Proposed Staff Recommendation Consent Calendar for January 25, 2018

ADMINISTRATION AND FINANCE COMMITTEE
Note and file monthly Treasurer’s Report.

Adopt the Debt and Disclosure Policy as amended.

ENGINEERING AND OPERATIONS COMMITTEE
9-3. Amendment to the Professional Services Contract with Black & Veatch Corporation for Owners’ Representative Services for San Vicente Energy Storage Facility.
Authorize the General Manager to execute Amendment 2 to the professional services contract with Black & Veatch Corporation for a period of five months, in the amount of $600,000, increasing the authorized cumulative contract amount from $150,000 to $750,000.
Congress approved another Continuing Resolution (CR) to fund government programs, through February 8. The plan buys additional time for congressional negotiators to reach a deal that would increase funding for defense, sought for by Republicans, and non-defense programs, as called for by many Democrats. There is no certainty, however, that such a deal will be made by that date.

The approval came after Senate Democrats forced a brief government shutdown as they tried to gain inclusion of immigration legislation into an extension of government funding. The shutdown caused little disruption and demonstrated a different approach by President Trump compared to previous administrations. Federal agencies in this recent shutdown were encouraged to minimize furloughs, use unexpired funds, and generally lessen the negative effects caused by the lapse of funds. EPA, for example, had the ability to delay any furloughs for at least one week, if needed, rather than shutdown immediately as in previous shutdowns.

Most Democrats reversed course and supported a new CR in return for a renewed pledge by Senate Majority Leader Mitch McConnell to bring up legislation to address the status of roughly 800,000 individuals brought into the United States illegally by their parents.

We still await a formal release of the White House position which is expected around the President’s State of the Union address on January 30th.

Administration officials have been briefing a select number of key Members on the infrastructure plan. From what is known, the intention still appears to rely heavily on non-federal funding coupled with relaxed federal environmental reviews to advance a broad range of infrastructure projects, including water supply and distribution projects. It is not known how programs like Title XVI Water Reclamation funding would fare, but the Administration intends to greatly expand loan
and other financing programs such as WIFIA.

Infrastructure, in this context, is more than just roads and bridges. Leaders in both parties have been talking about a much broader approach that could incorporate water projects, pipelines, electricity grids, energy export facilities, and other infrastructure. The administration’s infrastructure initiative is the third plank of his top three priorities, after health care reform and tax reform. It is expected to be a central theme of his State of the Union message on January 30th. The administration will be releasing a document of “principles” rather than specific legislation. Parameters of the plan have been coming out over the last year.

The plan will be composed of a combination of significant permitting and environmental streamlining reforms and $200 billion in federal dollars over ten years. The administration believes the federal funds will leverage an additional $800 billion private funding for a total of $1 trillion in infrastructure investment over ten years. The plan envisions broad eligibility for funding not only for traditional transportation initiatives such as roads, bridges, transit, aviation, rail, ports, harbors, but also pipelines, wastewater treatment systems, drinking water, electric transmission grids, rural broadband and veterans’ hospitals. The proposal would largely leave the type of infrastructure to be funded up to the recipients of funds rather than be divided at the federal level. No additional revenue raisers will be proposed, but the $200 billion would be proposed to be offset with federal program cuts which would be proposed in the FY 19 budget submitted in February.

The plan envisions the $200 billion being distributed via three major buckets:

- **General Incentive Program:** 50% of the funds would be distributed under a formula for incentive grants on a 20% Federal/80% State, local and private investment cost share basis. This approach would primarily benefit urban/suburban communities where alternative funding streams would be more likely to be available. This program relies heavily on public private partnerships to utilize federal dollars as primarily incentive money to complete majority investments by state, locals and the private sector. Projects would be prioritized based on levels of non-federal investment in the project. The idea is to reward projects with more skin in the game. Asset recycling would be a major feature of the plan. This model was used in Australia for a limited time to attract private money toward public works and involved leasing or selling existing public infrastructure to private partners and using the lease or sale proceeds to fund new projects. The concept is to turn an asset into cash and have a bonus payment from the government to do so. The administration has denied that there are “lists” of projects it wants funded.

- **Rural Formula Grant Program:** 25% of the funding would be utilized for grants for rural infrastructure projects, perhaps with more traditional majority Federal cost share basis or even 100%. This is to satisfy rural State concerns that these areas do not have the same capabilities to raise non-Federal or private funds as urban areas do. The proposal would specify the thresholds for “rural” and “infrastructure project” to prevent misuse at the state level, but the concept is that states are more capable of identifying rural
communities’ infrastructure needs than the federal government. There is some thought that the proposal will “defederalize” the federal dollars once they are handed over to the states to offer more flexibility from a plethora of laws and regulations applying to Federal funds, which is raising concerns amongst labor about whether prevailing wage laws would apply to these projects. The White House believes labor may support this in exchange for a funding influx and job opportunities. The rural funding may be administered by the Department of Agriculture.

- **Transformative Projects Program:** 25% of the funding would fund big vision “moonshot type” projects that would not be able to get off the ground without a federal push. It would fund projects that require a higher federal government buy-in, including use of the federal lending and credit programs like TIFIA, WIFIA, and RRIF and expanding eligibility requirements for those programs to accommodate these projects. Elon Musk’s tunneling projects are often cited as an example of what is envisioned being funded under this umbrella. The transformative projects program would be administered by the Department of Commerce.

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**Waters of the US Rule Delayed Despite Supreme Court Ruling**

The Obama administration’s Waters of the U.S. rule won't go into effect, EPA says, despite this week's Supreme Court ruling that invalidates the stay of the 2015 rule.

EPA water chief David Ross said that his agency will finalize a rule delaying implementation of the Obama rule in about a month, which is how long he expects the legal formalities at the Supreme Court and the 6th Circuit Court of Appeals to take before the nationwide stay is lifted.

"We had a plan in place to address this exact situation," Ross said. He said the process for finalizing the delay rule is moving "very quickly" and does not expect it to be delayed by the government shutdown, even if it lasts beyond this week and affects EPA employees.

The Supreme Court ruled on January 22 that litigation against the Obama rule, also called the Clean Water Rule, should have gone through district court first, meaning that the nationwide stay issued by the 6th Circuit is invalid. Without swift action from EPA, that would mean the rule would go into effect in the 37 states not covered by a stay issued by a North Dakota district court.

Ross, who was confirmed for the water post in December (see following item) and arrived at EPA earlier this month, said he is focused on rulemakings relating to the water rule but is recused from litigation over the Obama regulation. In a previous job with Wyoming’s attorney general’s office, Ross sued over the Obama rule.
Head of EPA Office of Water Confirmed by Senate

The Senate has confirmed David Ross to serve as the head of the EPA’s Office of Water. He was approved on a voice vote. Before coming to EPA, Ross served as the director of the Wisconsin Department of Justice’s Environmental Protection Unit and served as a senior assistant attorney general for the State of Wyoming. He has a long career in environmental law, with a strong focus on water law, and will be the Administration’s point person on redefining the “Waters of the United States” scope under the Clean Water Act.

Renegotiation of NAFTA Underway

The importance of NAFTA to the San Diego region is being highlighted in Washington by efforts of the Greater San Diego Chamber of Commerce. The Chamber supports updates to NAFTA but strongly opposes exiting the NAFTA agreement, and has been active in the debate currently occurring in Congress and the Administration.

The United States, Mexico, and Canada continue the process of renegotiating and modernizing the North American Free Trade Agreement. Although originally scheduled to conclude by the end of 2017, the negotiations have hit a roadblock in the form of several proposals tabled by the United States that cross stated redlines for both Mexico and Canada. The sixth formal round of negotiations is scheduled to begin in Montreal on January 23rd and will run through January 28th.

This round, the last one that is currently on the schedule, is likely a make-or-break session to resolve many of the most controversial provisions put forward by the U.S., including Investor-State Dispute Settlements, government procurement, seasonal agriculture, rules of origin, and a sunset clause that would require each country recertify the agreement every five years. The U.S. has threatened to walk away from NAFTA if these provisions are not agreed to, even though they are generally not supported by the American industries they purport to help.

In recent weeks, trade-friendly Senators and Governors, especially those that represent agricultural states who depend on the export opportunities that NAFTA provides, have pressed the Trump Administration on the importance of remaining within NAFTA. They have argued that withdrawing from the agreement would violate the “do no harm” principle and could jeopardize the growth that the U.S. economy has seen, both through the successful completion of tax reform and gains in the U.S. stock market.

Whether progress is made in the upcoming round or not, the negotiations have a ticking clock. There is a self-imposed deadline of March 31st to complete discussions, partially due to political considerations for all three countries: the Mexican presidential election is scheduled for July 1st; Canada will hold provincial elections; and the U.S. has midterm primaries and elections. Additionally, as the sixth round concludes mere days before the State of the Union Address,
scheduled for January 30th, a lack of substantial progress could give the president a reason and opportunity to announce withdrawal.

