Proposed Staff Recommendation Consent Calendar for March 28, 2013

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

9- 1. Legislation Conservation and Outreach Committee Goals for calendar years 2013 and 2014.
   Adopt the Legislation Conservation and Outreach Committee Goals calendar years 2013 and 2014.

9- 2. Adopt positions on various state bills:
   1. Adopt a position of Support on AB 762 (Patterson)
   2. Adopt a position of Support on AB 763 (Buchanan)
   3. Adopt a position of Support on AB 1258 (Skinner)
   4. Adopt a position of Support, if amended on SB 425 (DeSaulnier)
   5. Adopt a position of Support on AB 1349 (Gatto)
   6. Adopt a position of Support on AB 803 (Hueso)
   7. Adopt a position of Support on AB 115 (Perea)
   8. Adopt a position of Oppose Unless Amended on AB 145 (Perea)

IMPORTED WATER COMMITTEE

   Adopt the Imported Water Committee Goals for calendar years 2013 and 2014.

ENGINEERING AND OPERATIONS COMMITTEE

9- 4. Professional services contract with Northwest Hydraulic Consultants Inc. for hydraulic transient analysis support as-needed services.
   Authorize the General Manager to award a professional services contract in the amount of $500,000 to Northwest Hydraulic Consultants Inc. for hydraulic transient analysis support as-needed services for a period of five years.

9- 5. Engineering and Operations Committee Goals for calendar years 2013 and 2014.
   Adopt the Engineering and Operations Committee Goals for calendar years 2013 and 2014.

WATER PLANNING COMMITTEE

   Adopt the Water Planning Committee Goals for calendar years 2013 and 2014.
9- 7. Resolution for the Final Mitigated Negative Declaration for the Pipeline 3 Relining Project – Sweetwater to Lower Otay Reservoir; adopting a Mitigation Monitoring and Reporting Program; approving the project; and authorizing Filing of a Notice of Determination.

It is recommended the Board adopt Resolution No. 2013-__ that:

a) Finds that the project will not have a significant effect on the environment.

b) Adopts the Final Mitigated Negative Declaration.

c) Adopts the Mitigation Monitoring and Reporting Program.

d) Approves the Project.

e) Authorizes filing a Notice of Determination.

ADMINISTRATIVE AND FINANCE COMMITTEE

9- 8. Treasurer’s report.

Note and file the monthly Treasurer’s report.

9- 9. Adopt an ordinance making clean-up amendments to the Administrative Code. Adopt Ordinance No. 2013-__ an ordinance of the board of directors of the San Diego County Water Authority to make clean-up amendments to chapters 1.08, 2.16, 7.00, and 9.04 of the Administrative Code.

March 28, 2013

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Information)

Background
The MWD committees and board met on March 11 and 12. The next regular MWD board and committee meetings are scheduled for April 8 and 9.

Discussion
This section summarizes discussions held and key decisions made at the March MWD committee and board meetings, as reported by the MWD delegates. The Water Authority delegation supported all nine action items approved by the MWD board, including MWD’s Water Bond Priorities with amendments suggested by the Water Authority delegates.

Attachment 1 is a copy of MWD’s March board meeting agendas.

Communications and Legislation Committee
During the committee meeting, Executive Legislative Representative Kathy Cole reported on the Water Bond Priorities and said that due to concerns raised with the overall size of the proposed $11.14 billion water bond, Governor Brown urged lawmakers to revise the measure to reduce its cost and improve its chance of passing. Director Morris (San Marino) moved staff’s recommendation, which was seconded. Director Lewinger proposed a substitute motion, which amended staff’s recommended priorities. Lewinger suggested additions to the priorities that allocation of funding for local projects be consistent with Proposition 84 criteria and that watershed and reservoir management funding be included to enhance the protection and improvement of water quality of surface water supplies. Director Barbre (Municipal Water District of Orange County) seconded Lewinger’s amendment. Following discussion by the committee, Director Evans (Western) asked why the board needs to make a decision now, when the bond was postponed until the November 2014 ballot. General Manager Kightlinger said that this item would guide staff’s efforts in the water bond discussions already occurring. The committee approved the priorities with the amendments. Subsequently, at the board meeting, Communications and Legislation Committee Chair Linda Ackerman (Municipal Water District of Orange County) recited the committee’s recommendation, and stated that the amendments included, “equitable allocation of funding for local projects consistent with Proposition 84 criteria and funding for watershed and reservoir management for water quality protection.” The board approved the item.

The committee also received reports on state and federal legislative activities.

Engineering and Operations Committee
The committee and board approved eight consent items, including authorizing final design of erosion protection measures for the Whitewater Siphons on the Colorado River Aqueduct. Staff also gave a progress update on the FY 2012/13 Capital Investment Plan (CIP), which the
estimated expenditures, spread over more than 350 projects, is $257 million. More than half of the projected costs are for Infrastructure Reliability projects, and about 40 percent are for water quality projects. Staff projects the CIP to come in at $105 million below its FY 2012/13 budget.

**Finance and Insurance Committee**

The committee and board received reports on MWD’s investment activity and financial highlights. Chief Financial Officer Gary Breaux said that water sales through February 2013 are tracking about 73,000 acre-feet (af) more than budget. He said that the fiscal year revenues through February are about $59.7 million more than budgeted, mainly due to increased water sales (about $51.1 million) and other revenue sources such as property taxes and power sales (about $8.6 million). Additionally, Breaux reported that expenses through February are about $124.7 million less than budgeted, mostly due to lower State Water Project costs ($92.1 million), which Breaux said is a result of one-time State Water credits, such as credits from the Springing Amendment (a DWR action that decreased its revenue bond reserve requirements), debt service reserve funds, and variable power.

Noting that MWD’s reserves are trending towards the board established maximum level, Lewinger asked staff to return next month with a detailed analysis on the drivers that is causing the shift in reserve levels from what was projected in the budget. He also asked that as part of the analysis, staff forecast its reserves through 2017 using the same assumptions as MWD’s budget projections. Committee Chair Grunfeld (Los Angeles) said that plans are under way to report next month on this item, as well as potential upcoming swap actions. Breau added that Controller Tom DeBacker plans to provide a Third Quarter report, which includes FY 2012/13 budget projections through the end of the fiscal year. Director Wilson suggested that the committee begin to consider how the excess reserves may be used. Kightlinger commented that MWD’s projected reserves for this fiscal year are high because it was able to add between $50-$60 million to the reserves last year, and because the sales are exceeding budget this year, more money will be added to the reserves. He said that MWD had estimated, three-out-of-four times, water sales would exceed the 1.7 maf budgeted sales; and for every 100,000 af of water sold, equates to an additional $100 million in revenues.

