Proposed Staff Recommendation Consent Calendar for December 7, 2017

WATER PLANNING COMMITTEE

9-1. Adopt Updated Water-Use Efficiency Policy Principles and Program Focus Areas.
   a) Approve the updated Water-Use Efficiency Policy Principles as presented in Attachment 2 to guide staff in evaluating and implementing water-use efficiency initiatives.

   b) Approve the following as the core focus areas for the Water Authority’s portfolio of water-use efficiency programs:
      1) Residential Surveys and Landscape Audits
      2) K-12 Education Programs
      3) MWD Device-Based Programs
      4) How-to Resource Tools
      5) Grants and Partnerships

   Approve a new, five-year Operation Agreement between the Water Conservation Garden Authority and Friends of the Water Conservation Garden (IRS 501(c)(3)) for the continued operation and maintenance of the Water Conservation Garden through June 30, 2023.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE

   Adopt the proposed 2018 Legislative Policy Guidelines.

   a) Legislative Proposal #1 to advance consensus landscape water use efficiency recommendations developed by the DWR Independent Technical Panel.

   b) Legislative Proposal #2 to improve IRWM grant award cashflow for nonprofit organizations and disadvantaged communities.

   c) Legislative Proposal #3 to develop a workable governance and administrative structure for implementation of the 10-year Salton Sea Management Program.

ENGINEERING AND OPERATIONS COMMITTEE

   a) Authorize the General Manager to enter into Project Delivery Agreement negotiations with Tenaska, Inc. - Diamond Generating Corporation Joint Venture.

   b) Authorize the General Manager to enter into Project Delivery Agreement negotiations with Brookfield US Generation LLC if negotiations with Tenaska, Inc. - Diamond Generating Corporation Joint Venture are unsuccessful.
c) Authorize the General Manager to execute Amendment 1 to the legal services contract with Allen Matkins LLP for a period of seven months, in the amount of $350,000, increasing the authorized cumulative contract amount from $50,000 to $400,000.

9-6. Contracts with Adams Valves, Inc. and Cascade Consultants LLC to purchase butterfly valves.
   a) Authorize the General Manager to award a contract to Adams Valves, Inc. in the amount of $734,342 to purchase 56 stainless steel metal seated triple offset flanged butterfly valves of various sizes between 4 and 24 inches in diameter in support of capital improvement projects and system maintenance.
   b) Authorize the General Manager to award a contract to Cascade Consultants LLC in the amount of $745,481 to purchase 10 cast steel metal seated triple offset fusion bonded epoxy lined and coated butterfly valves of various sizes between 30 and 66 inches in diameter in support of capital improvement projects.

**IMPORTED WATER COMMITTEE**

Authorize the General Manager to provide written notice by December 31, 2017, to the Metropolitan Water District of Southern California (MWD) to extend the term of the Amended and Restated Agreement between MWD and the San Diego County Water Authority for the Exchange of Water (exchange agreement) from 35 to 45 years (2037 to 2047).

**ADMINISTRATION AND FINANCE COMMITTEE**

Note and file monthly Treasurer’s Report.

9-9. Adopt the Vote Entitlements Resolution for Calendar Year 2018.
Adopt Resolution No. 2017-___ establishing the vote and representative entitlements of each member agency effective January 1, 2018.

9-10. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2018.
   a) Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for Calendar Year 2018.
   b) Approve the amendment to Chandler Asset Management to implement the updated Water Authority Investment Strategy.
Funding the Federal Government

Funding for the federal government expires on December 8th. Republican leaders are working on an extension through December 22nd – the Friday before Christmas – to allow time to perhaps pass a massive omnibus funding measure for FY2018. If too many members balk at this approach, they will settle for another extension that could last into January, March, or later. While unlikely, there remains a possibility that the government could shut down between now and Christmas. Democrats are demanding protection for children brought into the country illegally by their parents and those Democratic votes are needed to win the 60 votes needed to move a spending extension through the Senate.

House, Senate Head to Conference on Tax Legislation

On December 1st, the Senate approved its version of a bill to cut taxes and reform some of the federal tax code. The House and Senate are set to begin a conference committee to negotiate the differences between their two bills.

A major difference that affects infrastructure is the House bill’s elimination of the authority to issue tax-exempt private activity bonds after 2017. This provision has already led to a rush to issue PABs before December 31st and affected borrowing rates. A second provision, included in both bills, repeals the authority to “advance refund” tax-exempt municipal bonds to take advantage of more favorable interest rates. This has also induced a rush to refinance municipal bonds before the end of the year. Twenty-one House Republicans signed a Congressional Municipal Finance Caucus protesting these two provisions, which save $56.2 billion in the House bill.

