WATER PLANNING COMMITTEE

9- 1. Professional services contract with RMC Water and Environment for Integrated Regional Water Management Program services and plan update in the amount of $1,534,930.
   Award a professional services contract to RMC Water and Environment for Integrated Regional Water Management support services in the amount of $1,534,930.

   Approve the memorandum of understanding with the city of San Diego and the county of San Diego for Integrated Regional Water Management Program activities.

ADMINISTRATIVE AND FINANCE COMMITTEE

9- 3. Treasurer’s report.
   Note and file the monthly Treasurer’s report.

9- 4. Administrative Code amendment as a result of department consolidation.
   Adopt Ordinance No. 2011-___ an Ordinance of the Board of Directors of the San Diego County Water Authority making technical amendments to various sections of the Administrative Code required by consolidation of the Engineering and Right of Way Departments.

9- 5. Resolution certifying results of ballot regarding a change to Metropolitan Water District’s annexation charges for five previously annexed areas within the Water Authority.
   Adopt Resolution No. 2011-___ to certify results of the ballot regarding changes to Metropolitan Water District annexation levies.

9- 6. Amend Ordinance 2011-01 to correct an error in the allocation of the Storage, Customer Service, and Readiness-to-Serve charges to member agencies.
   Adopt Ordinance 2011-___ an Ordinance of the Board of Directors of the San Diego County Water Authority amending Ordinance 2011-01 to correct the allocation of the storage, customer service, and readiness-to-serve charges.
ENGINEERING AND OPERATIONS COMMITTEE

9- 7. Agreement with Olivenhain Municipal Water District for design, construction, operation and maintenance of the Olivenhain 9 and 10 service connections, the treated water pipeline and the untreated water pipeline.
Authorize the General Manager to execute an Agreement with Olivenhain Municipal Water District for design, construction, operation and maintenance of the Olivenhain 9 and 10 service connections, the treated water and the untreated water pipelines.

9- 8. Amendment to the agreement with Olivenhain Municipal Water District for purchase of water treatment services.
Authorize the General Manager to amend the ten-year Water Purchase Agreement from the Olivenhain Municipal Water District’s David C. McCollum Water Treatment Plant, increasing the Water Authority’s discount rate from $8.17 to $61.52 per acre-foot of treated water supplied.

Authorize the General Manager to execute a change order for up to $1,476,000 to increase the quantity of roller compacted concrete to fill foundation areas where unsuitable foundation material was removed, increasing the contract amount from $140,977,220.70 to $142,453,220.70.
Sacramento, CA

2011 Legislative Session – The 2011 legislative session ended this year on September 9th (as typical, the two legislative houses heard bills well after midnight) and isn’t scheduled to return until early December. The Governor has until October 10th, 2011 to either sign or veto legislation that passed during the final two weeks of the legislative session. Just a couple of quick highlights for the 2011 legislative session:

- Roughly 2400 regular session bills were introduced between the Assembly and the Senate
- Approximately 600 bills are left pending before the Governor

Budget – Yes, the budget was passed back in mid-summer, but the ramifications of the overall dealing are still lingering. The largest component of the Governor’s realignment proposal, shifting low-level offenders from State prisons local jails, will begin in October. As reported in the news, the rosy revenue projects adopted with the final budget package have not been coming to fruition; this means that the trigger cuts incorporated into the final budget deal will more than likely be triggered. The Legislature had passed in the final week of the legislative session a modification to the budget package/trigger cuts, requiring the Governor to notify the legislature before any trigger cuts are enacted. Concerns were raised by the State Treasurer with this legislation because it complicated the pending fall bond sale; the Treasurer had to amend the bond prospectus to disclose the possibility of changes being made to the trigger cuts (one of the few aspects of the summer budget deal that the bond rating agencies/Wall Street/investors liked). Much like the first budget proposal passed by the Legislature in early summer, the Governor did not waste time and immediately vetoed the trigger cuts proposal. Ultimately, it is very likely that the Legislature will return from the fall break early in order to have another look at the budget and try to avert some of the larger trigger cuts to education.
**Legislation** – Attached is a summary of bill positions for the 2011 legislative year. Here is quick summary of the remaining bills pending before the Governor:

- **AB 275** by Assembly Member Solorio – a measure dealing with rainwater capture (SDCWA support)
- **SB 215** by Senator Huff – a measure that extends the sunset deadline for the State’s invasive aquatic species program related to dreissenid mussels (SDCWA support)
- **SB 328** by Senator Kehoe – a measure related to eminent domain law and conservation easements (SDCWA support)
- **SB 607** by Senator Walters – a measure related to brackish groundwater treatment (SDCWA support and seek amendments)

**Washington, DC**

**Congress in Session** – The House and Senate returned from the August recess on September 6. Both houses are currently in session.

**Start of New Fiscal Year** – With only seven workdays scheduled in both the House and Senate before the start of the next fiscal year, there is little chance that all the separate funding bills will get done on time. To date, the House has passed six of the dozen regular appropriations measures and has not scheduled any others this month for floor action. The Senate’s passed just one but is talking about trying to pass at least a few more.

All of this leads to the expectation that the Congress will have to resort to a stop-gap Continuing Resolution (CR) appropriations bill to avoid a government shutdown. Congressional leadership will need to decide how many weeks the first of the stopgap spending bills will last, and what spending level that CR will dictate.

This latter point is important because the Budget Control Act (debt ceiling deal) enacted in August provides roughly $25 billion more in discretionary spending than the House GOP budget provides. Whether the discretionary spending totals will be recalculated to reflect this is still unknown. House Majority Leader Cantor (R-VA) has indicated the CR extension would be for one month. However that could always change given the probability that Congress would still be unable to complete action on all the funding bills by then. Most observers agree that the Leadership will want to avoid a series of stop-gap extensions which turned into “fiscal showdowns” during the FY11 appropriations process.
CA AB 19

| AUTHOR: | Fong (D) |
| TITLE: | Building Standards: Water Meters: Multiunit Structures |
| FISCAL COMMITTEE: | no |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 12/06/2010 |
| LAST AMEND: | 04/15/2011 |
| DISPOSITION: | Pending - Carryover |
| LOCATION: | Assembly Housing and Community Development Committee |

SUMMARY:
Requires a water purveyor providing water service to a newly constructed multiunit residential structure or mixed-use residential and commercial structure, including a structure that is part of a common interest development, that submits and application for a water connection after a specified date, to require the installation of the meter or submeter to measure water to each unit as a condition of new water service. Requires the submeter to meet specified requirements. Relates to billing and disclosure.

STATUS:
04/27/2011 In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT:
Reconsideration granted.
Position: Support 04/27/2011

CA AB 134

| AUTHOR: | Dickinson (D) |
| TITLE: | Sacramento Regional County Sanitation District |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | no |
| INTRODUCED: | 01/12/2011 |
| LAST AMEND: | 04/15/2011 |
| DISPOSITION: | Enacted |
| LOCATION: | Chaptered |

SUMMARY:
Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Authorizes the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board. Requires the board to comply with specified related requirements.

