Proposed Staff Recommendation Consent Calendar for May 24, 2018

ADMINISTRATIVE AND FINANCE COMMITTEE
Note and file the April Treasurer’s report.

Note and file the May Treasurer’s report.

9-3. Resolution setting a Public Hearing date for the Water Authority’s proposed calendar year 2019 Rate and Charge increases.
Adopt Resolution No. 2018-___ setting the time and place for a public hearing on June 28, 2018, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2019.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE
9-4. Adopt positions on various state bills.

A) Adopt a position of Support if Amended on AB 3206 (Friedman), relating to water meter accuracy and performance standards.

B) Adopt a position of Oppose Unless Amended on SB 1244 (Wieckowski), relating to inadvertent disclosure of records.

C) Adopt a position of Oppose Unless Amended on SB 1422 (Portantino), relating to microplastics in drinking water.

ENGINEERING AND OPERATIONS COMMITTEE
9-5. Construction contract with Carpi USA, Inc. for San Vicente Dam.
Authorize the General Manager to award a construction contract to Carpi USA, Inc., in the amount of $384,512 to mitigate San Vicente Dam water losses from construction joint seepage.

Approve the following actions to support the management of the Water Authority’s assets:

1. Authorize the General Manager to award a professional services contract to HDR Engineering, Inc., for a not-to-exceed amount of $1,000,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.
2. Authorize the General Manager to award a professional services contract to Corrpro Companies, Inc., for a not-to-exceed amount of $600,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.

3. Authorize the General Manager to award a professional services contract to V&A Consulting Engineers, Inc., for a not-to-exceed amount of $175,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.

4. Authorize the General Manager to award a professional services contract to Cathodic Dynamics, Inc., for a not-to-exceed amount of $225,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.

**IMPORTED WATER COMMITTEE**

9-7. Amend agreement for Consulting Services with M Strategic Communications.
Amend the agreement with M Strategic Communications for continued consulting services to the Water Authority through June 30, 2019 by $180,000, for a period of 12 additional months, and increasing total contract funding to an amount not to exceed $956,000.

Adopt the updated Bay-Delta Policy Principles to reflect recent events and developments and to protect the Water Authority’s ratepayers’ interests.

**WATER PLANNING COMMITTEE**

9-9. Professional services contract with DCSE Inc. for the Water Billing and Information Management System project.
Authorize General Manager to award a professional services contract to DCSE Inc. for a not-to-exceed contract amount of $788,440 for the Water Billing and Information Management System project.
Congress is making progress in its attempt to return the appropriations process to “regular order.” Fueled in large part by the agreement earlier this year to raise discretionary spending caps, the House Committee on Appropriations is expected to approve all of its FY2019 bills before July 4th and move several of them to the full House for consideration. In the Senate, new Appropriations Chairman Richard Shelby (R-AL) announced a schedule for considering all bills before the end of June.

While the House bills are showing significantly more funding for many programs, controversial policy riders are being inserted that will make final passage difficult for most by the time the new fiscal year starts on October 1. A Continuing Resolution (CR) to fund all or most federal programs might be needed again. Another omnibus spending bill is the likely outcome for FY2019 with votes occurring in a lame duck session at the end of the year – or possibly in calendar year 2019.

Energy and Water Appropriations

The House Appropriations Committee approved, on a party-line vote, its FY2019 Energy & Water Development spending bill. Overall, the bill would give the Bureau of Reclamation $1.54 billion in FY19, an increase of $72 million over FY2018 and $493 million above the President’s request. The bill includes:

- Title XVI - $65 million, with $20 million set aside for new projects that would compete for funding under the process established in the WIIN Act of 2016. If enacted, this would exhaust the $50 million authorized for the WIIN program’s water reuse and recycling program. Title XVI received $54.4 million in FY2018 (including $20 million for WIIN projects). The President requested only $3 million for Title XVI in FY2019.
- WIIN Section 4009 Desalination Program - $12 million
- WIIN Section 4007 Water Storage Program - $134 million (this is intended for federal projects such as Sites, Los Vaqueros, and Temperance Flat).
- CVP/SWP Re-consultation:
o directs Interior (and NOAA Fisheries, which is a part of the Department of Commerce) to finish Biological Opinions (BiOps) related to the WaterFix project by May 31, 2020;

o directs Interior to submit regular reports on timelines and staffing details to ensure this deadline is met;

o requests the Secretary of the Interior to work with the Secretary of Commerce to develop joint BiOps that minimize conflicts between the two departments; and

o expresses Committee support for Reclamation’s stated goals of re-consultation (to maximize water deliveries; optimize marketable power generation, and augment operational flexibility by addressing the status of listed species)

o Salton Sea Research Project -- $300,000 (same as previous years)

The bill includes numerous policy riders that Democrats have condemned as “poison pills” and could complicate final passage of the bill, which is not expected until a lame duck session at the end of the year. These include a repeal of the “Waters of the United States” (WOTUS) rule issued in 2015.

The Senate is scheduled to introduce and mark up its bill during the week of May 21.

**Interior Appropriations**

The House Appropriations Interior Subcommittee approved its version of the FY2019 Interior Appropriations bill, which funds the EPA and the non-water elements of the Department of the Interior. The full committee is scheduled to consider the bill during the week of May 21. The draft bill includes the following:

- Safe Drinking Water SRF – $863 million, plus $150 million for capitalization grants
- Clean Water SRF – $1.394 billion, plus $150 million for capitalization grants
- Water Infrastructure Finance and Innovation Act (WIFIA) – provides $25 million to support a new loan cap of $2.683 billion on loans issued during FY2019
- WOTUS – repeals the 2015 Waters of the United States rule issued by the Obama Administration

The draft committee report includes a provision that would block any environmentally-based lawsuit against the WaterFix project in federal and state courts. Subcommittee Chairman Ken Calvert (R-Riverside) stated:

“After more than a decade of studies and more than 50,000 pages of environmental documents, all of the project’s stakeholders have had a plethora of opportunities to express their thoughts and concerns. The tough decisions about the [project] have been made by Gov. Brown, Democrat and Republican legislators, and a host of water officials, and now we must move forward with the project.”
This provision in the Interior Appropriations report relating to WaterFix is somewhat awkwardly constructed, and the likelihood of it surviving both the House and Senate process as well as any constitutional challenge is low at best.