If President Trump does announce that the U.S. is withdrawing from NAFTA, there are substantial legal and procedural questions that would need to be resolved. As the U.S. has never withdrawn from a trade agreement, legal scholars have offered differing opinions on whether a president has the unilateral authority to do so or if Congressional approval would be required. Additionally, as the language implementing the treaty was passed through and codified into law, it would have to be addressed legislatively. Therefore, the withdrawal process, slated to last only six months per the terms contained within NAFTA, could drag on for much longer, leaving businesses with massive uncertainty.

Role of Federal Government in Water Fights at Issue

The Supreme Court heard arguments on January 8th on a pair of long-running water disputes between states that will test what role the federal government should play in such conflicts. First up is Texas v. New Mexico and Colorado, a case where the federal government intervened on the side of Texas, which argues that New Mexico is allowing its residents to take water that belongs to the Lone Star state under a 1939 compact. The high court will consider only what the federal government’s role should be, not the merits of the water fight itself.

The second case in the double-header is Florida v. Georgia, where the federal government took the opposite tack. Even though the Army Corps of Engineers operates a series of dams and reservoirs along the contested Apalachicola-Chattahoochee-Flint River river system, it did not join the litigation when Florida sued Georgia in 2014 to cap its offtake after Florida's prized Apalachicola Bay oyster fishery collapsed.

The two cases are more than parochial...... It won’t just be the parties tangled in these particular water fights who will be watching closely. Water rights have traditionally been the purview of the states, and they have fought hard to keep it that way. As growing populations and fluctuations in supplies stress water basins across the country, states will be watching the justices closely to see how much power the federal government should have in settling these types of fights in the future.
January 24, 2018

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 December 2017 and January 2018. The MWD committees and Board met on December 11 and 12, 2017 and January 8 and 9, 2018, and meet next on February 12 and 13.

Discussion

December 2017
The key action at the December MWD Board and committee meetings was adopting federal and state legislative priorities and principles. The Water Authority Delegates supported the adoption of MWD’s federal and state legislative priorities and principles after many of their recommendations were accepted by the Communications and Legislation Committee and ultimately approved by the Board.¹ Directors Gold (Los Angeles) and Peterson (Las Virgenes) also proposed modifications to the legislative principles, some of which were accepted.

Also, the MWD Board received a presentation on the upcoming biennial budget and rate setting process, an overview of MWD’s historical approach on local resources subsidy programs, and a refresher presentation on the Integrated Water Resources Plan policy principles for conservation and local resources development. Attachments 1 and 2 summarize the Board’s discussion of the budget and rate setting process and the presentations related to subsidy programs, respectively.

During the Water Surplus and Drought Management presentation, staff projected MWD will store an unprecedented 1.2 million out of its 1.38 million acre-feet of surplus supplies in 2017. When asked about the remaining 180,000 acre-feet, staff said most would remain in the State Water Project system therefore “help” with next year’s allocation of which MWD receives about 50 percent so “it’s not completely gone.” General Manager Kightlinger added that some of the excess supplies would likely end-up in San Luis Reservoir, which is highly likely to have a “paper spill.” Therefore, the water “will be wiped off the books and given back to the system of which we still get some credit for but it wouldn’t necessarily be with Metropolitan’s name tied to it depending on” next year’s hydrology. Additionally, since MWD is unable to store all its supplies, Kightlinger said Los Angeles was notified that the water it stored in MWD’s system, which was less than 1,000 acre-feet, “spilled and therefore it’s not their water.”

January 2018
At the January 2018 MWD Board and committee meetings, the key action was authorizing an increase in the amount payable to Wilmer Cutler Pickering Hale and Dorr LLP for its review of

the Ethics Office. Staff’s recommendation was to increase the contract amount by $400,000 to a new not-to-exceed amount of $650,000. Following the Board’s discussion of the item, Director Steiner offered a substitute motion to staff’s recommendation to increase the contract by $250,000 (to a new total of $500,000). Steiner’s substitute motion was approved with 76.41 percent of the Board’s support. Attachment 3 summarizes the Board’s discussion of this item. Also, the Finance and Insurance Committee received an update on how fiscal year 2018 sales and exchanges are tracking for fiscal year 2018. Through December 2017, MWD sale and exchange revenues are tracking about $78 million below budget due to lower-than-budgeted untreated water sales. A summary of this report and the committee’s subsequent discussion is found in Attachment 4.

In the Communications and Legislation Committee, MWD staff presented on Central Basin’s proposal to amend the MWD Act section that governs the number of MWD Board members that member agencies are permitted to have. Pointing out that this was an informational item, General Manager Kightlinger prefaced staff’s presentation by saying that Central Basin asked MWD to work with Central Basin on its proposal, but he wanted to get Board input before moving forward. A summary of the committee’s discussion on this proposal is found in Attachment 5.

The Board also received various reports related to the status of MWD’s supplies, demands, and the region’s local supplies. The Water Planning and Stewardship Committee received Water Surplus and Drought Management, Bay-Delta Management, and Colorado River Management reports. The committee’s discussion of these reports is summarized in Attachment 6. During the Conservation and Local Resources Committee, staff presented overviews of stormwater capture and the conditions of groundwater basins in the MWD service area. Attachment 7 details the committee’s discussion of these presentations.

**Overview**

In December 2017, the Delegates supported all 14 action items approved by the MWD Board. In closed session, the Legal and Claims Committee heard a report on the rate litigation, in which the Delegates did not participate. Attachment 8 is a copy of MWD’s December 2017 committee and Board meeting agendas and summary report.

The Delegates supported all action items approved by the MWD Board at its January 2018 meeting. The Legal and Claims Committee heard a closed session report on the rate litigation, which the Delegates excused themselves from. Attachment 9 is a copy of MWD’s January 2018 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 (January 2018 meeting only) and Elsa Saxod  
*Conservation and Local Resources Committee* by Michael Hogan and Fern Steiner  
*Engineering and Operations Committee* by Fern Steiner  
*Finance and Insurance Committee* by Keith Lewinger (January 2018 meeting only) and Elsa Saxod  
*Legal and Claims Committee* by Fern Steiner  
*Organization, Personnel and Technology* by Michael Hogan
Real Property and Asset Management by Michael Hogan
Water Planning and Stewardship Committee by Keith Lewinger (January 2018 meeting only) and Fern Steiner

Attachment 1: Discussion Summary of MWD’s Upcoming Budget and Rate Setting Process
Attachment 2: Discussion Summary of MWD’s Demand Management Programs
Attachment 3: Discussion Summary of Ethics Office Review
Attachment 4: Discussion Summary of Chief Financial Officer’s Report
Attachment 5: Discussion Summary of Central Basin’s Proposal Related to MWD Board Representation
Attachment 6: Discussion Summary of Water Supply Conditions and Projects
Attachment 7: Discussion Summary of Stormwater Capture and Groundwater Basin Conditions in MWD Service Area
Attachment 8: MWD’s committee and Board meeting agendas and Board summary, dated December 11 and 12, 2017
Attachment 9: MWD’s committee and Board meeting agendas and Board summary, dated January 8 and 9, 2018
Discussion Summary of MWD’s Upcoming Budget and Rate Setting Process

At the December 2017 meeting of MWD’s Finance and Insurance Committee, staff presented on the upcoming biennial budget and rate setting process for fiscal years 2019 and 2020 and calendar years 2019 and 2020, respectively. Following staff’s presentation, the Board discussed this process. In response to Director Saxod, General Manager Kightlinger clarified that the work done during Fall 2017 was completed by staff, including identifying key budget priorities and strategies, which are part of the General Manager’s business plan and will be presented as part of the budget packet. The Board will review them when drafts of all budget and rate related documents are made available on January 25, 2018.

Director Dick (Municipal Water District of Orange County) asked for an explanation of Pay-As-You-Go (PAYGo). Chief Financial Officer Breaux replied that MWD funds its capital program through a combination of issuing debt and using PAYGo, which is cash generated from rates and charges. According to Breaux, MWD sets its rates so that $120 million (or 60 percent) of its annual Capital Investment Plan is funded through rates. Earlier, staff emphasized that maintaining the 60 percent PAYGo funding level is important for MWD because it provides MWD “with financial flexibility to manage perhaps low cash periods.”

MWD’s upcoming budget and rate setting process will have the backdrop of MWD current sales falling below budget. During the Chief Financial Officer’s report, Breaux reported that fiscal year 2018 water sales are tracking about 162,000 acre-feet below budget, which equates to about $106.6 million. Also, Breaux noted that staff had “revised” his report to make it “consistent” with the Appellate Court’s ruling on the rate litigation so that it now refers to MWD sales and exchanges as “transactions.” (Previously, MWD had incorrectly reported the Water Authority’s exchange water as a sale.)

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1 In the past, MWD redirected revenues generated for PAYGo purposes to fund operations and maintenance expenses when its revenues fell short and unrestricted reserves were low.
Discussion Summary of MWD’s Demand Management Programs

During MWD’s December 2017 Conservation and Local Resource Committee (C&LR Committee) meeting, the Board received two presentations related to subsidy programs. The first presentation was on MWD’s historical efforts to encourage local resource development and the second one reviewed the 2015 Integrated Water Resources Plan (IRP) conservation and local resource development targets and the Board’s adopted policies related to achieving these targets.