Breaux also described an impact of sequestration to MWD. He said that because MWD issued Build America Bonds (BAB) in 2009/10, and the recent sequestration legislation allowed for an across the board reduction, MWD may receive from the Internal Revenue Service (IRS) about $578,000 less in rebates this year. MWD Debt Manager Keith Norris said that when the board considered issuing the BABs, staff disclosed that there could be a risk that the federal government may rebate less than the 35% expected. Norris added that if MWD had issued tax-exempt bonds in-lieu of BABs, it would have resulted in a cost of 60 basis points more than BABs, or $1.75 million per year, over the 30 years. Thus, Norris said that even though MWD could be receiving less than anticipated from the federal government, the board action on BABs was the better option during that issuance period. Norris added that this reported estimated impact is for this fiscal year, but it is unknown what the impact may be after 2013. Assistant General Counsel Sydney Bennion said that MWD built an “extraordinary call” provision that would allow MWD to refund the BABs in the event the program did not continue to provide the benefits anticipated at the time MWD entered into the BABs. In response to Director Griset’s (Santa Ana) concern over whether the extraordinary call provision could be enforced, Breaux said that the BABs issued by MWD have a
10-year call as well. Staff also clarified that there has not been an official notice from the IRS regarding the reduced payment, other than an announcement that there is an across the board reduction of 5.1% for the fiscal year. MWD’s bond counsel interpreted the amount of the cut based on the announcement and market indicators.

**Legal and Claims Committee**

The committee discussed in closed session the litigation with the Water Authority and the *Consolidated Delta Smelt and Salmonid Cases* and received a status report on seismic safety repairs at Perris Dam.

**Organization, Personnel and Technology Committee**

The committee heard two reports. The first related to the Information Technology Strategic Plan. The second report focused on the Equal Employment Opportunity Policy and Affirmative Action program.

**Water Planning and Stewardship**

The committee heard a report on the proposed Foundational Action Funding Program, which staff plans to return in April for action. Kightlinger utilized Donald Rumsfeld’s analogy to review MWD’s three-pronged strategy for water reliability, adopted through the 2010 Integrated Resources Plan: Core Resources ("known knowns"), Supply Buffer ("known unknowns") and Foundational Actions ("unknown unknowns"). He said that this funding program for member agencies was not included in the current two-year budget because the budget was adopted when conditions required a leaner budget. Kightlinger added that since sales picked up and MWD revenues are now better than forecasted, staff recommends moving forward with long-term planning items. Lewinger noted that the Water Authority sent a letter to the board expressing its opposition to this funding program. The Water Authority’s opposition is grounded on the fact that MWD continues to rely on the outdated 2010 IRP that overstates member agencies’ demand on MWD, and MWD is already pursuing Foundational Action items, such as research and legislation advocacy at the MWD level. Thus any spending by MWD – especially unbudgeted – that would further encourage member agencies to roll off of MWD is unnecessary (See Attachment 2). Lewinger requested staff addresses the Water Authority’s concerns in writing. Kightlinger responded that the board report will be thorough, but said that it is not a “fruitful exercise to engage in point, counterpoint.” He said MWD will just “stipulate” the Water Authority fundamentally does not agree with the IRP and the structure of MWD’s local resources projects.

The Foundation Action Funding program would provide funding for member agencies to pursue technical studies and research. Director Peterson (Las Virgenes) said the proposed foundation program would create the science (to generate additional water) in the future; and this is what MWD should be doing. In response to Director Steiner, staff said that this funding program is proposed to be available to all agencies. As envisioned, MWD would set aside $3 million to fund the program, with each funding project receiving up to $500,000. In response to Director Dick’s (Municipal Water District of Orange County) concern that there was no flexibility built into the program after staff reported the funding limitations, staff added that the board could make adjustments on the overall funding of a project as it is presented to the board for approval. Record (Eastern) said that the program makes sense because the Southern California Association of Governments projects a 22% growth in the region by 2035; and development of local supplies will...
provide water supplies for that growth. Record went on to say he fails to understand why an agency (the Water Authority) that has local projects that costs “more than twice the price of MWD water” would not support research to find something better. Evans suggested that since the program is comprised of MWD funding, he recommends that the selection panel be composed of more MWD staff than external experts. In response to Edwards (Foothill MWD), staff said that it is possible for a project to qualify for MWD’s local resources program, if the research project is fruitful.

The committee received a report on MWD’s Water Surplus and Drought Management Plan. Staff reported that MWD was able to secure 2,000 af of supplies from the State Water Project’s (SWP) Turnback Pool. The net total of SWP supplies is 788,000 af. Staff said that February continues to be dry. Staff also provided an update on fish restrictions affecting the SWP deliveries. As previously reported, the Department of Water Resources (DWR) had been operating the Delta pumps have been operated in a more restrictive mode this year, the SWP’s export loss (deliveries curtailed) was 540,000 af, as of the end of February 2013 (90,000 af more than reported last month); of the SWP’s impacts, MWD’s impact is about 270,000 af. Staff said that in early February, DWR modified the previously reported fish salvage numbers that triggered the restrictions, which resulted in it being able to operate the pumps at the least restrictive mode. Assistant General Manager of Strategic Initiatives Roger Patterson reported that MWD hypothesizes that DWR modified the fish salvage number because the previous high salvage count that resulted in pumping restrictions had more to do with turbidity from storm activity in December rather than from pump operations. As a result of the pumping restrictions, the SWP share at San Luis Reservoir is about 60% of capacity. Staff added that the 2013 Colorado River Aqueduct supply estimate has not changed noticeably from February.

Patterson also said that the public draft of the Bay Delta Conservation Plan (BDCP) is anticipated for release in three parts -- March 14, March 27 and April 22. Each release will be followed by a public hearing. See this month’s Imported Water Committee board memo titled “Bay Delta Alternatives” for more information on the BDCP release. In response to Steiner’s inquiry, Patterson said he was unaware of any “state or federal contractors that have stated unwillingness to pay” for the project.