The Senate is scheduled to introduce and mark up its bill in mid-June.

**Water Resources Development Act**

The Senate introduced its version of the Water Resources Development Act (WRDA) and is scheduled to mark it up on May 22. The House is expected to introduce its version on May 18 and mark it up May 23. WRDA bills authorize projects and programs administered by the U.S. Army Corps of Engineers. A final WRDA conference report is not expected until the lame duck session later this year, but it may also serve as the vehicle to carry many other water-related bills – including those related to the EPA and Bureau of Reclamation – in a way similar to 2016 when WRDA became the “WIIN Act.”
May 23, 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 May 2018. The MWD committees and Board met on May 7 and 8, 2018, and meet next on June 11 and 12 (with additional committee meetings scheduled for May 22).

Discussion
The key actions at the May 2018 MWD Board and committee meetings were: 1) adopting a resolution to continue the Water Standby Charge for fiscal year 2019; 2) approving Appendix A to MWD’s Official Statement and authorizing its distribution for debt issuance and remarketing; and 3) authorizing the issuance of up to $80 million in debt. Opposing these three actions, the Water Authority’s MWD Delegates expressed their concerns in their two letters to MWD.1 Attachment 1 is a summary of the Finance and Insurance Committee’s (F&I Committee) discussion of MWD’s draft Appendix A. Also during this month’s meeting, the F&I Committee received an oral report on MWD’s updated 10-year financial forecast, which now considers the Board’s April 2018 action to finance MWD’s portion of the State Water Project’s share of California WaterFix (WaterFix) and the Central Valley Project’s (CVP) share of project.2 The committee’s discussion of the updated forecast is summarized in Attachment 1.

Related to last month’s vote that authorized MWD’s participation in WaterFix at 64.6 percent, Director Hogan requested that the minutes of the April 2018 Board meeting be amended to reflect the “ground rules” Chairman Record (Eastern) laid out, which prohibited substitute motions, amendments to motions, and motions to delay or table the vote. Additionally, Hogan asked that the exchange between Vice Chair Murray (Los Angeles) and him about a substitute motion be included in the minutes. At the April Board meeting, Murray said that if he had been permitted to make a substitute motion, he would have moved to continue the WaterFix discussion for one month to allow the Board and public an opportunity to review the option for MWD to pick-up the second tunnel (CVP’s share of the project) and Hogan said he would have seconded that motion if it were allowed.

Also in relation the MWD’s April WaterFix vote, during the Legal and Claims Committee (L&C Committee) meeting, General Counsel Scully reported that on May 7 MWD received a Public

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2 With its April 2018 action, MWD committed to funding a minimum of $10.8 billion (in 2017 dollars) of WaterFix’s $16.7 billion capital cost, or 64.6 percent of the total project.
Records Act request and “complaint regarding potential violation of the Brown Act.” MWD is in the process of reviewing the complaint, to which Scully said MWD has 30 days to respond and plans to address the claim at its May 22 Executive Committee. Scully reported that MWD has “engaged Brown Act counsel to assist” with its response and advised that Directors “should not be deleting any phone messages, text messages, and so on.” Scully reiterated her remarks during MWD’s Board meeting.

The Water Planning and Stewardship Committee (WP&S Committee) received an oral report on the State Water Project contract extension; Attachment 2 summarizes the committee’s subsequent discussion. The WP&S Committee also received an oral report on “water storage investment program.” This presentation reviewed the “major” reservoirs built in California, the CALFED storage investigations, and the process and status of the California Water Commission’s allocation of Proposition 1 funds for proposed storage projects.

Overview
The Water Authority Delegation supported 15 of 19 action items approved by the MWD Board. Because the Water Authority answered DWR’s validation action, the Delegates recused themselves from the closed session discussion and the Board’s vote to increase the maximum amount payable under contract with Hunton Andrews Kurth LLP (formerly Hunton & Williams LLP) by $350,000 to an amount not to exceed $450,000 for legal services related to WaterFix litigation, including the validation action. In closed session, the L&C Committee, without the Delegates in attendance, heard a report on the rate litigation. The Board also expressed opposition to AB 3045 (Gallagher, R-Yuba City), regarding State Water Project Commission and approved entering into a Memorandum of Understanding for 2017 through 2021 with The Supervisors Association. Due to Director Hogan’s appointment as Chair of the Organization, Personnel and Technology Committee, his previous position as a nonofficer member of the Executive Committee was open; Director Pressman (Beverly Hills) was elected to replace him. Lastly, MWD announced that a workgroup comprised of member agency staff has been formed to provide recommendations on how to better engage disadvantaged communities in MWD’s conservation programs. The Conservation and Local Resources Committee will receive regular updates on the workgroup’s efforts. Attachment 3 is a copy of MWD’s March 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
Conservation and Local Resources Committee by Fern Steiner
Engineering and Operations Committee by Fern Steiner
Finance and Insurance Committee by Keith Lewinger
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 and Fern Steiner

Attachment 1: Discussion Summary of MWD Financial Management Items
Attachment 2: Discussion Summary of State Water Project Contract Extension
Attachment 3: MWD’s committee and Board meeting agendas and Board summary, dated May 7 and 8, 2018
**Discussion Summary of MWD Financial Management Items**

During its May 2018 meeting, MWD’s Finance and Insurance Committee (F&I Committee) received a presentation on staff’s recommendation to approve and authorize the distribution of Appendix A for use in the issuance and remarketing of MWD’s bonds. Following staff’s presentation, the F&I Committee discussed the draft Appendix A distributed for Board review.