A significant omission from either chamber’s tax plans is setting up a revenue source to pay for a much larger infrastructure package now expected early in 2018. Originally anticipated earlier this summer, the Trump Administration has withheld release of principles to guide a congressional package to address transportation, water quality and supply, broadband, and other elements. Their rationale was that tax legislation would set up the means to pay for the roughly $200 billion in new spending anticipated in the infrastructure plan. Instead, by
eliminating PABs (in the House bill) and advance-refunds, the bill not only does not provide new spending authority, but actually reduces financing tools available to project sponsors.

**New Title XVI Funding Finalized While Debate on Future Continues**

The Bureau of Reclamation has recommended that Congress provide a total of $9.9 million in new discretionary Title XVI funding to projects sponsored by the Water Replenishment District, Orange County Sanitation, and Del Puerto. The actual funding cannot be released until Congress approves these selections in an appropriations act. Meanwhile, discussion continues on how to treat the new discretionary program, created last year in the WIIN Act, in relation to projects specifically authorized through congressional legislation before the self-imposed earmark ban took effect earlier this decade.

**New Bill Would Extend, Boost WIFIA**

New legislation introduced by Rep. Brian Mast (R-FL), H.R. 4492, would authorize Water Infrastructure Finance and Innovation Act (WIFIA) program through FY2024. The bill would increase its annual authorization, taking the program from the current level of $45 million to $90 million in FY2018 and escalating this to $140 million in FY2024. The bill would also begin to support WIFIA’s presently untapped authority to support Corps of Engineers projects, including environmental restoration projects. Rep. Mast hopes the provisions of his bill will be attached to larger infrastructure legislation next year.

**Confirmation and Nomination Update**

The Senate voted to confirm Brenda Burman to the position of Commissioner of Reclamation. Burman, who will be the first woman to head the Bureau, has been serving as the Director of Water Strategy at the Salt River Project in Arizona. Ms. Burman has worked for nearly 20 years on western water matters including the Colorado River. Earlier in her career, she worked for the Metropolitan Water District. During the George W. Bush Administration, Ms. Burman served as Deputy Commissioner before becoming Deputy Assistant Secretary for Water and Science.

President Trump has nominated Dr. Tim Petty for the position of Assistant Secretary of the Interior for Water and Science. This position oversees the work of the Bureau of Reclamation and the U.S. Geological Survey. Dr. Petty is the Deputy Legislative Director for Senator James Risch (R-ID). Previously, he served as Acting Assistant Secretary and Deputy Assistant Secretary for Water & Science at Interior under President George W. Bush.

On November 8th, the Committee on Environment & Public Works approved the nominations of Andy Wheeler for Deputy Administrator of the EPA and Kathleen Hartnett White to lead the Council on Environmental Quality. Wheeler served for fourteen years on the professional staff of the EPW Committee, including time as staff director and counsel. Hartnett White is currently the director of the Armstrong Center for Energy and the Environment at the Texas Public Policy Foundation. She has previously served as the chairman and commissioner of the Texas Commission on Environmental Quality. President Trump has tasked CEQ as the lead agency to develop his project streamlining initiative that may be part of an infrastructure bill in 2018.
December 6, 2017

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Discussion)

Background
This report summarizes key discussions held and actions taken at the Metropolitan Water District (MWD) committee and Board meetings, as reported by the Water Authority Delegates. This report includes MWD Board activities for November 2017. The MWD committees and Board met on November 13 and 14, and meet next on December 11 and 12.

Discussion
The key actions at the November MWD Board and committee meetings were: 1) appropriating $14.7 million for a three-year water conservation outreach campaign; and 2) authorizing an increase in the maximum amount payable for legal services with Manatt, Phelps & Phillips, LLP, for the rate litigation by $2.5 million to a new amount not to exceed of $2.9 million. Including this month’s action, the MWD Board has authorized a maximum amount payable under contract of almost $29 million for professional and legal services for the rate litigation. Also, the MWD Board approved 3 percent cost-of-living adjustments for the General Manager, General Counsel, and General Auditor; and an additional 3 percent merit increases for the General Manager and General Counsel.

Although the Delegates were hesitant to support appropriating funding outside of the budget process, they supported MWD initiating the request for proposal for a three-year conservation campaign after confirming that the proposed funding was sufficient for outreach efforts even if the region were to enter a drought. Additionally, they encouraged MWD to develop metrics to assess the campaign’s success. Also, the Conservation and Local Resources Committee heard three presentations related to conservation. The Committee’s discussion of these presentations is summarized in Attachment 1.

