be the harm” in implementing a hiring freeze until the Board’s September review of the impacts of the COVID-19 response, adding that “it would be interesting if…we took a proactive position out of sensitivity” to the situation. Kightlinger said MWD has “slowed down” the recruitment process due to social distancing requirements, but that it is “quite lean” in terms of staffing due to cuts it made during the 2008 economic recession and an average of over 100 retirements each year. He said that he asked staff to prioritize the vacant field positions, which are “essential,” and MWD is only filling those positions “in the time being.”

At the end of the committee meeting, referencing MWD’s April budget and rate action, Smith requested that staff provide a report on the costs resulting from the budget’s increased treated water sales assumption. (At the April F&I Committee, staff presented a revised budget in which MWD shifted 50,000 acre-feet of assumed untreated water sales to treated sales. This revision reduced the 2021 and 2022 Treatment Surcharge but based on staff’s comments, did not appear to account for treatment costs associated with increased treated water demand.) Smith also requested an updated 10-year financial forecast based on the revised budget, as the copy presented to the Board in April did not reflect the budget modifications approved by the Board.

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5 For more information on MWD’s adopted budget and potential cost-cutting opportunities, see the Update on Metropolitan Water District Budget & Rates memo starting on page 20 in the Water Authority’s May 2020 Board packet found here: https://www.sdcwa.org/meetings-and-documents
6 The 10-year forecast is included in the Fiscal Years 2021 and 2022 biennial budget found here: http://www.mwdh2o.com/PDF_Who_We_Are/Biennial%20Budget%20%E2%80%93%20Fiscal%20Years%202020-21%20and%202021-22.pdf
Lastly, Ortega asked staff to provide: 1) a list of prioritized positions for recruitment, 2) a comparison of how positions have been filled each month during fiscal years 2019 and 2020, and 3) MWD’s current ratio of employees to managers. Quiñonez said he would work with staff to provide the requested reports in either June or July.

At the subsequent day’s Board meeting, Kightlinger reported on some of the actions MWD has taken in response to the COVID-19 pandemic. These include curtailing non-essential travel, halting two construction contracts due to physical limitations, proceeding with only recruitment activities that were underway prior to the stay-at-home orders, prioritizing vacant positions for future recruitment, and requiring management approval of significant budgeted purchases. He also said MWD is tracking its pandemic-related costs, which could potentially be reimbursed by the federal government. He believes costs and savings will be “fairly close to each other.” Also, he announced that MWD is “asking” its member agencies to share data on their respective costs and impacts from the COVID-19 pandemic and response.
Summary of MWD’s General Manager Selection Process Discussion

At the March 2020 Metropolitan Water District (MWD) Board meeting, General Manager Kightlinger announced his plan to “step down” at the end of 2020. Subsequently, Chairwoman Gray (West Basin) sent a memo to the Board announcing the establishment of a General Manager Selection Committee (Select Committee) to “oversee” the general manager selection process. In her memo, Gray described that she would chair the Select Committee, which included six other Executive Committee members: Directors Ackerman (Municipal Water District of Orange County (MWDOC)), Atwater (Foothill), Kurtz (Pasadena), Murray (Los Angeles), Ramos (Burbank), and Record (Eastern). At the April 2020 Board meeting, she explained the Select Committee membership was limited in part out of “concern” over the Brown Act, which requires that meetings with a majority of the Board in attendance be noticed to the public. After Gray indicated she would not seek Board approval for her Select Committee at the April Board meeting, Director Murray requested that the April 28 Executive Committee have an agenda item on the general manager selection process. At its subsequent April meeting, rather than ratifying Gray’s Select Committee, the Executive Committee placed the item on the Organization, Personnel, and Technology (OP&T) Committee’s agenda for it to make a recommendation for an alternative general manager recruitment and selection process for the Board’s consideration. This action was supported by nine of the 17 Executive Committee members present, including the Water Authority’s representatives.