In addition to concerns and questions articulated in the Water Authority Delegates’ letter to MWD, Director Lewinger noted that in its draft Appendix A, MWD stated that an acre-foot of water can supply three, rather than two, average households in MWD’s service area for one year. Pointing out that this suggests a significant increase in the region’s water use efficiency, Lewinger asked about the source of this new assumption. Assistant General Manager and Chief Operating Officer Upadhyay replied that “we wanted to make that change to be closer to what we’re seeing in reality with per capita water use now.” Lewinger asked if MWD’s other planning documents use this same assumption, to which Upadhyay replied that MWD’s 2015 Integrated Water Resources Plan does not “reference a half or a third [of an acre-foot] but we do reference a declining per capita water use over time” and indicated that staff will provide a graphic demonstrating projected per capita water use.

The draft Appendix A also included information on how the Board’s April 2018 action to fund 64.6 percent, or $10.8 billion, of California WaterFix (WaterFix) may impact MWD’s finances. MWD’s $10.8 billion funding level is based on its share of the State Water Project’s (SWP) portion of the single tunnel project ($5.2 billion) and financing the entire unfunded Central Valley Project’s second tunnel ($5.6 billion). Lewinger questioned how MWD plans to finance the second tunnel considering its debt capacity limitation. Assistant General Manager and Chief Financial Officer Breaux said that debt would be issued through a “financing JPA” and “bonds that are issued by the JPA will not impact our ability to issue revenue bonds, and so we’ll still have our full $2.4 billion available.” Pointing out that MWD would be the only funder of the second tunnel, Lewinger questioned if MWD would form a JPA of one. Breaux’s response implied that MWD would utilize the financing JPA established to fund the first tunnel, for which there would be other members besides MWD, adding “I believe we can issue JPA bonds for the second tunnel.” General Manager Kightlinger stated that the financing plan would be “very similar” to the financing “mechanism” used for the Carlsbad Desalination Project (CDP). The financing plan being contemplated for WaterFix is substantially different that the one executed for CDP. The Water Authority’s payments to Poseidon are not part of its overall debt. The CDP agreement is structured in such a manner that the Water Authority pays Poseidon only when the plant produces water; Poseidon is required to make the debt service payments, even if there is no production, including for the 10-mile pipeline conveying water from the plant to Pipeline 3. In contrast, the draft Appendix A states that MWD “expects that it would finance this entire amount [for the second tunnel] through parity obligation under either its Master Senior

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1 For more background on the draft Appendix A, see the May 2018 MWD Program Report starting on page 202 of the Water Authority’s Board Packet found here: https://www.sdcwa.org/meetings-and-documents
2 In 2017 dollars
3 Section 239.2 of the MWD Act limits revenue bond issuance to “the amount of equity of the district, as shown on its balance sheet as of the end of the last fiscal year prior to the issuance of such bonds, equals at least 100 percent of the aggregate amount of revenue bonds to be outstanding following the issuance of such bonds.”
4 Expect during very limited and capped circumstances involving documented, unscheduled plant outages.
Resolution or Master Subordinate Resolution, or a combination of both.” Moreover, through its validation action, Department of Water Resources (DWR) states that it “shall charge and collect amounts under the Water Supply Contracts sufficient to return the costs of the California WaterFix for the construction or acquisition of which” bonds have been issued even if DWR is unable “to construct, acquire, or operate” WaterFix. Even if issued through a JPA, MWD’s WaterFix debt will be its responsibility, regardless if the project is built.

Lewinger requested that MWD provide a report on all MWD’s existing debt that its ratepayers are obligated to pay off, including debt for its existing SWP contract and that it is expected to incur through its WaterFix participation. Breaux suggested Lewinger’s request would be accommodated. Subsequently the MWD Board, with the Delegates opposing, approved and authorized the distribution of Appendix A.

Following the F&I Committee’s discussion of the draft Appendix A, MWD presented an updated 10-year financial forecast (forecast) to incorporate the Board’s April 2018 WaterFix action. As part of its April 2018 biennial budget and rates action, the MWD Board also approved a forecast that serves as MWD’s long-term financial planning document, according to MWD staff. In response to Lewinger’s question of how MWD can incorporate the newly presented forecast when as part of the prior month’s budget action it approved a different forecast, Breaux said the April 2018 WaterFix action was clear that the Board “was amending the 10-year forecast” and that through this month’s presentation, staff aimed to “show” the Board “the different charts that will be updated and included in the final budget.” Lewinger suggested, and Director Dake (Los Angeles) agreed, that the Board should adopt that updated forecast, adding that it was not presented last month when the Board acted on WaterFix. Breaux responded that MWD posted a presentation that contained that updated forecast; however, this presentation was never given to the Board. Although the forecast only extends to 2028, Dake suggested that MWD include a footnote that states when MWD expects WaterFix costs to peak and how high the project’s annual costs will be. He also requested that MWD provide information on its financial exposure from WaterFix.

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Discussion Summary of State Water Project Contract Extension

During its May 2018 Water Planning and Stewardship Committee, MWD received an update on State Water Project (SWP) contract extension efforts. Following staff’s presentation the committee discussed the extension negotiations.

Responding to Director Steiner, staff clarified that the contract extension negotiations are separate from those related to amending the SWP contract to include California WaterFix (WaterFix), which staff said are focused on two components: “cost allocation” and “water management actions.” Steiner asked why the contract extension and WaterFix contract amendments negotiations are being carried out separately. Assistant General Manager and Chief Operating Officer Upadhyay replied that the “issues with the contract extension are completely separate from WaterFix discussions” and confirmed that a separate amendment to the SWP contract will be necessary to accommodate the results from the WaterFix discussions. Steiner sought further clarification on how SWP capital and operations and maintenance repayment terms would be standardized among SWP contractors and charges. Pointing out that currently the agricultural SWP contractors have repayment terms of 75 years while the urban contractors have terms that are 50 years or the duration of their contracts, whichever is less, staff said repayment terms would be standardized among all contractors to the term of the bonds issued. Replying to Steiner, staff reported that it remains unclear if DWR must seek to validate the contract extension through a process similar to its WaterFix validation action.