Interim Water Resource Management Group Manager Donhoff prefaced the local resources development presentation by stating that staff is looking for “feedback” on how to better encourage this development. Staff’s presentation focused on the history of MWD’s various programs to help member agencies implement local supply projects and reviewed the Local Resource Program’s (LRP) local supply development target.

Following staff’s presentation, the Board discussed MWD’s involvement in local supply development. Noting that staff’s presentation showed a decrease in total local supply production, Director Hogan asked what was driving this decline. Staff replied that the primary factor is hydrological conditions and that reduced groundwater production due to water quality concerns could also be a driver. Hogan requested more information on which agencies are experiencing the decline.

Director Blois (Calleguas) asked how the Sustainable Groundwater Management Act (SGMA) might impact the future production of the region’s groundwater basins. General Manager Kightlinger replied that almost all basins within MWD service area are managed or adjudicated and therefore “pre-dated” SGMA. Also, Kightlinger pointed out that groundwater basins and Los Angeles’ Los Angeles Aqueduct supplies are both impacted by hydrology, suggesting that hydrologic conditions drive the region’s swings in local supply production. On this note, Assistant General Manager and Chief Operating Officer Upadhyay reflected that MWD is planning “to have a process” to examine its local resource program to “better ensure that we’re getting the region up” to the IRP local resource development target of 2.4 million acre-feet1 and said staff would provide the committee with more details on the variations in local supply production. C&LR Committee Chair Gold (Los Angeles) added that staff should further breakdown local supplies by how groundwater basins are managed. Steiner requested to better understand if some of the downward trend in local supply production could be attributed to agencies deferring projects due to reduced demands.

Focusing on stormwater capture, Gold noted that MWD has not made any “significant investment” in stormwater capture projects and asked what research MWD plans to undertake. Staff responded that “one of the critical questions” is to “better quantify how stormwater capture is reducing demand on” MWD. Gold sought further clarification, and staff said stormwater projects would have to demonstrate that they are “offsetting a potable demand that can be quantified” to receive MWD subsidies. Calling it a “policy” issue rather than a “research” one, Gold described “the crux of the issue” as determining that stormwater capture is “new water as opposed to you’re just taking it from one place” and “getting it as a different supply,” which he

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1 This target is for existing and new local supplies, of which new local supply development accounts for 20,000 acre-feet by 2040. MWD’s 2015 IRP calls for MWD to “protect” existing local supplies.
implied may not offset potable demands. Director Atwater (Foothill) added that MWD needs to discuss how to “incentivize groundwater basins to produce more water during a drought” and “work together to increase local supplies when” they are needed. Gold agreed with Atwater, highlighting the “lack of consensus on technical and management approaches” to the challenge of basins producing during droughts. Upadhyay pointed out one of the “IRP policy principles” aims to address how the region sustains, recovers, and increases groundwater production. Wrapping up the discussion, Director McKenney (Municipal Water District of Orange County) reflected, and Gold agreed, that site-specific research is needed to understand the quantity of stormwater runoff that infiltrates basins, and stormwater capture’s benefits and costs and how those are apportioned.

Next staff presented an overview of the 2015 IRP’s target for conservation and local resources production as well as the Board’s “adopted IRP policy principles.” Following this presentation, Steiner asked if the State Water Resources Control Board’s (SWRCB) emergency conservation regulations and SWRCB’s potential future conservation standards are included in MWD’s projected conservation savings. Staff responded that the SWRCB’s most recent and potential future actions are not included in those projections. Turning to local supplies, Steiner requested staff provide the underlying data used to develop its local supply production projections. Returning to the SWRCB’s emergency regulations, Hogan reiterated that MWD should revisit its demand forecasts because SWRCB’s emergency regulations may have already caused some level of permanent conservation causing demands to not rebound as MWD currently projects. Hogan noted that resetting MWD’s demand projections will impact its local supply production and conservation targets.
Discussion Summary of Ethics Office Review

During MWD’s January 2018 Board meeting, the Board considered staff’s recommendation to authorize an increase of $400,000 to its existing $250,000 contract with Wilmer Cutler Pickering Hale and Dorr LLP (WilmerHale) for the Ethics Office review. MWD consultant Alejandro Mayorkas (from WilmerHale) provided an update on the review of MWD’s Ethics Office, which he said focused on the “policies, practices, and governance of the Ethics Office.” Mayorkas said that much of the work has been completed and he expected to release a “public report in the next few weeks.”

Following Mayorkas’ report, Director Lewinger said he found it “startling” that the Board was being asked for such a significant increase in the contract. Mayorkas explained that the review “has been extraordinarily thorough” and additionally, that “unforeseen developments” added “complexity and time consumption” to the work. Turning to potential findings, Director Barbre (Municipal Water District of Orange County) asked if Mayorkas thought the Ethics Office “is going to be prevention or prosecution.” Mayorkas replied that “prevention is absolutely at the heart” of the Ethics Office but that “it also has an investigation function.” In response to Barbre’s suggestion that a potential recommendation might be to increase the Ethics Office’s staffing, Mayorkas said that he does not think additional “resources” would be needed if the Board agrees with his finding “that some of its work no longer be performed by the Ethics Office.” Later, in response to Director Dick (Municipal Water District of Orange County), Mayorkas said he would not recommend that the Ethics Office or “the position of Ethics Officer be eliminated.”

Returning to the additional funding request, Director Hogan asked if it would be used to pay for services already performed. Mayorkas replied ‘that we are almost current” and “may be somewhat over that $250,000 limit,” but the additional funds are also “to complete our work.” Later, Chairman Record (Eastern) said that the increase funds included “some cushion” and stressed the importance and timeliness of the review. Responding to Lewinger, Mayorkas confirmed that his work had exceeded the initial authorization and that he believed about 90 percent of the review is complete. Since Mayorkas implied his work to date had only slightly exceeded the initial $250,000 authorization and his earlier comment that the contract was “almost current,” Lewinger questioned why an additional $400,000 would be needed to complete the remaining work. Both Record and Mayorkas reiterated that the requested amount contained “cushion,” with Mayorkas offering the example of “strengthening” or “propos[ing] language in the Administrative Code.” Director Paskett (Los Angeles) said that based on the Water Authority Delegates’ questions and the lack of “visibility into the amount of work” and “vague” report from Mayorkas that she would not be able to support an increase in the contract. Additionally, she suggested Mayorkas return next month with “more detail on the volume” of work. Mayorkas responded that he anticipated a 75-page report, to which Paskett said “so for $600,000 we get a 75-page report.” Director Peterson (Las Virgenes) moved staff’s recommendation but Director

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1 The original contract amount, for up to $250,000, was authorized under MWD General Manager’s contract authority.
2 In June 2017, under the direction of Chairman Record (Eastern), MWD initiated a “review” of its Ethics Office. More information on the review of MWD’s Ethics Office see the “Metropolitan Water District Delegates’ Report” starting on page 10 of the Water Authority’s August 23, 2017 supplemental materials packet found here: [http://www.sdcwa.org/sites/default/files/2016-12/Board/2017_Supplemental/2017_08_24SupplementalMaterials.pdf](http://www.sdcwa.org/sites/default/files/2016-12/Board/2017_Supplemental/2017_08_24SupplementalMaterials.pdf)
Steiner offer a substitute motion to increase the contract by $250,000 rather than $400,000 as requested. Steiner’s motion passed with 76.41 percent support.³

³ Supporting Steiner’s motion were the Water Authority’s delegates, and the delegations from Beverly Hills, Calleguas, Central basin, Inland Empire Utilities Agency, Long Beach, Los Angeles, Municipal Water District of Orange County, Three Valleys, and Western.
Discussion Summary of Chief Financial Officer’s Report

During his report at MWD’s January 2018 Finance and Insurance Committee meeting, Chief Financial Officer Breaux said that through December 2017, fiscal year 2018 water sales and exchanges, or “transactions,” were about 78,000 acre-feet below budget, an improvement from the prior month. This below budget transactions equate to revenues being under budget by more than $78 million for fiscal year 2018. Lower-than-budgeted untreated water sale revenues are the sole driver of this budget shortfall. Breaux said increased cyclic water sales to the Municipal Water District of Orange County (MWDOC) and increased water purchases by Los Angeles accounted for the significant increase in December 2017 water sales compared to the prior month. Because of the higher sales in December, Breaux said that MWD projects fiscal year 2018 sales and exchanges of 1.55 million acre-feet to 1.6 million acre-feet, which although better than how MWD was tracking in November 2017, is still below MWD’s budget of 1.7 million acre-feet.