At the May OP&T Committee meeting, Committee Chair Murray expressed his desire for the general manager selection process to be transparent and inclusive of all Board members and his continued support for Gray as the leader of the Board. He also outlined an OP&T Committee general manager recruitment process, which would be subject to Board approval, as well as a proposed schedule for the process. The process includes recommending an executive recruitment firm, developing a job description for the general manager, reviewing applications for potential candidates, and recommending candidates for the Board to interview. The OP&T Committee, a standing committee that must follow Brown Act requirements, would provide regular updates to the Board throughout the process, and the Board would approve the Committee’s recommendations.

Human Resources Group Manager Pitman also presented the goals of the recruitment process, which are to develop an open and transparent process that includes Board and OP&T Committee member input and ensure that the new general manager is selected by the end of the year. Director Hogan expressed his appreciation of these goals and said it was important that all Board members have an opportunity to be involved in the development of the job description and advertisement. Hogan said the recruitment firm should assist in designing the recruitment process and suggested that “core process objectives,” including transparency and

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1 This document provides a summary of certain discussions as summarized and understood by Water Authority staff. It is not intended to be any form of official transcript.
3 More information on the general manager selection process is found in the MWD Delegates’ Report memo starting on page 5 in the Water Authority’s April 2020 Board supplemental materials found here: https://www.sdcwa.org/meetings-and-documents.
communication, be developed so the firm can use them when creating the process. Hogan also said the recruitment firm should facilitate the process to collect input from all Board members. In addition to Hogan, Directors Cordero (Long Beach), McKenney (MWDOC), Ortega (Fullerton), Peterson (Las Virgenes), Quiñonez (Los Angeles), Ramos (Burbank), Solorio (Santa Ana), Treviño (Upper San Gabriel), and Williams (West Basin) made comments on the process.

Ultimately, Murray was encouraged by committee members to move forward with his proposed plan. MWD staff is tasked with presenting the qualified recruitment firms for OP&T’s consideration in June, with Board action on the process in June or July and selection of a new general manager by December 2020.
Finance and Insurance Committee

Meeting with Board of Directors*

May 11, 2020

10:00 a.m.

Live streaming is available for all board and committee meetings on our mwdh2o.com website
(Click to Access Board Meetings Page)

Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

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

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

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

2. Approval of the Minutes of the meeting of the Finance and Insurance Committee held April 13, 2020

3. CONSENT CALENDAR ITEMS — ACTION

None
4. OTHER BOARD ITEMS — ACTION

8-1 Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2020/21; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

8-2 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

5. BOARD INFORMATION ITEMS

9-3 Renewal Status of Metropolitan’s Property and Casualty Insurance Program

9-4 Financing Overview for Bond Issuance

6. COMMITTEE ITEMS

a. Quarterly Financial Report

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

May 11, 2020
11:00 a.m.

Live streaming is available for all board and committee meetings on our mwdh2o.com website (Click to Access Board Meetings Page)

Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

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

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

2. Approval of the Minutes of the Water Planning and Stewardship Committee held March 9, 2020

3. CONSENT CALENDAR ITEMS — ACTION

None
4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

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

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: May 5, 2020
Organization, Personnel and Technology Committee

Meeting with Board of Directors*

May 11, 2020

12:00 p.m.

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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 Organization, Personnel and Technology Committee held March 9, 2020

3. CHAIRMAN’S REPORT

* 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.
4. CONSENT CALENDAR ITEMS – ACTION

7-2 Authorize an agreement with Computer Aid, Inc. in an amount not-to-exceed $771,219.00 for the implementation of a new Information Technology Service Management System; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Discussion of General Manager recruitment process

8. MANAGEMENT REPORT

a. Human Resources Manager’s report

b. Information Technology Manager’s report

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS
11. 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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Legal and Claims Committee

Meeting with Board of Directors*

May 12, 2020

11:00 a.m.

