ENGINEERING AND OPERATIONS COMMITTEE

9-  1. Professional services contracts for as-needed construction management and in-plant inspection support services.
   Authorize the General Manager to award professional services contracts to Simon Wong Engineering for $4 million, Richard Brady and Associates for $2.5 million and Nolte Associates for $2.5 million for as-needed construction management support services to support Capital Improvement Program and Asset Management projects for five years.
   Authorize the General Manager to award a professional services contract to On-Site Technical Services, for as-needed in-plant and field inspection support services to support Capital Improvement Program and Asset Management projects, for an amount not-to-exceed $3 million, for three years.

9-  2. Amendment to professional services contract with Pure Technologies US Inc. to provide Welded Steel Pipeline Nondestructive Testing services on Pipeline 3 from the Delivery Point to the Twin Oaks Valley Water Treatment Plant.
   Authorize the General Manager to award an amendment to the professional services contract with Pure Technologies US Inc. in the amount of $1,077,000 to provide nondestructive testing services and condition assessment of Pipeline 3 from the Delivery Point to the Twin Oaks Valley Water Treatment Plant. This will increase the total contract amount to $2,196,000.

ADMINISTRATIVE AND FINANCE COMMITTEE

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

9-  4. Resolution setting a Public Hearing date for the Water Authority’s proposed calendar year 2015 Rate and Charge increases.
   Provide direction regarding TSAWR for calendar year 2015 rates and charges.
   Adopt Resolution Number 2014-__ setting the time and place for a public hearing on June 26, 2014, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2015.
WATER PLANNING COMMITTEE

9- 5. Resolution for the Final Mitigated Negative Declaration for the Pipelines 3, 4 and 5 Relining at San Luis Rey River; 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. 2014-__ that:
Finds that the project will not have a significant effect on the environment. Adopts the Final Mitigated Negative Declaration. Adopts the Mitigation Monitoring and Reporting Program. Approves the Project. Authorizes filing a Notice of Determination.

9- 6. Authorize General Manager to enter into a Second Amendment that would extend the 2003 Agreement for Emergency Delivery of a Portion of the Mexican Treaty Waters to Tijuana for an additional five-year period. Authorize the General Manager to enter into a second amendment to the Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States in a form approved by General Counsel.


9- 8. Resolution establishing preliminary informal terms and conditions for the Rainbow Municipal Water District’s proposed Campus Park West Annexation. Adopt Resolution No. 2014-__, establishing preliminary informal terms and conditions for the Rainbow Municipal Water District’s proposed Campus Park West Annexation, and requesting that Metropolitan Water District of Southern California grant conditional approval and give notice of intent to impose water standby charges.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

9- 9. Adopt positions on various state bills.
1. Adopt a position of Oppose Unless Amended on AB 1434 (Yamada)
2. Adopt a position of Oppose Unless Amended on AB 1705 (Williams)
3. Adopt a position of Support if Amended on SB 1139 (Hueso)

9- 10. Approve Expanded Water Authority Community Outreach, Civic Engagement and Governmental Relations Plan. To achieve the Water Authority’s strategic objectives in the General Manager’s Business Plan, effectively communicate the agency’s position on the Bay Delta Conservation Plan, and achieve objectives relating to the Water Authority’s MWD rate litigation, fiscal and water policy issues, staff recommends the Board approve additional resources necessary to meet the agency’s objectives in these critical areas.
May 21, 2014

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Information).

Purpose
This report summarizes discussions held and key decisions made at the MWD committee and board meetings, as reported by the MWD delegates. The MWD committees and board met on May 12 and 13. The next regular MWD board and committee meetings are scheduled for June 9 and 10.

Background
The Water Authority delegation supported 11 of 13 action items approved by the MWD board (see Attachment 1 for the MWD board summary). The delegates opposed the execution and distribution of the Official Statement in connection with the sale of bonds on the basis that they continue to be concerned with the official statement’s lack of sufficient risk disclosure (for the Water Authority delegates’ letter to MWD, see Attachment 2). The delegates expressed their support for Governor’s call for all Californians redoubling actions to conserve water during this period of extraordinary statewide drought. However, the delegates stated that they are unable to support MWD’s conservation program changes because the program costs are paid through MWD’s Water Stewardship Rate, which San Francisco Superior Court Judge Curtis E. A. Karnow ruled to be illegal, in addition to longstanding concerns about the substance of MWD’s conservation program (for the Water Authority delegates’ letter to MWD, see Attachment 3). The delegates also requested that both letters be reflected in the committee and board minutes.

Attachment 4 is a copy of MWD’s May committee and board meeting agendas.

Discussion

Board Meeting
The board elected Director Randy Record (Eastern Municipal Water District) as Chairman of the Board of Directors to fill the unexpired term of Chairman Foley and the two-year term that will commence on January 1, 2015. Prior to the nomination and elections on the agenda, there were three candidates vying for the position – Directors David De Jesus (Three Valleys Municipal Water District), Robert Wunderlich (Beverly Hills), and Record. Prior to the election, De Jesus, speaking for Wunderlich and himself, removed their names from contention. There were no nominations from the floor and Record was elected unanimously. In addition, Glen Dake was inducted as a new director representing the city of Los Angeles.

Communications and Legislation Committee
Staff reported on current federal legislation related to invasive species management and prevention, including bills specifically related to the Lacey Act. Under the Act, the Secretary of the Interior is authorized to regulate the import and transport of species determined to cause harm to the health and welfare of humans. Congress specifically identified zebra mussels, a related species to quagga mussels, as a harmful species that cannot lawfully be transported into the country or across state lines. There are currently nine bills pending in Congress to bolster existing programs and laws and
to implement efforts to address invasive and harmful species. Staff also reported on state legislation, including an update on development of a water bond to replace the $11.1 billion measure on the November 2014 ballot.

The committee also received an update on MWD’s regional water awareness and conservation campaign. Consultant Renee Fraser said that nine two-hour focus groups were held to assess Southern California’s knowledge of water issues. The results show that most people perceive the drought as a statewide issue, have taken steps to reduce water usage, and feel that the burden of conservation is too heavily placed on the consumer. Fraser said that MWD’s media plan would target homeowners and renters over 25 years old, with messaging in English, Spanish, and Asian languages. The media plan includes radio, television, digital, and social media. In response to Director Wunderlich’s inquiry, Fraser said that a future survey will measure the change in behavior as a result of MWD’s media plan. Director Barbre (Municipal Water District of Orange County) recommended that the message should stress that Southern California uses the same amount of water it did in the 1990’s due to the investments it made towards reliability. Director Evans (Western Municipal Water District) added that credit should also be given for government’s investments in recycled water.

**Engineering and Operations Committee**

The committee and board approved eight board items, including appropriating $3.4 million related to the final design of seismic upgrades and engineering services for the MWD Headquarters Building. MWD staff estimates that structural improvements necessary to improve safety will cost up to $25 million, but will not bring the building up to essential facility standards. Water Systems Operations Manager Jim Green reported that consumers in the Skinner service area, which includes the Water Authority, may notice a musty taste and odor in their tap water as a result of algae blooms in Diamond Valley Lake near Hemet. Green said the taste and odor problem does not pose health risks.

**Finance and Insurance Committee**

The committee and board approved three items, including the execution and distribution of the Official Statement associated with the issuance of water revenue bonds. Committee Chair Grunfeld (Los Angeles) acknowledged the Water Authority delegates’ letter related to the Official Statement. Evans agreed with the issue raised by the Water Authority that the Official Statement’s definition of recycled water is outdated. He said the Official Statement should reflect that reclaimed and recycled water is a valuable resource. Director Peterson (Las Virgenes Municipal Water District) added that the term “potable” was also dated. As a result, the committee and board adopted the Official Statement including Evans’ recommendation and also updating the document as appropriate in relation to the term “potable.” Director Lewinger noted that the Water Authority letter also raised other concerns and questions, and requested that staff respond to the letter in writing.

Chief Financial Officer Breaux reported on MWD’s financial highlights. He said as of April, or 10 months into fiscal year 2014, water sales are about 284,600 acre-feet higher than budget, which is largely the contributing factor for the projected revenues running about $206.7 million higher than budget. In response to Lewinger, Breaux said that at the close of the fiscal year the projected net revenue is anticipated to be about $334 million over budget and reserves are expected to exceed the maximum limit by approximately $350 million.
The committee also received reports on MWD’s Investment Activity and its Property and Casualty Insurance Program. Peterson asked that staff return with a review of potential cost savings incurred if MWD self-insured for medical (a request he said he has asked to be agendized for years); General Manager Kightlinger said that staff’s analysis concluded it was not cost effective, but it will be brought to the committee.

**Legal and Claims Committee**

The committee and board authorized an increase of $150,000 to a not to exceed amount of $3.175 million for legal services related to Federal Energy Regulatory Commission. General Counsel Scully reported on the General Counsel’s Business Plan for Fiscal Year 2015, which includes prioritizing efforts related to the Bay Delta Conservation Plan (BDCP) and State Water Project (SWP) issues. The committee also heard a report on the Administrative Code section covering the general manager’s settlement authority for claims under capital construction contracts. The section states that the general manager, with the consent of the general counsel, may settle a claim up to the authorized contract maximum. Director Mudd commented that settlements over $250,000 should be addressed by the board. Mudd also asked that staff revise the Administrative Code section to make clear that the authorized contract maximum may be decreased or increased as a result of change orders.

In closed session the committee discussed litigation with the Water Authority and the *Consolidated Delta Smelt and Salmonid Cases*. Committee Chair Wunderlich reported no actions were taken.

**Water Planning and Stewardship Committee**

Staff gave a report on current water supply, demand, and storage conditions. Under the current SWP Table A allocation of five percent and demand trends, MWD anticipates withdrawing about 1.065 million acre-feet (MAF) out of storage in calendar year 2014. The final withdrawal amount will depend on additional secured supplies and actual calendar year 2014 demands. Staff also described MWD’s current actions reflective of Shortage Stage 5 of its Water Surplus and Drought Management (WSDM) Plan, one step below Shortage Stage 6, the implementation of the Water Supply Allocation Plan (WSAP). Lewinger reiterated Director Steiner’s previous request to develop policy guidelines on dry-year storage use. To facilitate the discussion, he made a specific request for an analysis on how MWD will meet its demands based on the assumptions that 2015 MWD water demand at 2.0 MAF, with a 10 percent SWP Table A allocation. Kightlinger responded (if conditions warranted) the board would make the determination to implement the WSAP or continue to draw from storage; but ultimately agreed to bring the analysis to the committee. Subsequently, Water Resources Manager Upadhyay said that staff will return in the coming months with a more in-depth report on the WSDM Plan and WSAP. Peterson commented that while setting parameters for dry-year storage use is prudent, it was “lunacy” to set-up an allocation plan for next year when the board is able to make a determination when needed. In response to Director Dick’s (Municipal Water District of Orange County) question on whether MWD had a pre-established trigger point to purchase additional water, Kightlinger responded that there is no trigger and that staff presents potential agreements to the committee and board for consideration as they occur.
Upadhyay added that MWD is currently in discussions with other agencies around the state with water supply needs. He said that MWD might be in a position to assist through avenues such as exchanges, which may provide MWD with improved water quality and supply benefits. As terms come to fruition, staff will return to the committee and board for consideration.

The committee and board also approved one action item related to changes to the conservation program. Lewinger asked for clarification on the purpose of the Water Management Fund, which he understood was created as a funding source for storage replenishment, not to fund on-site retrofits. Breaux responded that the fund’s purpose is to finance storage replenishment, water transfers, and any other drought response activity. Kightlinger added that the on-site retrofits were a water supply benefit. He also said that the other drought actions funded by the Water Stewardship Fund would reduce demands on the system and are thereby categorized as a water supply benefit. Lewinger pointed out that during the rate litigation, MWD said that the demand management programs do not benefit supply. (Under MWD’s rate allocation methodology, 100 percent of the Water Stewardship Rate is charged to transportation).