Following Breaux’s report, Director McKenney (MWDOC) pointed out that although MWD sold less treated water than budgeted through December 2017, the revenues from these sales exceeded budget. Breaux was unable to explain this counter-intuitive accounting. Turning to a different aspect of MWD’s financials, Director Lewinger noted that MWD reported in the General Counsel’s January 2018 written report that it refunded about $200 million in public bonds with private placement debt. Responding to Lewinger, Breaux said MWD does not have an existing policy to determine when it uses private placement versus public offerings to manage debt. Breaux reported that MWD utilized its existing “revolving lines of credit” and found this a “more efficient” way to manage the debt that was refunded. He also said there are no risk premiums or conditioned terms associated with this transaction.
Discussion Summary of Central Basin’s Proposal Related to MWD Board Representation

During its January 2018 meeting, MWD’s Communications and Legislation Committee received an oral report on Central Basin’s proposal to pursue legislation to change the MWD Act (Act). Specifically, Central Basin wishes to insert language into a section of the Act so member agencies have the option to select from two options the basis to calculate the number of representatives they have on the MWD Board. Through this proposal, member agencies would have the option to select between the existing methodology, based on assessed valuation, or another methodology based on population. Under the current methodology, Central Basin projects it will lose one of its two seats on the MWD Board in the next year or so. Applying the new methodology, Central Basin could maintain two members on the MWD Board if it chooses to.

Although the proposal would not change the Board’s vote entitlement calculation, Director Barbre (Municipal Water District of Orange County) suggested that Central Basin would be “gaming the system” in committees, as MWD committee actions are based on one director, one vote, rather than a weighed vote. Additionally, Barbre expressed concern with opening the Act since additional, “problematic” changes could be made to it. Directors Camacho (Inland Empire Utilities Agency), Ackerman (Municipal Water District of Orange County), Blois (Calleguas), and Treviño (Upper San Gabriel) echoed Barbre’s concern. Expressing willingness to consider Central Basin’s proposal if it enhanced “equity throughout the District,” Director Dake (Los Angeles) sought clarification on how opening the Act would be “uncontrolled.” MWD staff responded that it would be important to have a strong author to “push back on” any “poison pills.” Director Peterson (Las Virgenes) said that as a small member agency the “only power” he has is through committee and suggested Central Basin’s proposal would weaken his influence on the Board. Also, Peterson pointed out that MWD allows directors to remain on the Board until their terms expire and suggested that there are more “subtle” ways for Central Basin to keep its two directors. Later, Director Lewinger agreed Central Basin should consider another approach.
Discussion Summary of Water Supply Conditions and Projects

Following the Water Surplus and Drought Management (WSDM) report during the January 2018 Water Planning and Stewardship Committee (WP&S Committee), Director Steiner asked what MWD assumed for the Los Angeles’ 2018 demand. Staff said MWD assumed an “average year roughly” about 200,000 acre-feet of Los Angeles Aqueduct supplies. Noting recent reports of dry conditions along the Colorado River, Director Lefevre (Torrance) asked if there were any anticipated impacts on MWD’s ability to take water from Lake Mead. Calling MWD’s Colorado River supplies “solid,” staff replied that “the only risk would be if we see Lake Mead levels drop to that shortage trigger” and added that Lake Mead’s elevation increased in 2017.

After the WP&S Committee’s Bay Delta Management Report, Steiner asked if any additional contractors had indicated they would participate in WaterFix or the project’s Finance Joint Powers Authority. Assistant General Manager of Strategic Water Initiatives Patterson responded that “no actions [were] taken” but that Kern County Water Agency (Kern), Santa Clara Valley Water District, and MWD have been discussing returning to their Boards with a proposed “phased project” in March. At that time, Kern1 would also consider any transfers related to its portion of the project.2 Turning to the project’s planning costs, Steiner pointed out that MWD previously reported that the Department of Water Resources (DWR) had been using “discretionary funds” to finance the planning costs outside of the funding and supplemental funding agreements. Steiner asked if the “discretionary funds” are the same as the $300 million or so surplus revenues reported in the state’s audit of WaterFix.3 Patterson said DWR has been using revenues collected “from the contractors under Article 51 of the contracts” and that he was unsure what the state’s audit was “talking about.” Steiner suggested that at the January 2018 Special Committee on Bay-Delta meeting, staff provide “more clarification” on the discretionary funds and surplus revenues.

During his report, Patterson said that the Bureau of Reclamation filed a Notice of Intent in December 2017 to prepare an Environmental Impact Statement as part of the re-initiation of consultation on the existing biological opinions. In response to Steiner, Patterson and General Manager Kightlinger said this process does not require California Environmental Quality Act (CEQA) review. In the same vein, Director Lewinger asked if additional environmental documentation would be required under the National Environmental Policy Act (NEPA) or CEQA if WaterFix becomes a “phased project.” Patterson said staff is still analyzing if additional NEPA or CEQA documentation would be needed and staff’s findings would be reported when it returns to the Board with the “phased project.”

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1 In October 2017, Kern’s Board indicated it was interested in participating in half of its share of WaterFix. See L.A. Times article “Kern County agency votes to help fund delta water delivery system” dated October 12, 2017 found here: http://www.latimes.com/local/lanow/la-me-kern-tunnels-20171012-story.html
2 State Water Project contracts allow transfers of Table A entitlements between contractors; MWD staff reported in the past that similar “transfers” may occur between contractors should one contractor decides to participate in WaterFix at a level different than its Table A proportion.
Turning to MWD’s other imported water supply, the WP&S Committee heard the Colorado River Management Report. Following this report, Director Lewinger sought clarification on the Drought Contingency Plan currently being negotiated. Colorado River Resources Manager Hasencamp described the current proposal as including “a mandatory storage program” under which Lake Mead’s elevation falling to certain thresholds would require Colorado River users to have a certain amount of water stored in Lake Mead. Each user would have access to their respectively stored water “at a later date.” Lewinger said he thought there was discussion of users voluntarily not taking their full entitlements if Lake Mead dropped to certain levels. Hasencamp further clarified that Colorado River users would “voluntarily” not take their full entitlements and instead store the untaken portion in Lake Mead; however, if a user already had enough water in its Intentional Created Surplus account then it could still receive its complete entitlement. Changing gears, Lewinger asked how MWD benefits from its storage agreement with IID. Hasencamp said that during dry years, like 2015 and 2016, MWD “needed extra water” so the agreement was beneficial in that context. Also, he noted that IID incurs a small “storage fee” in the form of a “loss” of 5 to 10 percent of the water it stores, giving MWD “a small water supply benefit.”
Discussion Summary of Stormwater Capture and Groundwater Basin Conditions in MWD Service Area

At its January 2018 meeting, MWD’s Conservation and Local Resources Committee (C&LR Committee) received presentations on stormwater capture, and groundwater conditions in MWD’s service area. Following the stormwater capture presentation, Director Steiner sought clarification on how stormwater fits into MWD’s 2015 Integrated Water Resources Plan’s (IRP) resource targets. Staff said that groundwater production makes up about 1.2 million acre-feet of the 2.4 million acre-feet target for local supply production. However, staff said that the IRP does not identify which local supplies, such as stormwater capture, should be developed to achieve this target. Pointing out the “complexity” of stormwater capture projects, Director McKenney (Municipal Water District of Orange County) reiterated his previous suggestion to “identify a project or two” to help “inform MWD about what our business opportunities are for investing in something like that.” Noting the presentation’s representation that MWD’s service area is already capturing most of its stormwater, Director Blois (Calleguas) surmised that “we’ve done what we can to capture all the low hanging fruit” and remaining projects would be “more expensive,” but they should still be identified to understand potential opportunities. Highlighting the complexity of stormwater capture, C&LR Chair Gold (Los Angeles) suggested capturing stormwater from “productive” rivers with “aquatic biodiversity” versus concrete channels have different impacts and that reducing flows from productive rivers should not be celebrated.

Following the presentation on groundwater basins’ conditions in MWD’s service area, McKenney asked how MWD defined a basin’s “healthy storage level.” Staff responded that many of these basins have operating ranges, so healthy storage is achieved when a basin is within its operating range. McKenney noted that these ranges are often based on the basin manager’s idea of what is a “healthy operating range for their” basin. Noting that basin managers prefer to refill their basins through natural recharge (rainwater) rather than spending money to purchase imported water, Lewinger asked how to assess how much of the declining basin levels has been driven by basin managers’ decisions to not purchase imported water versus declining rainfall. MWD staff replied that “rainfall is declining over time” but that “some of the managers do wait, but at some point, and that seems to be now, is the time that you’ll need to buy, before your water levels get too low.” Adding that basin management is changing, Assistant General Manager and Chief Operating Officer Upadhyay suggested that MWD should look more closely at how basins are managed, including the role of recycled and imported water. Later, McKenney said that it would be in MWD’s “interest to affect” basin manager’s “decision-making” so that basins are full when droughts begin. More specifically, McKenney suggested that MWD consider how it can shift, or even take on, the risks basin managers face if they purchase imported water only to see their basins unable to take advantage of the natural recharge if it rains.

