Proposed Staff Recommendation Consent Calendar for July 24, 2014

ADMINISTRATIVE AND FINANCE COMMITTEE

9-1. Treasurer’s report.
Note and file the monthly Treasurer’s report.

9-2. Adopt Resolution setting the time and date for a Public Hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.
Adopt Resolution No. 2014-___ setting the August regular meeting of the Administrative and Finance Committee as the time and date of a public hearing to consider amendments to the San Diego County Water Authority Local Conflict of Interest Code.

9-3. Adopt Ordinance to make minor, technical amendments relating to the requirements for imposition of the System Capacity and Water Treatment Capacity Charges.
Adopt Ordinance No. 2014-___ amending and restating the provisions of Ordinance No. 2013-03 relating to the system capacity and water treatment capacity charges.

9-4. Approve Amendment to Agreement for Special Services with Liebert Cassidy Whitmore.
Authorize the General Counsel to execute an amendment to the agreement for special services with Liebert Cassidy Whitmore to increase the contract limit to $220,000.

WATER PLANNING COMMITTEE

9-5. Notify the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, and declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan.
Approve notification to the Water Authority member agencies of a Regional Drought Response Level 2, Drought Alert condition, which under the Model Drought Ordinance includes mandatory water use restrictions. Declare Stage 2 of the San Diego County Water Authority’s Water Shortage and Drought Response Plan. Do not pursue dry-year supplies at this time due to severe statewide drought conditions and limited water transfer opportunities.

ENGINEERING AND OPERATIONS COMMITTEE

9-6. Contracts for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project.
Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of $9,750,000 for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project. Authorize the General Manager to award a professional services contract to Pure Technologies US, Inc., for a total not-to-exceed amount of $385,100 to perform Acoustic Fiber Optic modifications for the Pipelines 4 and 5 Relining at the San Luis Rey River project.
LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

9- 7. Adopt positions on various state bills.
    Adopt a position of Support on SB1121 (De León).
July 24, 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 July 7 and 8. The next regular MWD board and committee meetings are scheduled for August 18 and 19.

Background
The Water Authority delegation supported all 12 action items approved by the MWD board (see Attachment 1 for the MWD board summary).

Attachment 2 is a copy of MWD’s July committee and board meeting agendas.

Discussion
Board
During public comment, five representatives from multiple agricultural groups requested MWD to form a working group that consists of both agricultural representatives and MWD board members to consider issues impacting agriculture and potential programs to keep agriculture in its service area. Director Friedman (Glendale) asked Chair Record (Eastern Municipal Water District) to place consideration of forming the group on a future agenda. Record replied that it is his intent to place the item on the Executive Committee calendar for discussion this month.

In addition, a resident of Compton, Loren Cervantes, opposed the appointment of Phillip Hawkins to MWD’s board. Director Hawkins was seated at the MWD board, replacing Leticia Vasquez, representing the Central Basin Municipal Water District. Also, Director Peter Beard was appointed to MWD’s board, representing the city of Fullerton and replacing Jennifer Fitzgerald.

The board also approved new committee assignments, which included the appointment of Director Ackerman (Municipal Water District of Orange County) and Director Touhey (Upper San Gabriel Valley Municipal Water District) as Vice Chairs of the Board. Touhey replaced Director De Jesus (Three Valleys Municipal Water District) as Vice Chair. Director Mudd was appointed to the Finance and Insurance Committee.

Communications and Legislation Committee
The committee and board approved staff’s recommendation to support SB 1121 (De León, D-Los Angeles) – California Climate Technology and Infrastructure Financing Act, as amended. This bill would enact the California Climate Technology and Infrastructure Financing Act, and would also establish a finance fund to provide financial assistance to eligible greenhouse gas emissions reduction projects. Director Arceneaux (Compton) expressed concern over not having the opportunity to review amendments that were made after the printing of staff’s board letter. Staff
assured the committee that the changes were minimal and that there were no known objections to this bill.