The committee also received reports on Colorado River matters. Colorado River Manager Bill Hassencamp said that the Imperial Irrigation District (IID) is seeking to switch its Quantification Settlement Agreement Counsel from Allen Matkins to Charles DuMars; the courts have yet to recognize the change; but issued a 90-day stay to allow the QSA parties to come to an agreement regarding the restoration of the Salton Sea. Subsequently, Kightlinger clarified Hassencamp’s statement and said IID selected Somach Simmons & Dunn as counsel, with Charles DuMars as a consultant. Hassencamp said that MWD is prepared to account for the additional 17,000 af of IID water (to make up for the shortfall last year) to the Water Authority this year once confirmation is received that the water resulted from conservation efforts.
Attachment 1: MWD’s Committee and Board meeting agendas and Summary of Actions, March 2013.
Finance and Insurance Committee
Meeting with Board of Directors*

March 11, 2013
9:30 a.m. -- Room 2-145

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

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

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

2. Approval of the Minutes of the meeting of the Finance and Insurance Committee held February 11, 2013

3. MANAGEMENT REPORTS
   a. Report on investment activity
   b. Financial highlights

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

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

None

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.

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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.
WP&S Committee
D. De Jesus, Chair
B. Wright, V. Chair
L. Ackerman
G. Brown
L. Dick
J. Edwards
D. Fleming
G. Gray
D. Griset
K. Lewinger
S. Lowenthal
J. Morris
K. Murray
G. Peterson
J. Quiñonez
R. Record
F. Steiner
M. Touhey

Water Planning and Stewardship Committee
Meeting with Board of Directors*
March 11, 2013
10:00 a.m. – Room 2-456

Telephone Participation:
3008 West 82 Place
Inglewood, CA 90305

Monday, March 11, 2013
Meeting Schedule

<table>
<thead>
<tr>
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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 Water Planning and Stewardship Committee held February 11, 2013**

3. **CONSENT CALENDAR ITEMS — ACTION**
   None

4. **OTHER BOARD ITEMS — ACTION**
   None

Date of Notice: February 28, 2013
5. **BOARD INFORMATION ITEMS**

9-1 Proposed Foundational Action Funding Program. (WP&S)

6. **COMMITTEE ITEMS**

a. Oral report on Water Surplus and Drought Management

7. **MANAGEMENT REPORTS**

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

8. **FOLLOW-UP ITEMS**

None

9. **FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

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Date of Notice: February 28, 2013
Engineering and Operations Committee

Meeting with Board of Directors*

March 11, 2013

12:00 p.m. -- Room 2-145

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 meetings of the Engineering and Operations Committee held January 7 and February 11, 2013

3. CONSENT CALENDAR ITEMS — ACTION

   7-1 Appropriate $800,000; and authorize seismic assessments of four hydroelectric power plants and pressure control structures (Approp. 15458). (E&O)

   7-2 Appropriate $190,000; and authorize preliminary design of storm water management improvements at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)
7-3  Appropriate $225,000; and authorize seismic assessments of three buildings at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)

7-4  Appropriate $620,000; and award $529,802.09 procurement contract to Multi W Systems, Inc. for service water pumps at the Joseph Jensen Water Treatment Plant (Approp. 15442). (E&O) (To be mailed separately)

7-5  Award $246,051 procurement contract to MMC, Inc. for base isolators for the Upper Feeder’s Santa Ana River Bridge (Approp. 15441). (E&O)

7-6  Appropriate $580,000; and authorize final design of erosion protection measures for the Whitewater Siphons on the Colorado River Aqueduct (Approp. 15341). (E&O)

7-7  Appropriate $270,000; and authorize final design and procurement to rehabilitate Service Connection G-01 on the Santa Monica Feeder (Approp. 15441). (E&O)

7-8  Authorize amendment to agreement with Power-Tech Engineers, Inc. for the Wadsworth Control and Protection Upgrade Project (Approp. 15467). (E&O)

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Capital Investment Plan

b. Update on Metropolitan’s Seismic Assessment Program
c. Update on DWR’s Hyatt and Thermalito Facilities

d. Update on Metropolitan’s Infrastructure Security Program
   (Conference with Metropolitan Security Manager Derrek Jones or designated agent on threats to public services or facilities; to be heard in closed session pursuant to Gov. Code Section 54957(a)]

7. MANAGEMENT REPORTS

   a. Water System Operations Manager’s report

   b. Engineering Services Manager’s report

8. FOLLOW-UP ITEMS

   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Organization, Personnel and Technology Committee
Meeting with Board of Directors*

March 11, 2013

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

Telephone Participation:
3008 West 82 Place
Inglewood, CA  90305

Monday, March 11, 2013
Meeting Schedule

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1. Opportunity for members of the public to address the committee on matters within the committees’ 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 February 11, 2013

3. CONSENT CALENDAR ITEMS — ACTION

  None

4. OTHER BOARD ITEMS — ACTION

  None

Date of Notice: February 28, 2013
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral update on Information Technology Strategic Plan for period ending December 2012


7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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Legal and Claims Committee
Meeting with Board of Directors*

March 12, 2013

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

Tuesday, March 12, 2013
Meeting Schedule

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<tr>
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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 Legal and Claims Committee held February 12, 2013**

3. **CONSENT CALENDAR ITEMS — ACTION**
   
   None

4. **OTHER BOARD ITEMS — ACTION**
   
   None

5. **BOARD INFORMATION ITEMS**
   
   None

Date of Notice: February 28, 2013
6. COMMITTEE ITEMS

a. General Counsel’s report of monthly activities

b. Report on Consolidated Delta Smelt Cases, USDC Case No. 1:09-CV-407 LJO-DLB; and Consolidated Salmonid Cases, USDC Case No. 1:09-CV-1053 LJO-DLB.
   [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

c. 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 No. CPF-12-512466.
   [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(a)]

   [Conference with legal counsel—initiation of litigation (one potential case); to be heard in closed session pursuant to Gov. Code Section 54956.9(c)]

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

9. 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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Date of Notice: February 28, 2013
Communications and Legislation Committee
Meeting with Board of Directors*
March 12, 2013
10:30 a.m. -- Room 2-456

Tuesday, March 12, 2013
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00-8:00 a.m.</td>
<td>Rm. 2-413</td>
<td>Dirs. Computer Training</td>
</tr>
<tr>
<td>9:30 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>Rm. 2-456</td>
<td>C&amp;L</td>
</tr>
<tr>
<td>11:30 a.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
</tr>
</tbody>
</table>

* 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 February 12, 2013**

3. **CONSENT CALENDAR ITEMS — ACTION**
   None

4. **OTHER BOARD ITEMS — ACTION**
   8-1 Adopt Metropolitan 2014 Water Bond Priorities. (C&L) *(To be mailed separately)*

Date of Notice: February 28, 2013
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. FUTURE AGENDA ITEMS

9. 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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Regular Board Meeting

March 12, 2013

11:30 a.m. -- Board Room

Telephone Participation:

500 New Jersey Avenue
Suite 500
Washington D.C. 20001

3008 West 82 Place
Inglewood, CA 90305

---

Tuesday, March 12, 2013
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
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</tr>
<tr>
<td>11:30 a.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
</tr>
</tbody>
</table>