Director Steiner asked if MWD considered any adjudicated basins “unhealthy” that are operating within their adjudication. Noting that this was a high-level review, Upadhyay said, and Gold and Steiner agreed, that it would be helpful for staff to return with information at the individual basin level. In response to Lewinger’s question about how to increase passive recharge, Gold said that

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1 The 2.4 million acre-feet target is based on “protecting” existing local supply production and adding an additional 20,000 acre-feet of local supplies by 2040.
having “strong low-impact development ordinances” for redevelopment and new development have “a huge benefit.” Lewinger suggested that MWD may “want to help push” legislation that addresses low-impact development, which Gold expressed support for.
Finance and Insurance Committee

Meeting with Board of Directors*

December 11, 2017

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

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December 11, 2017

Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Room</th>
<th>Committee</th>
</tr>
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<tbody>
<tr>
<td>9:30 a.m.</td>
<td>2-456</td>
<td>F&amp;I</td>
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<tr>
<td>10:30 a.m.</td>
<td>2-145</td>
<td>WP&amp;S</td>
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<tr>
<td>12:00 p.m.</td>
<td>2-456</td>
<td>E&amp;O</td>
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<tr>
<td>1:30 p.m.</td>
<td>2-145</td>
<td>OP&amp;T</td>
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<tr>
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<td>C&amp;L</td>
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1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))

2. **Approval of the Minutes of the meeting of the Adjourned Finance and Insurance Committee held November 13, 2017**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None

Date of Notice: November 22, 2017
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral Report on Investment Activities


7. MANAGEMENT REPORT

a. Chief Financial Officer’s report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: November 22, 2017
Water Planning and Stewardship Committee

Meeting with Board of Directors*

December 11, 2017

10:30 a.m. –Room 2-145

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**Meeting Schedule**

<table>
<thead>
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<td>C&amp;L</td>
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* 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.

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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. **PUBLIC HEARING**
   a. Review of Metropolitan’s achievements in conservation, recycling, and groundwater recharge

3. **Approval of the Minutes of the Water Planning and Stewardship Committee held November 13, 2017**
4. CONSENT CALENDAR ITEMS — ACTION
   None

5. OTHER BOARD ITEMS — ACTION
   None

6. BOARD INFORMATION ITEMS
   None

7. COMMITTEE ITEMS
   a. Oral report on water surplus and drought management

8. MANAGEMENT REPORTS
   a. Bay-Delta Matters
   b. Colorado River Matters
   c. Water Resource Management Manager's report

9. FOLLOW-UP ITEMS
   None

10. FUTURE AGENDA ITEMS

Date of Notice: November 27, 2017
11. 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*

December 11, 2017
12:00 p.m. – Room 2-456

December 11, 2017
Meeting Schedule

<table>
<thead>
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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 November 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $700,000; and authorize preliminary design of seismic upgrades to Whitewater Tunnel No. 2 on the Colorado River Aqueduct (Appropriation No. 15483). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt from CEQA; and
   a. Appropriate $700,000; and
   b. Authorize preliminary design of seismic upgrades to Whitewater Tunnel No. 2 on the Colorado River Aqueduct.

7-2 Adopt CEQA determination and appropriate $1.95 million; and authorize design to replace the water distribution systems and pavement at the Colorado River Aqueduct pumping plants (Appropriation No. 15483). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
   a. Appropriate $1.95 million;
   b. Authorize final design to replace the domestic and nonpotable water distribution systems at the CRA pumping plants; and
   c. Authorize preliminary design to replace roadway pavement throughout the CRA villages.

7-3 Adopt CEQA determination and award $339,500 contract to Shipley Construction & Plumbing to renovate two houses at Gene Pumping Plant (Appropriation No. 15495). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action was previously determined to be categorically exempt; and
   Award $339,500 contract to Shipley Construction and Plumbing to renovate two houses at Gene Pumping Plant.
4. OTHER BOARD ITEMS — ACTION

8-2 Adopt CEQA determination and appropriate $6.26 million; award $4,394,400 contract to Kaveh Engineering & Construction, Inc. for seismic upgrades to the filter outlet conduit at the Robert B. Diemer Water Treatment Plant; and authorize increase of $190,000 to an agreement with AECOM, for a new not-to-exceed total of $1,315,000 (Appropriation No. 15380). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2016 Final EIR, findings, SOC, MMRP, and that no further environmental analysis or documentation is required; and

a. Appropriate $6.26 million;

b. Award $4,394,400 contract to Kaveh Engineering & Construction, Inc. for seismic upgrades to the Diemer filter outlet conduit; and

c. Authorize increase of $190,000 to an agreement with AECOM, for a new not-to-exceed total of $1,315,000, to provide technical support.

8-3 Adopt CEQA determination and appropriate $2.86 million; and authorize: (1) comprehensive assessments of the spillways and dam structures at Lake Mathews and Lake Skinner; (2) preliminary design of upgrades to the dam monitoring systems at both lakes; and (3) agreement with AECOM with a not-to-exceed amount of $1.53 million for technical support (Appropriation No. 15419). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt from CEQA; and

a. Appropriate $2.86 million;

b. Authorize comprehensive assessments of the spillways and dam structures at Lake Mathews and Lake Skinner;

c. Authorize preliminary design of upgrades to the dam monitoring systems at both lakes; and

d. Authorize agreement with AECOM with a not-to-exceed amount of $1.53 million for technical support.
8-4 Adopt CEQA determination and appropriate $4.3 million; and award $2,560,232 contract to Abhe & Svoboda, Inc. for installation of surge chamber slide gates at the Colorado River Aqueduct pumping plants (Appropriation No. 15373). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $4.3 million; and

b. Award $2,560,232 contract to Abhe & Svoboda, Inc. for the installation of surge chamber slide gates at the Colorado River Aqueduct pumping plants.

8-5 Adopt CEQA determination and appropriate $2.47 million; award $1,433,000 contract to Lasater Construction Co., Inc. to replace a spillway gate at Eagle Mountain Reservoir; and authorize increase of $75,000 to an agreement with Lee & Ro, Inc., for a new not-to-exceed total of $320,000 (Appropriation No. 15438). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $2.47 million;

b. Award $1,433,000 contract to Lasater Construction Co., Inc. to replace a spillway gate at Eagle Mountain Reservoir; and

c. Authorize increase of $75,000 to an agreement with Lee & Ro, Inc., for a new not-to-exceed total of $320,000, to provide technical support.

5. BOARD INFORMATION ITEMS

None
6. COMMITTEE ITEMS
   a. Security Update
      [Conference with Metropolitan Interim Security Manager Tomer Benito or
designated agent on threats to public services or facilities; to be heard in
closed session pursuant to Gov. Code Section 54957(a).]

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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Date of Notice: November 28, 2017
REVISED AGENDA

Organization, Personnel and Technology Committee

Adjourned Meeting with Board of Directors*

December 11, 2017

1:30 p.m. -- Room 2-145

Date of Notice: December 4, 2017

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

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

2. Approval of the Minutes of the meeting of the Organization, Personnel and Technology Committee held November 13, 2017

3. CONSENT CALENDAR ITEMS – ACTION

None

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4. OTHER BOARD ITEMS – ACTION

8-1 Adopt CEQA determination and appropriate $3.4 million; award a not-to-exceed $678,000 procurement to Oracle Corp., for database licenses and installation services; award a not-to-exceed $395,000 procurement to Nth Generation Computing Inc. for Hewlett-Packard Server equipment and installation services; award a not to exceed $410,000 procurement to EMC Corp. for data storage equipment and installation services; and authorize a system upgrade for Metropolitan’s disaster recovery data center (Appropriation 15487).

(OP&T)

Recommendation:

Option #1:

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

a. Appropriate $3.4 million in budgeted funds; and
b. Award a not-to-exceed $678,000 procurement to Oracle Corp., for database licenses and installation services

c. Award a not-to-exceed $395,000 procurement to Nth Generation Computing Inc. for Hewlett-Packard Server equipment and installation services

d. Award a not-to-exceed $410,000 procurement to EMC Corp. for data storage equipment and installation services

e. Authorize a system upgrade for Metropolitan’s disaster recovery datacenter.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

Withdrawn

a. Business Outreach Program 2016-17 Annual Report

b. Update on Conference with Labor Negotiators

[Conference with Labor Negotiators to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency Representative Stephen Lem, Manager of Labor Relations and EEO Investigations Section. Employee Organization: The Supervisors Association.]
7. MANAGEMENT REPORT

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: December 4, 2017
C&L Committee
C. Kurtz, Chair
G. Gray, Vice Chair
J. Abdo
L. Ackerman
S. Ballin
B. Barbre
M. Camacho
D. Galleano
M. Gold
R. Lefevre
K. Lewinger
J. Morris
J. Murray, Jr.
G. Peterson
E. Saxod
L. Vasquez Wilson

REVISED AGENDA

Communications and Legislation Committee
Meeting with Board of Directors*

December 11, 2017

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

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

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

2. Approval of the Minutes of the meeting of the Communications and Legislation Committee held November 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

None

Date of Notice: December 7, 2017
4. OTHER BOARD ITEMS — ACTION

8-6 Adopt CEQA determination and adopt Federal Legislative Priorities and Principles for 2018. (C&L)

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
Adopt the Federal Legislative Priorities and Principles for 2018

8-7 Adopt CEQA determination and adopt State Legislative Priorities and Principles for 2018. (C&L)

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
Adopt the State Legislative Priorities and Principles for 2018

5. BOARD INFORMATION ITEMS

9-2 Report on Proposed Colorado River Museum Exhibition. (C&L)

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

Date of Notice: December 7, 2017
8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Legal and Claims Committee
Meeting with Board of Directors*