STATUS:
09/06/2011 Signed by GOVERNOR.
09/06/2011 Chaptered by Secretary of State. Chapter No. 212
NOTES: per Jeff V. Board Direction
Position: Remove_Opposition 07/08/2011

CA AB 229

| AUTHOR: | Lara (D) |
| TITLE: | Auditor: Teacher Credentialing: Program Monitor |
| FISCAL COMMITTEE: | yes |
| URGENCY CLAUSE: | yes |
| INTRODUCED: | 02/02/2011 |
| LAST AMEND: | 07/11/2011 |
| DISPOSITION: | Pending - Carryover |
| LOCATION: | Senate Education Committee |

SUMMARY:
Requires the State Auditor to appoint an enforcement program monitor to the Commission on Teacher Credentialing to monitor and evaluate the Division of Professional Practices within the Commission. Specifies the purpose of the monitoring would be to improve the quality and
consistency, reduce timeframes and backlogs, and establish comprehensive written procedures related to the review of reported cases of misconduct, effectively track cases, and foster a professional workplace environment.

**STATUS:**
- 07/11/2011 From SENATE Committee on EDUCATION with author's amendments.
- 07/11/2011 In SENATE. Read second time and amended. Re-referred to Committee on EDUCATION.
- **Position:** Support-If-Amended 06/03/2011

<table>
<thead>
<tr>
<th>CA AB 275</th>
<th><strong>AUTHOR:</strong> Solorio (D)</th>
<th><strong>TITLE:</strong> Rainwater Capture Act of 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FISCAL COMMITTEE:</strong> no</td>
<td><strong>URGENCY CLAUSE:</strong> no</td>
<td><strong>INTRODUCED:</strong> 02/07/2011</td>
</tr>
<tr>
<td><strong>LAST AMEND:</strong> 07/13/2011</td>
<td><strong>LOCATION:</strong> To Governor</td>
<td><strong>SUMMARY:</strong> Enacts the Rainwater Capture Act of 2011. Authorizes residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes. Requires a local agency to notify a public water system of any permit program. Authorizes a landscape contractor to enter into a prime contract for the construction of such system, if it is used exclusively for landscape irrigation. Authorizes such contractors to design and install exterior parts.</td>
</tr>
<tr>
<td><strong>DISPOSITION:</strong> To Governor</td>
<td><strong>STATUS:</strong> 09/06/2011 Enrolled. 09/07/2011 *****To GOVERNOR.</td>
<td><strong>Position:</strong> Support 03/29/2011</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>CA AB 550</th>
<th><strong>AUTHOR:</strong> Huber (D)</th>
<th><strong>TITLE:</strong> Sacramento-San Joaquin Delta: Peripheral Canal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FISCAL COMMITTEE:</strong> no</td>
<td><strong>URGENCY CLAUSE:</strong> no</td>
<td><strong>INTRODUCED:</strong> 02/16/2011</td>
</tr>
<tr>
<td><strong>LAST AMEND:</strong> 03/31/2011</td>
<td><strong>LOCATION:</strong> Assembly Water, Parks and Wildlife Committee</td>
<td><strong>SUMMARY:</strong> Prohibits the construction of a peripheral canal that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. Requires the Legislative Analyst's Office to complete an economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal. Prohibits the construction and operation of a peripheral canal from diminishing water quality.</td>
</tr>
<tr>
<td><strong>DISPOSITION:</strong> Pending - Carryover</td>
<td><strong>STATUS:</strong> 03/25/2011 To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and APPROPRIATIONS.</td>
<td><strong>Position:</strong> Oppose 03/29/2011</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CA AB 576</th>
<th><strong>AUTHOR:</strong> Dickinson (D)</th>
<th><strong>TITLE:</strong> Delta Plan: Financing</th>
</tr>
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<tbody>
<tr>
<td><strong>FISCAL COMMITTEE:</strong> yes</td>
<td><strong>URGENCY CLAUSE:</strong> no</td>
<td><strong>INTRODUCED:</strong> 02/16/2011</td>
</tr>
<tr>
<td><strong>LAST AMEND:</strong> 03/31/2011</td>
<td><strong>LOCATION:</strong> Assembly Water, Parks and Wildlife Committee</td>
<td><strong>SUMMARY:</strong></td>
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</tbody>
</table>
Requires the Delta Stewardship Council to develop a long-term finance plan to pay for the costs of implementing the Delta Plan by a specified date. Prohibits the council from adopting new fees for these purposes unless authorized by statute. Authorizes the council, before adopting and collecting long-term revenue sources, to seek to obtain early funding contributions from entities that may benefit from implementation of the Plan and to track those contributions.

**STATUS:**

<table>
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<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>03/31/2011</td>
<td>From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.</td>
</tr>
<tr>
<td>03/31/2011</td>
<td>In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.</td>
</tr>
</tbody>
</table>

**Position:** OpposeUnlessAmended 03/29/2011

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**CA AB 1048**

**AUTHOR:** Harkey (R)

**TITLE:** Water Quality: Recycled Water and Wastewater: Fluoride

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/18/2011

**DISPOSITION:** Pending - Carryover

**LOCATION:** Assembly Environmental Safety and Toxic Materials Committee

**SUMMARY:** Requires the State Water Resources Control Board to adopt a statewide policy establishing standards for levels of fluoride in recycled water and wastewater.

**STATUS:**

<table>
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<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>03/16/2011</td>
<td>Withdrawn from ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.</td>
</tr>
<tr>
<td>03/16/2011</td>
<td>Re-referred to ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.</td>
</tr>
</tbody>
</table>

**Position:** Sponsor 04/05/2011

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**CA SB 215**

**AUTHOR:** Huff (R)

**TITLE:** Invasive Aquatic Species: Mussels

**FISCAL COMMITTEE:** no

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/09/2011

**LAST AMEND:** 04/26/2011

**DISPOSITION:** To Governor

**LOCATION:** To Governor

**SUMMARY:** Extends the repeal date of existing law that generally prohibits a person from possessing, importing, shipping, or transporting, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Game or his or her designee to engage in enforcement activities. Provides that a person who violates, resists, delays, obstructs, or interferes with the implementation of these provisions is subject to a penalty.

**STATUS:**

<table>
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<tr>
<th>Date</th>
<th>Event Description</th>
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<tr>
<td>09/06/2011</td>
<td>*****To GOVERNOR.</td>
</tr>
</tbody>
</table>

**Position:** Support 06/03/2011

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**CA SB 328**

**AUTHOR:** Kehoe (D)

**TITLE:** Eminent Domain Law: Conservation Easement

**FISCAL COMMITTEE:** yes

**URGENCY CLAUSE:** no

**INTRODUCED:** 02/15/2011

**LAST AMEND:** 06/22/2011

**DISPOSITION:** To Governor

**LOCATION:** To Governor

**SUMMARY:** Revises the Eminent Domain Law to establish requirements for acquisition of property subject to a
conservation easement. Requires the person seeking to acquire the property to give the holder of the conservation easement a notice containing specified information and an opportunity to comment on the acquisition. Requires the notice of the hearing on the resolution of necessity to be sent to any holder of the conservation easement and public entity. Specifies the easement holder is entitled to compensation.