Renee Fraser of Fraser Communications reported on the regional communications and outreach campaign to increase water awareness and conservation. Staff added that about $600,000 of the $5.5 million outreach budget has been spent to-date; with the majority of the television and radio buys still to come. Mudd requested that staff provide a breakdown of the anticipated and already spent funds by category, such as radio, television, outdoor (billboard), mobile, and digital display. Director Evans (Western Municipal Water District) expressed his wish to “stop this process” and apply the unspent outreach funds (about $4 million) to MWD’s rebate programs. Wunderlich (Beverly Hills) commented that it is appropriate to put money in both programs because not all people are in the position to utilize the rebate programs, such as turf removal. Touhey added that transforming public areas, such as city halls, provide more “bang (water savings) for the dollar.”

Mudd also asked how staff would measure the effectiveness of its messaging. Fraser responded that it will take an integrated approach, including a customer survey that asks if they saw the outdoor ads. This approach will also include tracking rebates by device and program. Kightlinger said that it is “trickier” to measure the effectiveness of outreach efforts targeted specifically to areas that are heavily dependent on State Water Project water.¹ He said, for example, Los Angeles is managing its demand by having mandatory restrictions, but due to reductions in its water supply from Owens Valley, Los Angeles has increased its purchase of MWD water. Kightlinger also noted that since the 2007 drought, across MWD’s service area water use is down by about 15 percent. Kightlinger added that the “best approach” for decreasing demand was to “mix and match” efforts; he said that staff will return with more information (on the statistics of the various programs) for the committee’s consideration.

The committee also received reports on state and federal legislation.

**Engineering and Operations Committee**

The committee and board approved three board items, including awarding a construction contract for a solids transfer system at the Jensen Water Treatment Plant. The committee also received a report on California Air Resources Board’s (CARB) AB 32 Scoping Plan Update, which builds upon the initial Scoping Plan with new strategies and recommendations. The Scoping Plan describes the approach California will take to reduce greenhouse gases to achieve the goal of decreasing emissions to 1990 levels by 2020. A discussion ensued over the Scoping Plan Update’s use of language containing water "loading order" similar to that used for the electricity generation sector. The intention of this policy is that water planning be accomplished with “conservation first,” since it is the least energy intensive “new water.” Staff reported that although two CARB board members expressed support for removal of the loading order language, nevertheless, the CARB Board adopted the Scoping Plan Update unanimously. MWD reported that it coordinated with other entities (including the Water Authority) and CARB staff to clarify the language.

¹ Prior to recent operational changes, some of MWD’s service areas had no access to Colorado River (CR) supplies and relied on SWP supplies solely. Even with recent changes, access to CR water is limited in these areas.
Staff also reported on its operational conditions. The SWP blend at Skinner is currently 50 percent because MWD is drafting water from Diamond Valley Lake, which is primarily SWP water. June demands on MWD were 202,000 acre-feet, which is 15,000 acre-feet higher than June 2013. Staff also reviewed drought actions to help reduce reliance on the SWP system, which includes deferring planned shutdowns, shifting SWP connections to Colorado River water connections, among other things. Also reported, Diamond Valley Lake currently has about 500,000 acre-feet of stored water; as a result of imported water challenges, MWD anticipates drawing down Diamond Valley Lake to about 400,000 acre-feet by year-end.