During the Board meeting, Chairman Record (Eastern) reported on the November 6 meeting between MWD Board leadership and Water Authority Board leadership. After reading a prepared statement (Attachment 2), Record reflected that the MWD delegation “was pleased with the tone and the tenor of the meeting” and that although “there’s a long way to go,” both groups indicated that the meeting “was worthwhile” and have a “sense of optimism.”

Overview
Due to a scheduling conflict, Director Steiner did not attend the November MWD meetings. Directors Hogan, Lewinger, and Saxod supported 11 of the 14 action items approved by the MWD Board in November. They abstained on increasing the rate litigation legal services contract, opposed the compensation action for the General Counsel. Directors Lewinger and Hogan also opposed the compensation action for the General Manager. The Real Property and Asset Management Committee tabled an item seeking to surplus land that was originally purchased as a potential site for the Eastside Reservoir. (Ultimately, the MWD Board selected
another site for the reservoir, which is now Diamond Valley Lake.) In closed session, the Board heard reports on the rate litigation and Delta Westlands litigation. Attachment 3 is a copy of MWD’s November 2017 committee and Board meeting agendas and summary report.

Prepared by: Liz Mendelson-Goossens, Senior Water Resources Specialist
Reviewed by: Communications and Legislation Committee by Keith Lewinger and Elsa Saxod
Conservation and Local Resources Committee by Michael Hogan
Engineering and Operations Committee by the Delegates
Finance and Insurance Committee by Keith Lewinger and Elsa Saxod
Legal and Claims Committee by the Delegates
Organization, Personnel and Technology by Michael Hogan
Real Property and Asset Management by Michael Hogan
Water Planning and Stewardship Committee by Keith Lewinger

Attachment 1: Discussion Summary of MWD’s Conservation Related Presentations
Attachment 2: Prepared Remarks of MWD Chairman
Attachment 3: MWD’s committee and Board meeting agendas and Board summary, dated November 13 and 14, 2017
Discussion Summary of MWD’s Conservation Related Presentations

At its November 2017 Conservation and Local Resources Committee (C&LR Committee), the MWD Board heard three presentations. The first, presented by Dr. Kurt Schwabe, focused on what various conservation savings measurements mean and how they need to be considered within their context. He also reviewed how various locations, populations, and sectors responded to the Governor’s conservation mandate during the most recent drought and some of the unforeseen consequences of increased conservation. Following this presentation, Director Lefevre (Torrance) asked “how conservation and recycling work against each other.” Dr. Schwabe offered the example where recycling is already occurring and when indoor conservation is increased less wastewater is available for the recycled water systems that are designed for larger capacities. After Dr. Schwabe deflected Chairman Record’s (Eastern) question if downstream users should pay for wastewater, Record commented that his agency is seeking to expand its recycling program and “keep the recycled water within our service area” but some downstream agencies are advocating against this goal because they want the wastewater for their own use. Dr. Schwabe said that in California, recycled water has become a “scarce good” and suggested that price is the most effective way to allocate scarce goods. Later, C&LR Committee Chair Gold (Los Angeles) said that recycled water is “not even close” to being scarce in Los Angeles and that the challenge Los Angeles faces with recycled water, as related to conservation, is effluent’s increased concentration of waste products. Dr. Schwabe suggested there are cost effective methods to manage the more highly concentrated wastewater, such as blending. Stressing that wastewater flows are likely to continue to decrease, Director Atwater (Foothill) pointed out that the state is discussing setting an indoor water use efficiency standard of 55 gallons per capita daily (GPCD) for single family homes, and recent studies suggest it is possible to lower it to 40 GPCD. Earlier, Dr. Schwabe agreed with Chairman Record that “there’s really not a lot of room” to increase indoor water use efficiency and suggested that conservation “messaging” should focus on outdoor water use “where the real gains are.”

The second presentation focused on MWD’s past conservation programs and how different approaches to these programs could help accomplish the 180,000 acre-feet conservation target described in MWD’s 2015 Integrated Water Resources Plan (2015 IRP). MWD reported that it plans to recommend conservation program modifications in Spring 2018 that will focus on achieving this target mainly through “landscape efficiency.” Due to time constraints, the committee continued onto the third presentation, which reviewed the recommendations from the Alliance for Water Efficiency’s peer review of MWD’s conservation programs.