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1. Call to Order
   (a) Invocation: Laer Pearce, President, Laer Pearce Associates
   (b) Pledge of Allegiance: Director Michael Touhey

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 February 12, 2013. (A copy has been mailed to each Director)
      Any additions, corrections, or omissions
   B. Report on Directors' meetings attended at Metropolitan expense for month of February
C. Reappointment of Director Bill Wright from the city of Torrance

D. Presentation of 10-year service pin to Director Randy Record, representing Eastern Municipal Water District

E. Presentation of 20-year service pin to Director Glen Peterson, representing Las Virgenes Municipal Water District

F. Approve committee assignments

G. Chairman’s Monthly Activity Report

6. DEPARTMENT HEADS’ REPORTS

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

B. General Counsel’s summary of Legal Department activities for the month of February

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Appropriate $800,000; and authorize seismic assessments of four hydroelectric power plants and pressure control structures (Approp. 15458). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $800,000; and
b. Authorize seismic assessments of the Sepulveda Canyon Control Facility, Foothill and Greg Avenue Hydroelectric Plants, and the Carbon Creek Pressure Control Structure.

Date of Notice: February 28, 2013
7-2 Appropriate $190,000; and authorize preliminary design of storm water management improvements at the F. E. Weymouth Water Treatment Plant (Approp. 15477).  (E&O)

**Recommendation:**

Option #1:

- Adopt the CEQA determination and
  - a. Appropriate $190,000; and
  - b. Authorize preliminary design of storm water management improvements at the Weymouth plant.

7-3 Appropriate $225,000; and authorize seismic assessments of three buildings at the F. E. Weymouth Water Treatment Plant (Approp. 15477).  (E&O)

**Recommendation:**

Option #1:

- Adopt the CEQA determination and
  - a. Appropriate $225,000; and
  - b. Authorize detailed seismic assessments of the Water Quality Laboratory, Engineering Building, and Central Stores Building at the Weymouth plant.

7-4 Appropriate $620,000; and award $529,802.09 procurement contract to Multi W Systems, Inc. for service water pumps at the Joseph Jensen Water Treatment Plant (Approp. 15442).  (E&O)  *(To be mailed separately)*

7-5 Award $246,051 procurement contract to MMC, Inc. for base isolators for the Upper Feeder’s Santa Ana River Bridge (Approp. 15441).  (E&O)

**Recommendation:**

Option #1:

- Adopt the CEQA determination and award $246,051 contract to MMC, Inc. to furnish base isolators for the Santa Ana River Bridge.
7-6 Appropriate $580,000; and authorize final design of erosion protection measures for the Whitewater Siphons on the Colorado River Aqueduct (Approp. 15341). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $580,000;
b. Authorize final design of erosion protection measures for the whitewater Siphons; and
c. Authorize environmental permitting activities for three CRA projects.

7-7 Appropriate $270,000; and authorize final design and procurement to rehabilitate Service Connection G-01 on the Santa Monica Feeder (Approp. 15441). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and
a. Appropriate $270,000; and
b. Authorize final design to rehabilitate Service Connection G-01 on the Santa Monica Feeder.

7-8 Authorize amendment to agreement with Power-Tech Engineers, Inc. for the Wadsworth Control and Protection Upgrade Project (Approp. 15467). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination and authorize an increase of $206,000 to the existing agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $504,000.

(END OF CONSENT CALENDAR)
8. OTHER BOARD ITEMS — ACTION

8-1 Adopt Metropolitan 2014 Water Bond Priorities. (C&L) *(To be mailed separately)*

9. BOARD INFORMATION ITEMS

9-1 Proposed Foundational Action Funding Program. (WP&S)

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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

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

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Date of Notice: February 28, 2013
March 7, 2013

John V. Foley, Chairman, and
Members, Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

RE: Board Item 9-1 – Proposed Foundational Actions Funding Program

Dear Chairman Foley and Members of the Board:

We write to express our opposition to the concept of spending unbudgeted MWD ratepayer dollars on a “Foundational Actions Funding Program,” as described in Board Memo 9-1. We would also like to express again our frustration with management’s continued reliance on a badly outdated 2010 Integrated Resources Plan (IRP) to justify this and other unnecessary spending programs.

MWD’s 2010 IRP was based on providing a core water supply to meet 1.9 to 2 million acre feet of MWD demand. In addition, the IRP includes the development of an extra “buffer” supply of as much as 500,000 acre feet of water annually -- over and above dry-year demand. On top of these supplies lie the so-called “foundational actions” deemed necessary to address future supply vulnerabilities and uncertainties.

MWD’s 2012 IRP implementation report published last October listed 10 action items MWD itself is carrying out under the foundational actions. This month’s memo also states that MWD’s core resources plan is “on track and is well positioned to meet future demands within an expected range of future conditions.” In light of these facts, it is difficult to understand why MWD is recommending additional unbudgeted expenditures to develop more local projects that it does not need and that would further dampen its own water sales. Aside from the moniker, these “foundational actions” will lead to the same kind of local projects MWD continues to subsidize through its Local Resource Projects program. The mere statement that, “the future is uncertain and under some conditions, additional water resources may need to be developed” is insufficient to justify any of these expenditures.

The State Auditor recently noted that MWD’s water sales are down by 25%, and that, as a result of reduced sales and other factors, MWD’s water rates have increased dramatically. In
addition, the updated Southern California Association of Governments (SCAG) Regional Transportation Plan shows significant demographic changes from previous estimates. Specifically, MWD’s service area within SCAG jurisdiction shows demographic projections for the year 2025 include 1.2 million fewer people, 194,000 fewer households, 550,000 fewer jobs and a 4% reduction in median real household income than SCAG’s previous projections. All these factors will further reduce retail water demands below those projected in MWD’s IRP and 2010 Regional Urban Water Management Plan.

We renew past requests that management bring back to the board – so that the information will be available at the same time the board is being asked to approve expenditures on “foundational actions” – the following information:

- An update to the IRP that reflects current sales data and trends and the development of local water supplies by member agencies and others that were not accounted for in the 2010 IRP;
- An analysis and quantification of the nature and extent of the “uncertainty” and “unforeseen risks” the “foundational actions” are intended to address, over and above the spending programs called for in the IRP including the BDCP, conservation and local projects.

The types of projects that are enumerated as being the subject of the “foundational actions” are local water supply projects that will, when developed, represent a permanent reduction in MWD’s water sales. With demands already reduced and with the proposed Bay Delta Conservation Plan on the drawing board, please address this next month in a board memo why management is nonetheless recommending these expenditures be made at this time.