The committee also heard a report on Bay-Delta and Colorado River matters. Staff reported that the release of the draft BDCP Implementation Agreement (IA) between the plan’s permittees and state and federal biological agencies had been delayed by the drought. However, the state remains committed to releasing the draft IA for a 60-day public review period with the final environmental review documents. Staff also reported that there has been some media attention paid to the Department of Water Resources “very preliminary steps” to organize staff to set-up both the BDCP Implementation Office and the design and construction enterprise. Staff plans to return to the Bay-Delta Special Committee later this month to provide a full briefing on the two matters.

Subsequently, during the board meeting, Steiner pointed out that a recent Sacramento Bee article said that DWR is opening a BDCP office as a result of a joint powers agreement (JPA) reached with the contractors. Kightlinger responded that there is no JPA, and in lieu of one, a design and construction enterprise is in progress. Steiner asked if the board will have an opportunity to review and approve that agreement before MWD signs on; Kightlinger responded “yes.”
PUBLIC HEARING

Public hearing to receive comments on the standby charge levy supporting the 43rd Fringe Area Annexation to Western Municipal Water District and Metropolitan.

INDUCTION OF DIRECTOR

Glen C. Dake representing the city of Los Angeles was inducted to the Board of Directors. (Agenda Item 5C)

COMMITTEE ASSIGNMENTS

Director Jesús Quiñonez was appointed Chair of the Legal and Claims Committee, and Director John Murray was assigned to the Legal and Claims Committee. Director Glen Dake was assigned to the Finance and Insurance Committee and the Engineering and Operations Committee. Director Laura Friedman was appointed Chair of the Audit and Ethics Committee, and Director Michael Hogan was assigned to the Audit and Ethics Committee. Director Yvonne Arceneaux was assigned to the Communications and Legislation Committee and will no longer serve on the Engineering and Operations Committee. (Agenda Item 5D)

FINANCE AND INSURANCE COMMITTEE

Adopted the resolution to continue the Metropolitan's Water Standby Charge for fiscal year 2014/15. (Agenda Item 8-1)

Approved the draft Official Statement substantially in the form attached to the board letter, modified to state that reclaimed or recycled water is a valuable water resource and delete the statement that it is not potable, with changes approved by the General Manager and General Counsel; authorized the General Manager to execute the Official Statement; authorized distribution of the Official Statement in connection with remarketing and marketing of the bonds; and authorized payment of costs of issuance of bonds as operations and maintenance expenses in the manner set forth in the board letter. (Agenda Item 8-2)

LEGAL AND CLAIMS COMMITTEE

Authorized the General Counsel to amend the agreement with Duncan, Weinberg, Genzer & Pembroke, P.C. to increase by $150,000 the maximum amount payable under the contract to a total of $3.175 million in order to assist Metropolitan with legal services. (Agenda Item 8-3)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $9.4 million; authorized $6,583,000 agreement with Advanced Electronics, Inc., for the Emergency Radio Communications System; and authorized increase of $300,000 to the existing agreement with Hatfield & Dawson Consulting Engineers, LLC, for a new not-to-exceed total of $550,000. (Approp. 15376) (Agenda Item 8-4)
Appropriated $3.4 million; authorized final design of upgrades to Metropolitan’s Headquarters Building to meet seismic requirements for existing State-occupied buildings; authorized increase of $1.8 million to the existing agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $2.3 million; authorized increase of $100,000 to the existing agreement with Simpson Gumpertz & Heger, Inc., for a new not-to-exceed total of $300,000; and authorized increase of $426,000 to the existing agreement with UC Irvine, for a new not-to-exceed total of $675,000. (Approp. 15473) (Agenda Item 8-5)

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the proposed changes to the conservation program in response to drought conditions. (Agenda Item 8-6)

CONSENT CALENDAR

In other action, the Board:

Reviewed and considered information provided in the certified Final Environmental Impact Report (Final EIR) and adopted the Lead Agency’s findings related to the proposed actions, and subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the board meeting on this matter, adopted resolution granting Western’s request for approval of 43rd Fringe Area Annexation concurrently to Western and Metropolitan, and established Metropolitan’s terms and conditions for the annexation in Attachment 2 of the board letter, conditioned upon approval by the Riverside Local Agency Formation Commission, and upon receipt of annexation fee of $228,595.58; and subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the board meeting on this matter, adopted resolution to impose water standby charge at a rate of $9.23 per acre, or per parcel of less than one acre, within the proposed annexation area in Attachment 3 of the board letter. (Agenda Item 7-1)

Appropriated $140,000; authorized final design of copper sulfate storage facilities at Lake Mathews and Lake Skinner; and authorized increase in change order authority for the Site 3 PCCP Repairs on the Second Lower Feeder, up to an aggregate amount not to exceed $1,097,325. (Approps. 15441 and 15471) (Agenda Item 7-2)

Adopted a Board resolution authorizing the General Manager to apply for Safe Drinking Water State Revolving Fund low-interest financing for enhanced bromate control at the Mills plant; adopted a Board resolution authorizing a funding agreement with the California Department of Public Health for Safe Drinking Water State Revolving Fund low-interest financing for enhanced bromate control and filter biomass control at the Weymouth plant; and authorized agreement with TSG Enterprises, Inc. in an amount not to exceed $150,000 to administer a funding agreement compliance program. (Agenda Item 7-3)

Adopted the CEQA determination that the proposed action has been previously addressed in the certified EIR and that no further environmental analysis or documentation is required, and appropriated $1.95 million; authorized final design to replace filter valves at the Weymouth plant; and authorized increase of $877,000 to the existing agreement with Carollo Engineers, Inc., for a new not-to-exceed total of $1.12 million. (Approp. 15369) (Agenda Item 7-4)
Appropriated $530,000; authorized preliminary design of washwater pump station improvements at the Weymouth plant; and authorized final design of water quality instrumentation improvements. (Approp. 15477)  (Agenda Item 7-5)

Appropriated $1.68 million; authorized final design to replace radial gates on the Colorado River Aqueduct; and authorized final design of canal improvements. (Approp. 15438)  (Agenda Item 7-6)

Appropriated $1.7 million; authorized final design to rehabilitate the Greg Avenue Pump Station; and authorized final design and construction of flow control modifications at the Jensen plant. (Approp. 15488)  (Agenda Item 7-7)

OTHER MATTERS

Nomination and election of Randy Record as Board Chairman for unexpired term ending December 31, 2014 and two-year term effective January 1, 2015. (Agenda Item 5F)

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.
May 12, 2014

Jeffrey Kightlinger and
Members of the Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

RE: Board Memo 8-2: Authorize execution and distribution of the Official Statement in connection with the issuance of the Special Variable Rate Water Revenue Refunding Bonds, 2014 Series D, and authorize payment of costs of issuance from bond proceeds – OPPOSE

Mr. Kightlinger and Members of the Board:

The Water Authority’s MWD Delegates have reviewed the May 13, 2014 Board Memo 8-2, including the redline copy of Appendix A and have determined we must again vote against the staff recommendation to authorize the execution and distribution of the Official Statement in connection with the sale of bonds. We request that staff and bond counsel respond to each of the issues and questions presented in this letter and past letters, which are incorporated by reference. Additional copies are available upon request.

General Comments

The INTRODUCTION (page A-1) has added a sentence that states that, "...statements [in Appendix A] are based on facts and assumptions set forth in Metropolitan's current planning documents, including, without limitation, its most recent biennial budget." We believe that this statement fails to adequately disclose that MWD's "long term" planning process is now effectively limited to the two-year planning horizon of the biennial budget. We believe that full disclosure of the relevant facts and circumstances would include, not only reporting that the Long Range Finance Plan has not been updated for more than ten years (since 2004), but that material changes have occurred during that time period. Further, that the member agencies have been unable to agree on a long term finance plan to pay for MWD projects and programs. We also believe that MWD should disclose its recent shift from forecasting actual projected revenues and expenses (to use MWD's new terminology, changed in this Appendix A), to the use of "average" sales assumptions," which staff has set at a number where sales are expected to be exceeded in seven out of ten years. Such an artificial
approach to "budgeting" -- is not "conservative," as it has been described by staff, it is a flagrant attempt to obviate the requirement to meet cost-of-service requirements in the setting of MWD's rates and charges. MWD simply wants to use massive over-collections -- as it has over the past two years -- any way it wants without having to explain to ratepayers in advance how much money it needs to provide the services it provides, i.e., have a real budgeting process.

Please explain the substantive change intended, if any, in the terminology edits of "expenditures" to "expenses" and "receipts" to "revenues" throughout this Appendix A.

**Comments on Draft Appendix A**

**A-4: Drought Response Actions.** MWD lacks a comprehensive board policy guiding the use and replenishment of storage reserves to meet dry-year demands. While MWD may have sufficient water in storage to meet full demands this year, the use of more than 1 million acre-feet -- or, almost one half -- of MWD's reserves in one year as currently planned poses a great risk to MWD's water supply reliability next year and in future years, should the drought continue. Appendix A should disclose that risk and MWD's plan to mitigate the risk and related impacts to MWD's revenues and finances. MWD should also disclose where it expects to secure supplemental water transfers and purchases to meet regional demands under current conditions.

**A-4: Financial Reserve Policy.** MWD's financial reserve policy for many years was to cap reserves to ensure MWD did not retain more cash than it needs from its ratepayers -- as evidenced by the use of the word, "maximum level" of reserves in all previous Appendix A Official Statements. Recently, staff self-declared that the policy was not a "cap" at all, but a "target," all without a single board meeting or directive to change the policy.

The discussion of MWD's financial reserve policy at page A-4 also creates the appearance that MWD has "planned" to manage under and over collections through its "financial reserve policy." Nothing could be further from the truth. MWD's revenue and expense projections have historically been off by hundreds of millions of dollars -- over or under. This is not the result of "drought," "climate change" any other unforeseen circumstance or financial management through MWD's "reserve" policy; it is simply the result of poor planning and estimation by MWD, and the improper use of reserves for expenditures other than maintaining stable and predictable water rates and charges. As noted above, MWD has recently changed its "budget" and rate-setting process to use sales and revenue estimates that staff knows will be exceeded in seven out of ten years. MWD has chosen to set budget and rates arbitrarily, rather than best-estimated sales and expense projections that are essential to sound business management and rate-setting. This shift and the risks of such an approach should be disclosed in Appendix A.
Jeff Kightlinger and Board Members  
May 12, 2014  
Page 3

In order to avoid the consistent, materially incorrect shortcomings in its sales estimates used in rate setting, MWD should instead take into account its member agencies actual projected demand for MWD water, which factors in their reductions or increases in reliance on local water supplies. MWD’s failure to do so presents a substantial risk of stranded costs and commensurate impact driving up water rates.

A-6 Recycled Water. The description of recycled water as “not potable” is dated and should be modified. Orange County Water District already is using recycled water to recharge its groundwater basin. With today’s technology, recycled water can be treated to potable water quality.

A-21 Sale of Water by the Imperial Irrigation District to San Diego County Water Authority. The Water Authority has objected on many past occasions to the language describing the sale of water by IID to SDCWA and transportation of that water by MWD as the payment by the Water Authority of "a lower rate" for the MWD water. This language is designed solely to support MWD's litigation arguments, and does not accurately describe the facts or terms of the Exchange Agreement. The description is misleading in that it intends to suggest to the public that MWD’s water sales are higher than they really are.