Returning to the contract amendments related to WaterFix, Director Lewinger asked staff to provide more information on water management actions. Upadhyay said the contractors would like “to have certain exchanges and the ability to transfer supplies among contractors solidified with DWR” to allow them to “manage their supplies.” Staff agreed to accommodate Lewinger’s request to make the Agreements In Principle (AIP) for the contract extension available on MWD’s website. In response to Lewinger, Upadhyay said the effort now is to translate the AIP into “contract language” and that he is “not aware of” any new issues, but stressed that his response related to the contract extension and that there are separate WaterFix discussions going on. Lewinger asked who is representing MWD in these discussions, to which Upadhyay said the contract extension is being worked on at a “technical level” and are “not really negotiations per se,” while Bay-Delta Initiatives Manager Arakawa is the lead negotiator in the WaterFix related contract amendments. Responding to Lewinger, Upadhyay said MWD staff will provide the Board with information on the WaterFix amendment talks once they are “ripe” and General Manager Kightlinger said that staff has already provided information to the Special Committee on Bay-Delta and will continue to provide updates. Lewinger asked if the WaterFix amendments negotiations have included discussion of how project costs will be allocated to DWR’s supply or transportation charges. Kightlinger replied “there has been no discussion of that in this context,” adding that the focus of those negotiations has been on amending the contract to exclude North-of-Delta contractors from paying for WaterFix.

Earlier that day, during the Finance and Insurance Committee meeting, in response to Director McKenney (Municipal Water District of Orange County), Upadhyay confirmed that the state

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1 For more background on the SWP contract extension efforts, see the May 2018 MWD Program Report starting on page 202 of the Water Authority’s Board Packet found here: https://www.sdcwa.org/meetings-and-documents
Legislature is required to hold a hearing, which has yet to be scheduled, on the contract extension but legislature approval is not needed. Following the hearing, MWD expects to take action on the contract extension as early as July.
REVISED AGENDA

Finance and Insurance Committee

Meeting with Board of Directors*

May 7, 2018

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

May 7, 2018

Meeting Schedule

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<td>9:30 a.m.</td>
<td>2-145</td>
<td>F&amp;I</td>
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<td>2:30 p.m.</td>
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<td>RP&amp;AM</td>
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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 April 9, 2018

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and adopt resolution for Calleguas Annexation No. 102 to Calleguas Municipal Water District and Metropolitan
Recommendation:

Option #1:

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

Adopt resolution granting approval for Calleguas Annexation No. 102 concurrently to Calleguas and Metropolitan and establish Metropolitan’s terms and conditions for the annexation (Attachment 3), conditioned upon approval by the Ventura Local Agency Formation Commission, and upon receipt of the annexation fee of $9,196.54.

4. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and adopt resolution to continue Metropolitan’s Water Standby Charge for fiscal year 2018/19

Recommendation:

Option #1:

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

Adopt the resolution to continue collecting the Standby Charge for fiscal year 2018/19.

8-2 Adopt CEQA determination and approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan’s bonds

Recommendation:

Option #1:

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

a. Approve the draft of Appendix A (Attachment 1) attached to this board letter;

b. Authorize the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and

c. Authorize distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale or remarketing of bonds.
8-3 Adopt the CEQA determination and adopt Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution Authorizing the issuance of up to $80 Million of Subordinate Water Revenue Bonds, 2018 Series; and approve expenditures to fund the costs of issuance of the Bonds

Recommendation:

Option #1:

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

a. Adopt the Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to $80 million of Subordinate Water Revenue Bonds, 2018 Series and providing the terms and conditions for the sale and issuance of said Subordinate Water Revenue Bonds; and

b. Approve up to $150,000 for the payment of the costs of issuance of the Subordinate Water Revenue Bonds, 2018 Series to be paid from bond proceeds or Metropolitan funds.

5. BOARD INFORMATION ITEMS

9-2 Renewal Status of Metropolitan’s Property and Casualty Insurance program

6. COMMITTEE ITEMS

a. Oral Report on Investment Activities

b. Updated Ten-Year Forecast

c. SB 450 Compliance for Bond Issuances

7. MANAGEMENT REPORT

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

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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

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

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

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

Meeting with Board of Directors*

May 7, 2018

11:00 a.m. – Room 2-456

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**Meeting Schedule**

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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.

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

2. **Approval of the Minutes of the Water Planning and Stewardship Committee held April 9, 2018**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral Update of SWP Contract extension negotiations with DWR
b. Oral Update on Water Storage Investment Program
c. 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
NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

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

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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
H. Williams
J. Zurita

Engineering and Operations Committee

Meeting with Board of Directors*

May 7, 2018

12:00 p.m. – Room 2-145

May 7, 2018

Meeting Schedule

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Teleconference Participation
Metropolitan State Legislative Office
1121 L Street, Suite 900
Sacramento, CA  95814
(916) 650-2609

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

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

2. **Approval of the Minutes of the meeting of the Engineering and Operations Committee held April 9, 2018**

3. **CONSENT CALENDAR ITEMS — ACTION**

   7-2  Adopt CEQA determination and appropriate $890,000; and authorize design to replace the wastewater system and upgrade the Disaster Recovery Facility at Lake Mathews (Appropriations Nos. 15495 and 15376)
Recommendation:

Option #1:

Adopt the CEQA determination that: (1) the proposed action associated with Project No. 1 is categorically exempt; and (2) the proposed action associated with Project No. 2 was previously addressed and no further analysis or documentation is required, and

a. Appropriate $890,000;
b. Authorize final design to replace the on-site wastewater system at Lake Mathews; and
c. Authorize final design to upgrade the Disaster Recovery Facility at Lake Mathews.