Although we disagree with MWD establishing an unbudgeted program when there is clearly no justification, if the board chooses to adopt the program, it must make clear that the funding would be provided to all member agencies without any “rate structure integrity” constraints that are currently embedded in the LRP funding agreements.

The program criteria should also be revised to reflect the purported purpose of the foundational actions, i.e., approaches to long term water supply uncertainty. The criteria, as described on page 3 of the board memo, fail to do so or otherwise provide a substantive basis to distinguish between applicants for this new subsidy program. Furthermore, the program’s process for project selection must be revised to assure that the technical experts on the selection panel are required to file FPPC Form 700 disclosure forms pursuant to MWD’s Local Conflict of Interest Code. Conflict of interest laws are designed to preclude participation in governmental decisions where there may be a direct or indirect effect on a decision-maker’s financial interests. Requiring disclosure of such interests by members of the selection panel will help assure compliance with conflict of interest laws.
Finally, we also request that management provide an analysis of the regional benefit of the “Foundational Actions Funding Program” sufficient to meet the requirements of Proposition 26.

Sincerely,

Keith Lewinger  
Director

Vincent Mudd  
Director

Fern Steiner  
Director

Doug Wilson  
Director

cc: Jeff Kightlinger, MWD General Manager  
San Diego County Water Authority Board of Directors and Member Agencies
March 28, 2013

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 March 13, 2013 CRB meeting.

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

Water Supply and Reservoir Operations
As of March 1, 2013 total system storage was 32.4 million acre-feet (maf), or 54 percent of capacity, which is about 5.5 maf less than a year ago. Lake Mead is 53 percent full, with 13.8 maf and Lake Powell is at 49% capacity with 11.9 maf. February 2013 releases from Hoover, Davis, and Parker Dames averaged 11,630, 10,980 and 8,000 cubic feet per second (cfs), respectively. Planned releases for March are 16,100, 15,400 and 11,100 cfs, respectively.

The Northern Sierra snowpack index, which is used by the state Department of Water Resources to calculate runoff and allocate water delivered through the State Water Project, estimated November and December 2012 precipitation to be roughly 200 percent of average. The beginning of 2013 however has since placed California on a much drier track, setting a new record for the driest January-February period in recorded history dating back 90 years. During the first two months of 2013 only 2.2 inches of precipitation were registered. The average for this period is 17.1 inches.

Conditions along the Colorado River continue to point towards another dry year as well. With snowpack in the Upper Colorado River Basin below average, runoff conditions are expected to mirror recent history. 10 of the past 13 years have been below normal and calendar years 2000 - 2012 mark the second lowest period on record in the past 100 years. These dry weather conditions are discussed in detail in the Secretary of the Interior’s 2013 Annual Operating Plan for Colorado River Reservoirs, which can be found at usbr.gov/lc/region/g4000/aop/AOP13.pdf.

Bi-national Discussions
On March 7, 2013, a bi-national meeting was held in Tijuana, Mexico to discuss progress relating to specific projects identified in Minute 319. The Minute provides surplus and shortage guidelines for Mexico, funds wildlife habitat, develop a pilot program to conserve water in Mexico that would become available to U.S. users, and allows Mexico to store water in Lake Mead. Representatives from Mexico provided general status updates relating to plans for potential projects that included a bi-national turnout off the All American Canal, progress on the planning for the Alamo Reforma Canal reservoir project, Miguel Aleman and Laguna Grande
restoration projects, and the status of the Rosarito desalination plant. Reclamation and the International Boundary and Water Commission will coordinate meetings of small project work groups in the near future.

**Colorado River Basin Water Supply and Demand Study**
The Basin States, Reclamation, and additional stakeholder groups continue work on developing a plan to implement the “Future Considerations and Next Steps” components of the Colorado River Basin Water Supply and Demand Study. With a potential 3.2 maf Basin-wide imbalance of demands versus supplies by 2060, concepts such as municipal conservation and reuse, agricultural conservation, water transfers, and an Upper Basin water bank are being considered to address the imbalance. Workshops will be held on March 25 in Salt Lake City and March 26th in Phoenix to help provide more information and clarification regarding the technical complexity of the study. In addition, a webinar is scheduled for April 3 details of which can be found at www.usbr.gov/lc.

**Status of the Lower Colorado River Water Supply Project**
The Lower Colorado River Water Supply Project was authorized by Congress in 1986 as a means to provide water to entities whose lands or interests in lands are located adjacent to the Colorado River in the State of California and who do not hold rights to Colorado River water or whose rights are insufficient to meet their present or anticipated future needs. The CRB has been designated as the responsible agency to provide the U.S. Bureau of Reclamation (Reclamation) its recommendation regarding the eligibility of non-federal applicants to receive project water. On March 13, the CRB voted to forward Reclamation its recommendation to approve the County of San Bernardino’s application for four acre-feet of project water per year. The CRB will continue to review applications for project eligibility as they are received.

Prepared by: Dan Denham, Principal Water Resources Specialist
Reviewed by: Halla Razak, Colorado River Program Director
Approved by: Michael T. Hogan, CRB Representative
Attachment: Summary Water Report, Colorado River Basin
## SUMMARY WATER REPORT
COLORADO RIVER BASIN
March 1, 2013

<table>
<thead>
<tr>
<th>RESERVOIR STORAGE (as of February 28)</th>
<th>MAF</th>
<th>ELEV. IN FEET</th>
<th>% of Capacity</th>
<th>MAF</th>
<th>ELEV. IN FEET</th>
<th>% of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Powell</td>
<td>11.891</td>
<td>3,601.5</td>
<td>49</td>
<td>12.177</td>
<td>3,604.4</td>
<td>50</td>
</tr>
<tr>
<td>Flaming Gorge</td>
<td>2.967</td>
<td>6,019.6</td>
<td>79</td>
<td>2.981</td>
<td>6,020.0</td>
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<tr>
<td>Navajo</td>
<td>0.938</td>
<td>6,022.7</td>
<td>55</td>
<td>0.947</td>
<td>6,023.8</td>
<td>56</td>
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<tr>
<td>Lake Mead</td>
<td>13.810</td>
<td>1,122.1</td>
<td>53</td>
<td>13.828</td>
<td>1,122.3</td>
<td>53</td>
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<tr>
<td>Lake Mohave</td>
<td>1.666</td>
<td>641.8</td>
<td>92</td>
<td>1.650</td>
<td>641.2</td>
<td>91</td>
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<tr>
<td>Lake Havasu</td>
<td>0.582</td>
<td>448.1</td>
<td>94</td>
<td>0.580</td>
<td>448.0</td>
<td>94</td>
</tr>
<tr>
<td>Total System Storage</td>
<td>32.443</td>
<td></td>
<td>54</td>
<td>32.777</td>
<td></td>
<td>55</td>
</tr>
<tr>
<td>System Storage Last Year</td>
<td>37.935</td>
<td></td>
<td>64</td>
<td>38.323</td>
<td></td>
<td>64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>February 4, 2013</th>
<th>MAF</th>
<th>% of Normal</th>
<th>MAF</th>
<th>% of Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WY 2013 Precipitation (Basin Weighted Avg) 10/01/12 through 3/04/13</td>
<td>75 percent (11.5&quot;)</td>
<td>77 percent (9.3&quot;)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WY 2013 Current Basin Snowpack (Basin Weighted Avg) on day of 3/04/13</td>
<td>79 percent (10.4&quot;)</td>
<td>83 percent (8.1&quot;)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