December 12, 2017
8:30 a.m. -- Room 2-145

December 12, 2017
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
</tr>
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<td>Rm. 2-456</td>
<td>C&amp;LR</td>
</tr>
<tr>
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<td>Rm. 2-145</td>
<td>RP&amp;AM</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Boardroom</td>
<td>Board Meeting</td>
</tr>
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* 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 November 14, 2017

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

4. CONSENT CALENDAR ITEMS — ACTION
   None

5. OTHER BOARD ITEMS — ACTION
   None
6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

a. Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004 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

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

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: November 9, 2017
Conservation and Local Resources Committee
Meeting with Board of Directors*

December 12, 2017
9:30 a.m. – Room 2-456

December 12, 2017
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
</tr>
<tr>
<td>9:30 a.m.</td>
<td>Rm. 2-456</td>
<td>C&amp;LR</td>
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<tr>
<td>10:30 a.m.</td>
<td>Rm. 2-145</td>
<td>RP&amp;AM</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Boardroom</td>
<td>Board Meeting</td>
</tr>
</tbody>
</table>

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 November 14, 2017

3. CHAIRMAN’S REPORT

4. COMMITTEE ITEMS
   a. Update on Conservation Program
   b. Overview of Regional Programs for Local Resource Development
   c. Discussion on IRP Policy Principles for Conservation and Local Resources Development
5. MANAGEMENT REPORT

6. FOLLOW-UP ITEMS
   None

7. FUTURE AGENDA ITEMS

8. ADJOURNMENT

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

2. Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held November 14, 2017

3. CONSENT CALENDAR ITEMS — ACTION

7-4 Adopt CEQA determination and authorize granting a year-to-year access license to The Coachella Valley Mountains Conservancy on Metropolitan-owned property located northeast of Palm Springs, in an unincorporated portion of Riverside County. (RP&AM)

Recommendation:

Option #1:

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

Authorize granting a year-to-year license to The Coachella Valley Mountains Conservancy.
7-5 Adopt CEQA determination and authorize entry permit to the city of Yorba Linda for access to Metropolitan’s fee-owned property at Robert B. Diemer Water Treatment plant. (RP&AM)

Recommendation:

Option #1:

Adopt CEQA determination that the proposed action has been previously addressed in the certified 2016 Final EIR, Findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and Authorize entry permit for the city of Yorba Linda to access the Diemer plant for inspections under the state Municipal Storm Water Program.

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. State Lands Commission Request

7. MANAGEMENT REPORT

a. Real Property Management Manager’s Report

8. FOLLOW-UP ITEMS

9. FUTURE AGENDA ITEMS
10. ADJOURNMENT

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1. Call to Order

(a) Invocation: Carol Kaufman, Principal Environmental Specialist, Water System Operations Group

(b) Pledge of Allegiance: Director Michael T. Hogan, San Diego County Water Authority

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 November 14, 2017 (A copy has been mailed to each Director) Any additions, corrections, or omissions

B. Report on Directors’ events attended at Metropolitan expense for month of November

C. Approve committee assignments

D. Chairman’s Monthly Activity Report

Date of Notice: December 7, 2017
6. DEPARTMENT HEADS’ REPORTS

A. General Manager’s summary of activities for the month of November

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

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

D. Interim Ethics Officer’s summary of activities for the month of November

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $700,000; and authorize preliminary design of seismic upgrades to Whitewater Tunnel No. 2 on the Colorado River Aqueduct (Appropriation No. 15483). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt from CEQA; and

a. Appropriate $700,000; and

b. Authorize preliminary design of seismic upgrades to Whitewater Tunnel No. 2 on the Colorado River Aqueduct.

7-2 Adopt CEQA determination and appropriate $1.95 million; and authorize design to replace the water distribution systems and pavement at the Colorado River Aqueduct pumping plants (Appropriation No. 15483). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
   a. Appropriate $1.95 million;
   b. Authorize final design to replace the domestic and nonpotable water distribution systems at the CRA pumping plants; and
   c. Authorize preliminary design to replace roadway pavement throughout the CRA villages.

7-3  Adopt CEQA determination and award $339,500 contract to Shipley Construction & Plumbing to renovate two houses at Gene Pumping Plant (Appropriation No. 15495). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action was previously determined to be categorically exempt; and
   Award $339,500 contract to Shipley Construction and Plumbing to renovate two houses at Gene Pumping Plant.

7-4  Adopt CEQA determination and authorize granting a year-to-year access license to The Coachella Valley Mountains Conservancy on Metropolitan-owned property located northeast of Palm Springs, in an unincorporated portion of Riverside County. (RP&AM)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
   Authorize granting a year-to-year license to The Coachella Valley Mountains Conservancy.

7-5  Adopt CEQA determination and authorize entry permit to the city of Yorba Linda for access on Metropolitan’s fee-owned property at Robert B. Diemer Water Treatment plant. (RP&AM)
Recommendation:

Option #1:

Adopt CEQA determination that the proposed action has been previously addressed in the certified 2016 Final EIR, Findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and

Authorize entry permit for the city of Yorba Linda to access the Diemer plant for inspections under the state Municipal Storm Water Program

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $3.4 million; award a not-to-exceed $678,000 procurement to Oracle Corp., for database licenses and installation services; award a not-to-exceed $395,000 procurement to Nth Generation Computing Inc. for Hewlett-Packard Server equipment and installation services; award a not to exceed $410,000 procurement to EMC Corp. for data storage equipment and installation services; and authorize a system upgrade for Metropolitan’s disaster recovery data center ( Appropriation 15487). (OP&T)

Recommendation:

Option #1:

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

a. Appropriate $3.4 million in budgeted funds; and
b. Award a not-to-exceed $678,000 procurement to Oracle Corp., for database licenses and installation services

c. Award a not-to-exceed $395,000 procurement to Nth Generation Computing Inc. for Hewlett-Packard Server equipment and installation services
d. Award a not-to-exceed $410,000 procurement to EMC Corp. for data storage equipment and installation services
e. Authorize a system upgrade for Metropolitan's disaster recovery datacenter.
Adopt CEQA determination and appropriate $6.26 million; award $4,394,400 contract to Kaveh Engineering & Construction, Inc. for seismic upgrades to the filter outlet conduit at the Robert B. Diemer Water Treatment Plant; and authorize increase of $190,000 to an agreement with AECOM, for a new not-to-exceed total of $1,315,000 (Appropriation No. 15380). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2016 Final EIR, findings, SOC, MMRP, and that no further environmental analysis or documentation is required; and

a. Appropriate $6.26 million;

b. Award $4,394,400 contract to Kaveh Engineering & Construction, Inc. for seismic upgrades to the Diemer filter outlet conduit; and

c. Authorize increase of $190,000 to an agreement with AECOM, for a new not-to-exceed total of $1,315,000, to provide technical support.

Adopt CEQA determination and appropriate $2.86 million; and authorize: (1) comprehensive assessments of spillways and dam structures at Lake Mathews and Lake Skinner; (2) preliminary design of upgrades to the dam monitoring systems at both lakes; and (3) agreement with AECOM with a not-to-exceed amount of $1.53 million for technical support (Appropriation No. 15419). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt from CEQA; and

a. Appropriate $2.86 million;

b. Authorize comprehensive assessments of the spillways and dam structures at Lake Mathews and Lake Skinner;

c. Authorize preliminary design of upgrades to the dam monitoring systems at both lakes; and

d. Authorize agreement with AECOM with a not-to-exceed amount of $1.53 million for technical support.
8-4 Adopt CEQA determination and appropriate $4.3 million; and award $2,560,232 contract to Abhe & Svoboda, Inc. for installation of surge chamber slide gates at the Colorado River Aqueduct pumping plants (Appropriation No. 15373). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
a. Appropriate $4.3 million; and
b. Award $2,560,232 contract to Abhe & Svoboda, Inc. for the installation of surge chamber slide gates at the Colorado River Aqueduct pumping plants.

8-5 Adopt CEQA determination and appropriate $2.47 million; award $1,433,000 contract to Lasater Construction Co., Inc. to replace a spillway gate at Eagle Mountain Reservoir; and authorize increase of $75,000 to an agreement with Lee & Ro, Inc., for a new not-to-exceed total of $320,000 (Appropriation No. 15438). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
a. Appropriate $2.47 million;
b. Award $1,433,000 contract to Lasater Construction Co., Inc. to replace a spillway gate at Eagle Mountain Reservoir; and
c. Authorize increase of $75,000 to an agreement with Lee & Ro, Inc., for a new not-to-exceed total of $320,000, to provide technical support.