4. OTHER BOARD ITEMS — ACTION

8-4 Adopt CEQA determination and appropriate $3.1 million; authorize design to replace Casa Loma Siphon Barrel No. 1; and authorize agreement with Carollo Engineers, Inc., in an amount not to exceed $2.2 million, to provide specialized design services (Appropriation No. 15480)

Recommendation:

Option #1:

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

a. Appropriate $3.1 million;
b. Authorize design to replace Casa Loma Siphon Barrel No. 1; and
c. Authorize agreement with Carollo Engineers, Inc., in an amount not to exceed $2.2 million, for specialized design services.

8-5 Adopt CEQA determination and appropriate $13 million; and award $12,068,634.98 procurement contract to Ameron Water Transmission Group to provide steel liner pipe for the Second Lower Feeder (Appropriation No. 15497)
Recommendation:

Option #1:

1. Adopt CEQA determination that the proposed action has been previously addressed in the certified 2017 Final PEIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and
   a. Appropriate $13 million; and
   b. Award $12,068,634.98 contract to Ameron Water Transmission Group to provide steel liner pipe for the Second Lower Feeder.

8-6 Adopt CEQA determination and appropriate $5.85 million; and award $3.74 million contract to Mladen Buntich Construction Company, Inc. for improvements to the domestic and fire water system at the La Verne site (Appropriation No. 15477)

Recommendation:

Option #1:

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 $5.85 million; and
   b. Award $3.74 million contract to Mladen Buntich Construction Company, Inc. for construction of domestic and fire water system improvements at the La Verne site.

8-7 Adopt CEQA determination and appropriate $3 million; award $939,000 contract to CSI Electrical Contractors Inc. to replace the Uninterruptable Power Supply systems at the Colorado River Aqueduct pumping plants; and authorize preliminary design to rehabilitate the auxiliary power system at Iron Mountain Pumping Plant (Appropriation No. 15384)

Recommendation:

Option #1:

1. Adopt the CEQA determination that the proposed action for Project No. 1 was previously determined to be categorically exempt, and the proposed action for Project No. 2 is categorically exempt, and
   a. Appropriate $3 million;
   b. Award $939,000 contract to CSI Electrical Contractors, Inc. to replace the Uninterruptible Power Supply systems at the CRA pumping plants; and
   c. Authorize preliminary design to rehabilitate the auxiliary power system at Iron Mountain Pumping Plant.
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Capital Investment Plan Quarterly Report for Period Ending March 2018

b. Update on valve procurement for the Second Lower Feeder

c. Opportunities to improve management of Metropolitan's CIP

7. MANAGEMENT REPORTS

a. Water System Operations Manager's report

b. Engineering Services Manager's report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
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REVISED AGENDA

Communications and Legislation Committee

Meeting with Board of Directors*

May 7, 2018

1:30 p.m -- Room 2-456

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

* 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 April 9, 2018

3. CONSENT CALENDAR ITEMS — ACTION

None
4. OTHER BOARD ITEMS — ACTION

Added 8-13 Adopt CEQA determination and express opposition to AB 3045 (Gallagher, R-Yuba City), regarding State Water Project Commission

Recommendation:

Option #1:
Adopt CEQA determination that the proposed action is not defined as a project under CEQA, and
Authorize the General Manager to express opposition to AB 3045.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

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

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FOLLOW-UP ITEMS

None
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Real Property and Asset Management Committee

Meeting with Board of Directors*

May 7, 2018

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

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May 7, 2018
Meeting Schedule

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

2. **Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held February 13, 2018**

3. **CONSENT CALENDAR ITEMS — ACTION**

7-3 Adopt CEQA determination and authorize granting a permanent easement to the California Department of Transportation (Caltrans) on Metropolitan owned property to facilitate widening State Route 74 across the San Diego Aqueduct Canal Siphon in the city of Hemet within the county of Riverside

**Recommendation:**

**Option #1:**

Adopt CEQA determination that the proposed action is categorically exempt, and authorize granting a permanent easement to the California Department of Transportation to facilitate widening State Route 74 across the San Diego Aqueduct Canal Siphon.
7-4  Adopt CEQA determination and authorize granting a License Agreement to Los Angeles SMSA Limited Partnership, a California limited partnership, d/b/a Verizon Wireless for vehicular access on Metropolitan’s fee-owned property located in the city of Claremont

Recommendation:

Option #1:

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

Authorize granting a 25 year license to Verizon Wireless for access.

4. OTHER BOARD ITEMS – ACTION

8-8  Adopt CEQA determination and affirm the General Manager’s determination that four Metropolitan-owned houses; identified as Metropolitan Water District of Southern California’s parcel number 139-14-125 (APN 317-321-002), 139-14-129 (APN 317-325-010), 139-14-127 (APN 317-325-008), 139-14-131 (APN 317-325-017) in unincorporated county of Riverside near Perris, California are surplus to Metropolitan’s needs

Recommendation:

Option #1:

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

Affirm the General Manager’s determination that the four single family houses in Riverside County are surplus and carry out the sale and disposition of the houses through open listing or auction.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. None
7. MANAGEMENT REPORT  
   a. Real Property Management Manager's Report

8. FOLLOW-UP ITEMS

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED AGENDA

Legal and Claims Committee

Meeting with Board of Directors*

May 8, 2018
9:00 a.m. -- Room 2-145

May 8, 2018
Meeting Schedule

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

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

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

2. **Approval of the Minutes of the Legal and Claims Committee meeting held April 10, 2018**

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

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

Revised 8-9
Adopt CEQA determination and authorize contracts for bond counsel services with Hawkins Delafield & Wood LLP, Nixon Peabody LLP and Stradling Yocca Carlson & Rauth, P.C. and co-bond counsel services with Law Offices of Alexis S.M. Chiu and Curls Bartling P.C. for the period ending June 30, 2021 with costs paid from bond proceeds or from Metropolitan funds.

Added
Recommendation:

Option #1:
Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and
   a. Authorize the General Counsel to retain the firms listed in this board letter as bond counsel and co-bond counsel through June 30, 2021; and
   b. Determine that bond counsel and co-bond counsel fees may be approved by the General Counsel in amounts sufficient to procure bond counsel and co-bond counsel services for bond issues and for legal advice, as described in this board letter.