February 19, 2013 Forecast of Unregulated Lake Powell Inflow

<table>
<thead>
<tr>
<th>2013 April through July unregulated inflow</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAF</td>
</tr>
<tr>
<td>3.750</td>
</tr>
<tr>
<td>5.735</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>2013 Water Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAF</td>
</tr>
<tr>
<td>4.000</td>
</tr>
<tr>
<td>6.017</td>
</tr>
</tbody>
</table>
ARIZONA, CALIFORNIA, NEVADA, MEXICO
FORECAST OF END OF YEAR CONSULTIVE USE
FORECAST BASED ON USE TO DATE AND APPROVED ANNUAL WATER ORDERS /1
(ACRE-FEET)

WATER USE SUMMARY

<table>
<thead>
<tr>
<th>Use To Date</th>
<th>Forecast Use</th>
<th>Approved Use 2</th>
<th>Excess to Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2013</td>
<td>CY2013</td>
<td>CY2013</td>
<td>CY2013</td>
</tr>
<tr>
<td>ARIZONA</td>
<td>311,488</td>
<td>2,697,507</td>
<td>2,799,391</td>
</tr>
<tr>
<td>CALIFORNIA</td>
<td>414,798</td>
<td>4,142,394</td>
<td>4,112,917</td>
</tr>
<tr>
<td>NEVADA</td>
<td>16,839</td>
<td>276,465</td>
<td>300,000</td>
</tr>
<tr>
<td>STATES TOTAL /3</td>
<td>743,125</td>
<td>7,118,276</td>
<td>7,212,308</td>
</tr>
</tbody>
</table>

MEXICO IN SATISFACTION OF TREATY (Including downward divert) 300,824
TO MEXICO AS SCHEDULED 281,774
MEXICO IN EXCESS OF TREATY 19,050
BYPASS PURSUANT TO MINUTE 242 19,565

TOTAL LOWER BASIN & MEXICO 1,063,514

1/Incorporates Jan-Jun USGS monthly data and 27 daily reporting stations which may be revised after provisional data reports are distributed by the USGS.
Use to date estimated for users reporting monthly and annually.
2/These values reflect adjusted apportionments. See Adjusted Apportionment calculation on each state page.
3/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.

Graph notes: Jan 1 forecast use is scheduled use in accordance with the Annual Operating Plan's state entitlements, available unused entitlements, and over-run paybacks. A downward sloping line indicates use at a lower rate than scheduled, upward sloping is above schedule, and a flat line indicates a use rate equal to schedule. Lower priority users such as CAP, MWD, and Robt B Griffin may adjust use rates to meet state entitlements as higher priority use deviates from schedule. Abrupt changes in the forecast use line may be due to a diversion schedule change or monthly updating of provisional realtime diversions.
### California Water Users Forecast of End of Year Consumptive Use Forecast Based on Use to Date and Approved Annual Water Orders

<table>
<thead>
<tr>
<th>Use To Date</th>
<th>Forecast Use</th>
<th>Estimated Use</th>
<th>Excess to Estimated Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2013</td>
<td>CY2013</td>
<td>CY2013</td>
<td>CY2013</td>
</tr>
<tr>
<td><strong>California Pumps</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CALIFORNIA PUMPS</td>
<td>217</td>
<td>1,725</td>
<td>1,725</td>
</tr>
<tr>
<td>FORT MOJAVE IND. RESERVATION, CA</td>
<td>556</td>
<td>8,524</td>
<td>8,910</td>
</tr>
<tr>
<td>CITY OF NEEDLES (includes LCWSIP use)</td>
<td>243</td>
<td>1,931</td>
<td>1,931</td>
</tr>
<tr>
<td>METROPOLITAN WATER DISTRICT</td>
<td>64,293</td>
<td>592,179</td>
<td>563,511</td>
</tr>
<tr>
<td>COLORADO RIVER IND. RESERVATION, CA</td>
<td>466</td>
<td>3,705</td>
<td>3,705</td>
</tr>
<tr>
<td>PALO VERDE IRRIGATION DISTRICT</td>
<td>20,931</td>
<td>436,214</td>
<td>437,984</td>
</tr>
<tr>
<td>YUMA PROJECT RESERVATION DIVISION</td>
<td>3,386</td>
<td>46,294</td>
<td>47,023</td>
</tr>
<tr>
<td>YUMA PROJECT RESERVATION DIVISION, INDIAN UNIT</td>
<td>-</td>
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<td>YUMA PROJECT RESERVATION DIVISION, BARD UNIT</td>
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<tr>
<td>YUMA ISLAND PUMPS</td>
<td>486</td>
<td>3,845</td>
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<td><strong>Total California</strong></td>
<td>414,798</td>
<td>4,142,304</td>
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**Note:**
- Diversions and uses that are pending approval are noted in red italics.
- Water users with a consumptive use entitlement - Excess to Estimated Use column indicates overrun/underrun of entitlement. Dash in this column indicates water user has a diversion entitlement.
- Water user with a diversion entitlement - Excess to Approved Diversion column indicates overrun/underrun of entitlement. Dash in this column indicates water user has a consumptive use entitlement.