A-29 MWD water storage capacity and water in storage. The Table that describes MWD’s various storage accounts should also disclose MWD’s contractual obligations to deliver water out of storage. For example, on page A-26, the Appendix A described the arrangement MWD has with Southern Nevada Water Authority whereby MWD agrees to store unused Nevada’s Colorado River apportionment for SNWA’s later use. The Appendix A states that through 2013, MWD has stored 160,000 acre-feet of SNWA water, which it eventually will need to pay back. That information, and any other MWD obligations and limitations on available storage supplies, including take capacity, should be disclosed clearly on the table displayed on page A-29.

A-43 Capital Investment Plan. Please explain why "resource development" was deleted as an objective of the Capital Investment Plan (CIP). Also, how MWD has valued "flexibility" for purposes of rate-setting and allocation of CIP costs. These edits again appear to be litigation-driven rather than based on any facts or programmatic changes to or relative benefits of the CIP.

A-44 Pay-as-you-go funding. The Appendix A should disclose that the over-collected revenues were not the result of "improved financial operations," as stated, but rather, were the result of poorly estimated revenues and the intentional use of sales that exceed artificial estimates as described above. The Appendix A misleads the reader into believing that MWD's over-collected revenues are the result of improved financial operations, when nothing could be further from the truth. Further, the Appendix A states that, "[a]s in prior years, pay-as-you-go funding may be reduced or increased by the Board during the fiscal
year," without mentioning that the board has had an established pay-as-you-go funding policy that it has failed to meet. Moreover, there has never been any board policy discussion on the merits of changing the $95 million cap to $160 million. MWD's lack of disclosure on financial projections and policies is arbitrary and inherently involves great risk, which should be disclosed in the Appendix A.

**A-46 Distribution system - prestressed concrete cylinder pipe.** Please provide a copy of the estimate to reline all 100 miles of PCCP at $2.6 billion.

**A-46 Administrative Code.** Please add a statement that the General Counsel has opined that the Administrative Code may be waived by the Board of Directors *ex post facto*, without prior notice and without even knowing that they are doing so. We are aware of no other public agency that has such an unusual procedural process, which we believe materially reduces the transparency and accountability of the MWD board of directors and limits the public's - and bond investor's - ability to be advised in advance and be heard on MWD board actions.

**A-50 Property taxes.** Please indicate that there is substantial disagreement regarding MWD's interpretation of what is "essential to the fiscal integrity of the district" and that there has been no cost-of-service study or report supporting the claim that the suspension of the tax limitation results in a "fair distribution of costs throughout MWD's service area," except for MWD's own bald assertion that is the case.

**A-52 Water wheeling and exchanges as MWD "sales."** MWD continues the highly misleading practice of reporting revenues from wheeling service as MWD water sales. Wheeling service should be reported separately from the sale of MWD water supplies. It is also highly misleading to investors to use "average" dollars per gallons per acre-foot of water sold because it impedes the ability of investors in MWD bonds to understand what alternative sources of supply are competitive with MWD water supplies and therefore may be expected to reduce MWD's future water sales.

**A-53-55 Litigation Challenging Rate Structure.** Although MWD characterized the Water Authority's rate cases as a challenge to MWD's "rate structure," the cases challenge the specific allocation of costs in the specific years at issue in each case. The description of the Court's ruling is incomplete in that it fails to mention that the Superior Court found that MWD's allocation of costs are *not reasonable* and violate the common law, California statutes and the California Constitution, including Proposition 26. The trial court has determined that MWD's rates violate all of these legal standards and requirements.

**A-59, 60 Financial reserve policy.** Please provide a copy of the probability studies of the wet periods that affect MWD's water sales. Please provide a 10-year summary of how successful the Water Rate Stabilization Fund has been in maintaining stable and predictable water rates
and charges. MWD's financial reserve policies must be revised to comply with Proposition 26. MWD is essentially operating a giant slush fund without any cost-of-service basis for its rates and charges prior to or after collection of those rates and charges.

A-62 Ten largest water customers. It is misleading to characterize wheeling/exchange water as MWD "water sales" because there is no basis in law or fact for doing so.

A-62-63 California ballot initiatives. The Appendix A fails to disclose that the Superior Court has already ruled that Proposition 26 applies to MWD for all rate years subsequent to the time the ballot measure was passed in November 2010, i.e., MWD is subject to Proposition 26 going forward. MWD has not established rates and charges that comply with Proposition 26 and will have the burden in court in future years to prove that it has done so. This presents a substantial risk of ongoing and continued litigation unless and until MWD changes its cost-of-service and rate-setting practices.

A-81 BDCP costs. Please confirm what BDCP costs have been included on the Table at page 81.

A-84 Historical and projected revenues and expenses. MWD's projected revenues and expenses have been arbitrarily established. No member of the public or investor could know what MWD's projected revenues and expenses will be, given the arbitrary manner in which MWD has established its budget and rates as described above. Further, MWD has a poor record of projecting future rate increases; its rates have more than doubled over the past ten years, which is materially more than projected by MWD. Its future rate projections -- which include investments that may be made in the BDCP -- will supposedly result in rate increases lower not higher than in the past. This is not logical or based on any credible cost analysis or rate projections.

We incorporate by reference all of our prior comments in prior letters to MWD which have not been corrected in this or past versions of the Official Statement.

Sincerely,

Fern Steiner  
Director

Michael T. Hogan  
Director

Keith Lewinger  
Director

Vincent Mudd  
Director
May 12, 2014

Jeff Kightlinger, General Manager and
Members of the Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

RE: Board Item 8-6 – Authorize changes to conservation program in response to drought conditions - SUPPORT IMPLEMENTATION OF CONSERVATION MEASURES IN RESPONSE TO STATE DROUGHT CONDITIONS; OPPOSE USE OF ILLEGAL RATES TO PAY FOR WATER CONSERVATION MEASURES

Dear Mr. Kightlinger and Board Members:

The Water Authority and its member agencies have an outstanding record of leadership in water conservation planning and implementation. We strongly support Governor Brown’s call on all Californians to redouble actions to conserve water during this period of extraordinary statewide drought. However, we must OPPOSE the board action, due to MWD’s decision to continue to pay its conservation program costs through its Water Stewardship Rate, which the San Francisco Superior Court has already found to be illegal.

Board Memo 8-6 is similar to many prior MWD board memos explaining that the purpose of the conservation program is to reduce demand on MWD’s imported water supplies. Oddly enough, as part of the San Francisco trial, MWD argued that there are no water supply benefits from its conservation program. If that is true, then these measures would obviously fail entirely to meet the Governor's call for action to conserve water.

MWD’s conservation program misses the mark by thinking only in terms of financial subsidies and failing to recognize the many things MWD could do to send the right pricing signals to its member agencies and the public, starting with rates that reflect the true cost of water. We have identified the problems and made a number of recommendations in prior correspondence, including our February 10, 2014 letter RE Board Memos 8-2 and 8-7, which also lists our earlier letters on how to make MWD’s conservation program more effective. A copy of the February 10, 2014 letter is attached (without its attachments).

Finally, the board should establish the purpose and use of the Water Management Fund before it is used to pay for the on-site retrofit pilot program or anything else. We renew our request that the issue be brought back to committee and the board for a policy discussion.

A public agency providing a safe and reliable water supply to the San Diego region
and determination. Among other things, staff should provide a report confirming that the proposed use of the Water Management Fund will not result in "double-dipping," with both property owners and agencies receiving funding for the same project. The larger problem with the Local Resource Program ("LRP," including conservation) is that MWD has simply not made the cost-of-service case to support allocation of these costs as transportation and has denied that there are any water supply benefits.

For the reasons stated above, the Water Authority will seek to be relieved of any financial responsibility for funds used to pay these costs based on the misallocation of conservation costs to transportation rates and the failure by MWD to provide a cost of service analysis to support these programs. There is no reason that MWD and its member agencies cannot do the resource planning that is needed - including far more conservation than is being accomplished now - and at the same time comply with the important ratepayer protections in the common law, California statutes and the Constitution.

Sincerely,

Fern Steiner
Director

Michael T. Hogan
Director

Keith Lewinger
Director

Vincent Mudd
Director

Attachment

cc: Governor Edmund G. Brown Jr.
February 10, 2014

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

RE: Board Memo 8-2 – Authorize $3 million for an On-Site Retrofit Pilot Program: TABLE PENDING DEVELOPMENT OF PROGRAM CRITERIA AND COST OF SERVICE ANALYSIS, OR IN THE ALTERNATIVE, OPPOSE

Board Memo 8-7 – Authorize an increase of $20 million for conservation incentives and outreach: OPPOSE UNLESS AMENDED TO ALLOW THE WATER AUTHORITY TO RECEIVE PROGRAM BENEFITS AND COMPLY WITH COST OF SERVICE REQUIREMENTS

Dear Chairman Foley and Board Members:

The Water Authority and its member agencies have an outstanding record of leadership in water conservation planning and implementation. We strongly support investments in water conservation and recycled water, not just during times of shortage such as we are experiencing now, but as a fundamental component of the region’s long term water supply.

That stated, we cannot support additional expenditures by MWD for programs where the Water Authority and its ratepayers are not fully entitled to receive program benefits, due to the MWD Board’s adoption and enforcement of the “Rate Structure Integrity” clause. Further, we cannot support additional conservation or recycled water expenditures that are improperly assigned by MWD to the Water Stewardship Rate and thus charged to transportation rather than supply rates.¹

We have identified several additional concerns with MWD’s Long Term Conservation Plan, upon which the conservation program initiatives are based (see letters listed at the end of this correspondence, copies of which have all been included in MWD’s Administrative Record at the time of submittal, the contents of which are incorporated herein by reference). One basic example is MWD’s refusal to develop a baseline its member agencies must meet in order to qualify for regional funding for conservation programs. This impedes, rather than expands water conservation in Southern California, because instead of adding to

¹
what retail agencies are already legally required to do, MWD substitutes regional funding to pay for programs below the baseline that are properly the responsibility of the retail agencies. MWD’s Long Term Conservation Plan is also inconsistent with the requirements of the Water Conservation Act of 2009. In order to promote conservation and meet the requirements of Proposition 26, MWD must develop and implement a regional water conservation plan that is more appropriate for its role as a wholesale water provider and which acknowledges the need to provide proportional benefits to MWD’s member agencies. As in the past, Board Memo 8-7 focuses more on spending money through “incentives” than on identifying appropriate criteria by which the effectiveness and proportional benefits of MWD’s Plan, initiatives and subsidies may be assessed.

While we wish to remain on record as to all of the concerns we have expressed regarding MWD’s conservation plan and programs, we would be willing to support the $20 million funding increase for conservation on condition that the MWD Board, as part of a motion to approve the action, includes the following requirements:

1) The additional $20 million will be applied solely to conservation programs above the retail 20x2020 mandate;
2) The MWD board rescinds its adoption and enforcement of the RSI clause and restores the Water Authority to full eligibility to receive all conservation program benefits;ii
3) The MWD board agrees that, absent any specific evidence of transportation benefits being presented at the February 10 and 11, 2014 committee and board meetings, the $20 million shall be allocated as supply costsiii and not to transportation for purposes of rate-setting and cost recovery; and
4) A separate conservation fund will be established for the $20 million to ensure the funds are actually spent on conservation and will not be transferred to, or commingled with the Water Stewardship Rate fund and thereby become eligible to be spent on member agency project subsidies.