**STATUS:**
09/06/2011 *****To GOVERNOR.
Position: Support 03/29/2011

<table>
<thead>
<tr>
<th>CA SB 607</th>
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<tbody>
<tr>
<td><strong>AUTHOR:</strong> Walters (R)</td>
</tr>
<tr>
<td><strong>TITLE:</strong> Water Resources Board: Brackish Groundwater Treatment</td>
</tr>
<tr>
<td><strong>FISCAL COMMITTEE:</strong> yes</td>
</tr>
<tr>
<td><strong>URGENCY CLAUSE:</strong> no</td>
</tr>
<tr>
<td><strong>INTRODUCED:</strong> 02/17/2011</td>
</tr>
<tr>
<td><strong>LAST AMEND:</strong> 04/27/2011</td>
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<tr>
<td><strong>DISPOSITION:</strong> Enacted</td>
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<tr>
<td><strong>LOCATION:</strong> Chaptered</td>
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<tr>
<td><strong>SUMMARY:</strong> Requires the Water Resources Control Board to either amend the State Ocean Plan, or adopt separate standards, to address water quality objectives and effluent limitations that are specifically appropriate for brackish groundwater treatment system facilities that produce municipal water supplies for local use.</td>
</tr>
<tr>
<td><strong>STATUS:</strong> 09/06/2011 Signed by GOVERNOR.</td>
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<tr>
<td><strong>Position:</strong> Support_Seek_Amends 06/03/2011</td>
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<th>CA SB 759</th>
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<tr>
<td><strong>AUTHOR:</strong> Lieu (D)</td>
</tr>
<tr>
<td><strong>TITLE:</strong> Common Interest Developments: Artificial Turf</td>
</tr>
<tr>
<td><strong>FISCAL COMMITTEE:</strong> no</td>
</tr>
<tr>
<td><strong>URGENCY CLAUSE:</strong> no</td>
</tr>
<tr>
<td><strong>INTRODUCED:</strong> 02/18/2011</td>
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<tr>
<td><strong>LAST AMEND:</strong> 03/22/2011</td>
</tr>
<tr>
<td><strong>DISPOSITION:</strong> Vetoed</td>
</tr>
<tr>
<td><strong>LOCATION:</strong> Vetoed</td>
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<tr>
<td><strong>SUMMARY:</strong> Provides that a provision of any of the governing documents of a common interest development shall be void and unenforceable if it prohibits or includes conditions that have the effect of prohibiting, the use of artificial turf or any other synthetic surface that resembles grass. Provides the prohibition would not preclude the association from applying landscape rules and regulations in governing documents regarding the installation of such turf.</td>
</tr>
<tr>
<td><strong>STATUS:</strong> 07/13/2011 Vetoed by GOVERNOR.</td>
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<tr>
<td><strong>Position:</strong> Sponsor 03/31/2011</td>
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<th>CA SB 900</th>
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<tr>
<td><strong>AUTHOR:</strong> Steinberg (D)</td>
</tr>
<tr>
<td><strong>TITLE:</strong> Regional Water Quality Control Boards: Members</td>
</tr>
<tr>
<td><strong>FISCAL COMMITTEE:</strong> no</td>
</tr>
<tr>
<td><strong>URGENCY CLAUSE:</strong> no</td>
</tr>
<tr>
<td><strong>INTRODUCED:</strong> 02/18/2011</td>
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<tr>
<td><strong>LAST AMEND:</strong> 05/09/2011</td>
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<tr>
<td><strong>DISPOSITION:</strong> Pending - Carryover</td>
</tr>
<tr>
<td><strong>LOCATION:</strong> Assembly Inactive File</td>
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<tr>
<td><strong>SUMMARY:</strong> Amends the Porter-Cologne Water Quality Control Act. Deletes provisions of the act prohibiting a board member from participating in actions that involve the member or a waste discharger with...</td>
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</table>
which the member is connected. Specifies that the limitation on the member's financial interest applies only to a disqualifying financial interest within the Political Reform Act. Relates to requirements, qualifications, and to disqualifying factors for regional board members.

**STATUS:**

07/01/2011 In ASSEMBLY. To Inactive File.

**Position:**

Support 06/27/2011

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September 21, 2011

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Information)

Background
The MWD committees and board met on September 12 and 13. The next regular MWD board and committee meetings are scheduled for October 10 and 11.

Discussion
This section summarizes discussions held and key decisions made at the September MWD committees and board meetings, as reported by the MWD delegates. Attachment 1 is a copy of MWD’s September 13 board meeting agenda and MWD’s Board Summary.

Engineering and Operations Committee
The committee and board approved five capital improvement and rehabilitation and replacement items. Staff reported that the blends at Weymouth and Deimer is about 50 percent State Water project (SWP) and Skinner is about 80 percent SWP. The August 2011 demands on MWD were 210 taf, which were about 34 taf higher than the August 2010 demands, due to discounted replenishment sales. Despite the replenishment sales, MWD staff reported that cumulative water sales for FY 2012 were projected to be 13,000 af below the budget. The Colorado River aqueduct was reduced to a six-pump operation from seven pumps to manage targets for MWD’s storage in Lake Mead and Lake Mathews. Staff reported that MWD is maximizing delivery to its storage programs while managing the delivery of discounted replenishment water. Staff also said that as of September 8, MWD has delivered 187,000 af of replenishment water, including 16.9 taf to the Water Authority. When MWD resumed the sale of discounted replenishment water this year, it limited the maximum delivery to 225 taf.

Finance and Insurance Committee
The committee heard three reports, including the preliminary analysis of the SWP calendar year 2012 charges, which is about $557 million. Staff reported that these charges, however, do not include some significant anticipated expenses related to Delta activities, Oroville Federal Energy Regulatory Commission (FERC) license and energy crisis litigation. Staff said a report on Oroville FERC licensing will be presented in the near future. The Department of Water Resources (DWR) plans to issue revised charges once the costs are solidified. After staff and its auditors review the projected charges, staff plans to return to the board for payment consideration of the Calendar Year 2012 charges in December. The request will include any DWR adjustments.

Interim Chief Financial Officer Tom DeBacker reported that MWD planned to go to market on September 13, 2011 to refund about $120 million revenue bonds, saving MWD potentially about $8 million. He said MWD delayed last month’s refund to ensure comments made by the Water Authority and Western on its draft Official Statement were addressed. MWD’s bond counsel and underwriters made changes as deemed appropriate. DeBacker also reported that the rating
agencies reaffirmed MWD’s ratings, including Standard and Poor’s AAA rating. He added that MWD’s plan to refund the bonds will still occur before the state of California issues its General Obligation bonds.