Revised 8-11
Report on existing litigation, adopt CEQA determination and authorize increase in maximum amount payable by Metropolitan under contract with Best Best & Krieger LLP by $400,000 for a maximum payable amount of $500,000 for legal services related to California WaterFix environmental litigation: CDWR Environmental Impact Cases, Sacramento County Superior Ct. Case No. JCCP 4942 (20 coordinated cases)
[Conference with legal counsel—existing litigation and potential litigation (unknown number); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1), (d)(2), and (d)(4)]

Added
Recommendation:

Option #1:
Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
   Authorize the General Counsel to amend the existing agreement with Best Best & Krieger LLP to increase the maximum amount payable by Metropolitan by $400,000 to an amount not to exceed $500,000.
Report on existing and anticipated litigation, adopt CEQA determination and authorize increase in maximum amount payable by Metropolitan under contract with Hunton Andrews Kurth LLP (formerly Hunton & Williams LLP) by $350,000 to an amount not to exceed $450,000 for legal services related to California WaterFix litigation: Bay.org, et al. v. Zinke, et al., Case No. 17-cv-01176 (E.D. Cal., filed June 29, 2017); Golden Gate Salmon Assn. v. Ross, et al., Case No. 17-cv-01172 (E.D. Cal., filed June 29, 2017); CDWR Environmental Impact Cases, Sacramento County Superior Ct. Case No. JCCP 4942 (20 coordinated cases, including CDWR v. All Persons Interested, validation action)

[Conference with legal counsel—existing litigation and potential litigation (unknown number); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1), (d)(2), and (d)(4)]

Recommendation:

Option #1:
Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

Authorize the General Counsel to amend the existing agreement with Hunton Andrews Kurth LLP to increase the maximum amount payable by Metropolitan by $350,000 to an amount not to exceed 450,000.

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, 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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Conservation and Local Resources Committee

Meeting with Board of Directors*

May 8, 2018
10:00 a.m. – Room 2-456

May 8, 2018
Meeting Schedule

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

2. Approval of the Minutes of the meeting of the Conservation and Local Resources Committee held April 10, 2018

3. CHAIRMAN’S REPORT

4. COMMITTEE ITEMS
   a. Update on Conservation Program
   b. Presentation from Lee Alexanderson, P.E. of Los Angeles County Public Works on SCWC Task Force 2018 Stormwater White Paper
5. **FOLLOW-UP ITEMS**

   None

6. **FUTURE AGENDA ITEMS**

7. **ADJOURNMENT**

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

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### REVISED AGENDA

**Organization, Personnel and Technology Committee**

Meeting with Board of Directors*

**May 8, 2018**

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

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

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

2. **Approval of the Minutes of the meeting of the Organization, Personnel and Technology Committee held April 10, 2018**

3. **CONSENT CALENDAR ITEMS – ACTION**

   None
4. OTHER BOARD ITEMS – ACTION

8-10 Adopt CEQA determination and approve entering into 2017-2021 Memorandum of Understanding between The Metropolitan Water District of Southern California and The Supervisors Association. [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 organizations: The Supervisors Association.]

Added Recommendation:

Option #1:

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

Authorize the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor MOU with the Supervisors Association.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Upcoming Department Head Performance Evaluation Process

7. MANAGEMENT REPORT

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS
10. ADJOURNMENT

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Board Meeting
May 8, 2018
12:00 p.m. – Boardroom

Teleconference Participation
Metropolitan State Legislative Office
1121 L Street, Suite 900
Sacramento, CA  95814
(916) 650-2609

1. Call to Order
   (a) Invocation: Veena Konanur, Principal Information Technology Analyst, Information Technology Group
   (b) Pledge of Allegiance: Director John T. Morris, City of San Marino

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 April 10, 2018
      (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 April 2018
   C. Nomination for and Election of one nonofficer member of the Executive Committee to fill Director Hogan’s unexpired term through January 9, 2019
D. Approve committee assignments

E. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

A. General Manager's summary of activities for the month of April 2018

B. General Counsel's summary of activities for the month of April 2018

C. General Auditor's summary of activities for the month of April 2018

D. Interim Ethics Officer's summary of activities for the month of April 2018

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and adopt resolution for Calleguas Annexation No. 102 to Calleguas Municipal Water District and Metropolitan. (F&I)

Recommendation:

Option #1:

- Adopt the CEQA determination that the proposed action is categorically exempt, and
- Adopt resolution granting approval for Calleguas Annexation No. 102 concurrently to Calleguas and Metropolitan and establish Metropolitan's terms and conditions for the annexation (Attachment 3), conditioned upon approval by the Ventura Local Agency Formation Commission, and upon receipt of the annexation fee of $9,196.54.

7-2 Adopt CEQA determination and appropriate $890,000; and authorize design to replace the wastewater system and upgrade the Disaster Recovery Facility at Lake Mathews (Appropriations Nos. 15495 and 15376). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that: (1) the proposed action associated with Project No. 1 is categorically exempt; and (2) the proposed action associated with Project No. 2 was previously addressed and no further analysis or documentation is required, and

a. Appropriate $890,000;
b. Authorize final design to replace the on-site wastewater system at Lake Mathews; and
c. Authorize final design to upgrade the Disaster Recovery Facility at Lake Mathews.

7-3 Adopt CEQA determination and authorize granting a permanent easement to the California Department of Transportation (Caltrans) on Metropolitan owned property to facilitate widening State Route 74 across the San Diego Aqueduct Canal Siphon in the city of Hemet within the county of Riverside. (RP&AM)

Recommendation:

Option #1:

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

Authorize granting a permanent easement to the California Department of Transportation to facilitate widening State Route 74 across the San Diego Aqueduct Canal Siphon.

7-4 Adopt CEQA determination and authorize granting a License Agreement to Los Angeles SMSA Limited Partnership, a California limited partnership, d/b/a Verizon Wireless for vehicular access on Metropolitan’s fee-owned property located in the city of Claremont. (RP&AM)

Recommendation:

Option #1:

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

Authorize granting a 25 year license to Verizon Wireless for access.