We believe that MWD, its member agencies and ratepayers would benefit greatly if the MWD board would adopt a long term conservation plan that takes into account the provisions of the Water Conservation Act of 2009, particularly as related to retail and wholesale agency requirements and reporting. MWD must acknowledge the importance of measurement of conservation programs and take responsibility to account for conservation at the member agency level and within its own programs. If measurement and accounting are really “too difficult” for MWD to accomplish, as MWD has asserted, then it should retain a consultant with expertise in this area to design and assist MWD implementing such a program (such expertise is readily available). There is no evidence that accounting for conservation would “threaten the efficacy of MWD’s Integrated Resources Plan, Water Supply Allocation Plan and other programs,” as MWD has claimed (August 2010 Board
Memo 9-1, MWD Conservation Program). If every drop of water is precious, as we all believe, then it is certainly worth the time and trouble to account for it.

Board Memo 8-2, which authorizes MWD to pay up to $39,000 in subsidies to property owners, is problematic for similar reasons. While we believe that MWD could design a legitimate program that would allow for the payment of costs to retrofit potable water systems to use recycled water based on cost of service principles, it has not done so here. Instead, we are presented with a proposal for a $3 million unbudgeted expenditure to be made pursuant to an undefined program, for which no criteria are provided to ensure that the program will be applied in a non-discriminatory manner in the MWD service area. We also believe very strongly that MWD’s proper role is as a wholesale water agency and that it should work through its member agencies rather than embark upon a series of handouts to property owners. We cannot support Board Memo 8-2 for these reasons.

We look forward to discussion of this important issue at the committee and board meetings in February.

Sincerely,

Michael T. Hogan
Director

Keith Lewinger
Director

Vincent Mudd
Director

Fern Steiner
Director

Past Water Authority letters RE conservation:

5. August 15, 2011 letter RE Board Memo 8-7 – Adopt the Long-Term Conservation Plan and revised policy principles on water conservation – OPPOSE
6. November 23, 2011 letter RE Turf Replacement Grant Programs
7. May 7, 2012 letter RE Board Memo 8-4 - OPPOSE (authorize changes to water conservation incentives (subsidies) as described
Chairman Foley and member of the Board  
February 10, 2014  
Page 4

Board Memo 8-2 Option #1 states that the On-Site Retrofit Program (Retrofit Program) will be funded “from general operating reserves” rather than from the Water Stewardship Rate, where these programs have been funded in the past. Hence, it is possible that the costs of the Retrofit Program would be assigned to supply. However, since MWD does not track the source of its over-collected revenues, and because the magnitude of its over-collections is so large (cumulatively, exceeding $600 million), it is impossible to know where the costs of the Retrofit Program have been or will be allocated. Given these facts and the ex post facto recommendation to fund another unbudgeted program, MWD precludes the possibility of any cost of service analysis to support these expenditures.

While the trial court ruled that San Diego does not have standing to raise the constitutional RSI claim, it also found that San Diego, “wins on the merits of the claim” (Order on Summary Adjudication Motions dated December 4, 2013, page15). Specifically, the court found that 1) payments under the program contracts are “public benefits;” San Diego did not waive its rights or consent to the RSI condition by signing agreements and accepting funding; MWD could use other, less onerous means to achieve revenue stability to pay for water conservation and local supply projects; and any “public benefit” from the RSI clause is insubstantial and not sufficient to justify the burden on the exercise of a constitutional right. Order at pages 15-21 (copies attached).

While we are willing to support the single proposed action to increase conservation incentives in order to support the water supply emergency that has been declared by the Governor, the question whether these programs actually produce any benefits to MWD must be addressed as part of the current cost of service analysis. Although the Water Authority believes that MWD could establish conservation programs and criteria that could meet cost of service requirements, we do not believe that MWD has done so with the current conservation plan and programs. Indeed, MWD’s attorney stated during the trial that MWD’s position is that any water supply benefits of its demand management programs is merely “speculative” (Reporter’s Transcript of Proceedings, Vol. VI, January 23, 2014 at page 945, line 7 (“January 23 Transcript”)). “...whether there would be a supply benefit is unknown. There is – that would just be speculation.” (January 23 Transcript, page 945, lines 16-19)....“whether there would be any supply benefit at all is speculative.” (January 23 Transcript, pages 945-946, lines 25-1). This type of speculative benefit cannot meet cost of service requirements.

Board Memo 8-2 states under the “policy” section that, “Additional enhancements that could complement Metropolitan’s participation in local resource development are being considered, including opening participation for other water resources, payment restructuring, financial investments, and partnerships.” No information has been provided to the board on this subject matter; accordingly, we request that you bring back next month, prior to any specific project being recommended, an explanation of what these “additional enhancements” consist of and what the source of revenues will be used to pay for them.
F&I Committee
A. Grunfeld, Chair
B. Barbre, V. Chair
R. Apodaca
S. Blois
D. Dear
D. De Jesus
T. Evans
C. Kurtz
K. Lewinger
M. Touhey
L. Vasquez
R. Wunderlich

Finance and Insurance Committee
Meeting with Board of Directors*

May 12, 2014

9:00 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 April 7, 2014

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

4. CONSENT CALENDAR ITEMS — ACTION
   7-1 Adopt final resolutions for annexation and water standby charge levy for the 43rd Fringe Area Annexation to Western Municipal Water District and to Metropolitan. (F&I)
Recommendation:

Option #1:

Review and consider information provided in the certified Final Environmental Impact Report and adopt the Lead Agency’s findings related to the proposed actions, and

a. Subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the Board meeting on this matter, adopt resolution granting Western’s request for approval of 43rd Fringe Area Annexation concurrently to Western and Metropolitan, and establish Metropolitan’s terms and conditions for the annexation, conditioned upon approval by the Riverside Local Agency Formation Commission, and upon receipt of annexation fee of $228,595.58; and

b. Subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the Board meeting on this matter, adopt resolution to impose water standby charge at a rate of $9.23 per acre, or per parcel of less than one acre, within the proposed annexation area.

5. OTHER BOARD ITEMS — ACTION

8-1 Adopt resolution to continue Metropolitan’s Water Standby Charge for fiscal year 2014/15. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA and adopt resolution to continue the water standby charge for fiscal year 2014/15.

8-2 Authorize execution and distribution of the Official Statement in connection with the issuance of the Special Variable Rate Water Revenue Refunding Bonds, 2014 Series D, and authorize payment of costs of issuance from bond proceeds. (F&I)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA, and

a. Approve the draft Official Statement substantially in the form attached to the board letter, with changes approved by the General Manager and General Counsel;

b. Authorize the General Manager to execute the official Statement;

c. Authorize distribution of the Official Statement in connection with remarketing and marketing of the bonds; and

d. Authorize payment of costs of issuance of bonds as operations and maintenance expenses in the manner set forth in the board letter.

6. BOARD INFORMATION ITEMS

9-1 Renewal status of Metropolitan’s Property and Casualty Insurance Program. (F&I)

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.

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

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

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

Date of Notice: April 30, 2014
Water Planning and Stewardship Committee

Meeting with Board of Directors*

May 12, 2014

10:00 a.m. – Room 2-456

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

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

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

2. Approval of the Minutes of the meeting of the Water Planning and Stewardship Committee held April 7, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-6 Authorize changes to conservation program in response to drought conditions. (WP&S)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorize the proposed changes to the conservation program in response to drought conditions.

5. BOARD INFORMATION ITEMS

None

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

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

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Date of Notice: April 30, 2014
REVISED AGENDA

E&O Committee
T. Evans, Chair
G. Brown, V. Chair
B. Barbre
S. Blois
M. Camacho
D. De Jesus
A. Grunfeld
R. Lefevre
S. Lowenthal
J. Morris
G. Peterson
R. Record
F. Steiner

Engineering and Operations Committee
Meeting with Board of Directors*

May 12, 2014
11:00 a.m. -- Room 2-145

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

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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 Engineering and Operations Committee held April 8, 2014

3. CONSENT CALENDAR ITEMS — ACTION

7-2 Appropriate $140,000; and authorize: (1) design of copper sulfate storage facilities at Lake Mathews and Lake Skinner; and (2) increase in change order authority for PCCP repairs on the Second Lower Feeder (Approps. 15441 and 15471). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are exempt from CEQA, and
a. Appropriate $140,000;
b. Authorize final design of copper sulfate storage facilities at Lake Mathews and Lake Skinner; and
c. Authorize increase in change order authority for the Site 3 PCCP Repairs on the Second Lower Feeder, up to an aggregate amount not to exceed $1,097,325.

Revised 7-3

Adopt resolutions supporting Metropolitan’s application for low-interest financing and acceptance of low-interest financing from the Safe Drinking Water State Revolving Fund; and authorize agreement with TSG Enterprises, Inc. to administer a funding agreement compliance program. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the action is not subject to CEQA, and
a. Adopt a board resolution authorizing the General Manager to apply for Safe Drinking Water State Revolving Fund low-interest financing for enhanced bromate control at the Mills plant;
b. Adopt a board resolution authorizing a funding agreement with the California Department of Public Health for Safe Drinking Water State Revolving Fund low-interest financing for enhanced bromate control and filter biomass control at the Weymouth plant; and
c. Authorize agreement with TSG Enterprises, Inc. in an amount not to exceed $150,000 to administer a funding agreement compliance program.

7-4

Appropriate $1.95 million; and authorize: (1) final design to replace filter valves at the F. E. Weymouth Water Treatment Plant; and (2) amendment to agreement with Carollo Engineers, Inc. (Approp. 15369). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified EIR and that no further environmental analysis or documents is required, and
a. Appropriate $1.95 million;
b. Authorize final design to replace filter valves at the Weymouth plant; and

c. Authorize increase of $877,000 to the existing agreement with Carollo Engineers, Inc., for a new not-to-exceed total of $1.12 million.
7-5  Appropriate $530,000; and authorize two rehabilitation projects at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt and have been previously addressed in the certified EIR, and that no further environmental analysis or documentation is required, and

a. Appropriate $530,000;

b. Authorize preliminary design of washwater pump station improvements at the Weymouth plant; and

c. Authorize final design of water quality instrumentation improvements.

7-6  Appropriate $1.68 million; and authorize final design of two rehabilitation projects on the Colorado River Aqueduct (Approp. 15438). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $1.68 million;

b. Authorize final design to replace radial gates on the Colorado River Aqueduct; and

c. Authorize final design of canal improvements.

7-7  Appropriate $1.7 million; and authorize two projects to enhance water supply reliability in the West Valley area (Approp. 15488). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $1.7 million;

b. Authorize final design to rehabilitate the Greg Avenue Pump Station; and

c. Authorize final design and construction of flow control modifications at the Jensen plant.
4. OTHER BOARD ITEMS — ACTION

8-4  Appropriate $9.4 million; and authorize: (1) $6,583,000 agreement with Advanced Electronics, Inc., for the Emergency Radio Communications System; and (2) increase of $300,000 to agreement with Hatfield & Dawson Consulting Engineers, LLC (Approp. 15376). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $9.4 million;
b. Authorize $6,583,000 agreement with Advanced Electronics, Inc., for the Emergency Radio Communications System; and
c. Authorize increase of $300,000 to the existing agreement with Hatfield & Dawson Consulting Engineers, LLC, for a new not-to-exceed total of $550,000.

8-5  Appropriate $3.4 million; and authorize: (1) final design of seismic upgrades to Metropolitan’s Headquarters Building in Los Angeles; and (2) amendments to agreements with ABSG Consulting, Inc., Simpson Gumpertz & Heger, Inc., and UC Irvine to provide specialized engineering services (Approp. 15473). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $3.4 million;
b. Authorize final design of upgrades to Metropolitan’s Headquarters Building to meet seismic requirements for existing State-occupied buildings;
c. Authorize increase of $1.8 million to the existing agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $2.3 million;
d. Authorize increase of $100,000 to the existing agreement with Simpson Gumpertz & Heger Inc., for a new not-to-exceed total of $300,000; and
e. Authorize increase of $426,000 to the existing agreement with UC Irvine, for a new not-to-exceed total of $675,000.