Following the two presentations, the committee discussed them both. Noting that some MWD member agencies are developing their own conservation targets, Director Hogan encouraged that staff consider those targets in its recommendations for MWD’s conservation programs. Additionally, Director Hogan pointed out that since the 2015 IRP’s adoption, water use has dropped significantly and suggested that it may not rebound as MWD anticipates, therefore some of the 2015 IRP’s conservation target may have already been achieved. He requested to understand how MWD plans to utilize the 2015 IRP’s “adaptive management” approach to respond to this change and how the 2015 IRP conservation target may be impacted.
Turning to past achievements, Director Lewinger noted that code-based measures, as compared to active programs, have impacted water use savings the most. Agreeing with Lewinger, staff noted that legislation, codes, and standards are often the result of successful active conservation programs. In addition to continuing with active conservation efforts, staff said MWD must stay engaged in legislation, codes, and standards. Suggesting some of the 2015 IRP conservation target could be accomplished without MWD funding active conservation, Lewinger asked which code-based standards MWD should promote. Noting that in the past MWD helped develop standards to enhance conservation, Assistant General Manager/Chief Operating Officer Upadhyay said MWD has “never taken the position” that when it advocates for code and standard changes that it no longer should “assist our agencies” (through subsidies) to “reach those targets.” Saying Lewinger made a “really good point,” Gold agreed with Hogan that MWD should assess the 2015 IRP’s projections for conservation and “relook” at the 2015 IRP resource development targets.

On a different note, Lewinger asked if the 2015 IRP’s conservation projections consider the impact that rising water rates will have on customers’ water use. Upadhyay replied that the 2015 IRP considered the price “elasticity of demand,” which may change in the future and subsequently alter the IRP’s conservation projections. Adding onto Lewinger’s comment, Record highlighted his agency’s efforts to remove “non-functional turf” and expressed his desire to charge customers irrigating non-functional turf Eastern’s most expensive water supply costs, which he suggested may require legislation or legal measures.

Wrapping up the committee’s discussion, Director Abdo (Santa Monica) advocated that during its upcoming budget process, MWD focus on “increasing conservation where it is most effective” and discouraged MWD from cutting its conservation budget. Gold reflected that “to make the right decisions,” the Board will need a performance-based assessment as part of staff’s conservation program recommendations.
Prepared Remarks of MWD Chairman

At MWD’s November 2017 Board meeting, Chairman Record (Eastern) read the following prepared remarks regarding the November 6 meeting between MWD and Water Authority Board leadership.

A week ago Monday, board leadership representing San Diego County Water Authority and Metropolitan Water District of Southern California met to discuss issues of mutual interest, including litigation, local projects, and outreach. The discussion was open and collaborative, and included ideas on a process by which additional meetings would be convened in an attempt to reach agreement going forward on a number of subjects.
Finance and Insurance Committee

Meeting with Board of Directors*

November 13, 2017

9:30 a.m. -- Room 2-145

* 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 October 9, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and adopt resolution for annexation of the 108th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)
Finance and Insurance Committee

Recommendation:

Option #1:

Adopt the CEQA determination to review and consider the information provided in the 2017 Mitigated Negative Declaration, Addendum, and Mitigation Monitoring Reporting Program; and

a. Adopt the Lead Agency’s findings, and

b. Adopt resolution consenting to Eastern’s 108th Fringe Area Annexation and fixing the terms and conditions of the annexation (Attachment 3 of the board letter dated 11/14/2017), conditioned upon approval by Riverside County’s Local Agency Formation Commission’ and upon receipt of annexation fee of $37,225.06.

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

9-2 Compliance with Fund Requirements and Bond Indenture Provisions. (F&I)

6. COMMITTEE ITEMS

a. Presentation by, Matt Goss, CalPERS: California Employers’ Retiree Benefit Trust (CERBT) Annual Update

b. Oral Report on Investment Activities

7. MANAGEMENT REPORT

a. Chief Financial Officer’s review
8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site http://www.mwdh2o.com.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
Water Planning and Stewardship Committee

Meeting with Board of Directors*

November 13, 2017

10:30 a.m. – Room 2-456

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

* 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 committees on matters within the committees’ jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the Water Planning and Stewardship Committee held October 9, 2017

3. CONSENT CALENDAR ITEMS — ACTION

None

4. OTHER BOARD ITEMS — ACTION

None

Date of Notice: November 2, 2017
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. 2018 State Water Project Charges update
b. Bard Seasonal Fallowing Pilot Program update

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

Engineering and Operations Committee
Meeting with Board of Directors*

November 13, 2017

12:00 P.M. – Room 2-145

November 13, 2017
Meeting Schedule

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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 October 9, 2017**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None
4. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $4.57 million; and award $3,248,000 contract to J. F. Shea Construction to repair the forebay lining and outlet tower at Lake Mathews (Appropriation No. 15441). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt; and
a. Appropriate $4.57 million; and
b. Award $3,248,000 contract to J. F. Shea Construction to repair the forebay tower and lining at Lake Mathews.