**Finance and Insurance Committee**

The committee received a report on the aspects of the member agency purchase order, its upcoming expiration, and a potential option to extend it by two years. Director Peterson (Las Virgenes Municipal Water District) said the original purpose of the purchase orders were to bring financial stability to MWD, which a two-year extension would not provide. Kightlinger said the purchase orders were created for multiple reasons, including creating Tier 2 pricing to encourage member agencies to develop local supplies. In response to Director Lewinger’s question on which agencies would have met their purchase order commitments already, even with the proposed two-year extension, staff replied that only three agencies (cities of Burbank and Glendale, and Central Basin Municipal Water District) will not have met their commitments. Since a super majority of the member agencies will have already met their extended purchase order commitments, Lewinger questioned how the proposed two-year extension would provide more financial stability to MWD. He also asked what might be the rate impact with, or without, the purchase order extensions. Staff indicated that it could not respond because MWD had already adopted the rates, and that having a purchase order program impacts how the rates are set. Since staff indicated that it will continue to discuss purchase order extensions with those agencies that hold purchase orders, Lewinger also commented that it is improper for discussions on purchase order commitments to exclude those member agencies without purchases orders. He requested that the discussions be open to all member agencies because the extension impacts rates that affect all member agencies.

Evans agreed with extending the purchase orders for longer terms and suggested that if an agency chooses not to sign a purchase order agreement, another agency that is growing should be able to buy the water not taken by the agency that has dropped out (thus, reducing that growing agency’s Tier 2 exposure). Evans suggested that this type of trading could be grounded by using agencies’ achievements of the 20 percent by 2020 conservation goal to ensure fairness. In response to Touhey’s question on whether there is a penalty to MWD for its inability to deliver water committed in the purchase order, Kightlinger said “no.” Subsequently, Kightlinger said that it is unprecedented for MWD to not be able to deliver water in a non-allocation year, but these issues raised should be part of the upcoming discussion on the program. Because the schedule shows potential adoption in October, Wunderlich expressed concern over not having adequate time to

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2 Upper San Gabriel Valley Municipal Water District takes MWD water through its replenishment connections; MWD water is delivered to USGVMWD’s customers via groundwater pumping. Because of the concerns with potential quagga mussel infestation in the spreading basins in USGVMWD service area, it is prohibited by the Los Angeles County Flood Control District from taking Colorado River water for spreading purposes. As a result, even though MWD is not in an allocation mode, USGVMWD has not been able to purchase any MWD water in recent months.
discuss the complicated issues mentioned by the directors. Chief Financial Officer Breaux indicated that a signed contract before the end of December is ideal, but because no agency would purchase more than its limit in early 2015, there is some additional time to continue discussions. Kightlinger said a special workshop would be held to discuss the more complex long-term issues.

Breaux reported on MWD’s financial highlights. He said as of June 2014, or end of fiscal year 2014, water sales were about 358,000 acre-feet (or 21 percent) higher than budgeted. More than 300,000 acre-feet of the water sales were untreated. According to Breaux’s presentation, untreated water sales include 117,000 acre-feet of Tier 2 water. Breaux said that revenues are about $252.1 million higher than budgeted. In response to Director Steiner’s inquiry on the Department of Water Resources’ under-collection from its State Water Project Contractors, Breaux said the impact of the under-collection to MWD is about $48 million over this year and the last year. About $35 million is from last year for which there is about $19 million in credits due to MWD. Breaux added that discussions continue with DWR and the Contractors and the final figure may be revised. Steiner asked if the under-collected funds could be taken from MWD’s projected increased reserves; Breaux said “yes,” but added that it would follow an audit of the charges. In response to Evans’ question, Breaux said that reserves over the maximum continue to track at more than the $350 million but could be less depending on the DWR payment.

Breaux also reviewed the upcoming schedule of committee items through December 2014, including discussion on Lewinger’s request for creating balancing accounts in September and review of the financial reserve policy in November.

**Legal and Claims Committee**
The committee heard four reports in closed session, including the rate litigation with the Water Authority and litigation related to the *State Water Contractors v. Delta Stewardship Council*. There were no reportable actions on the four items.