END OF CONSENT CALENDAR
8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2018/19. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project, and
Adopt the resolution to continue collecting the Standby Charge for fiscal year 2018/19.

8-2 Adopt CEQA determination and approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan’s bonds. (F&I)

Recommendation:

Option #1:

Adopt CEQA determination that the proposed action is not defined as a project, and
a. Approve the draft of Appendix A (Attachment 1) attached to this board letter;
b. Authorize the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and
c. Authorize distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale or remarketing of bonds.

8-3 Adopt the CEQA determination and adopt Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution Authorizing the issuance of up to $80 million of Subordinate Water Revenue Bonds, 2018 Series; and approve expenditures to fund the costs of issuance of the Bonds. (F&I)
Recommendation:

Option #1:

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

a. Adopt the Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to $80 million of Subordinate Water Revenue Bonds, 2018 Series and providing the terms and conditions for the sale and issuance of said Subordinate Water Revenue Bonds; and

b. Approve up to $150,000 for the payment of the costs of issuance of the Subordinate Water Revenue Bonds, 2018 Series to be paid from bond proceeds or Metropolitan funds.

Option #1:

Adopt CEQA determination and appropriate $3.1 million; authorize design to replace Casa Loma Siphon Barrel No. 1; and authorize agreement with Carollo Engineers, Inc., in an amount not to exceed $2.2 million, to provide specialized design services (Appropriation No. 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $3.1 million;

b. Authorize design to replace Casa Loma Siphon Barrel No. 1; and

c. Authorize agreement with Carollo Engineers, Inc., in an amount not to exceed $2.2 million, for specialized design services.

Option #1:

Adopt CEQA determination and appropriate $13 million; and award $12,068,634.98 procurement contract to Ameron Water Transmission Group to provide steel liner pipe for the Second Lower Feeder (Appropriation No. 15497). (E&O)

Recommendation:

Option #1:

Adopt CEQA determination that the proposed action has been previously addressed in the certified 2017 Final PEIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and

a. Appropriate $13 million; and

b. Award $12,068,634.98 contract to Ameron Water Transmission Group to provide steel liner pipe for the Second Lower Feeder.
8-6  Adopt CEQA determination and appropriate $5.85 million; and award $3.74 million contract to Mladen Buntich Construction Company, Inc. for improvements to the domestic and fire water system at the La Verne site (Appropriation No. 15477). (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 $5.85 million; and

b.  Award $3.74 million contract to Mladen Buntich Construction Company, Inc. for construction of domestic and fire water system improvements at the La Verne site.

8-7  Adopt CEQA determination and appropriate $3 million; award $939,000 contract to CSI Electrical Contractors Inc. to replace the Uninterruptable Power Supply systems at the Colorado River Aqueduct pumping plants; and authorize preliminary design to rehabilitate the auxiliary power system at Iron Mountain Pumping Plant (Appropriation No. 15384). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action for Project No. 1 was previously determined to be categorically exempt, and the proposed action for Project No. 2 is categorically exempt, and

a.  Appropriate $3 million;

b.  Award $939,000 contract to CSI Electrical Contractors, Inc. to replace the Uninterruptible Power Supply systems at the CRA pumping plants; and

c.  Authorize preliminary design to rehabilitate the auxiliary power system at Iron Mountain Pumping Plant.

8-8  Adopt CEQA determination and affirm the General Manager’s determination that four Metropolitan-owned houses; identified as Metropolitan Water District of Southern California’s parcel number 139-14-125 (APN 317-321-002), 139-14-127 (APN 317-325-008), 139-14-129 (APN 317-325-010), 139-14-131 (APN 317-325-017) in unincorporated county of Riverside near Perris, California are surplus to Metropolitan’s needs. (RP&AM)
Recommendation:

Option #1:

Adopt CEQA determination that the proposed action is categorically exempt, and
Affirm the General Manager’s determination that the four single family houses in Riverside County are surplus and carry out the sale and disposition of the houses through open listing or auction.

Revised 8-9

Adopt CEQA determination and authorize contracts for bond counsel services with Hawkins Delafield & Wood LLP, Nixon Peabody LLP and Stradling Yocca Carlson & Rauth, P.C. and co-bond counsel services with Law Offices of Alexis S.M. Chiu and Curls Bartling P.C. for the period ending June 30, 2021 with costs paid from bond proceeds or from Metropolitan funds. (L&C)

Added

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and
a. Authorize the General Counsel to retain the firms listed in this board letter as bond counsel and co-bond counsel through June 30, 2021; and
b. Determine that bond counsel and co-bond counsel fees may be approved by the General Counsel in amounts sufficient to procure bond counsel and co-bond counsel services for bond issues and for legal advice, as described in this board letter.

8-10

Adopt CEQA determination and approve entering into 2017-2021 Memorandum of Understanding between The Metropolitan Water District of Southern California and The Supervisors Association. (OP&T)


Added

Recommendation:

Option #1:

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

Authorize the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor MOU with the Supervisors Association.
Revised 8-11 Report on existing litigation, adopt CEQA determination and authorize increase in maximum amount payable by Metropolitan under contract with Best Best & Krieger LLP by $400,000 for a maximum payable amount of $500,000 for legal services related to California WaterFix environmental litigation: CDWR Environmental Impact Cases, Sacramento County Superior Ct. Case No. JCCP 4942 (20 coordinated cases.) (L&C) [Conference with legal counsel—existing litigation and potential litigation (unknown number); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1), (d)(2), and (d)(4)]

Added Recommendation:

Option #1:
- Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
- Authorize the General Counsel to amend the existing agreement with Best Best & Krieger LLP to increase the maximum amount payable by Metropolitan by $400,000 to an amount not to exceed $500,000.