8-2 Adopt CEQA determination and appropriate $7.17 million; award $4,866,067 procurement contract to Crispin Valve, LLC for rubber-lined butterfly valves; and award $771,984 procurement contract to DeZURIK, Inc. for high-performance butterfly valves for the F. E. Weymouth Water Treatment Plant (Appropriation No. 15369). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2005 Final EIR, Findings, SOC, and MMRP, and that no further environmental analysis or documentation is required; and
a. Appropriate $7.17 million;
b. Award $4,866,067 procurement contract to Crispin Valve, LLC for rubber-lined butterfly valves and actuators for the Weymouth plant; and
c. Award $771,984 procurement contract to DeZURIK, Inc. for high-performance butterfly valves and actuators.

5. BOARD INFORMATION ITEMS

None

Date of Notice: October 31, 2017
6. COMMITTEE ITEMS
   a. Metropolitan’s Approach to Seismic Resilience
   b. Capital Investment Plan quarterly report for period ending September 2017

7. MANAGEMENT REPORTS
   a. Water System Operations Manager’s report
   b. Engineering Services Manager’s report

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Revised Agenda

Communications and Legislation Committee
Meeting with Board of Directors*

November 13, 2017

1:00 p.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 Communications and Legislation Committee held October 9, 2017

3. CONSENT CALENDAR ITEMS — ACTION

None

4. OTHER BOARD ITEMS — ACTION

   8-3  Adopt CEQA determination, appropriate funding for a three year, multi-media water conservation campaign for a not to exceed amount of $14.7 million, and authorize staff to initiate request for proposals for a consultant contract for this campaign. (C&L)
Added Recommendation:

Option #1:

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

a. Authorize staff to initiate a request for proposals for a three year water conservation advertising and outreach campaign; and

b. Appropriate funding for a campaign and research activities not to exceed $14.7 million as detailed in the Fiscal Impact for this Option 1, shown in the November 14, 2017 board letter.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

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

b. Report on activities from Sacramento

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
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OP&T Committee
M. Camacho, V. Chair
S. Ballin
B. Barbre
G. Cordero
S. Faessel
W. Gedney
G. Gray
M. Hogan
L. McKenney
J. Murray, Jr.
J. Quiñonez
C. Treviño
L. Vasquez
J. Zurita

REVISED AGENDA

Organization, Personnel and Technology Committee

Adjourned Meeting with Board of Directors*

November 13, 2017

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

November 13, 2017

Meeting Schedule

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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 September 12, 2017

3. CONSENT CALENDAR ITEMS – ACTION

Revised 7-2 Adopt CEQA determination and authorize amendment to agency temporary skilled craft labor agreement with Elite Craftsmen Services to increase the total amount payable each year from $500,000 to $1 million. (OP&T)
4. OTHER BOARD ITEMS – ACTION

8-7 Adopt CEQA determination and approve Metropolitan Water District of Southern California’s salary schedule pursuant to CalPERS regulations. (OP&T)

Added Recommendation:

Option #1:

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

Authorize the General Manager to amend the Elite Craftsmen Services agreement to a maximum amount payable from $500,000 to $1 million per year, through the year 2020.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS


7. MANAGEMENT REPORT

8. FOLLOW-UP ITEMS

None
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

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REVISED AGENDA

Legal and Claims Committee
Meeting with Board of Directors*

November 14, 2017
8:30 a.m. -- Room 2-145

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

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

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

2. Approval of the Minutes of the meetings of the Legal and Claims Committee held October 10, 2017

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

4. CONSENT CALENDAR ITEMS — ACTION
   None
5. OTHER BOARD ITEMS — ACTION

8-4 Adopt CEQA determination and report on existing litigation: Shimmick Construction Company, Inc./Obayashi Corporation, a Joint Venture v. The Metropolitan Water District of Southern California, LASC Case No. BC559603; and authorize increase of maximum amount payable under contract with Hunt Ortmann Palffy Darling & Mah, Inc. for legal services by $1.1 million to an amount not to exceed $2.1 million (Approp. 15389).

(L&C)

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

Added Recommendation:

Option #1:

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

Authorize amendment of the contract for legal services with Hunt Ortmann Palffy Darling & Mah, Inc. for legal services by $1,100,000 for an amount not to exceed $2,100,000.

8-5 Adopt CEQA determination and report on existing litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa and San Joaquin Counties, including County of San Joaquin v. Metropolitan Water District of Southern California, et al., San Joaquin County Superior Court Case No. STK-CV-UWM-2016-3597; and Central Delta Water Agency, et al. v. Delta Wetlands Properties, et al., Contra Costa County Superior Court Case No. C16-01022; and authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by $400,000 to a maximum amount payable of $800,000.