---

### California Adjusted Apportionment Calculation

- California Basic Apportionment: 4,400,000
- Payback of IOPP Overrun (IIID, FL Mojave): -62,083
- Intentionally Created Surplus Water (IID): -25,000
- Creation of Extraordinary Conservation ICs (MWD): -230,000
- Total State Adjusted Apportionment: 4,112,917
- Excess to Total State Adjusted Apportionment: 29,387

---

### ISG Annual Target Comparison Calculation

- Priorities 1, 2, 3a Use (PVID+YPRD+Island+PVID Mesa): 486,353
- MWD Adjustment: -66,353
- Total California Agricultural Use (PVID+YPRD+Island+IOPP+CVWD): 3,462,478
- California Agricultural Paybacks: -62,000
- Misc. PPRs Covered by IID and CVWD: 14,500
- California ICS Creation (IID ICS): 25,000
- Total Use for Target Comparison: 3,373,825
- ISG Annual Target (Exhibit B): 3,462,350
- Amount over/(under) ISG Annual Target: (88,375)

**Notes:**
- Ranch 5
- Yuma Island assumed to be included in Priority 2.

Click on California Schedules and Approvals above for upcoming divestment schedules and approvals

1. Fort Yuma Indian Reservation includes Yuma Project Reservation Division Indian Unit, Ranch 5, an estimate of domestic use and pumpers.
2. Includes MWD Adjustment, California Agricultural Use and Paybacks, IID-CVWD covered PPRs, and taking out the MWD-CVWD Exchange.
### California Water Users

**Forecast of End Year Consumptive Use**

**Forecast Based on Use to Date and Approved Annual Water Orders**

<table>
<thead>
<tr>
<th>Water User</th>
<th>Use To Date</th>
<th>Forecast Use</th>
<th>Estimated Use</th>
<th>Excess to Estimated Use</th>
<th>Diversion To Date</th>
<th>Forecast Diversion</th>
<th>Approved Diversion</th>
<th>Excess To Approved Diversion</th>
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<td>1007</td>
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<td>345</td>
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**Total California**

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<th>Use</th>
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<th>Estimated Use</th>
<th>Excess to Estimated Use</th>
<th>Diversion</th>
<th>Forecast Diversion</th>
<th>Approved Diversion</th>
<th>Excess To Approved Diversion</th>
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<td>4944674</td>
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**California Adjusted Apportionment Calculation**

- California Basic Apportionment: 4,400,000
- Early Payback of 2013 IOPD Overrun (IOPD): (446)
- Unused Water to be Stored with MWD: 62,573
- Intentionally Created Surplus Water (IOPD): (35,020)
- Creation of Extraordinary Conservation (ICS / MWD): (175,973)
- Total State Adjusted Apportionment: 4,258,452
- Excess to Total State Adjusted Apportionment: 160,549

**ISG Annual Target Comparison Calculation**

- Priorities 1, 2, 3: Use (PVID+YPRD+Island+PVID Mesa)
- MWD Adjustment: 0
- IOPD Overruns (IIP): (1,798,173)
- Total California Agricultural Use (PVID+YPRD+Island+MCD+CVWD): 3,649,305
- California ICS Creation (ICS ICS): 25,000
- Misc. PPRs Covered by IIP and CVWD: 14,500
- MWD-CVWD Exchange: 0
- Total Use for Target Comparison: 3,572,432
- ISG Annual Target (Exhibit B): 3,470,000
- Amount over/under ISG Annual Target: 57,432

**Notes:**

- Ranch 5
- Yuma Island assumed to be included in Priority 2.
- Click on California Scenarios and Appearances above for incoming diversion schedules and approvals.
- Fort Yuma Indian Reservation includes Yuma Project Reservation Division Indian Unit, Ranch 5, an estimate of domestic use and pumps.
- Includes MWD Adjustment, California Agricultural Use and Paybacks, MCD-CVWD covered PPRs, and taking out the MWD-CVWD Exchange.
Figure 1. Total Colorado River Basin Storage as of March 2013

Monthly Total Colorado River Basin Storage
March 2013

Maximum usable capacity (60.345 maf)
MUC: 59.665 maf

Storage (MAF)*


Year

* A resurvey of Lake Powell changed the MUC and MOL in June 1991
Figure 2. Lakes Powell and Mead Monthly Pool Elevation Levels

Lake Powell Monthly Pool Elevation Level (Feet)

- Maximum (3700 feet)
- Upper Elevation Balancing Tier (3645 feet)
- Lower Elevation Balancing Tier (3525 feet)

3555.90 ft. in March 2005, lowest since 1963 during the initial filling of Lake Powell.

Lake Mead Monthly Pool Elevation Level (Feet)

- Maximum (1229 feet)
- Surplus (1145 feet)
- Normal Condition
- Shortage (1075 feet)

1081.94 ft. in November 2010, lowest since 1937 during the initial filling of Lake Mead.
Figure 3. SNOTEL Water-Year-To-Date (WYTD) SWE for the CO headwaters basin

Colorado Basin River Forecast Center
Upper Colorado Mainstem Group

Percent Average To Date: 71% (10-11 / 14-5)
Percent Seasonal Average: 66% (10-1 / 10-9)
Accumulation rate 0.2 in/day averaged over last 3 days.
Figure 4. NOAA National Weather Service Monthly Precipitation Maps for January and February 2013
Figure 5. USDA United States Drought Monitor Map

U.S. Drought Monitor

March 5, 2013
Valid 7 a.m. EST

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

West

March 5, 2013
Valid 7 a.m. EST

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://droughtmonitor.unl.edu

Released Thursday, March 7, 2013
Author: Matthew Rosencrans, NOAA/NWS/NCEP/CPC

Released Thursday, March 7, 2013
Matthew Rosencrans, NOAA/NWS/NCEP-Climate Prediction Center
Date: March 26, 2013

To: San Diego County Water Authority Board Members

From Jonathan Clay, Sacramento Representative
Ken Carpi, Washington Representative

Subject: Legislative Update

Sacramento

Legislature

The Legislative process in Sacramento is in full swing with policy committees beginning to hear legislative proposals and the budget committees starting to review the Governor’s budget proposal in the sub-committee process. Funding for the Salton Sea restoration process has already had its first airing in the Senate and the Assembly will be looking at the same issue in early April. In the Senate, questions were raised about what is the State’s plans for restoration and how has money been spent to date.

Our sponsor bill, AB 613 by Assembly Member Hueso is moving forward in the process. We anticipate a policy hearing on the proposal in Assembly Environmental Safety and Toxic Materials Committee sometime towards the end of April. We have spent significant time over the past two months working with various stakeholders and appear to be building momentum with our redraft of the proposal.

Water Bond

As reported last month, speculation continues as to what might or might not happen this year as it relates to the reframing of the 2014 water bond. ACWA has been going through an internal process looking at reframing/writing the water bond. We are working closely with ACWA and other stakeholders to ensure that San Diego's interests are represented in whatever develops for a new bond proposal. Separate from the ACWA process, the environmental community is also looking at what a possible re-write of the 2014 water bond might look like. Given recent comments by the Senate Pro Tempore Steinberg, its is likely that a 2014 water bond will be smaller, and will include less funding for surface storage than currently envisioned in the current bond or the ACWA process. The Senate continues to hold informational hearings regarding the water bond,
but nothing has officially been presented as a rewrite of the 2014 bond. With upcoming policy committee hearings, we may see more bond details emerge.