**Organization, Personnel and Technology Committee**
The committee and board approved MWD’s Salary Schedule pursuant to CalPERS regulations. Staff also reported on the Business Outreach Program’s organizational goal for small business participation. As a result of the report, the committee and board approved increasing the goal from 18 percent to 25 percent. During the committee meeting, Lewinger pointed out that MWD’s recent history is trending over 31 percent. Lewinger then suggested an increase to 30 percent; however, Committee Chair J. Murray asked staff to agendize, in one year, reevaluating the goal after implementation of the 25 percent goal.

The committee also received a report comparing CalPERS medical insurance with other benefit plans.

**Water Planning and Stewardship Committee**
Colorado River Board (CRB) Executive Director Tanya Trujillo provided an overview of the CRB. The committee also heard from CRB Deputy Director Christopher Harris on the Lower Colorado River Multi-Species Conservation Program. Kightlinger commented that the success of this program has enabled MWD to deliver Colorado River water without any cutbacks.
Colorado River Resources Manager Hasencamp reported that the water level in Lake Mead is at its lowest level since it was initially filled. Lake Mead is about 7-feet above shortage declaration. He said two years ago, MWD had about 580,000 acre-feet of its Intentionally Created Surplus (ICS) water stored in Lake Mead, which equates to about 6-feet in its water level. However, if the drought in southern California continues, Hasencamp indicated MWD could potentially withdraw all its ICS credits out by the end of next year. Hasencamp discussed MWD’s strategies on the River to provide MWD drought protection while affording some relief to other Colorado River dependent states by finding ways to keep water level at Mead above shortage triggering point. He reported on three efforts: 1) accelerating water generated from land fallowing from Palo Verde Irrigation District; 2) expanding the Southern Nevada Water Authority’s (SNWA) storage program (which gives MWD access to water SNWA does not divert now, with a promise to pay it back at a later date); and 3) entering into a “lease” agreement with Imperial Irrigation District (IID) where MWD would temporary lease water produced (up to 200,000 acre-feet) by IID through land fallowing over the next few years and return the leased water to Lake Mead as ICS in IID’s name. Discussions are also ongoing over the amount of water that could be taken from the ICS program – especially by MWD - - during shortage. MWD expects to have more detailed proposals in the next few months on these efforts.

Water Resources Manager Upadhyay said that a series of member agency managers’ workgroup meetings will be held to discuss the Water Supply Allocation Plan beginning on July 14. In addition, a review of the Local Resources Program and its incentives will be brought to the committee for discussion; no date was reported.

The committee and board also approved the Greater Los Angeles County 2014 Integrated Regional Water Management Plan resolution.

Prepared by: Debbie Discar-Espe, Senior Water Resources Specialist
Reviewed by: Communications and Legislation Committee by Keith Lewinger and Vincent Mudd
Engineering and Operations Committee by Fern Steiner
Finance and Insurance Committee by Keith Lewinger
Legal and Claims Committee by Vincent Mudd and Fern Steiner
Organization, Personnel and Technology Committee by Michael Hogan
Water Planning and Stewardship Committee by Keith Lewinger and Fern Steiner

Attachment 1: MWD Board Summary of Actions, June 10, 2014
Attachment 2: MWD’s committee and board meeting agendas, June 9-10, 2014
Summary Report for  
The Metropolitan Water District of Southern California  
Board Meetings  
July 8, 2014

INDUCTION OF DIRECTORS

Peter Beard representing the city of Fullerton was inducted to the Board of Directors.  (Agenda Item 5C)  

Phillip D. Hawkins representing Central Basin Municipal Water District was inducted to the Board of Directors.  (Agenda Item 5D)  

COMMITTEE ASSIGNMENTS

Director Ackerman was appointed Vice Chair of the Board.  Director Touhey was appointed Vice Chair of the Board, replacing Director De Jesus.  Director Abdo was appointed to the Water Planning and Stewardship Committee, replacing Director Lowenthal.  Director Beard was appointed to the Engineering and Operations Committee, the Special Committee on Bay-Delta, and the Agriculture and Business Outreach Committee.  Director Blois was appointed to the Agriculture and Business Outreach Committee.  Director Lefevre was appointed to the Agriculture and Business Outreach Committee.  Director Mudd was appointed to the Finance and Insurance Committee.  Director J. Murray was appointed to the Communications and Legislation Committee.  (Agenda Item 5I)  