(L&C)

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

Added Recommendation:

Option #1:

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

Authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by $400,000 to a maximum amount payable of $800,000.
Adopt CEQA determination and report on existing litigation: 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 and CPF-16-515282; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266 and California Supreme Court Case No. S243500; and Los Angeles County Superior Court Case No. BS169881; and authorize an increase in maximum amount payable under contract for legal services with Manatt, Phelps & Phillips, LLP in the amount of $2,500,000 for a total amount not to exceed $2,900,000. (L&C)

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

Added Recommendation:

Option #1:

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

Authorize an increase in the maximum amount payable under the contract for legal services with Manatt, Phelps & Phillips, LLP in the SDCWA v. Metropolitan, et al. litigation in the amount of $2,500,000 for a total amount not to exceed $2,900,000.

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Discussion of Department Head Performance and Goal Setting

[Public employees' performance evaluations - General Counsel; to be heard in closed session pursuant to Gov. Code Section 54957(b)]

8. FOLLOW-UP ITEMS

None
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Conservation and Local Resources Committee
Meeting with Board of Directors*

November 14, 2017
9:30 a.m. – Room 2-456

November 14, 2017
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Committee</th>
</tr>
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<tbody>
<tr>
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<td>Rm. 2-145</td>
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<td>C&amp;LR</td>
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<td>Rm. 2-145</td>
<td>RP&amp;AM</td>
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<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

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

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

2. Approval of the Minutes of the meeting of the Conservation and Local Resources Committee held October 10, 2017

3. CHAIRMAN’S REPORT

4. COMMITTEE ITEMS
   a. Presentation by Dr. Kurt Schwabe, UC Riverside and University of Adelaide: Conservation and Gallons per Capita per Day: Some Unresolved Issues
   b. Discussion on Conservation programs and the 2015 Integrated Resources Plan Update targets

Date of Notice: October 31, 2017
c. Follow up on the Alliance for Water Efficiency Peer Review recommendations

5. MANAGEMENT REPORTS
   a. Water Resource Management Manager’s report

6. FOLLOW-UP ITEMS
   None

7. FUTURE AGENDA ITEMS

8. ADJOURNMENT

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Date of Notice: October 31, 2017
REVISED AGENDA

Real Property and Asset Management Committee

Meeting with Board of Directors*

November 14, 2017

11:00 a.m. -- Room 2-145

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

2. Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held August 15, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-3 Adopt CEQA determination and affirm the General Manager’s determination that 655 acres in Beaumont, California identified as Metropolitan Water District of Southern California’s parcel number 145-1-1, (APN 424-160-001, -004, -005, -006, -007, -008, -009, -010, -011, -012, -014, -015) (“Potrero Creek property”) is surplus to Metropolitan’s needs. (RP&AM)
Recommendation:

Option #1:

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

a. Affirm the General Manager's determination that the Potrero Creek property comprised of 655 acres in Beaumont, California, is surplus and carry out disposition of the property in its current condition; and

b. Authorize staff to market and sell the Potrero Creek property at fair market value at the time of sale, in a form approved by the General Counsel.

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

Withdrawn  a. State Lands Commission Request

Withdrawn  b. Update on Palo Verde Irrigation District Leases

       c. Quarterly update on Diamond Valley Lake

7. MANAGEMENT REPORT

       a. Real Property Management Manager's Report
8. FOLLOW-UP ITEMS

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED AGENDA

Board Meeting

November 14, 2017

12:00 p.m. – Boardroom

November 14, 2017

Meeting Schedule

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

1. Call to Order

   (a) Invocation: Edward Villa, Senior Administrative Analyst, Real Property Group

   (b) Pledge of Allegiance: Director Gloria Gray, West Basin MWD

2. Roll Call

3. Determination of a Quorum

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

5. OTHER MATTERS

   A. Approval of the Minutes of the Meeting for October 10, 2017
      (A copy has been mailed to each Director)
      Any additions, corrections, or omissions

   Added

   B. Presentation of Commendatory Resolution to past Director Robert Wunderlich, representing city of Beverly Hills

   C. Report on Directors’ events attended at Metropolitan expense for month of October

   D. Approve committee assignments

   E. Chairman’s Monthly Activity Report
6. DEPARTMENT HEADS' REPORTS

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

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

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and adopt resolution for annexation of the 108th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination to review and consider the information provided in the 2017 Mitigated NegativeDeclaration, Addendum, and Mitigation Monitoring Reporting Program; and

a. Adopt the Lead Agency’s findings, and

b. Adopt resolution consenting to Eastern’s 108th Fringe Area Annexation and fixing the terms and conditions of the annexation (Attachment 3 of the board letter dated 11/14/2017), conditioned upon approval by Riverside County’s Local Agency Formation Commission’ and upon receipt of annexation fee of $37,225.06.