DeBacker also reported on the financial highlights for fiscal year 2011/12 ending August. He said that the projected sales are tracking at 1.787 maf, and based on a comparative to the 1.8 maf expenditure plan, MWD’s projected expenditures now closely matched the projected revenues thus avoiding the need to withdraw $10 million from reserves as previously projected. Cumulative revenues were about $12.4 million lower than budget due to water sales, both in volume and type of sales ($12.4 million). DeBacker said that the projected water sales include 225 taf of replenishment sales. Director Lewinger commented that when the board reviewed the 1.8 maf expenditure plan and subsequently added the replenishment sales of 225 taf, staff said that the sale of replenishment water would bring a net revenue of about $58 million over and above the 1.8 maf expenditure plan. Thus, Lewinger noted that the projected sales are really tracking about 300 taf below what the board was informed. General Manager Jeff Kightlinger said that when staff made the replenishment delivery recommendation, it did not say the replenishment sales would be added to the projected 1.8 maf of sales. Director Barbre (Municipal Water District of Orange County) clarified that the General Manager has the authority, without board action, to continue the replenishment program beyond the sale of 225 taf. However, Kightlinger said that he would return to the board to receive further direction. Director DeJesus (Three Valleys) commented that approval to sell replenishment water was a result of reactivating a program that was in place for decades, and funds received for the replenishment water sales has resulted in additional revenue for MWD.

DeBacker said that the cumulative expenditures are trending about $22.7 million under budget. This variance includes (savings of $54.4 million in SWP and Colorado River Aqueduct power costs and other expenses, which are offset by increased expenditures in Operations and Maintenance ($6.4 million), Supply Programs ($19.5 million), and Debt Service ($5.8 million). DeBacker reported the projected reserves fund balance for fiscal year 2012 is about $50.0 million above the board established minimum target (which includes $50.0 million held in escrow related to the Water Authority rate litigation as of June 30, 2012).

Also announced was the selection of Gary Breaux as MWD’s new Assistant General Manager and Chief Financial Officer; DeBacker will continue to serve as MWD’s Controller.

**Legal and Claims Committee**

The committee and board approved amendments to MWD’s administrative code to conform to current laws and practices and make corrections. The committee heard two Water Authority related items in closed session. Subsequently, the committee and board approved the two closed session items, which included increases in legal services. In regards to the selection process of the General Counsel, the committee discussed three options: 1) appoint Interim General Counsel Marcia Scully without a formal search; 2) retain a search firm (estimated cost of $60,000-$80,000); or 3) have MWD’s Human Resources department conduct a search, but hire outside counsel to assist in the process, avoiding conflicts (estimated cost of $20,000-$25,000). Director Steiner and other directors expressed that while Scully has performed satisfactorily, because the position plays a significant role at MWD, it should be open to a wider search. Directors Fleming
(Los Angeles), Ackerman (Municipal Water District of Orange County) and Edwards articulated support for appointing Scully without a search. Dick stressed the need to make a list of the expected role and responsibilities of the General Counsel. After additional discussion, Barbre suggested and Committee Chairman Wunderlich (Beverly Hills) forward this discussion to a joint Legal and Claims Committee and Executive Committee meeting to be held on September 27. Steiner asked that the administrative code and thoughts and suggestions provided by the Directors be compiled and distributed prior to the joint meeting. Subsequently, MWD scheduled a Special Legal and Claims Committee and a joint Executive and Special Board meeting on September 27 to cover this topic.

**Legislation Committee**
The committee and board approved staff’s recommendation to express support for SB 250 (Rubio, D-Bakersfield). This bill would require that the Department of Water Resources’ development of certain Delta conveyance facilities be completed on or before February 15, 2013, and would require that the construction of those facilities be completed by December 31, 2025. Executive Legislative Representative Kathy Cole reported that the 2011 legislative year has concluded, and the Governor has until October 9, 2011 to sign or veto all bills that were sent to him in the closing days of this session. The committee also received a report on other state and federal legislative activities. Chairman Foley reported that the Communications & Education Committee will merge back into the Legislation Committee.

**Organization, Personnel and Technology Committee**
The committee discussed in closed session a report on MWD’s Department Heads’ Performance Evaluations. In addition, the committee and, subsequently, the board authorized the General Manager to exercise discretion to enter into a successor Memorandum of Understanding with the Supervisors Association. A summary of key provisions are attached (Attachment 2). During the board meeting, Barbre commented that the defined benefit program was above and beyond what most agencies provide; as a result, he offered a substitute motion, which held all provisions, except it eliminated the matching of the 401K. The substitute motion failed (Support – 21.97%; Against – 73.48% and Abstain – 0.71%). The original motion passed (Support – 80.84%; Against – 15.32%; and No Abstentions).

**Water Planning and Stewardship Committee**
The committee and board approved adjustments to MWD’s Water Supply Allocation Plan (WSAP) formula. Steiner commented that although staff’s recommended changes were good changes to the existing formula, but the Water Authority questions whether the Board should reexamine the premise that formed the basis of the WSAP formula. The board policy and principles that guided the development of WSAP were developed more than a decade ago under the Water Surplus and Drought Management plan. Steiner suggested that rather than approving the formula adjustments, the board hold a workshop to review policy issues. The delegates’ letter to MWD articulating this position is included as Attachment 3. Steiner emphasized that changed conditions now exist, such as the state’s adoption of the 20x2020 and desalination and that the board should consider the long-term implications of the WSAP in light of today’s water supply realities. Director Lowenthal (Long Beach) supported holding a workshop. Barbre made a motion to delay approval of the WSAP adjustments until a workshop is conducted, which failed.
Staff’s recommendation was narrowly approved in committee. The board subsequently approved the item with eight agencies opposing.

Staff also gave a report on the Replenishment Program review process. Lewinger emphasized the need for board’s involvement in setting policies to guide the development of a new replenishment program. He posed a number of questions to facilitate the policy discussion (See Attachment 4). Director Brick (Pasadena) added that board action is often taken without thorough board discussion and that the board should be more engaged in policy discussions. This item is scheduled to return to the committee and board with a recommendation by December of this year.

Bay Delta Initiatives Manager Steve Arakawa gave a brief update on Bay Delta Conservation Plan and Delta Habitat Conservation and Conveyance Program Financials. As of July, $117.2 million of the budgeted $139.6 million has been expended on BDCP/DHCCP efforts (See following table for a breakdown of the budget and expended funds). MWD pays approximately 25 percent of these costs, or approximately $35 million of the budgeted costs. The board approved additional funds last year to cover increasing environmental documentation costs, but just recently signed the funding agreement. Staff reported that federal contractors also endorsed the funding agreement. The Administrative Draft Environmental Impact Report and Environmental Impact Statement are scheduled to be completed February 2012.

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<td><strong>$139.6 M</strong></td>
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*Based on program management reports through July 2011.

The committee also received reports on Bay-Delta and Colorado River matters and on a DWR-wide effort to renew the FERC power license to operate the DWR’s Oroville hydroelectric facilities, including two pumping-generating plants and one power plant. The license expired in 2007, but is renewed yearly.