8-6 Adopt CEQA determination and adopt Federal Legislative Priorities and Principles for 2018. (C&L)

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

Adopt the Federal Legislative Priorities and Principles for 2018
8-7  Adopt CEQA determination and adopt State Legislative Priorities and Principles for 2018. (C&L)

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

Adopt the State Legislative Priorities and Principles for 2018

9. BOARD INFORMATION ITEMS

9-1  Update on Conservation Program

9-2  Report on Proposed Colorado River Museum Exhibition. (C&L)

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. 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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Date of Notice: December 7, 2017
COMMITTEE ASSIGNMENTS

Director Pressman was appointed to the Conservation and Local Resources Committee. (Agenda Item 5C)

ORGANIZATION, PERSONNEL & TECHNOLOGY COMMITTEE

Appropriated $3.4 million in budgeted funds; and awarded a not-to-exceed $678,000 procurement to Oracle Corp., for database licenses and installation services; awarded a not-to-exceed $395,000 procurement to Nth Generation Computing Inc. for Hewlett-Packard Server equipment and installation services awarded a not-to-exceed $410,000 procurement to EMC Corp. for data storage equipment and installation services; and authorized a system upgrade for Metropolitan’s disaster recovery datacenter. (Appropriation 15487) (Agenda Item 8-1)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $6.26 million; awarded $4,394,400 contract to Kaveh Engineering & Construction, Inc. for seismic upgrades to the Diemer filter outlet conduit; and authorized increase of $190,000 to an agreement with AECOM, for a new not-to-exceed total of $1,315,000, to provide technical support. (Appropriation No. 15380) (Agenda Item 8-2)

Appropriated $2.86 million; authorized comprehensive assessments of the spillways and dam structures at Lake Mathews and Lake Skinner; authorized preliminary design of upgrades to the dam monitoring systems at both lakes; and authorized agreement with AECOM with a not-to-exceed amount of $1.53 million for technical support. (Appropriation No. 15419) (Agenda Item 8-3)

Appropriated $4.3 million; and awarded $2,560,232 contract to Abhe & Svoboda, Inc. for the installation of surge chamber slide gates at the Colorado River Aqueduct pumping plants. (Appropriation No. 15373) (Agenda Item 8-4)

Appropriated $2.47 million; awarded $1,433,000 contract to Lasater Construction Co., Inc. to replace a spillway gate at Eagle Mountain Reservoir; and authorized increase of $75,000 to an agreement with Lee & Ro, Inc., for a new not-to-exceed total of $320,000, to provide technical support. (Appropriation No. 15438) (Agenda Item 8-5)

COMMUNICATIONS AND LEGISLATION COMMITTEE

Adopted the revised Federal Legislative Priorities and Principles for 2018. (Agenda Item 8-6)
Adopted the revised State Legislative Priorities and Principles for 2018 with an additional revision to strike the word “solely” from the second bullet under “Metropolitan’s Top State Priorities for 2018” on page 1 and the fifth bullet under “Infrastructure and Public Finance” on page 4. (Agenda Item 8-7)

CONSENT CALENDAR

In other action, the Board:

Appropriated $700,000; and authorized preliminary design of seismic upgrades to Whitewater Tunnel No. 2 on the Colorado River Aqueduct. (Appropriation No. 15483) (Agenda Item 7-1)

Appropriated $1.95 million; authorized final design to replace the domestic and nonpotable water distribution systems at the Colorado River Aqueduct pumping plants; and authorized preliminary design to replace roadway pavement throughout the Colorado River Aqueduct villages. (Appropriation No. 15483) (Agenda Item 7-2)

Awarded $339,500 contract to Shipley Construction and Plumbing to renovate two houses at Gene Pumping Plant. (Appropriation No. 15495) (Agenda Item 7-3)

Authorized granting a year-to-year license to The Coachella Valley Mountains Conservancy. (Agenda Item 7-4)

Authorized entry permit for the city of Yorba Linda to access the Diemer plant for inspections under the state Municipal Storm Water Program. (Agenda Item 7-5)

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser:

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

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

Meeting with Board of Directors*

January 8, 2018

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

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**MWD Headquarters Building**

• 700 N. Alameda Street

• Los Angeles, CA 90012

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

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

2. **Approval of the Minutes of the meeting of the Adjourned Finance and Insurance Committee held December 11, 2017**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None

5. **BOARD INFORMATION ITEMS**

Date of Notice: December 20, 2017
6. COMMITTEE ITEMS
   a. Annual Business Continuity Update

7. MANAGEMENT REPORT
   a. Chief Financial Officer’s report

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: December 20, 2017
Meeting with Board of Directors*
January 8, 2018
10:00 a.m. – Room 2-456

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

2. Approval of the Minutes of the Water Planning and Stewardship Committee held December 11, 2017

3. CONSENT CALENDAR ITEMS — ACTION
   None

4. OTHER BOARD ITEMS — ACTION
   None

* 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.
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

   a. Water Surplus and Drought Management Report

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

Date of Notice: December 8, 2017
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Engineering and Operations Committee

Meeting with Board of Directors*

January 8, 2018

12:00 p.m.– Room 2-145

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

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

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

2. Approval of the Minutes of the meeting of the Engineering and Operations Committee held December 11, 2017
3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $320,000; and authorize construction to replace the roofs on two buildings at the Eagle Rock Control Center (Appropriation No.15480)

Recommendation:

Option #1:

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

a. Appropriate $320,000; and
b. Authorize construction to replace the roofs on two buildings at the Eagle Rock Control Center

7-2 Adopt CEQA determination and appropriate $1.45 million; award $374,359 procurement contract to Flow International Corp. to furnish a waterjet cutting system; award $332,939 procurement contract to North South Machinery to furnish a hydraulic press brake; and authorize increase of $200,000 to an agreement with Richard Brady & Associates, for a new not-to-exceed total of $446,000, for the La Verne Shops Upgrades (Appropriation No. 15395)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified Final EIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and

a. Appropriate $1.45 million;
b. Award $332,939 procurement contract to North South Machinery to furnish a hydraulic press brake;
c. Award $374,359 procurement contract to Flow International Corp. to furnish a water jet cutting system; and
d. Authorize increase of $200,000 to an agreement with Richard Brady & Associates, for a new not-to-exceed total of $446,000, for the La Verne Shops Upgrades
4. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $16.45 million; authorize preliminary design to rehabilitate prestressed concrete cylinder pipe portions of the Allen-McColloch Pipeline, Calabasas Feeder, Rialto Pipeline, and Sepulveda Feeder; authorize agreements with: (1) Brown and Caldwell in an amount not to exceed $2 million; (2) Black and Veatch Corporation, Inc. in an amount not to exceed $2.9 million; and (3) HDR Engineering, Inc. in an amount not to exceed $4.4 million, to provide engineering design services; and authorize increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new total of $2.1 million, to provide environmental support ( Appropriations Nos. 15496 and 15502)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions was previously addressed in the certified 2017 Final PEIR, findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program; and

a. Appropriate $16.45 million;

b. Authorize preliminary design to rehabilitate PCCP portions of the Allen-McColloch Pipeline, Calabasas Feeder, Rialto Pipeline, and Sepulveda Feeder;

c. Authorize agreement with Brown and Caldwell in an amount not to exceed $2.0 million to provide engineering services for rehabilitation of the Allen-McColloch Pipeline;

d. Authorize agreement with Black and Veatch Corporation, Inc. in an amount not to exceed $2.9 million to provide engineering design services for rehabilitation of the Rialto Pipeline;

e. Authorize agreement with HDR Engineering, Inc. in an amount not to exceed $4.4 million to provide engineering design services for rehabilitation of the Sepulveda Feeder

f. Authorize increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new not-to-exceed total of $2.1 million, to provide environmental support.
8-2  Adopt CEQA determination and appropriate $4.1 million; and authorize: (1) design of seismic upgrades to three buildings at the La Verne site; (2) agreement with IBI Group in an amount not to exceed $630,000; and (3) agreement with La Cañada Design Group, Inc. in an amount not to exceed $950,000 (Appropriations Nos. 15369 and 15495)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions have been previously addressed in the certified Final EIRs and related documents and that no further environmental analysis or documentation is required, and

a. Appropriate $4.1 million;
b. Authorize final design of seismic upgrades and building improvements for three buildings at the La Verne site;
c. Authorize agreement with IBI Group in an amount not to exceed $630,000; and
d. Authorize agreement with La Cañada Design Group, Inc. in an amount not to exceed $950,000

8-3  Adopt CEQA determination and appropriate $2.1 million; and authorize: (1) design and construction to refurbish the generator at Valley View Hydroelectric Plant; and (2) preliminary design to rehabilitate auxiliary systems at that facility (Appropriation No. 15458)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $2.1 million;
b. Authorize design and construction to refurbish the generator at Valley View Hydroelectric Plant; and
c. Authorize preliminary design to rehabilitate auxiliary systems at that facility

5.  BOARD INFORMATION ITEMS

None
6. COMMITTEE ITEMS
   a. 2017 System Operations – A Year in Review

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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Date of Notice: December 21, 2017
REVISED AGENDA

Communications and Legislation Committee
Meeting with Board of Directors*

January 8, 2018

1:00 p.m. -- Room 2-456

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

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

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

2. Approval of the Minutes of the meeting of the Communications and Legislation Committee held December 11, 2017

3. CONSENT CALENDAR ITEMS — ACTION

None

4. OTHER BOARD ITEMS — ACTION

None

Revised Date of Notice: January 4, 2018
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

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

b. Report on activities from Sacramento

c. Update on Education Programs

Added  d. Report on Central Basin Municipal Water District legislative proposal on Metropolitan Board governance

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Revised Date of Notice: January 4, 2018
REVISED AGENDA