Revised 7-2 Adopt CEQA determination and authorize amendment to agency temporary skilled craft labor agreement with Elite Craftsmen Services to increase the total amount payable each year from $500,000 to $1 million. (OP&T)
Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
Authorize the General Manager to amend the Elite Craftsmen Services agreement to a maximum amount payable from $500,000 to $1 million per year, through the year 2020.

7-3 Adopt CEQA determination and affirm the General Manager’s determination that 655 acres in Beaumont, California identified as Metropolitan Water District of Southern California’s parcel number 145-1-1, (APN 424-160-001, -004, -005, -006, -007, -008, -009, -010, -011, -012, -014, -015) (“Potrero Creek property”) is surplus to Metropolitan’s needs. (RP&AM)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, is not subject to CEQA, and is categorically exempt, and
a. Affirm the General Manager’s determination that the Potrero Creek property comprised of 655 acres in Beaumont, California, is surplus and carry out disposition of the property in its current condition; and
b. Authorize staff to market and sell the Potrero Creek property at fair market value at the time of sale, in a form approved by the General Counsel.

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $4.57 million; and award $3,248,000 contract to J. F. Shea Construction to repair the forebay lining and outlet tower at Lake Mathews (Appropriation No. 15441). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt; and
a. Appropriate $4.57 million; and
b. Award $3,248,000 contract to J. F. Shea Construction to repair the forebay tower and lining at Lake Mathews.

8-2 Adopt CEQA determination and appropriate $7.17 million; award $4,866,067 procurement contract to Crispin Valve, LLC for rubber-lined butterfly valves; and award $771,984 procurement contract to DeZURIK, Inc. for high-performance butterfly valves for the F. E. Weymouth Water Treatment Plant (Appropriation No. 15369). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2005 Final EIR, Findings, SOC, and MMRP, and that no further environmental analysis or documentation is required; and
a. Appropriate $7.17 million;
b. Award $4,866,067 procurement contract to Crispin Valve, LLC for rubber-lined butterfly valves and actuators for the Weymouth plant; and
c. Award $771,984 procurement contract to DeZURIK, Inc. for high-performance butterfly valves and actuators.

8-3 Adopt CEQA determination, appropriate funding for a three year, multi-media water conservation campaign for a not to exceed amount of $14.7 million, and authorize staff to initiate request for proposals for a consultant contract for this campaign. (C&L)
Added Recommendation:

Option #1:

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

a. Authorize staff to initiate a request for proposals for a three year water conservation advertising and outreach campaign; and

b. Appropriate funding for a campaign and research activities not to exceed $14.7 million as detailed in the Fiscal Impact for this Option 1, as shown in the November 14, 2017 board letter.

8-4 Adopt CEQA determination and report on existing litigation: Shimmick Construction Company, Inc./Obayashi Corporation, a Joint Venture v. The Metropolitan Water District of Southern California, LASC Case No. BC559603; and authorize increase of maximum amount payable under contract with Hunt Ortmann Palffy Darling & Mah, Inc. for legal services by $1.1 million to an amount not to exceed $2.1 million (Approp. 15389). (L&C)

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

Added Recommendation:

Option #1:

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

Authorize amendment of the contract for legal services with Hunt Ortmann Palffy Darling & Mah, Inc. for legal services by $1,100,000 for an amount not to exceed $2,100,000.

8-5 Adopt CEQA determination and report on existing litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa and San Joaquin Counties, including County of San Joaquin v. Metropolitan Water District of Southern California, et al., San Joaquin County Superior Court Case No. STK-CV-UWM-2016-3597; and Central Delta Water Agency, et al. v. Delta Wetlands Properties, et al., Contra Costa County Superior Court Case No. C16-01022; and authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by $400,000 to a maximum amount payable of $800,000. (L&C)

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

Recommendation:

Option #1:

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

Authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by $400,000 to a maximum amount payable of $800,000.

Revised

Adopt CEQA determination and report on existing litigation: 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 and CPF-16-515282; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266 and California Supreme Court Case No. S243500; and Los Angeles County Superior Court Case No. BS169881; and authorize an increase in maximum amount payable under contract for legal services with Manatt, Phelps & Phillips, LLP in the amount of $2,500,000 for a total amount not to exceed $2,900,000. (L&C)

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

Added

Recommendation:

Option #1:

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

Authorize an increase in the maximum amount payable under the contract for legal services with Manatt, Phelps & Phillips, LLP in the SDCWA v. Metropolitan, et al. litigation in the amount of $2,500,000 for a total amount not to exceed $2,900,000.