Live streaming is available for all board and committee meetings on our mwdh2o.com website (Click to Access Board Meetings Page)

Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

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 14, 2020

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

8-3 Authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services related to the Surface Mining and Reclamation Act by $150,000 to a maximum amount payable of $250,000; 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


[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
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.
Regular Board Meeting
May 12, 2020
12:00 p.m.

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Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

1. **Call to Order**
   a. Pledge of Allegiance: Director Glen D. Peterson, Las Virgenes 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 14, 2020 (Copies have been submitted to each Director) Any additions, corrections, or omissions
   B. Report on Directors’ events attended at Metropolitan expense for month of April 2020
   C. Approve committee assignments
   D. Chairwoman's Monthly Activity Report

Date of Notice: May 5, 2020
6. DEPARTMENT HEADS' REPORTS

A. General Manager's summary of activities for the month of April 2020

B. General Counsel's summary of activities for the month of April 2020

C. General Auditor's summary of activities for the month of April 2020

D. Ethics Officer’s summary of activities for the month of April 2020

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Authorize an agreement with Sespe Consulting, Inc., in an amount not-to-exceed $510,000 for preparation of Surface Mining and Reclamation Act reclamation plans and environmental documentation; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

7-2 Authorize an agreement with Computer Aid, Inc. in an amount not-to-exceed $771,219.00 for the implementation of a new Information Technology Service Management System; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (OP&T)

7-3 Review and consider the City of Hemet's certified Final Environmental Impact Report and take related CEQA actions, and authorize the General Manager to grant a drainage easement to the City of Hemet along State Street just south of Domenigoni Parkway

7-4 Review and consider the City of Perris' certified Final Environmental Impact Report and take related CEQA actions, and authorize the General Manager to grant three permanent easements to the City of Perris for public road purposes traversing Metropolitan fee-owned Colorado River Aqueduct right of way in Perris, California

END OF CONSENT CALENDAR
8. OTHER BOARD ITEMS — ACTION

8-1 Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2020/21; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)

8-2 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)

8-3 Authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services related to the Surface Mining and Reclamation Act by $150,000 to a maximum amount payable of $250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)

9. BOARD INFORMATION ITEMS

9-1 Update on Conservation Program

9-2 Communications and Legislation Committee Report

9-3 Renewal Status of Metropolitan's Property and Casualty Insurance Program. (F&I)

9-4 Financing Overview for Bond Issuance. (F&I)

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

None. \textit{(Agenda Item 5C)}

Finance and Insurance Committee

Adopted the resolution to continue the Standby Charge for fiscal year 2020/21. \textit{(Agenda Item 8-1)}

Approved the draft of Appendix A in Attachment 1 of 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. \textit{(Agenda Item 8-2)}

Legal and Claims Committee

Authorized an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services related to the Surface Mining and Reclamation Act by $150,000 to a maximum amount payable of $250,000. \textit{(Agenda Item 8-3)}

Consent Calendar

In other actions, the Board:

Authorized an agreement with Sespe Consulting, Inc., in an amount not-to-exceed $510,000 for preparation of Surface Mining and Reclamation Act reclamation plans and environmental documentation. \textit{(Agenda Item 7-1)}

Authorized an agreement with Computer Aid, Inc. not-to-exceed $771,219.00 for the implementation of a new Information Technology Service Management System. \textit{(Agenda Item 7-2)}

Reviewed and considered the City of Hemet’s certified Final Environmental Impact Report and take related CEQA actions, and authorized the granting of a permanent easement to the City of Hemet to facilitate the construction and maintenance of a drainage system. \textit{(Agenda Item 7-3)}
Reviewed and considered the City of Perris’ certified Final Environmental Impact Report and take related CEQA actions, and authorized the granting of three permanent easements for public road purposes to the City of Perris. *(Agenda Item 7-4)*

**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://mwdh2o.com/WhoWeAre/Board/Board-Meeting/Pages/search.aspx](http://mwdh2o.com/WhoWeAre/Board/Board-Meeting/Pages/search.aspx)

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)