Legal and Claims Committee

Meeting with Board of Directors*

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

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

2. Approval of the Minutes of the meetings of the Legal and Claims Committee held December 12, 2017

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

4. CONSENT CALENDAR ITEMS — ACTION
   None

5. OTHER BOARD ITEMS — ACTION
   None

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* 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.
6. **BOARD INFORMATION ITEMS**

None

7. **COMMITTEE ITEMS**

**Added**

a. Update on the Clean Water Act

**Revised**

b. Report on *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282, CPF-16-515391 and CGC-17-563350; and 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. [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

8. **FOLLOW-UP ITEMS**

None

9. **FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

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Revised Date of Notice: January 4, 2018
Conservation and Local
Resources Committee
Meeting with Board of
Directors* 

January 9, 2018
10:00 a.m. – Room 2-456

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

2. Approval of the Minutes of the meeting of the Conservation and Local Resources Committee held December 12, 2017

3. CHAIR’S REPORT

4. COMMITTEE ITEMS
   a. Update on Conservation Program
   b. Report on Stormwater Capture and Flows to the Ocean
   c. Groundwater Conditions Update

Date of Notice: December 20, 2017
5. MANAGEMENT REPORT

6. FOLLOW-UP ITEMS

None

7. FUTURE AGENDA ITEMS

8. ADJOURNMENT

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Date of Notice: December 20, 2017
REVISED AGENDA

Board Meeting

January 9, 2018

12:00 p.m. – Board Room

<table>
<thead>
<tr>
<th>MWD Headquarters Building</th>
<th>•</th>
<th>700 N. Alameda Street</th>
<th>•</th>
<th>Los Angeles, CA 90012</th>
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1. **Call to Order**
   (a) Invocation: Joseph Chavez, Administrative Analyst III (C), Administrative Services
   (b) Pledge of Allegiance: Director Cynthia Kurtz, City of Pasadena

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 December 12, 2017 (A copy has been mailed to each Director)
      Any additions, corrections, or omissions
   B. Report on Directors’ events attended at Metropolitan expense for month of December 2017
   C. Approve committee assignments
   D. Chairman's Monthly Activity Report

Revised Date of Notice: January 4, 2018
6. DEPARTMENT HEADS' REPORTS

A. General Manager's summary of activities for the month of December 2017

B. General Counsel’s summary of activities for the month of December 2017

C. General Auditor’s summary of activities for the month of December 2017

D. Interim Ethics Officer's summary of activities for the month of December 2017

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $320,000; and authorize construction to replace the roofs on two buildings at the Eagle Rock Control Center (Appropriation No.15480) (E&O)

Recommendation:

Option #1:

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

a. Appropriate $320,000; and

b. Authorize construction to replace the roofs on two buildings at the Eagle Rock Control Center
7-2 Adopt CEQA determination and appropriate $1.45 million; award $374,359 procurement contract to Flow International Corp. to furnish a waterjet cutting system; award $332,939 procurement contract to North South Machinery to furnish a hydraulic press brake; and authorize increase of $200,000 to an agreement with Richard Brady & Associates, for a new not-to-exceed total of $446,000, for the La Verne Shops Upgrades (Appropriation No. 15395) (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified Final EIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and

a. Appropriate $1.45 million;
b. Award $332,939 procurement contract to North South Machinery to furnish a hydraulic press brake;
c. Award $374,359 procurement contract to Flow International Corp. to furnish a waterjet cutting system; and
d. Authorize increase of $200,000 to an agreement with Richard Brady & Associates, for a new not-to-exceed total of $446,000, for the La Verne Shops Upgrades

Added 7-3 Adopt CEQA determination, report on status of outside counsel’s review of the policies and procedures of Metropolitan’s Ethics Office; and authorize an increase in maximum amount payable under contract for legal services with Wilmer Cutler Pickering Hale and Dorr LLP by $400,000 to an amount not to exceed $650,000

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 an increase in the maximum amount payable under contract for legal services with Wilmer Cutler Pickering Hale and Dorr LLP by $400,000 to an amount not to exceed $650,000

END OF CONSENT CALENDAR
8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $16.45 million; authorize preliminary design to rehabilitate prestressed concrete cylinder pipe portions of the Allen-McColloch Pipeline, Calabasas Feeder, Rialto Pipeline, and Sepulveda Feeder; authorize agreements with: (1) Brown and Caldwell in an amount not to exceed $2 million; (2) Black and Veatch Corporation, Inc. in an amount not to exceed $2.9 million; and (3) HDR Engineering, Inc. in an amount not to exceed $4.4 million, to provide engineering design services; and authorize increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new total of $2.1 million, to provide environmental support (Appropriations Nos. 15496 and 15502) (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions was previously addressed in the certified 2017 Final PEIR, findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program; and

a. Appropriate $16.45 million;

b. Authorize preliminary design to rehabilitate PCCP portions of the Allen-McColloch Pipeline, Calabasas Feeder, Rialto Pipeline, and Sepulveda Feeder;

c. Authorize agreement with Brown and Caldwell in an amount not to exceed $2.0 million to provide engineering services for rehabilitation of the Allen-McColloch Pipeline;

d. Authorize agreement with Black and Veatch Corporation, Inc. in an amount not to exceed $2.9 million to provide engineering design services for rehabilitation of the Rialto Pipeline;

e. Authorize agreement with HDR Engineering, Inc. in an amount not to exceed $4.4 million to provide engineering design services for rehabilitation of the Sepulveda Feeder;

f. Authorize increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new not-to-exceed total of $2.1 million, to provide environmental support.
8-2  Adopt CEQA determination and appropriate $4.1 million; and authorize: (1) design of seismic upgrades to three buildings at the La Verne site; (2) agreement with IBI Group in an amount not to exceed $630,000; and (3) agreement with La Cañada Design Group, Inc. in an amount not to exceed $950,000 (Appropriations Nos. 15369 and 15495) (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions have been previously addressed in the certified Final EIRs and related documents and that no further environmental analysis or documentation is required, and

a. Appropriate $4.1 million;

b. Authorize final design of seismic upgrades and building improvements for three buildings at the La Verne site;

c. Authorize agreement with IBI Group in an amount not to exceed $630,000; and

d. Authorize agreement with La Cañada Design Group, Inc. in an amount not to exceed $950,000

8-3  Adopt CEQA determination and appropriate $2.1 million; and authorize: (1) design and construction to refurbish the generator at Valley View Hydroelectric Plant; and (2) preliminary design to rehabilitate auxiliary systems at that facility (Appropriation No. 15458) (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and

a. Appropriate $2.1 million;

b. Authorize design and construction to refurbish the generator at Valley View Hydroelectric Plant; and

c. Authorize preliminary design to rehabilitate auxiliary systems at that facility

9.  BOARD INFORMATION ITEMS

9-1  Update on Conservation Program
10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

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

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COMMITTEE ASSIGNMENTS

Approved appointing Director Paskett to the Audit and Ethics Committee. (Agenda Item 5C)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $16.45 million; authorized preliminary design to rehabilitate PCCP portions of the Allen-McColloch Pipeline, Calabasas Feeder, Rialto Pipeline, and Sepulveda Feeder; authorized agreement with Brown and Caldwell in an amount not to exceed $2.0 million to provide engineering services for rehabilitation of the Allen-McColloch Pipeline; authorized agreement with Black and Veatch Corporation, Inc. in an amount not to exceed $2.9 million to provide engineering design services for rehabilitation of the Rialto Pipeline; authorized agreement with HDR Engineering, Inc. in an amount not to exceed $4.4 million to provide engineering design services for rehabilitation of the Sepulveda Feeder authorized increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new not-to-exceed total of $2.1 million, to provide environmental support. (Appropriations Nos. 15496 and 15502) (Agenda Item 8-1)

Appropriated $4.1 million; authorized final design of seismic upgrades and building improvements for three buildings at the La Verne site; authorized agreement with IBI Group in an amount not to exceed $630,000; and authorized agreement with La Cañada Design Group, Inc. in an amount not to exceed $950,000. (Appropriations Nos. 15369 and 15495) (Agenda Item 8-2)

Appropriated $2.1 million; authorized design and construction to refurbish the generator at Valley View Hydroelectric Plant; and authorized preliminary design to rehabilitate auxiliary systems at that facility. (Appropriation No. 15458) (Agenda Item 8-3)

CONSENT CALENDAR

In other action, the Board:

Appropriated $320,000; and authorized construction to replace the roofs on two buildings at the Eagle Rock Control Center. (Appropriation No.15480) (Agenda Item 7-1)

Appropriated $1.45 million; awarded $332,939 procurement contract to North South Machinery to furnish a hydraulic press brake; awarded $374,359 procurement contract to Flow International Corp. to furnish a water jet cutting system; and authorized increase of $200,000 to an agreement with Richard Brady & Associates, for a new not-to-exceed total of $446,000, for the La Verne Shops Upgrades. (Appropriation No. 15395) (Agenda Item 7-2)
Authorized an increase in the maximum amount payable under contract for legal services with Wilmer Cutler Pickering Hale and Dorr LLP by $250,000 to an amount not to exceed $500,000.  (Agenda Item 7-3)

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser http://edmsidm.mwdh2o.com/idmweb/home.asp

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