8-7

Adopt CEQA determination and approve Metropolitan Water District of Southern California’s salary schedule pursuant to CalPERS regulations. (OP&T)

Added

Recommendation:

Option #1:

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

Approve the attached salary schedule.
9. BOARD INFORMATION ITEMS

9-1 Update on Conservation Program

9-2 Compliance with Fund Requirements and Bond Indenture Provisions. (F&I)

10. OTHER MATTERS

10-1 Discussion of Department Head Performance Evaluations

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

10-2 Report on 2017 Department Head Salary Survey

10-3 Adopt the CEQA determination and discuss and approve compensation recommendations for General Manager, General Counsel, and General Auditor

11. FOLLOW-UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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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REVISED: Date of Notice: November 9, 2017
COMMITTEE ASSIGNMENTS

New Committee formed “Facilities Naming Special Committee.” Director Morris has been appointed Chair; Director Ballin has been appointed Vice Chair; Directors Barbre and Peterson have been appointed to the committee.

Director Dake has been appointed as Vice Chair of the Finance and Insurance Committee removing Director Martinez as a member; Director Pressman has been appointed to the Water Planning and Stewardship Committee; Director Ramos has been appointed as Chair of the Organization, Personnel and Technology Committee removing Director Barbre as member and appointing Director Martinez as member; and Director Pressman has been appointed to the Special Committee on Bay Delta. (Agenda Item 5D)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $4.57 million; and awarded $3,248,000 contract to J. F. Shea Construction to repair the forebay tower and lining at Lake Mathews. (Appropriation No. 15441) (Agenda Item 8-1)

Appropriated $7.17 million; awarded $4,866,067 procurement contract to Crispin Valve, LLC for rubber-lined butterfly valves and actuators for the Weymouth plant; and awarded $771,984 procurement contract to DeZURIK, Inc. for high-performance butterfly valves and actuators. (Appropriation No. 15369) (Agenda Item 8-2)

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized staff to initiate a request for proposals for a three year water conservation advertising and outreach campaign; and appropriated funding for a campaign and research activities not to exceed $14.7 million as detailed in the Fiscal Impact for this Option 1, as shown in the November 14, 2017 board letter. (Agenda Item 8-3)

LEGAL AND CLAIMS COMMITTEE

Authorized amendment of the contract for legal services with Hunt Ortmann Palffy Darling & Mah, Inc. for legal services by $1,100,000 for an amount not to exceed $2,100,000. (Agenda Item 8-4; heard in closed session, voted on in open session)

Authorized an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by $400,000 to a maximum amount payable of $800,000. (Agenda Item 8-5; heard in closed session, voted on in open session)
Authorized an increase in the maximum amount payable under the contract for legal services with Manatt, Phelps & Phillips, LLP in the SDCWA v. Metropolitan, et al. litigation in the amount of $2,500,000 for a total amount not to exceed $2,900,000.  
(Agenda Item 8-6; heard in closed session, voted on in open session)

**ORGANIZATION, PERSONNEL & TECHNOLOGY COMMITTEE**

Approved Metropolitan Water District of Southern California's salary schedule pursuant to CalPERS regulations.  (Agenda Item 8-7)

**CONSENT CALENDAR**

In other action, the Board:

Adopted the Lead Agency’s findings, and adopt resolution consenting to Eastern’s 108th Fringe Area Annexation and fixing the terms and conditions of the annexation (Attachment 3 of the board letter dated 11/14/2017), conditioned upon approval by Riverside County’s Local Agency Formation Commission and upon receipt of annexation fee of $37,225.06.  
(Agenda Item 7-1)

Authorized the General Manager to amend the Elite Craftsmen Services agreement to a maximum amount payable from $500,000 to $1 million per year, through the year 2020.  
(Agenda Item 7-2)

Took no vote on agenda Item 7-3, which was tabled at committee–and would have affirmed the General Manager’s determination that the Potrero Creek property comprised of 655 acres in Beaumont, California, is surplus and carry out disposition of the property in its current condition; and authorized staff to market and sell the Potrero Creek property at fair market value at the time of sale, in a form approved by the General Counsel.  
(Agenda Item 7-3 - TABLED)

**OTHER MATTERS**

The Board:

Presented the Commendatory Resolution to past Director Robert Wunderlich, representing the City of Beverly Hills.  
(Agenda Item 5B)

Discussed of Department Head Performance Evaluations.  
(Agenda Item 10-1, no closed session)

Reported on 2017 Department Head Salary Survey.  
(Agenda Item 10-2)

Discussed and approved compensation recommendations for the General Manager, General Counsel, and General Auditor.  
(Agenda Item 10-3)
Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser:

http://edmsidm.mwdh2o.com/idmweb/home.asp

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