**Board Meeting**
The Board held a public hearing on the proposed standby charge for Peaceful Valley Annexation to the Water Authority. No comments were made. Ed Chavez (Upper San Gabriel Valley Municipal Water District) was inducted as a new MWD Director. The board then went into closed session to discuss the Department Heads’ performance evaluations.
Organization, Personnel and Technology Committee by Fern Steiner
Water Planning and Stewardship Committee by Keith Lewinger and Fern Steiner

Attachment 1: MWD September Meeting Board Agenda and Board Summary.
Attachment 2: Summary of Key Provisions, September 13, 2011.
Attachment 4: Comments and Questions on Replenishment Service Program, dated September 12, 2011.
REVISION 2 AGENDA

Regular Board Meeting

September 13, 2011
12:00 p.m. -- Board Room

1. Call to Order
   (a) Invocation: (Guest)
   (b) Pledge of Allegiance: Director Rudy Montalvo

2. Roll Call

3. Determination of a Quorum

PUBLIC HEARING

Comments on the proposed standby charge for Peaceful Valley Annexation to San Diego County Water Authority

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))

REVISION 2: Date of Notice: September 8, 2011
5. OTHER MATTERS

A. Approval of the Minutes of the Meetings for August 9 and 16, 2011.
   (Copies have been mailed to each Director)
   Any additions, corrections, or omissions

B. Report on Directors' meetings attended at Metropolitan expense for month
   of August

C. Induction of new Director, Ed Chavez, from Upper San Gabriel Valley
   Municipal Water District
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

D. Approve committee assignments

E. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

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

B. Interim General Counsel's summary of Legal Department activities for the
   month of August

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Appropriate $450,000; and authorize (1) environmental documentation for
   repairs to the Upper Newport Bay Blow-off Structure; and (2) professional
   services agreement with Dudek (Approp. 15377). (E&O)

REVISION 2: Date of Notice: September 8, 2011
Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $450,000;
b. Authorize preparation of environmental documentation for access and repairs to the Upper Newport Bay Blow-off Structure; and
c. Authorize agreement with Dudek, in an amount not to exceed $285,000 to provide specialized environmental support.

7-2 Appropriate $390,000; and authorize preliminary design of bromate control facilities (Approp. 15472). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $390,000; and
b. Authorize preliminary design of new bromate control facilities at each of Metropolitan's treatment plants.

7-3 Appropriate $570,000; and authorize two rehabilitation projects at the F. E. Weymouth Water Treatment Plant (Approps. 15369 and 15440). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $570,000;
b. Authorize final design of the Weymouth Washwater Tanks Seismic Upgrades; and
c. Authorize preliminary design to refurbish Weymouth Treatment Basins Nos. 5-8.

7-4 Approve amendments to the Metropolitan Water District Administrative Code to conform to current laws and practices and make corrections. (L&C)

REVISION 2: Date of Notice: September 8, 2011
Recommendation:

Option #1:

Adopt the CEQA determination and approve amendments to the Administrative Code set forth in Attachment 2 of the board letter to reflect the changes recommended in this letter.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Appropriate $7.76 million; and authorize (1) initiation of the PCCP Rehabilitation and Replacement Program; (2) final design of carbon fiber repairs for eight PCCP lines; and (3) agreement with Pure Technologies US, Inc. for pipeline inspections and monitoring (Approp. 15471). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $7.76 million;
b. Authorize initiation of the PCCP Rehabilitation and Replacement Program;
c. Authorize final design of carbon fiber repairs for eight PCCP lines; and
d. Authorize agreement with Pure Technologies US, Inc., in an amount not to exceed $4.18 million, for pipeline inspections.

8-2 Appropriate $3.8 million; and authorize (1) final design of staged implementation for the Weymouth Oxidation Retrofit Program; (2) preliminary design of hypochlorite and sulfuric acid feed facilities; and (3) amendment of an existing agreement with Tetra-IKI Group (Approp. 15392). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination and

a. Appropriate $3.8 million;
b. Authorize final design of staged ozonation facilities at the Weymouth plant;
c. Authorize preliminary design of hypochlorite and sulfuric acid feed facilities; and
d. Authorize increase of $100,000 to the existing agreement with Tetra-IBI Group, for a new not-to-exceed total of $2,758,000.

8-3 Approve adjustments to Metropolitan’s Water Supply Allocation Plan Formula. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination and approve the proposed adjustments to Metropolitan’s Water Supply Allocation Plan.

8-4 Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830; and authorize an increase in the maximum amount payable under contract with Bingham McCutchen for legal services by $600,000 to an amount not to exceed $1,400,000. (L&C)

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

8-5 Report on potential litigation relating to termination of certain agreements between Metropolitan and the San Diego County Water Authority; and authorize an increase in the maximum amount payable under contract with Theodora Oringer Miller & Richman PC by $600,000 to an amount not to exceed $700,000. (L&C)

[Conference with legal counsel—anticipated litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(b)(3)(B)]

8-6 Express support for SB 250 (Rubio, D-Bakersfield) – Sacramento-San Joaquin Delta: Delta Plan: conveyance facility. (Legis.)
Recommendation:

Option #1:

Adopt the CEQA determination and express support for SB 250 (Rubio) consistent with Metropolitan’s board-adopted Delta Action Plan.

Revised 8-7 Approval to enter into 2011-2016 Memorandum of Understanding between The Metropolitan Water District of Southern California and the Supervisors Association; and Conference with Labor Negotiators. (OP&T)

[Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency representative: Gilbert Ivey. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Association MAPA/AFSCME Chapter 1001, the Association of Confidential Employees, and the Supervisors Association]

9. BOARD INFORMATION ITEMS

9-1 Preliminary analysis of the State Water Project calendar year 2012 charges. (F&I)

9-2 Update on Replenishment Program. (WP&S)

10. DEPARTMENT HEADS PERFORMANCE EVALUATION

10-1 Report from General Manager, General Auditor, and Ethics Officer on the performance evaluations received by the Executive Committee. [Public employees' performance evaluation; to be heard in closed session pursuant to Gov. Code Section 54957]

11. FUTURE AGENDA ITEMS

REVISION 2: Date of Notice: September 8, 2011
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.

REVISION 2: Date of Notice: September 8, 2011
Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
September 13, 2011

APPOINTMENT OF BOARD MEMBER

Director Ed Chavez was appointed to the board, representing Upper San Gabriel Valley Municipal Water District. (Agenda Item 5C)

COMMITTEE ASSIGNMENTS

Chairman Foley announced the consolidation of the Legislation and Communications and Education Committees. No new assignments were made. (Agenda Item 5D)

ENGINEERING AND OPERATIONS COMMITTEE

The board appropriated $7.76 million; and authorized (1) initiation of the PCCP Rehabilitation and Replacement Program; (2) final design of carbon fiber repairs for eight PCCP lines; and (3) agreement with Pure Technologies US, Inc. for pipeline inspections and monitoring (Approp. 15471). (Agenda Item 8-1)

The board appropriated $3.8 million; and authorized (1) final design of staged implementation for the Weymouth Oxidation Retrofit Program; (2) preliminary design of hypochlorite and sulfuric acid feed facilities; and (3) amendment of an existing agreement with Tetra-IBI Group (Approp. 15392). (Agenda Item 8-2)

WATER PLANNING AND STEWARDSHIP COMMITTEE

The board approved adjustments to Metropolitan’s Water Supply Allocation Plan Formula. (Agenda Item 8-3)