5. BOARD INFORMATION ITEMS

None
6. COMMITTEE ITEMS

   None

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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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.
REVISED AGENDA
Communications and Legislation Committee
Meeting with Board of Directors*

May 12, 2014
12:30 p.m. -- Room 2-456

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

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

2. Approval of the Minutes of the meeting of the Communications and Legislation Committee held April 7, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None

REVISED: Date of Notice: May 8, 2014
5. **BOARD INFORMATION ITEMS**

9-2 Report on federal legislation related to invasive species. (C&L)

6. **COMMITTEE ITEMS**

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

   **Added**
   
   c. Update on regional water awareness and conservation campaign

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.

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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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.
REVISED AGENDA

Legal and Claims Committee

Meeting with Board of Directors*

May 13, 2014

10:00 a.m. -- Room 2-145

Note change in time of meeting

May 13, 2014

Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
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<th>Purpose</th>
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<tbody>
<tr>
<td>7:00-8:00 a.m.</td>
<td>Rm. 2-413</td>
<td>Dirs. Computer Training</td>
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<tr>
<td>10:00 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
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<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
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* The Metropolitan Water District’s Legal and Claims Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Legal and Claims Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Legal and Claims Committee will not vote on matters before the Legal and Claims Committee.

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

2. Approval of the Minutes of the meeting of the Legal and Claims Committee held April 8, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-3 Authorize increase of maximum amount payable under contract with Duncan, Weinberg, Genzer & Pembroke, P.C. for legal services related to Federal Energy Regulatory Commission by $150,000 to an amount not to exceed $3,175,000. (L&C)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and authorize the General Counsel to amend the agreement with Duncan, Weinberg, Genzer & Pembroke, P.C. to increase by $150,000 the maximum amount payable under the contract to a total of $3.175 million in order to assist Metropolitan with legal services.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. General Counsel’s report of monthly activities

b. Review of Administrative Code Section 6433 relating to Claims under Capital Construction Contracts

c. General Counsel’s Business Plan 2014/15

d. 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(d)(1)]

Revised
e. Report on *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case Nos. CPF-10-510830 and CPF-12-512466, and report on anticipated litigation based on the San Diego County Water Authority Board of Directors’ authorization to file litigation challenging Metropolitan’s 2015 and 2016 rates and its General Manager’s letter asserting a breach of contract claim. [Conference with legal counsel—existing litigation and anticipated litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1) and (d)(2)]

7. FOLLOW-UP ITEMS

None

REvised: Date of Notice: May 6, 2014
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.

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.
REVISED AGENDA

Regular Board Meeting

May 13, 2014

12:00 p.m. -- Board Room

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

### Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Room</th>
<th>Event</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>10:00 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
</tr>
</tbody>
</table>

1. **Call to Order**
   (a) Invocation: Meang Hassel, Senior Engineer, Engineering Services
   
   (b) Pledge of Allegiance: Director Jennifer Fitzgerald

2. **Roll Call**

3. **Determination of a Quorum**

### PUBLIC HEARING

Comments on the standby charge levy supporting 43rd Fringe Area Annexation to Western Municipal Water District and Metropolitan

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))

**REVISED:** Date of Notice: May 2, 2014
5. OTHER MATTERS

A. Approval of the Minutes of the Meeting for April 8, 2014. (A copy has been mailed to each Director)
   Any additions, corrections, or omissions

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

C. Induction of new Director, Glen C. Dake, from city of Los Angeles
   (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

F. Nomination and election of Board Chairman for unexpired term ending December 31, 2014 and two-year term effective January 1, 2015

6. DEPARTMENT HEADS’ REPORTS

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

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

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt final resolutions for annexation and water standby charge levy for the 43rd Fringe Area Annexation to Western Municipal Water District and to Metropolitan. (F&I)
Recommendation:

Option #1:

Review and consider information provided in the certified Final Environmental Impact Report and adopt the Lead Agency’s findings related to the proposed actions, and

a. Subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the Board meeting on this matter, adopt resolution granting Western’s request for approval of 43rd Fringe Area Annexation concurrently to Western and Metropolitan, and establish Metropolitan’s terms and conditions for the annexation, conditioned upon approval by the Riverside Local Agency Formation Commission, and upon receipt of annexation fee of $228,595.58; and

b. Subject to the approval of the imposition of the standby charge at the public hearing, which will be held immediately prior to the Board meeting on this matter, adopt resolution to impose water standby charge at a rate of $9.23 per acre, or per parcel of less than one acre, within the proposed annexation area.

7-2 Appropriate $140,000; and authorize: (1) design of copper sulfate storage facilities at Lake Mathews and Lake Skinner; and (2) increase in change order authority for PCCP repairs on the Second Lower Feeder (Approps. 15441 and 15471). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $140,000;

b. Authorize final design of copper sulfate storage facilities at Lake Mathews and Lake Skinner; and

c. Authorize increase in change order authority for the Site 3 PCCP Repairs on the Second Lower Feeder, up to an aggregate amount not to exceed $1,097,325.

7-3 Adopt resolutions supporting Metropolitan’s application for low-interest financing and acceptance of low-interest financing from the Safe Drinking Water State Revolving Fund; and authorize agreement with TSG Enterprises, Inc. to administer a funding agreement compliance program. (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the action is not subject to CEQA, and
a. Adopt a board resolution authorizing the General Manager to apply for Safe Drinking Water State Revolving Fund low-interest financing for enhanced bromate control at the Mills plant;
b. Adopt a board resolution authorizing a funding agreement with the California Department of Public Health for Safe Drinking Water State Revolving Fund low-interest financing for enhanced bromate control and filter biomass control at the Weymouth plant; and
c. Authorize agreement with TSG Enterprises, Inc. in an amount not to exceed $150,000 to administer a funding agreement compliance program.

7-4 Appropriate $1.95 million; and authorize: (1) final design to replace filter valves at the F. E. Weymouth Water Treatment Plant; and (2) amendment to agreement with Carollo Engineers, Inc. (Approp. 15369). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified EIR and that no further environmental analysis or documents is required, and
a. Appropriate $1.95 million;
b. Authorize final design to replace filter valves at the Weymouth plant; and

c. Authorize increase of $877,000 to the existing agreement with Carollo Engineers, Inc., for a new not-to-exceed total of $1.12 million.

7-5 Appropriate $530,000; and authorize two rehabilitation projects at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt and have been previously addressed in the certified EIR, and that no further environmental analysis or documentation is required, and
a. Appropriate $530,000;
b. Authorize preliminary design of washwater pump station improvements at the Weymouth plant; and

c. Authorize final design of water quality instrumentation improvements.
7-6 Appropriate $1.68 million; and authorize final design of two rehabilitation projects on the Colorado River Aqueduct (Approp. 15438). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
   a. Appropriate $1.68 million;
   b. Authorize final design to replace radial gates on the Colorado River Aqueduct; and
   c. Authorize final design of canal improvements.

7-7 Appropriate $1.7 million; and authorize two projects to enhance water supply reliability in the West Valley area (Approp. 15488). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt from CEQA, and
   a. Appropriate $1.7 million;
   b. Authorize final design to rehabilitate the Greg Avenue Pump Station; and
   c. Authorize final design and construction of flow control modifications at the Jensen plant.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt resolution to continue Metropolitan’s Water Standby Charge for fiscal year 2014/15. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA and adopt resolution to continue the water standby charge for fiscal year 2014/15.
8-2 Authorize execution and distribution of the Official Statement in connection with the issuance of the Special Variable Rate Water Revenue Refunding Bonds, 2014 Series D, and authorize payment of costs of issuance from bond proceeds. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA, and
a. Approve the draft Official Statement substantially in the form attached to the board letter, with changes approved by the General Manager and General Counsel;
b. Authorize the General Manager to execute the official Statement;
c. Authorize distribution of the Official Statement in connection with remarketing and marketing of the bonds; and
d. Authorize payment of costs of issuance of bonds as operations and maintenance expenses in the manner set forth in the board letter.

8-3 Authorize increase of maximum amount payable under contract with Duncan, Weinberg, Genzer & Pembroke, P.C. for legal services related to Federal Energy Regulatory Commission by $150,000 to an amount not to exceed $3,175,000. (L&C)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and authorize the General Counsel to amend the agreement with Duncan, Weinberg, Genzer & Pembroke, P.C. to increase by $150,000 the maximum amount payable under the contract to a total of $3.175 million in order to assist Metropolitan with legal services.

8-4 Appropriated $9.4 million; and authorize: (1) $6,583,000 agreement with Advanced Electronics, Inc. for the Emergency Radio Communications System; and (2) increase of $300,000 to agreement with Hatfield & Dawson Consulting Engineers, LLC (Approp. 15376). (E&O)
Recommendation:

Option #1:

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

- a. Appropriate $9.4 million;
- b. Authorize $6,583,000 agreement with Advanced Electronics, Inc., for the Emergency Radio Communications System; and
- c. Authorize increase of $300,000 to the existing agreement with Hatfield & Dawson Consulting Engineers, LLC, for a new not-to-exceed total of $550,000.

Appropriate $3.4 million; and authorize:

- (1) final design of seismic upgrades to Metropolitan’s Headquarters Building in Los Angeles; and
- (2) amendments to agreements with ABSG Consulting, Inc., Simpson Gumpertz & Heger, Inc., and UC Irvine to provide specialized engineering services (Approp. 15473). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate $3.4 million;
- b. Authorize final design of upgrades to Metropolitan’s Headquarters Building to meet seismic requirements for existing State-occupied buildings;
- c. Authorize increase of $1.8 million to the existing agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $2.3 million;
- d. Authorize increase of $100,000 to the existing agreement with Simpson Gumpertz & Heger Inc., for a new not-to-exceed total of $300,000; and
- e. Authorize increase of $426,000 to the existing agreement with UC Irvine, for a new not-to-exceed total of $675,000.

Authorize changes to conservation program in response to drought conditions. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorize the proposed changes to the conservation program in response to drought conditions.
9. BOARD INFORMATION ITEMS

9-1 Renewal status of Metropolitan’s Property and Casualty Insurance Program. (F&I)

9-2 Report on federal legislation related to invasive species. (C&L)

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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May 22, 2014

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 May 14, 2014 CRB meeting held in Ontario, California.

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

Drought Update
On April 25, 2014, Governor Brown issued a Proclamation of a Continued State of Emergency which continues all drought relief programs and initiates an additional 19 programs to address drought conditions. In addition to previous drought relief funding, more funding is included in the State’s May revised budget, including an allocation for the Department of Forestry and Fire Protection (CAL FIRE) to mitigate effects of the drought. The Department of Water Resources has continued to issue weekly Drought Briefs (Attachment 1) which provide updates on current conditions and key action items for the drought. The April 29, 2014 Drought Monitor map for California indicates that 100% of the state is still experiencing some level of drought with 70% in the extreme or exceptional drought levels. Statewide snowpack levels remain low at 18% of average as of May 1.

Water Supply and Reservoir Operations
As of May 4, 2014, total system storage was 28.1 million acre-feet (maf), or 47 percent of capacity, which is about 2.99 maf less than a year ago. On May 5, Lake Mead was at 43 percent of capacity with 11.19 maf, and Lake Powell was at 40 percent capacity with 9.82 maf. As of May 2, unregulated inflow to Lake Powell forecasted for Water Year 2014 is 10.8 maf, or 100% of average. The Upper Basin snowpack was 102% of average and precipitation was at 97% of average for the water year. A more detailed water supply report is included as Attachment 2.

The official Colorado River accounting report by the Bureau of Reclamation (Reclamation) for calendar year 2013 is expected to be finalized in the upcoming weeks.