Revised 8-12 Report on existing and anticipated litigation, adopt CEQA determination and authorize increase in maximum amount payable by Metropolitan under contract with Hunton Andrews Kurth LLP (formerly Hunton & Williams LLP) by $350,000 to an amount not to exceed $450,000 for legal services related to California WaterFix litigation: Bay.org, et al. v. Zinke, et al., Case No. 17-cv-01176 (E.D. Cal., filed June 29, 2017); Golden Gate Salmon Assn. v. Ross, et al., Case No. 17-cv-01172 (E.D. Cal., filed June 29, 2017); CDWR Environmental Impact Cases, Sacramento County Superior Ct. Case No. JCCP 4942 (20 coordinated cases, including CDWR v. All Persons Interested, validation action.) (L&C) [Conference with legal counsel—existing litigation and potential litigation (unknown number); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1), (d)(2), and (d)(4)]

Added Recommendation:

Option #1:
- Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
- Authorize the General Counsel to amend the existing agreement with Hunton Andrews Kurth LLP to increase the maximum amount payable by Metropolitan by $350,000 to an amount not to exceed 450,000.
8-13 Added

Adopt CEQA determination and express opposition to AB 3045 (Gallagher, R-Yuba City), regarding State Water Project Commission. (C&L)

Recommendation:

Option #1:

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

Authorize the General Manager to express opposition to AB 3045.

9. BOARD INFORMATION ITEMS

9-1 Update on Conservation Program.

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

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.

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

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

Director Dake was appointed as Chair of the Finance and Insurance Committee, and Director Faessel was appointed as the Vice Chair of Finance and Insurance Committee. Director Barbre will remain a member on the Finance and Insurance Committee. Director Ballin was appointed as Vice Chair of the Audit and Ethics Committee. *(Agenda Item 5D)*

FINANCE AND INSURANCE COMMITTEE

Adopted the resolution to continue collecting the Standby Charge for fiscal year 2018/19. *(Agenda Item 8-1)*

Approved the draft of Appendix A attached to the board letter; authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale or remarketing of bonds. *(Agenda Item 8-2)*

Adopted the Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to $80 million of Subordinate Water Revenue Bonds, 2018 Series and providing the terms and conditions for the sale and issuance of said Subordinate Water Revenue Bonds; and approved up to $150,000 for the payment of the costs of issuance of the Subordinate Water Revenue Bonds, 2018 Series to be paid from bond proceeds or Metropolitan funds. *(Agenda Item 8-3)*

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $3.1 million; authorized design to replace Casa Loma Siphon Barrel No. 1; and authorized agreement with Carollo Engineers, Inc., in an amount not to exceed $2.2 million, for specialized design services (Appropriation No. 15480). *(Agenda Item 8-4)*

Appropriated $13 million; and awarded $12,068,634.98 contract to Ameron Water Transmission Group to provide steel liner pipe for the Second Lower Feeder (Appropriation No. 15497). *(Agenda Item 8-5)*

Appropriated $5.85 million; and awarded $3.74 million contract to Mladen Buntich Construction Company, Inc. for construction of domestic and fire water system improvements at the La Verne site (Appropriation No. 15477). *(Agenda Item 8-6)*

Appropriated $3 million; awarded $939,000 contract to CSI Electrical Contractors, Inc. to replace the Uninterruptible Power Supply systems at the CRA pumping plants; and authorized preliminary design to rehabilitate the auxiliary power system at Iron Mountain Pumping Plant (Appropriation No. 15384). *(Agenda Item 8-7)*
REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Affirmed the General Manager’s determination that the four single family houses in Riverside County are surplus and carry out the sale and disposition of the houses through open listing or auction. *(Agenda Item 8-8)*

LEGAL AND CLAIMS COMMITTEE

Authorized the General Counsel to retain the firms listed in this board letter as bond counsel and co-bond counsel through June 30, 2021; and determined that bond counsel and co-bond counsel fees may be approved by the General Counsel in amounts sufficient to procure bond counsel and co-bond counsel services for bond issues and for legal advice, as described in the board letter. *(Agenda Item 8-9)*

Authorized the General Counsel to amend the existing agreement with Best Best & Krieger LLP to increase the maximum amount payable by Metropolitan by $400,000 to an amount not to exceed $500,000. *(Agenda Item 8-11)*

Authorized the General Counsel to amend the existing agreement with Hunton Andrews Kurth LLP to increase the maximum amount payable by Metropolitan by $350,000 to an amount not to exceed $450,000. *(Agenda Item 8-12)*

ORGANIZATION AND TECHNOLOGY COMMITTEE

Authorized the General Manager to exercise discretion under Administrative Code Section 6101(k) to enter into a successor MOU with the Supervisors Association. *(Agenda Item 8-10)*

COMMUNICATIONS AND LEGISLATION

Authorized the General Manager to express opposition to AB 3045 (Gallagher, R-Yuba City). *(Agenda Item 8-13)*

CONSENT CALENDAR

In other actions, the Board:

- Adopted the resolution granting approval for Calleguas Annexation No. 102 concurrently to Calleguas and Metropolitan and establish Metropolitan’s terms and conditions for the annexation (Attachment 3), conditioned upon approval by the Ventura Local Agency Formation Commission, and upon receipt of the annexation fee of $9,196.54. *(Agenda Item 7-1)*

- Appropriated $890,000; authorized final design to replace the on-site wastewater system at Lake Mathews; and authorized final design to upgrade the Disaster Recovery Facility at Lake Mathews. *(Agenda Item 7-2)*

- Authorized granting a permanent easement to the California Department of Transportation to facilitate widening State Route 74 across the San Diego Aqueduct Canal Siphon. *(Agenda Item 7-3)*
Authorized granting a 25 year license to Verizon Wireless for access.  \textit{(Agenda Item 7-4)}

\textbf{OTHER MATTERS}

The Board:

Elected Director Pressman to the Executive Committee to fill Director Hogan’s unexpired term through January 9, 2019.  \textit{(Agenda Item 5C)}

\textbf{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 \url{http://edmsidm.mwdh2o.com/idmweb/home.asp}

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