LEGAL AND CLAIMS COMMITTEE

The board authorized an increase in the maximum amount payable under contract with Bingham McCutchen for legal services related to San Diego County Water Authority v. Metropolitan Water District of Southern California, et al. by $600,000 to an amount not to exceed $1,400,000. (Agenda Item 8-4)
The board authorized an increase in the maximum amount payable under contract with Theodora Oringher Miller & Richman PC for legal services relating to the termination of certain agreements between Metropolitan and the San Diego County Water Authority by $600,000 to an amount not to exceed $700,000. (Agenda Item 8-5)

LEGISLATION COMMITTEE

The board voted to express support for SB 250 (Rubio, D-Bakersfield) - Sacramento-San Joaquin Delta: Delta Plan: conveyance facility. (Agenda Item 8-6)

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

The board approved entering into a 2011-2016 Memorandum of Understanding between The Metropolitan Water District of Southern California and the Supervisors Association. (Agenda Item 8-7)

CONSENT CALENDAR

In other action, the board:

Appropriated $450,000; and authorized (1) environmental documentation for repairs to the Upper Newport Bay Blow-off Structure; and (2) professional services agreement with Dudek (Approp. 15377). (Agenda Item 7-1)

Appropriated $390,000; and authorized preliminary design of bromate control facilities (Approp. 15472). (Agenda Item 7-2)

Appropriated $570,000; and authorized two rehabilitation projects at the F. E. Weymouth Water Treatment Plant (Approps. 15369 and 15440). (Agenda Item 7-3)

Approved amendments to the Metropolitan Water District Administrative Code to conform to current laws and practices and make corrections. (Agenda Item 7-4)

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

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

http://edmsidm.mwdh2o.com/idmweb/home.asp
## Summary of Key Provisions

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<td>Longer Vesting (20 years) for New Hires for Retiree Medical</td>
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<td>District's health care contribution reduced to 100% PERS Choice/HMO</td>
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</tr>
<tr>
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# Summary of Key Provisions

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<td>Additional 0.75% 401(k) Match, if 2%@60 implemented</td>
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September 9, 2011

Jack Foley, Chairman
Metropolitan Water District of Southern California
PO Box 54153
Los Angeles, CA 90054-0153

Re: Board Memo 8-3 —
Adjustments to Metropolitan’s Water Supply Allocation Plan Formula
REQUEST TO DEFER ACTION PENDING BOARD WORKSHOP

Dear Chairman Foley and Board Members:

We write to request that the board defer taking action on adjustments to the Water Supply Allocation Plan formula as proposed in Board Memo 8-3. Instead, for the reasons described below, we request that the Chairman schedule a workshop to review board policies relating to the Water Surplus and Drought Management Plan (WSDM Plan) and Water Supply Allocation Plan (Water Supply Allocation Plan or Plan).

The Water Supply Allocation Plan was first adopted by the board in February 2008 in response to water supply challenges facing MWD and its service area during 2007, which were then described as raising – for the first time – the possibility that MWD might not have access to the water supplies necessary to meet total firm demands. The 2008 staff recommendation for the Water Supply Allocation Plan states that it was based on board principles that provided policy direction, contained in the Water Surplus and Drought Management Plan (WSDM Plan) adopted by the board in 1999. Thus, it has been more than 10 years since the board of directors considered the policies upon which MWD’s Water Supply Allocation Plan is based. The WSDM Plan itself states that it was intended to be a 10-year plan. The WSDM Plan should have been scheduled for board review in 2009.

The board’s “Guiding Principle,” “Supporting Principles” and “Implementation Goals” which are the policy basis of the WSDM plan are not mentioned in Board Memo 8-3. They are included as Attachment 1 to this letter for ease of reference. The board should review and refine these principles and policies in light of the substantially changed conditions that now exist, including, but not limited to mandatory 20% retail water conservation, MWD’s declining sales and a water rate environment in which conservation and local water supply alternatives have become cost-effective.

There are significant policy issues associated with how MWD allocates water during times of shortage. For example, does a “need”-based approach that does not require member agencies to achieve statutory retail conservation targets send the right message (and is it even consistent...
Chairman Foley and Board Members  
September 9, 2011  
Page 2  

with state law)? There are many who believe that a “need”-based approach actually inhibits, rather than supports sound water supply management because it appears to punish rather than reward those who make local investments to improve water supply reliability. Many retail water suppliers simply want to know how much water they can count on receiving from MWD’s imported water sources during times of shortage so that they may plan these local investments more efficiently. Encouraging such investment at the local level would also reduce the water supply investments MWD would be required to make and thus lower wholesale water rates. There is also a question whether the Water Supply Allocation Plan is enforceable in the absence of a declared water supply emergency in the event preferential rights are asserted by one or more member agencies.

As noted above, the current methodology was developed in response to conditions that were then viewed as extraordinary. But what was then “extraordinary” has become today’s water supply planning reality. Supplies will continue to be constrained for the foreseeable future and water rates will continue to escalate. Although the Water Authority supported the need-based approach over the past few years with the understanding that it was a transitional plan to allow retail agencies to responsibly plan for the future, the MWD board must now consider the long-term policy implications of the Water Supply Allocation Plan in light of what we now know are water supply planning realities.

Although the Board Memo describes 12 meetings with the member agency managers, this is the first time the Board will have to consider the policy issues contained in the WSDM and WSAP plans. While it is certainly appropriate for staff to consult with the member agency managers as part of its due diligence in making recommendations to the board – and we do appreciate their hard work in updating the technical details of the formula – the member agency managers’ review process is no substitute for the board’s consideration and deliberation of the many policy issues associated with MWD water shortage allocations.

We urge the board to defer staff’s recommendations, and instead, direct staff to schedule a board workshop to discuss issues related to the WSDM and Water Supply Allocation plans. We would welcome the opportunity to work with you and the rest of the board in preparing an agenda of issues for the board’s deliberation.

Sincerely,

Jim Bowersox  
Director

Lynne Heidel  
Director

Keith Lewinger  
Director

Fern Steiner  
Director

cc: MWD Board of Directors  
SDCWA Board of Directors

Attachment 1: “Guiding Principle,” “Supporting Principles” and “Implementation Goals” (1999 WSDM Plan)
The central effort in developing the WSDM Plan was a participatory process involving Metropolitan and its member agencies. Metropolitan staff and member agency representatives coordinated the Plan’s development during a series of meetings of the Rate Refinement Team and the Integrated Resources Planning Workgroup. To lay a foundation for the WSDM Plan, participants in the Rate Refinement Process developed a set of “WSDM Principles and Implementation Goals.”

**Guiding Principle**

- Metropolitan will encourage storage of water during periods of surplus and work jointly with its Member Agencies to minimize the impacts of water shortages on the region’s retail consumers and economy during periods of shortage.

**Supporting Principles**

- Maintain an ongoing coordinated effort among Metropolitan and its Member Agencies to encourage efficient water use and cost-effective local resource programs and to inform the public on water supply and reliability issues.

- Encourage local and regional storage during periods of surplus and use of storage during periods of shortage.

- Manage and operate Metropolitan’s regional storage and delivery system in coordination with local facilities to capture and store surplus water in local groundwater and surface reservoirs.

- Arrange for secure sources of additional water from outside the region for use during periods of shortage.

- Call upon sources of additional water from outside the region and water stored locally to meet the needs of consumers and protect the economy during periods of shortage.