Minute 319
The pulse flow for environmental purposes as part of Minute 319 is continuing to make its way toward the Colorado River delta. As of May 2, the pulse flow had travelled 80 miles down the river corridor from Morelos Dam. As of the CRB meeting on May 14, there were predictions that a connection between the pulse flow and the Sea of Cortez would be achieved the following day. Pulse flow deliveries of 105,392 acre-feet began on March 23 and are scheduled to end on May 18. The pulse flow will be followed by a base flow of 52,696 acre-feet delivered through 2017 to maintain active and passive restoration established by the pulse flow.
Glen Canyon Dam Long-Term Experimental Management Plan EIS Process
The Department of Interior is planning to present the results of its “swing-weighting” exercise that was done for proposed Environmental Impact Study (EIS) alternatives as a decision support analysis process to balance the various competing interests in the Grand Canyon. At a recent workshop, modeling results were presented that indicate the Resource-Targeted Condition-Dependent (RTCD) option submitted by the Basin States was the best alternative to meet the resource goals. It is hoped that the results of the “swing-weighting” will show the RCTD alternative performed well.

Lower Colorado River Multi-Species Conservation Program (LCR MSCP)
At the April 23, 2014 meeting of the LCR MSCP, the Steering Committee approved three minor modifications to the Habitat Conservation Plan (HCP). These changes are associated with conservation measures specified and activities proposed for the western yellow bat, Arizona’s Bell’s vireo, and the Colorado River cotton rat. The modifications result from research and analysis of the monitoring data collected since 2005 when the program was initiated. The U.S. Fish and Wildlife Service (USFWS) reported that it will be publishing a technical correction to the official list of threatened and endangered species regarding the listed range for the Yuma clapper rail. The change in listed range will have no impact on the LCR MSCP.

Lower Colorado River Water Supply Project
The Lower Colorado River Water Supply Project (LCRWSP) was authorized in 1986 to provide a limited amount of Colorado River water to be made available on an exchange basis to California entities with parcels adjacent to the river but with no or insufficient entitlement to use Colorado River water. Initially, the LCRWSP was authorized to construct two wells in the Sand Hills area, which currently produce around 5,000 acre-feet per year. In 2005, Phase II of the project was authorized which includes the design and construction of additional wells to expand the total capacity of the project to 10,000 acre-feet. Phase II is targeted for completion in October 2015.

The City of Needles contracts with Reclamation for water from the project and acts as the project administrator for additional approved water users. Applications for seven parcels of property seeking a total of 48 acre-feet per year were submitted and met the eligibility requirements. The CRB voted and unanimously adopted Board Resolution 2014-1 which approves the additional water users.

Colorado River Authority
A Special Meeting of the Colorado River Board was held following the regular meeting for the Colorado River Authority (CRA). Mr. Tom Levy, General Manager of the CRA, presented a proposed plan for a three-day tour of the Lower Colorado River Multi-Species Conservation Program projects along the Colorado River for Colorado River Board members and staff in October. The Board approved funding allocated for the proposed tour.

Prepared by: Kara Mathews, Assistant Water Resources Specialist
Reviewed by: Dan Denham, Colorado River Program Director
Approved by: Doug Wilson, CRB Representative

Attachment 1: CRB Drought Report
Attachment 2: CRB Water Supply Report
CURRENT CONDITIONS

Recent Precipitation: Minimal precipitation fell from Saturday, May 3 through Sunday, May 11:

- **Folsom:** 0.36” in the last week. 16.13” since July 1, 73% of normal by this date.
- **Fresno:** 0.01” in the last week. 4.89” since July 1, 45% of normal by this date.
- **Hetch Hetchy:** 0.34” in the last week. 19.91” since July 1, 56% of normal by this date.
- **Los Angeles:** 0.00” in the last week. 5.83” since July 1, 40% of normal by this date.
- **Modesto:** 0.01” in the last week. 7.00” since July 1, 56% of normal by this date.
- **Oroville:** 0.40” in the last week. 19.56” since July 1, 65% of normal this date.
- **Pollock Pines:** 0.00” in the last week. 27.40” since July 1, 53% of normal by this date.
- **Redding:** 0.00” in the last week. 21.20” since July 1, 65% of normal by this date.
- **Sacramento:** 0.01” in the last week. 10.26” since July 1, 50% of normal by this date.
- **Shasta:** 0.46” in the last week. 34.62” since July 1, 56% of normal by this date.
- **Willits:** 0.00” in the last week. 34.32” since July 1, 70% of normal by this date.

** It is highly unlikely that precipitation totals will increase significantly over the coming months.**

Near-term Outlook for Precipitation: Warm and dry weather is expected across the state throughout this week.

Snow survey: The final manual snowpack survey of the season was conducted on Thursday (May 1) and showed California snowpack at 18% of normal. A slightly more recent update using automated devices shows snowpack at 14% of normal as of May 9.

Reservoir Levels (% capacity): Reservoir Levels as of May 10 remain low, including: Don Pedro 54%; Exchequer 29%; Folsom Lake 58%; Lake Oroville 52%; Millerton Lake 51%; New Melones 36%; Pine Flat 35%; San Luis 46%; Shasta 52%; and Trinity Lake 52%. An update of water levels at other smaller reservoirs is also available.

Vulnerable Water Systems: The California Department of Public Health is providing technical and funding assistance to help several communities facing near-term drinking water shortages and is monitoring water systems across the state to determine where else it can provide support. Updated information can be found at the CDPH Drinking Water Program website.

Fire Danger: State fire crews have battled 1,351 fires since January 1, which have burned 4,581 acres. This represents more than double the year to date average of 711 fires, burning an average of 4,376 acres. 107 new wildfires were reported over the past week. Strong winds across the state this week, including Santa Ana winds in Southern California, will increase fire danger significantly.

Additional firefighters, fire engines and firefighting aircraft staffed earlier than normal have allowed CALFIRE to contain many wildfires very quickly. Southern California fire stations have already reached peak staffing and northern California stations are set to reach peak staffing by May 30.
KEY ACTION ITEMS FROM LAST WEEK

- **US Department of Agriculture launches air quality initiative**: The Natural Resources Conservation Service, a division of USDA, has announced that it will assist farmers in turning woody debris from fallowed orchards and vineyards into woodchips that can reduce dust storms and erosion during the drought.

- **State’s Capitol Park implements drought measures**: The California Department of General Services on Friday rolled-out a new drought-tolerant irrigation and landscaping program for the Capitol Park in Sacramento in order to preserve hundreds of historic trees while reducing water usage.

- **Calfire to consider new protections against wildfire**: On Tuesday (May 13) the State’s Natural Resources Agency and Board of Forestry will meet in Riverside to discuss possible additional emergency regulations to protect forests and rangelands amidst increase wildfire risks.

- **Wildfire Awareness Week kicked off**: Last week, Governor Brown and US Interior Secretary Sally Jewell launched “Wildfire Awareness Week,” which Calfire holds annually to highlight steps to reduce wildfire risk. Governor Brown kicked of the weeklong event in Sacramento while Secretary Jewell participated in San Diego events.

- **Caltrans runs drought messaging on electronic signs**: The California Transportation Department utilized hundreds of its electronic freeway signs throughout the state to announce: “Serious Drought: Help Save Water.” This message first appeared on the signs in early February and will run for three days at the start of each month during the remainder of the drought.

- **Statewide radio ads launched to expand water conservation**: The state’s Save Our Water campaign this week is launching a statewide radio campaign to remind residents to reduce water use. These radio ads follow-on a series of radio advertising that ran earlier this spring and is coordinated with the state’s current outdoor billboard campaign that was launched last week.

- **State leaders travel to San Joaquin Valley to assess drought conditions**: Leaders of the Governor’s Drought Taskforce visited Visalia this morning (Monday) to meet with local government officials and the Tulare County Drought Taskforce. This is the fourth regional meeting of the state’s Drought Taskforce leaders, which has allowed state officials to assess conditions in local communities. To date, meetings have been held in Willits, Merced and Santa Cruz.

- **State moves to make water appliances more efficient**: The California Energy Commission last week began a process to adopt new efficiency standards for faucets, toilets and urinals in response to the drought emergency. These improved efficiency standards hold potential to save $1.12 billion in water and energy costs and reduce water use by 86.6 billion gallons a year throughout the state.

- **Third National Climate Assessment released**: The federal government last week released its third National Climate Assessment, which assesses the impact of climate change on different regions of the US. The assessment explained the scientific evidence that...
demonstrates droughts will likely become longer and more frequent in the coming years in this region of the country.

- **Local water agencies meet on drought:** Last week, over 400 local water agencies came together for the semi-annual conference of the Association of California Water Agencies (ACWA). The conference discussed current drought challenges and explored both short and long term efforts to build local water reliability. State and federal agencies participated in these discussions.

- **Cost Data:** Cal OES continues to gather drought-related costs from state agencies and local governments, which is reported weekly to the Drought Taskforce.

- **Governor’s Drought Task Force:** The Taskforce continues to meet daily to take actions that conserve water and coordinate state response to the drought.

**Local Government**

- **Local Emergency Proclamations:** A total of 41 local Emergency Proclamations have been received to date from city, county, and tribal governments, as well as special districts:
  - **Counties:** Glenn, Inyo, Kern, Kings, Lake, Madera, Mendocino, Merced, Modoc, Santa Barbara, San Luis Obispo, San Joaquin, Siskiyou, Sonoma, Sutter, Tulare, Tuolumne, Yuba
  - **Cities:** Brooktrails Township-Mendocino County, City of Willits-Mendocino County, City of St. Helena-Napa County, City of Calistoga-Napa County, City of American Canyon-Napa County, City of Santa Barbara-Santa Barbara County, City of Montague-Siskiyou County
  - **Tribes:** Hoopa Valley Tribe in Humboldt County, Yurok Tribe in Del Norte County, Tule River Indian Tribe in Tulare County, Karuk Tribe in Siskiyou/Humboldt Counties, Sherwood Valley Pomo Indian Tribe, Yocha Dehe Wintun Nation.
  - **Special Districts:** Lake Don Pedro Community Services District, Placer County Water Agency (PCWA), Twain Harte Community Services District, Carpinteria Valley Water District, Sonoma County Water Agency, Meiners Oaks Water District, Mariposa Public Utility District, Montecito Water District, Goleta Water District, Tuolumne Utilities District.

- **Water Agency Conservation Efforts:** The Association of California Water Agencies has identified several hundred local water agencies that have implemented water conservation actions. These water agencies are responding to the drought by implementing conservation programs, which include voluntary calls for reduced water usage and mandatory restrictions where water shortages are worst.