Sacramento Visit

Water Authority Board Members visited Sacramento in early March for a series of briefings with key legislators, staff, and administration officials. The meetings were productive and from the Sacramento lobbying team’s perspective, very successful.

Washington, DC

Initial Congressional Reaction Muted Upon BDCP Document Rollout

The release of the first chapters of the Bay Delta Conservation Plan did not spark any new rounds of protest, support, or letter writing from members of the California Congressional Delegation. However, as Members return to their districts for a two-week spring recess from Washington, more is likely to be heard from them.

However, the latest cut in Central Valley Project and State Water Project water allocations by the U.S. Bureau of Reclamation and California Department of Water Resources did elicit complaints from Senator Feinstein and Members from the Central Valley.

Feinstein said, “This is the second very low allocation since 2009, so it should be clear that California needs to store water from the wet years for the dry years. Any water bond put on the ballot must have a strong storage component. Absent that, California will be in deep trouble with respect to water.”

Congress Approves Spending Package to Keep Federal Government Open

Congress approved a $984 billion spending package before leaving for a two-week recess. The bill (H.R. 933) ensures the Federal government will remain open for the remainder of Fiscal Year 2013. The measure includes appropriations that generally extend current funding levels for federal activities through September 30. The President will sign the legislation before the current Continuing Resolution expires on March 27.

Unlike many programs, the EPA did not receive funding in line with its FY2012 level. Instead, H.R. 933 cuts $120 million from EPA’s budget. The bill cuts the Drinking Water State Revolving Fund by $10.6 million, to a total of $908.7 million. It also cuts the Clean Water State Revolving Fund by $17 million, to a total of $1.452 billion in FY13. The bill also rescinds $20 million in unobligated SRF dollars. All of these reductions are in addition to the budget sequestration that took effect on March 1, which is expected to subject the SRFs to additional cuts of approximately $140 million before the end of the fiscal year.
House and Senate Approve Starkly Different Budget Plans

The House approved a budget plan for FY14 that is very similar to a plan it approved last year, relying on deep cuts to discretionary spending, adjustments to mandatory spending, and no new taxes. Proponents of the plan hold that it would lead to a balanced federal budget in ten years. For the first time in four years, the Senate also approved a budget plan by a razor-thin margin. The Senate plan calls for raising nearly $1 trillion in new taxes and new spending on infrastructure and many government programs.

President Obama has yet to submit a budget plan for FY2014. The latest target date for a release is now April 8; it was due in February. Once it is submitted, work will begin in earnest on FY2014 spending bills.

It is unlikely that the two chambers will be able to reconcile their very different budgets, but talks could open the way to a broader tax reform bargain later in the year. While the plans are non-binding on actual federal spending policies in their current form, they do set limitations and provide direction to each chamber’s appropriations and authorizing committees.

Senate Committee Moves Water Resource Bill

The Senate Environment & Public Works Committee unanimously passed S.601, the Water Resources Development Act of 2013 (WRDA 2013). The bill is the primary means by which Congress authorizes the dredging and flood control work of the U.S. Army Corps of Engineers. Traditionally, WRDA bills have contained extensive lists of specific project authorizations and guidance to the Corps. The current earmark ban has ruled out this approach. EPW Chairwoman Barbara Boxer is working with Majority Leader Harry Reid in the hope of bringing the bill before the full Senate in April.

This year, the bill also includes a $500 million pilot program modeled on the Water Infrastructure Finance and Innovation Act (WIFIA). Title X of the bill would authorize $50 million per year each for EPA and the Army Corps of Engineers for five years to be used to offer low-interest loans for water infrastructure projects above $20 million. Loans could cover water infrastructure repair, replacement and rehabilitation projects.

The House has only just begun developing its own WRDA legislation. House Transportation & Infrastructure Chairman Bill Shuster (R-PA) had said earlier this year that he hoped to move a bill this spring. A bill introduction this summer at the earliest appears more likely.

Water Infrastructure Financing Hearing

The House Appropriations Subcommittee on Interior and the Environment held a hearing on the status of the State Revolving Fund programs and alternatives to financing water infrastructure. Subcommittee Chairman Michael Simpson (R-ID) said that at FY2012 spending levels, it would take more than 250 years for the country to meet all of its
identified water infrastructure needs through federal investment.

Witnesses testified on behalf of the Water Infrastructure Financing and Innovation Act (WIFIA) that would offer low-cost loans to major water infrastructure projects; create a clean water trust fund financed by new taxes on bottled water and flushable products; and lift the state volume cap on private activity bonds used to fund water infrastructure upgrades, which would attract more private capital to those projects. Several witnesses also urged Congress to maintain the tax-exempt status of interest collected by municipal bond holders – preserving lower interest rates for local communities that finance infrastructure through bond sales.

**Ways & Means Considers Municipal Bonds**

The House Committee on Ways & Means held a hearing on federal tax policies that affect state and local governments. Much of the testimony and questioning focused on the role of tax-exempt municipal bonds. Some Members of Congress have discussed the possibility of eliminating these instruments as a part of broader tax reform. During the course of the hearing, support in Congress for maintaining these bonds appears to remain strong.

Testimony submitted to the Committee estimates that tax-exempt bonds financed $1.65 trillion in new infrastructure investments over the past ten years, with $258 billion going towards water and sewer improvements.

**Gina McCarthy Nominated For EPA Administrator; Ken Kopocis for Water**

President Obama nominated Gina McCarthy to be the next EPA Administrator. McCarthy is currently serving as EPA Assistant Administrator for Air and Radiation. McCarthy’s nomination will serve as a proxy fight on the President’s climate and regulatory policies, but she is generally well regarded on both sides of the aisle for her professionalism. She is expected to ultimately win approval from the Senate. Deputy EPA Administrator Bob Perciasepe will continue serving as Acting Administrator until a new Administrator is confirmed.

In a related move, the White House also announced it would resubmit the nomination of Ken Kopocis to serve as Assistant Administrator to head EPA’s Office of Water. The Senate EPW Committee approved Kopocis’ nomination last year, but he never received a vote before the full Senate due to concerns by some senators regarding pending guidance from EPA regarding the scope of the Clean Water Act. That guidance is still pending and is likely to be an issue again during a new round of debate on Kopocis’ nomination.