**WSDM Plan Implementation Goals**

- Avoid mandatory import water allocations to the extent practicable.

- Equitably allocate imported water on the basis of agencies’ needs.

Considerations to create an equitable allocation of imported water may include:

- Impact on retail consumers and economy
- Reclamation/Recycling
- Conservation
- Population and economic growth
- Investment in local resources
  Change and/or loss of local supply
- Participation in Metropolitan’s Non-firm (interruptible) programs
- Investment in Metropolitan’s facilities.

- Encourage storage of surplus supplies to mitigate shortages and improve water quality.
September 12, 2011

To: MWD Water Planning & Stewardship Committee
From: Director Keith Lewinger, San Diego County Water Authority
Re: Comments and Questions on Board Memo 9-2 – Update on Replenishment Service Program

1. The Board Memo states that the only policy for this program is MWD Administrative Code Section 4514. Is there any other board policy that the staff considers relevant or controlling for purposes of the meetings it is having with the member agencies and groundwater basin managers?

2. Are the “Key Development Principles” referenced in 9-2 intended to be a statement of board policy or what the member agencies want? It appears that the concerns of member agencies and groundwater basin managers are being captured but not so much the program needs from MWD’s point of view.

3. Staff’s April 26, 2011 Board Memo 5-1 described many of the concerns about the performance and equity of the existing Replenishment Service Program, but they are not discussed in Board memo 9-2. The concerns as described by staff last April included:
   - Questionable and unquantifiable performance expectations generally for the Replenishment Service Program.
   - Potential of shifting water sales within a year as opposed to generating true longer-term storage.
   - The potential offset to full service sales.
   - Unequal distribution of costs and benefits among participating and non-participating agencies.
   - Questions whether the water was being stored for future use as opposed to being purchased to refill overdraft.
   - Difficulties in measuring and verifying in-lieu deliveries to storage.
   - Cash flow and budgeting issues associated with the frequency under which replenishment supplies are available.

4. The Water Authority thought these questions should have been addressed – and MWD’s own regional storage fully replenished – prior to resuming the sale of discounted water in April. It is certainly the time to do so now, as the Replenishment Service Program is being reviewed. And, the board needs to be involved in the process now, prior to proposals being developed, in order to establish a policy framework.

5. While the “Key Development Principles” may have been sufficient to initiate discussions with the member agencies and groundwater basin managers, there are key policy issues that must be addressed as part of the Board’s consideration of any new Replenishment Service Program proposal. As such, in addition to those policy questions raised in MWD’s April 26, 2011 Board memo, as a board member it is my request that the following issues also be addressed for the planning periods 2015, 2020 and 2035, in order to kick off a substantive board discussion on policy issues:

   ➢ No one questions the wisdom of local water storage and conjunctive use. However, a new Replenishment Service Program proposal must address the program’s costs and the benefits including:
Comments and Questions on Board Memo 9-2 – Update on Replenishment Program
September 12, 2011
Page 2

- How does the MWD region benefit? Please address both water supply and budget impacts. One of the fundamental questions that needs to be addressed is, under what circumstances if any, can MWD afford to sell water at a discount?
- What MWD costs if any will be avoided through the implementation of a new Replenishment Service Program?

- What assumptions are used about MWD’s own storage programs and the role MWD storage will play in meeting water supply needs in dry years?
  - How much storage does MWD plan to maintain?
  - What is the total cost of MWD’s storage programs, including the cost of putting water into storage during the years it is available?
  - Does staff intend to budget that cost in the future?

- What are the assumptions about how often and at what quantity water will be available for put into storage? Conversely, how often and at what quantity are you assuming water from storage will needed to meet demand?

- Last April, the board was informed that some of MWD’s storage programs and locations were “less desirable” choices for storage management and that there were “increased risks of future losses from those programs, potential cost implications and concerns about future dry year performance.” Has staff completed its review of these concerns and what recommendations is it making to the board now as a result?

- How will the implementation of a new Replenishment Service Program affect MWD’s future water rates and demand? What policies can ensure that the new Replenishment Service Program would not displace full service purchases?

- Would it be more equitable to simply distribute discounted water to all member agencies when it is deemed available under specified conditions?

I hope that these and the questions and concerns of all board members about the development of a new Replenishment Service Program will be addressed at board meetings over the next several months as the member agency technical review continues. I would also suggest that a revised schedule be developed and presented at the next committee meeting that recognizes the need for Board review and policy input prior to any specific proposals being developed by staff and the member agencies and groundwater basin managers. I don’t believe this can be accomplished within the December timeframe proposed by staff, but should be discussed by the Committee at an upcoming meeting.
September 22, 2011

Attention: Imported Water Committee

Colorado River Board Representative’s Report (Information)

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

Background
This report covers activities from the September 14, 2011 CRB meeting.

Discussion
The CRB took actions and heard informational reports from CRB staff on activities discussed below:

Water supply and reservoir operations
Because of above-average runoff this water year, total reservoir storage on the Colorado River is more than 5 maf greater than it was at this time last year. As of September 12, Lake Powell was 73 percent full, with 17.8 maf of storage. Lake Mead is 49 percent full, with 12.8 maf of storage. More water than usual will be released from Lake Powell into Lake Mead this water year to balance the two reservoirs’ contents. In a typical year, 8.23 maf is released from Lake Powell. This year, Reclamation is projecting that 12.52 maf will be released. Delivery of this extra water, or “equalization release,” is not expected to be completed in this water year (ending September 30), but Reclamation has stated that the water would likely be delivered by the end of the calendar year. Runoff into Lake Powell is expected to be 140 percent of normal this water year.

Binational discussions
Staff provided an update on work that is continuing on the development of a formal agreement, or minute to the 1944 Mexican water treaty, between the U.S. and Mexico related to a number of Colorado River management proposals. The proposals include:

- the development of “Intentionally Created Mexican Apportionment,” or ICMA, which is a proposed program under which Mexico would designate water for storage in the U.S.;
- the conversion of ICMA into “Intentionally Created Surplus,” or ICS, which is an existing program allowing U.S. users to conserve water and store it in Lake Mead;
- surplus and shortage sharing with Mexico;
- new water supply projects; and
- environmental restoration projects.

To date, much of the work has been technical evaluations and computer modeling of river hydrology and the salinity impacts of various operating scenarios. The goal is to have a minute encompassing all of these management objectives completed in early 2012.
Colorado River Basin study
Reclamation and the seven basin states are working on a comprehensive study of long-term projections of water demands and supplies from the river. The two-year study was begun last year. It will feature a number of scenarios to forecast the availability of water through 2060, including projections based on an economic slowdown, expansive growth, enhanced environment, and healthy economy. Most of the work to date has been on completing computer modeling tools used to develop the projected water demand. The initial drafts of the demand scenarios are expected to be completed in early October, with the entire study completed in late 2012.