- **County Drought Taskforces:** A total of 23 counties have established drought task forces to coordinate local drought response. These counties include: Butte, Kern, Kings, Madera, Mendocino, Merced, Modoc, Nevada, Orange, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, Santa Barbara, Santa Clara, Siskiyou, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, and Yolo.
DROUGHT RELATED WEBSITES FOR MORE INFORMATION

**Drought.CA.Gov**: California’s Drought Information Clearinghouse

- Governor’s [Proclamation of Drought Emergency](#)
- State’s Water Conservation Campaign, [Save our Water](#)
- Local Government [Clearinghouse and Toolkit](#)
- California Department of Food and Agriculture, [Drought information](#)
- California Department of Water Resources [Current Water Conditions](#)
- California Data Exchange Center, [Snow Pack/Water Levels](#)
- California State Water Resources Control Board, Water Rights, [Drought Info and Actions](#)
- California Natural Resources Agency, Drought Info and Actions
- California Department of Public Health, Drinking Water [CDPH Drinking Water Program](#)
- California State Water Project, Information
- USDA Drought Designations by County [CA County Designations](#)
- USDA Disaster and Drought Assistance Information [USDA Programs](#)
- Small Business Administration Disaster Support: [www.sba.gov/disaster](#)
## LOWER COLORADO WATER SUPPLY REPORT

River Operations  
Bureau of Reclamation

### Questions:
BCOOWaterops@usbr.gov  
(702) 293-8373  
http://www.usbr.gov/lc/region/g4000/weekly.pdf

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**TOTAL SYSTEM CONTENTS**  
As of 05/04/2014  
52% 31,090

### Forecasts

- **percent based on capacity of 26,120 kaf or elevation 1219.6 feet.**  
- **TOTAL SYSTEM CONTENTS includes Upper & Lower Colorado River Reservoirs, less Lake Mead exclusive flood control space.**

### System Content Last Year

- 52% 31,090

### Forecasted Water Use for Calendar Year 2014 (as of 05/05/2014) (values in kaf)

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<th>Percent</th>
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<td>Salt/Verde System</td>
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<td>Painted Rock Dam</td>
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<td>Alamo Dam</td>
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### Upper Colorado Basin

**MILLION ACRE-FEET | % of Normal**

- **FORECASTED WATER YEAR 2014**  
  10.816  
  100%

- **FORECASTED APRIL-JULY 2014**  
  7.550  
  105%

- **APRIL OBSERVED INFLOW**  
  0.964  
  91%

- **MAY INFLOW FORECAST**  
  2.700  
  115%

### Water Year 2014 Precip to Date

- 97% (20.9")

### Current Basin Snowpack

- 102% (11.9")

NA (NA)

---

1 Delivery to Mexico forecasted yearly excess calculated using year-to-date observed and projected excess.
Snow Conditions

Data Queried: Thu, 01 May 2014 18:20:01 -0600

Help: Double Click Map to Zoom, Lat: 37.6 Lng: -110.6, Zoom: 6
Upper Colorado Region  Water Resources Group

River Basin Tea-Cup Diagrams

Data Current as of:
05/01/2014

Upper Colorado River Drainage Basin

Drainage Area 278,300 Square Kilometers

Email comments/inquires to: ResourceMgr@usbr.gov
NOAA National Weather Service Monthly Precipitation Maps for March and April 2014

Monthly Precipitation for March 2014
(Averaged by Hydrologic Unit)

% Average
+150%
120 - 150%
110 - 120%
100 - 110%
90 - 100%
70 - 90%
50 - 69%
<50%
Not Reported

Monthly Precipitation for April 2014
(Averaged by Hydrologic Unit)

% Average
+150%
120 - 150%
110 - 120%
100 - 110%
90 - 100%
70 - 90%
50 - 69%
<50%
Not Reported

Prepared by
NOAA National Weather Service
Colorado River Forecast Center
Salt Lake City, Utah
www.crbf.noaa.gov
ARIZONA, CALIFORNIA, NEVADA, MEXICO
FORECAST OF END-OF-YEAR CONSUMPTIVE USE
FORECAST BASED ON USE TO DATE AND APPROVED ANNUAL WATER ORDERS /1
(ACRE-FEET)

WATER USE SUMMARY

<table>
<thead>
<tr>
<th>States</th>
<th>Use To Date CY2014</th>
<th>Use Forecast CY2014</th>
<th>Approved Use CY2014</th>
<th>Excess to Approval CY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARIZONA</td>
<td>929,778</td>
<td>2,758,917</td>
<td>2,799,672</td>
<td>-40,755</td>
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<td>1,416,386</td>
<td>4,138,972</td>
<td>4,020,262</td>
<td>118,710</td>
</tr>
<tr>
<td>NEVADA</td>
<td>51,507</td>
<td>280,973</td>
<td>300,000</td>
<td>-19,027</td>
</tr>
<tr>
<td>STATES TOTAL</td>
<td>2,396,671</td>
<td>7,178,862</td>
<td>7,119,934</td>
<td>58,928</td>
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</table>

1/ Incorporates Jan-Feb USGS monthly data and 77 daily reporting stations which may be revised after provisional data reports are distributed by the USGS.
2/ Use to date estimated for users reporting monthly and annually.
3/ Includes unmeasured returns based on estimated consumptive use/diversion calculation on each state page.

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.Griffith 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
California Schedules and Approvals
Historic Use Records (Water Accounting Reports)

<table>
<thead>
<tr>
<th>WATER USER</th>
<th>Use To Date</th>
<th>Forecast 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>
</tr>
</thead>
<tbody>
<tr>
<td>CALIFORNIA PUMPERS</td>
<td>643</td>
<td>1,958</td>
<td>1,958</td>
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<td>1,150</td>
<td>3,500</td>
<td>3,500</td>
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<td>FORT MOJAVE INDIAN RESERVATION, CA</td>
<td>2,738</td>
<td>8,131</td>
<td>8,996</td>
<td>---</td>
<td>5,090</td>
<td>15,112</td>
<td>16,720</td>
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<tr>
<td>CITY OF NEEDLES (includes LCWSP use)</td>
<td>634</td>
<td>1,931</td>
<td>1,931</td>
<td>0</td>
<td>894</td>
<td>2,720</td>
<td>2,720</td>
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<td>647,233</td>
<td>546,660</td>
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<td>343,181</td>
<td>651,217</td>
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<td>3,444</td>
<td>3,444</td>
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<td>1,941</td>
<td>5,909</td>
<td>5,909</td>
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<td>PALO VERDE IRRIGATION DISTRICT</td>
<td>110,963</td>
<td>448,547</td>
<td>454,108</td>
<td>---</td>
<td>276,647</td>
<td>1,000,147</td>
<td>994,500</td>
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<td>YUMA PROJECT RESERVATION DIVISION</td>
<td>21,626</td>
<td>49,790</td>
<td>47,886</td>
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<td>34,201</td>
<td>99,001</td>
<td>102,700</td>
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<td>YUMA PROJECT RESERVATION DIVISION - INDIAN UNIT</td>
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<td>---</td>
<td>---</td>
<td>---</td>
<td>16,564</td>
<td>47,545</td>
<td>49,100</td>
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<td>YUMA PROJECT RESERVATION DIVISION - BARD UNIT</td>
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<td>---</td>
<td>17,837</td>
<td>51,457</td>
<td>53,600</td>
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<td>YUMA ISLAND PUMPERS</td>
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<td>4,974</td>
<td>4,974</td>
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<td>2,957</td>
<td>9,001</td>
<td>9,001</td>
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<td>FORT YUMA INDIAN RESERVATION - RANCH 5</td>
<td>177</td>
<td>540</td>
<td>675</td>
<td>---</td>
<td>322</td>
<td>979</td>
<td>1,221</td>
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<td>IMPERIAL IRRIGATION DISTRICT</td>
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<td>2,526,871</td>
<td>2,506,803</td>
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<td>819,036</td>
<td>2,618,068</td>
<td>2,607,017</td>
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<td>SALTON SEA SALINITY MANAGEMENT</td>
<td>40,000</td>
<td>90,000</td>
<td>90,000</td>
<td>---</td>
<td>22,321</td>
<td>93,585</td>
<td>93,451</td>
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<td>COACHELLA VALLEY WATER DISTRICT</td>
<td>107,705</td>
<td>354,705</td>
<td>352,000</td>
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<td>111,218</td>
<td>369,487</td>
<td>366,370</td>
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<tr>
<td>OTHER LCWSP CONTRACTORS</td>
<td>214</td>
<td>650</td>
<td>650</td>
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<td>334</td>
<td>1,016</td>
<td>1,016</td>
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<tr>
<td>CITY OF WINTERHAVEN</td>
<td>23</td>
<td>69</td>
<td>69</td>
<td>---</td>
<td>34</td>
<td>104</td>
<td>104</td>
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<tr>
<td>CHEMHEUEVI INDIAN RESERVATION</td>
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<td>128</td>
<td>6,101</td>
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<td>34</td>
<td>104</td>
<td>104</td>
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<tr>
<td>TOTAL CALIFORNIA</td>
<td>1,416,386</td>
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<td>4,026,255</td>
<td>112,717</td>
<td>1,623,051</td>
<td>4,881,185</td>
<td>4,765,332</td>
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<tr>
<td>FORT YUMA INDIAN RESERVATION /1</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>18,024</td>
<td>52,024</td>
<td>53,821</td>
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</table>

CALIFORNIA ADJUSTED APPORTIONMENT CALCULATION
California Basic Apportionment 4,400,000
Payback of IOPP Overrun (IID) -154,738
Intentionally Created Surplus Water (IID) -25,000
Creation of Extraordinary Conservation ICS (MWD) -200,000
Total State Adjusted Apportionment 4,020,262
Excess to Total State Adjusted Apportionment 118,710

ISG ANNUAL TARGET COMPARISON CALCULATION
Priorities 1, 2, 3b Use (PVID+YPRD+Island+PVID Mesa) 503,311
MWD Adjustment -83,311
Total California Agricultural Use (PVID+YPRD+Island+IID+CVWD) 3,384,887
California Agricultural Paybacks -154,738
Misc. PPRs Covered by IID and CVWD 14,500
California ICS Creation (IID ICS) 25,000
Total Use for Target Comparison 3,186,338
ISG Annual Target (Exhibit B) 3,462,000
Amount over/(under) ISG Annual Target (275,662)

NOTES:
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 Intentionally Created Surplus Water (IID)

ISG ANNUAL TARGET COMPARISON CALCULATION

California Basic Apportionment 4,400,000
Payback of IOPP Overrun (IID) 2,400,000
2,420,000
2,440,000
2,460,000
2,480,000
2,500,000
2,520,000
2,540,000
2,560,000
2,580,000
2,600,000

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Forecast Use, acft

 IID FORECAST

CVWD FORECAST

CA PRIORITIES 1&2 FORECAST

YUMA PROJECT, RESERVATION DIVISION FORECAST

PVID FORECAST
### Arizona Water Users
#### Forecast of End of 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 CY2014</th>
<th>Use FY2014</th>
<th>Estimated Use FY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date</th>
<th>Diversion FY2014</th>
<th>Approved Diversion FY2014</th>
<th>Excess to Approved Diversion CY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Pumpers</td>
<td>5,861</td>
<td>17,842</td>
<td>17,842</td>
<td>---</td>
<td>9,069</td>
<td>27,607</td>
<td>27,607</td>
<td>0</td>
</tr>
<tr>
<td>Lake Mead National Recreation Area, AZ</td>
<td>37</td>
<td>271</td>
<td>299</td>
<td>---</td>
<td>78</td>
<td>312</td>
<td>299</td>
<td>13</td>
</tr>
<tr>
<td>Davis Dam Project</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>---</td>
<td>18</td>
<td>54</td>
<td>54</td>
<td>0</td>
</tr>
<tr>
<td>Bullhead City</td>
<td>1,186</td>
<td>7,370</td>
<td>8,522</td>
<td>---</td>
<td>2,765</td>
<td>11,995</td>
<td>12,720</td>
<td>-725</td>
</tr>
<tr>
<td>Mohave Water Conservation</td>
<td>162</td>
<td>494</td>
<td>494</td>
<td>---</td>
<td>242</td>
<td>738</td>
<td>738</td>
<td>0</td>
</tr>
<tr>
<td>Brookie Water LLC</td>
<td>70</td>
<td>212</td>
<td>212</td>
<td>---</td>
<td>104</td>
<td>317</td>
<td>317</td>
<td>0</td>
</tr>
<tr>
<td>Mohave Valley IID</td>
<td>3,680</td>
<td>19,501</td>
<td>22,617</td>
<td>---</td>
<td>7,809</td>
<td>37,108</td>
<td>41,883</td>
<td>-4,775</td>
</tr>
<tr>
<td>Fort Mohave Indian Reservation, AZ</td>
<td>11,927</td>
<td>44,016</td>
<td>42,120</td>
<td>---</td>
<td>22,088</td>
<td>81,512</td>
<td>78,000</td>
<td>3,512</td>
</tr>
<tr>
<td>Golden Shores Water Conservation District</td>
<td>79</td>
<td>239</td>
<td>239</td>
<td>---</td>
<td>117</td>
<td>357</td>
<td>357</td>
<td>0</td>
</tr>
<tr>
<td>Havasu National Wildlife Refuge</td>
<td>2,090</td>
<td>4,519</td>
<td>3,563</td>
<td>---</td>
<td>1,880</td>
<td>43,700</td>
<td>41,820</td>
<td>3,512</td>
</tr>
<tr>
<td>City of Parker</td>
<td>1,186</td>
<td>7,370</td>
<td>8,522</td>
<td>---</td>
<td>2,765</td>
<td>11,995</td>
<td>12,720</td>
<td>-725</td>
</tr>
<tr>
<td>Mohave Valley IID</td>
<td>3,680</td>
<td>19,501</td>
<td>22,617</td>
<td>---</td>
<td>7,809</td>
<td>37,108</td>
<td>41,883</td>
<td>-4,775</td>
</tr>
<tr>
<td>Fort Mohave Indian Reservation, AZ</td>
<td>11,927</td>
<td>44,016</td>
<td>42,120</td>
<td>---</td>
<td>22,088</td>
<td>81,512</td>
<td>78,000</td>
<td>3,512</td>
</tr>
<tr>
<td>Golden Shores Water Conservation District</td>
<td>79</td>
<td>239</td>
<td>239</td>
<td>---</td>
<td>117</td>
<td>357</td>
<td>357</td>
<td>0</td>
</tr>
<tr>
<td>Havasu National Wildlife Refuge</td>
<td>2,090</td>
<td>4,519</td>
<td>3,563</td>
<td>---</td>
<td>1,880</td>
<td>43,700</td>
<td>41,820</td>
<td>3,512</td>
</tr>
</tbody>
</table>

### Arizona Adjusted Apportionment Calculation

- **Arizona Basic Apportionment**: 2,800,000
- **Payback of IOPP overruns (Cocopah, Beattie Farms)**: -328
- **System Conservation Created in Arizona (YMIDD)**: 662,935
- **Payback of IOPP overruns (Cocopah, Beattie Farms)**: -328

| Total State Adjusted Apportionment | 2,798,672 |
| Excess to Total State Adjusted Apportionment | -40,755 |

#### Estimated Allowable Use for CAP
1,567,905

**Notes:**
- Divisions 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.
### Nevada Water Users

**Forecast of End of Year Consumptive Use**

Forecast based on use to date and approved annual water orders.

#### Nevada Schedules and Approvals

Historic Use Records (Water Accounting Reports)

<table>
<thead>
<tr>
<th>WATER USER</th>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date CY2014</th>
<th>Forecast Diversion CY2014</th>
<th>Approved Diversion CY2014</th>
<th>Excess To Approved Diversion CY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Robert B. Griffith Water Project (SNWS)</strong></td>
<td>115,046</td>
<td>454,184</td>
<td>473,360</td>
<td>-19,176</td>
<td>115,046</td>
<td>454,184</td>
<td>473,360</td>
<td>-19,176</td>
</tr>
<tr>
<td><strong>Lake Mead National Recreation Area, NV.</strong></td>
<td>221</td>
<td>761</td>
<td>792</td>
<td>---</td>
<td>221</td>
<td>761</td>
<td>792</td>
<td>-31</td>
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<tr>
<td><strong>Basic Management Inc.</strong></td>
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<td>8,208</td>
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<td>2,401</td>
<td>7,778</td>
<td>8,208</td>
<td>-430</td>
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<td><strong>City of Henderson (BMI Delivery)</strong></td>
<td>3,941</td>
<td>16,502</td>
<td>15,678</td>
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<td>3,941</td>
<td>16,502</td>
<td>15,678</td>
<td>624</td>
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<td><strong>City of Boulder City at Hoover Dam</strong></td>
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<td>0</td>
<td>---</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td><strong>Nevada State Dept. of Fish &amp; Game</strong></td>
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<td>12</td>
<td>12</td>
<td>0</td>
<td>125</td>
<td>355</td>
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<td><strong>Pacific Coast Building Products Inc.</strong></td>
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<td>953</td>
<td>928</td>
<td>---</td>
<td>326</td>
<td>953</td>
<td>928</td>
<td>25</td>
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<td><strong>Boulder Canyon Project</strong></td>
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<td>40</td>
<td>---</td>
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<td>72</td>
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<tr>
<td><strong>Big Bend Water District</strong></td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Fort Mojave Indian Tribe</strong></td>
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<td>3,685</td>
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<td>961</td>
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<tr>
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**Total Nevada**

<table>
<thead>
<tr>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date CY2014</th>
<th>Forecast Diversion CY2014</th>
<th>Approved Diversion CY2014</th>
<th>Excess To Approved Diversion CY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>51,507</td>
<td>280,973</td>
<td>300,000</td>
<td>-19,027</td>
<td>124,268</td>
<td>491,002</td>
<td>509,999</td>
<td>-19,052</td>
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</tbody>
</table>

**Southern Nevada Water System (SNWS)**

<table>
<thead>
<tr>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date CY2014</th>
<th>Forecast Diversion CY2014</th>
<th>Approved Diversion CY2014</th>
<th>Excess To Approved Diversion CY2014</th>
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</thead>
<tbody>
<tr>
<td>43,008</td>
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<td>454,184</td>
<td>36,818</td>
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**ALL OTHERS**

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<tr>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date CY2014</th>
<th>Forecast Diversion CY2014</th>
<th>Approved Diversion CY2014</th>
<th>Excess To Approved Diversion CY2014</th>
</tr>
</thead>
<tbody>
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<td>37,000</td>
<td>9,000</td>
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</table>

**Nevada Uses Above Hoover**

<table>
<thead>
<tr>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date CY2014</th>
<th>Forecast Diversion CY2014</th>
<th>Approved Diversion CY2014</th>
<th>Excess To Approved Diversion CY2014</th>
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<tr>
<td>49,914</td>
<td>275,106</td>
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<td>480,605</td>
<td>10,397</td>
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**Nevada Uses Below Hoover**

<table>
<thead>
<tr>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion To Date CY2014</th>
<th>Forecast Diversion CY2014</th>
<th>Approved Diversion CY2014</th>
<th>Excess To Approved Diversion CY2014</th>
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</thead>
<tbody>
<tr>
<td>1,593</td>
<td>5,867</td>
<td>---</td>
<td>10,397</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Tributary Conservation & Imported Intentionally Created Surplus**

| Total Requested Tributary Conservation Intentionally Created Surplus | 37,000 |
| Total Requested Imported Conservation Intentionally Created Su | 9,000 |
| 5% System Cut for Creation of Intentionally Created Surplus | -2,300 |
| Total Intentionally Created Surplus Left in Lake Mead | 43,700 |

**NEVADA ADJUSTED APPORTIONMENT CALCULATION**

| Nevada Basic Apportionment | 300,000 |
| Excess to Total State Adjusted Apportionment | -19,027 |

**Notes:**

Click on Nevada Schedules and Approvals above for incoming diversion schedules and approvals.
Congressional Schedule

The House will be in session briefly following the Memorial Day holiday, but will then be out the first week of June and the first week of July. The official House calendar leaves 40 days of business before Election Day, with 14 of those days shortened to allow time for travel. October 2 is scheduled to be the last day of business before November. Two weeks have been scheduled tentatively for both November and December, if needed.

The Senate will follow roughly the same schedule, with slightly different district work periods, but many of their business days will be in pro forma session when little legislative business is expected. While the Senate is scheduled to hold a short lame duck session, it traditionally determines its schedule following Election Day and is likely to match the House’s plans. It is also likely that FY 2015 appropriations bills, or an omnibus spending bill, will be completed during the lame duck session.

The two biggest casualties of this very limited schedule will likely be the reform of immigration and tax law, where there has been little actual movement on either, despite some public shows of action.

Congress Ready to Approve Water Resource Legislation

After six months of negotiations, House and Senate conferees reached a final agreement on the Water Resources Reform and Development Act (WRRDA). The House approved the bill on May 20 by a 412 to 4 margin. The Senate will consider the bill in the next few days. The Senate is expected to pass it and President Obama is expected to sign it.

The final deal includes a new, five-year “Water Infrastructure Finance and Innovation Act” (WIFIA) pilot program that will be administered by the Corps of Engineers or EPA, depending on the type of project. Among those eligible for EPA assistance are “brackish or sea water desalination, managed aquifer recharge, or water recycling” projects.
WIFIA financial assistance may be used to address the cost of—

- development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
- construction, reconstruction, rehabilitation, and replacement activities;
- the acquisition of real property or an interest in real property (including water rights, land relating to the project, and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment; and
- capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.

Eligibility for assistance is restricted to projects that do not utilize other tax-exempt bond financing tools, i.e., municipal bonds. Projects will also need to meet “Buy America” iron and steel requirements (waivers are allowed) and adhere to prevailing wage standards.

**No Movement on Feinstein Revised Drought Bill**

As we reported last month, Senator Feinstein introduced a revised version of an earlier drought-response bill (S. 2016) to address the criticism regarding new spending. S.2198, the Emergency Drought Relief Act of 2014, has garnered more cosponsors, including one Republican (Senator Dean Heller of Nevada). A few more Republicans have indicated they may support cloture for the bill, but Feinstein continues to search for 60 votes to bring the bill before the full Senate.

As an indication of the difficulty she is having, more than 35 environmental organizations sent a letter last week to Senators Feinstein and Boxer expressing their combined opposition to the revised bill. She works well behind the scenes, but it doesn’t appear she is gaining the support she needs in the Senate to advance her bill.

The bill is essentially the same as S. 2016, but Feinstein dropped $300 million of new emergency funding from the bill and broadened incentives for other Western states, particularly Hawaii, Nevada, and Arizona. The bill authorizes funding to increase water supply at Lake Mead and other reservoirs in the Colorado River system.

The bill would extend State Revolving Fund loan repayments to 40 years, from the current 20-year length. It would increase authorized funding under the Drought Relief Act by $100 million and increases authorized funding for WaterSMART conservation programs by $100 million. It would also waive the cost-share requirement for emergency-related water supply projects funded through the WaterSMART program.
While agricultural organizations south of the Delta generally support S. 2198, environmentalists have been very critical of the bill. Senator Boxer remains a supporter of the legislation and is working to head off much of their criticism. She also intends to soon introduce her own drought response legislation, Water for the 21st Century (W21). The White House has not taken a position on S. 2198.

If Feinstein can secure 60 votes for cloture, Majority Leader Harry Reid (also a cosponsor) has said he would like to bring it up as soon as possible. With summer approaching, failure to move a drought bill will likely shift attention to the annual appropriations process as a way to direct funding for drought-relief, but enactment of spending bills is not expected before October at the earliest.

**Comment Period Opens for “Waters of the United States” Rule**

In late April the U.S. Environmental Protection Agency (EPA) and U.S. Army Corps of Engineers published a proposed rule revising the definition of “waters of the United States” under the Clean Water Act. This triggers the start of a 90-day public comment period on the proposal that ends July 21, 2014.

While EPA and the Corps believe the proposed rule “does not protect any new types of waters that have not historically been covered under the Clean Water Act and is consistent with the Supreme Court’s more narrow reading of Clean Water Act jurisdiction,” a vigorous response is expected during the comment period. Most water- and agriculture-related associations and hundreds of individual utilities, local governments, NGOs, private interests, and legal specialists are planning to comment. Many groups also plan to request an additional 90-day extension following the current comment period to allow time for additional review and comment.