Prepared by: Dave Fogerson, Senior Engineer
Reviewed by: Halla Razak, Colorado River Program Director
Approved by: W.D. “Bill” Knutson, CRB Representative
Attachment: Summary Water Report, Colorado River Basin
### SUMMARY WATER REPORT
**COLORADO RIVER BASIN**
*September 6, 2011*

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<td>6,059.9</td>
<td>79</td>
<td>1.415</td>
<td>83</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>12.779</td>
<td>1,114.0</td>
<td>49</td>
<td>12.268</td>
<td>47</td>
</tr>
<tr>
<td>Lake Mohave</td>
<td>1.659</td>
<td>641.5</td>
<td>92</td>
<td>1.684</td>
<td>93</td>
</tr>
<tr>
<td>Lake Havasu</td>
<td>0.590</td>
<td>448.5</td>
<td>95</td>
<td>0.579</td>
<td>93</td>
</tr>
<tr>
<td>Total System Storage</td>
<td>38.923</td>
<td></td>
<td>65</td>
<td>39.304</td>
<td>65</td>
</tr>
<tr>
<td>System Storage Last Year</td>
<td>33.664</td>
<td></td>
<td>56</td>
<td>34.168</td>
<td>57</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>August 8, 2011</th>
<th>MAF</th>
<th>% of Normal</th>
<th>MAF</th>
<th>% of Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WY 2011 Precipitation (Basin Weighted Avg) 10/01/10 through 9/06/11</td>
<td>123 percent (37.9&quot;)</td>
<td>126 percent (36.2&quot;)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WY 2011 Snowpack Water Equivalent (Basin Weighted Avg) on day of 9/06/11</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Above two values based on average of data from 116 sites.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### August 4, 2011

<table>
<thead>
<tr>
<th>September 1, 2011 Forecast of Unregulated Lake Powell Inflow</th>
<th>MAF</th>
<th>% of Normal</th>
<th>MAF</th>
<th>% of Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 April through July unregulated inflow</td>
<td>12.920</td>
<td>163%</td>
<td>12.920</td>
<td>163%</td>
</tr>
<tr>
<td>2011 Water Year forecast</td>
<td>16.897</td>
<td>140%</td>
<td>17.081</td>
<td>142%</td>
</tr>
</tbody>
</table>

### USBR Forecasted Year-End 2011 and 2010 Consum. Use, September 6, 2011 a. MAF

<table>
<thead>
<tr>
<th>Diversion - Return = Net</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada (Estimated Total)</td>
<td>0.472</td>
<td>0.209</td>
</tr>
<tr>
<td>Arizona (Total)</td>
<td>3.666</td>
<td>0.865</td>
</tr>
<tr>
<td>CAP Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Az. Water Banking Authority</td>
<td>0.134</td>
<td>0.134</td>
</tr>
<tr>
<td>OTHERS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>California (Total) b./</td>
<td>4.930</td>
<td>0.629</td>
</tr>
<tr>
<td>MWD</td>
<td>0.724</td>
<td>1.099</td>
</tr>
<tr>
<td>3.85 Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IID c./</td>
<td>3.217</td>
<td>-0.360</td>
</tr>
<tr>
<td>CVWD d./</td>
<td>0.353</td>
<td>-0.031</td>
</tr>
<tr>
<td>PVID</td>
<td>0.328</td>
<td>0</td>
</tr>
<tr>
<td>YPRD</td>
<td>0.046</td>
<td>0</td>
</tr>
<tr>
<td>Island e./</td>
<td>0.007</td>
<td>0</td>
</tr>
<tr>
<td>Total Ag.</td>
<td>3.951</td>
<td>-0.391</td>
</tr>
<tr>
<td>Others</td>
<td>0.017</td>
<td>0.094</td>
</tr>
<tr>
<td>PVID-MWD fallowing to storage (to be determined)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### a.
Incorporates Jan.-July USGS monthly data and 75 daily reporting stations which may be revised after provision data reports are distributed by USGS. Use to date estimated for users reporting monthly and annually.

### b.
California 2011 basic use apportionment of 4.4 MAF has been adjusted to 4.174 MAF for payback of Inadvertent Overrun and Payback Policy runovers (-1,213 AF), Intentionally Created Surplus Water by IID (-25,000 AF), Creation of Extraordinary Conservation ICS MWD (-200,000 AF)

### c.
0.105 MAF conserved by IID-MWD Agreement as amended in 2007: 105,000 AF conserved for SDCWA under the IID-SDCWA Transfer Agreement as amended, 80,000 AF of which is being diverted by MWD; 16,000 AF required to be conserved for CVWD under the IID-CVWD Acquisition Agreement, 67,700 AF conserved by the All-American Canal Lining Project.

### d.
30,850 acre-feet conserved by the Coachella Canal Lining Project.

### e.
Includes estimated amount of 6,530 acre-feet of disputed uses by Yuma Island pumpers and 0 acre-feet by Yuma Project Ranch 5 being charged by USBR to Priority 2.

### f.
Includes unmeasured returns based on estimated consumptive use/diversion ratios by user from studies provided by Arizona Dept. of Water Resources, Colorado River Board of California, and Reclamation.
Monthly Total Colorado River Basin Storage

Maximum usable capacity (60.345 maf)
MUC (59.665 maf)
Minimum operation level storage (16.065 maf)
MOL (15.936 maf)
Excess deliveries to Mexico for year

(A resurvey of Lake Powell changed the MUC and MOL in June 1991.)

September 2011

Year shows below January 1st
<table>
<thead>
<tr>
<th>Month</th>
<th>First of Year</th>
<th>Forecast of Unused Water (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Feb</td>
<td>0.167</td>
<td>3.533</td>
</tr>
<tr>
<td>Mar</td>
<td>0.335</td>
<td>3.514</td>
</tr>
<tr>
<td>Apr</td>
<td>0.674</td>
<td>3.531</td>
</tr>
<tr>
<td>May</td>
<td>1.107</td>
<td>3.539</td>
</tr>
<tr>
<td>Jun</td>
<td>1.473</td>
<td>3.541</td>
</tr>
<tr>
<td>Jul</td>
<td>1.861</td>
<td>3.546</td>
</tr>
<tr>
<td>Aug</td>
<td>2.285</td>
<td>3.566</td>
</tr>
</tbody>
</table>

(1) The forecast of unused water is based on the availability of 3.542 MAF under the first three priorities of the water delivery contracts. This accounts for the 85,000 AF of conserved water available to MWD under the 1988 IID-MWD Conservation agreement and the 1988 IID-MWD-CVWD-PVID Agreement as amended; 80,000 AF of conserved water available to SDCWA under the IID-SDCWA Transfer Agreement as amended being diverted by MWD; as estimated 29,000 AF of conserved water available to SDCWA and MWD as a result of the Coachella Canal Lining Project, 67,700 AF of water available to SDCWA and MWD as a result of the All American Canal Lining Project; 14,500 AF of water IID and CVWD are forbearing to permit the Secretary of the Interior to satisfy a portion of Indian and miscellaneous present perfected rights use and 25,000 AF of water IID is conserving to create Extraordinary Conservation Intentionally Created Surplus. 0 AF has been subtracted for IID's Salton Sea Salinity Management in 2011. As USBR is charging uses by Yuma Island pumpers to priority 2, the amount of unused water has been reduced by those uses - 6,530 AF. The CRB does not concur with USBR's viewpoint on this matter.