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $3.6 million; and authorized rehabilitation of the Etiwanda Hydroelectric Plant.  (Approp. 15458)  (Agenda Item 8-1)  

Appropriated $10.47 million; authorized final design and pilot of the Hiram W. Wadsworth Pumping Plant Control and Protection Upgrades; authorized increase of $5.9 million to the existing agreement with Glenmount Global Services, for a new not-to-exceed total of $7,025,000; and authorized increase of $840,000 to the existing agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,344,000.  (Approp.15467)  (Agenda Item 8-2)  

Appropriated $3.5 million; and awarded $1,977,700 contract to Minako America Corp., dba Minco Construction to construct a solids transfer system for the Joseph Jensen Water Treatment Plant.  (Approp. 15371)  (Agenda Item 8-3)  

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

Approved Metropolitan Water District of Southern California's Salary Schedule pursuant to CalPERS regulations.  (Agenda Item 8-4)  

Approved the General Manager’s modification of the Business Outreach Program’s organizational goal for small business participation from 18 percent to 25 percent.  (Agenda Item 9-1)
COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to express Metropolitan’s support for SB 1121, as amended June 10, 2014. (Agenda Item 8-5)

CONSENT CALENDAR

In other action, the Board:

  Adopted a Resolution Approving the Greater Los Angeles County 2014 Integrated Regional Water Management Plan. (Agenda Item 7-1)

OTHER MATTERS

  Director Thomas P. Evans, representing Western Municipal Water District of Riverside County, received a 5-year service pin. (Agenda Item 5E)

  Approved Memorial Resolution for late Chairman John V. Foley. (Agenda Item 5F)

  Approved Commendatory Resolutions for past Directors Aaron Grunfeld and James Edwards. (Agenda Item 5G)

  Adopted motion to adjourn the August Board Meeting to August 19, 2014, to establish tax rate. (Committees to meet on August 18 and 19) (Agenda Item 5H)

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.
F&I Committee
B. Barbre, Chair
R. Wunderlich, V. Chair
R. Apodaca
S. Blois
G. Dake
D. Dear
D. De Jesus
T. Evans
C. Kurtz
K. Lewinger
M. Touhey
L. Vasquez

REVISED AGENDA
Finance and Insurance Committee
Meeting with Board of Directors*

July 7, 2014
9:00 a.m. -- Room 2-145

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<tr>
<th>Monday, July 7, 2014</th>
<th>Meeting Schedule</th>
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<td>7:00-8:00 a.m.</td>
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* The Metropolitan Water District’s Finance and Insurance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Finance and Insurance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Finance and Insurance Committee will not vote on matters before the Finance and Insurance Committee.

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

2. **Approval of the Minutes of the meeting of the Finance and Insurance Committee held June 9, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None

REVISED: Date of Notice: July 2, 2014
5. BOARD INFORMATION ITEMS

    None

6. COMMITTEE ITEMS

   a. Oral report on investment activities

   b. Oral report on member agency purchase order expiration

7. MANAGEMENT REPORT

   a. Chief Financial Officer's report

8. FOLLOW-UP ITEMS

    None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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

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

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

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

July 7, 2014

10:00 a.m. – Room 2-456

---

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))

1A. Presentation by Tanya Trujillo, Executive Director, Colorado River Board of California

2. Approval of the Minutes of the meeting of the Water Planning and Stewardship Committee held June 9, 2014

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt resolution approving Greater Los Angeles County 2014 Integrated Regional Water Management Plan. (WP&S)

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Recommendation:

Option #1:

Adopt the CEQA determination that the project is not defined as a project and is not subject to CEQA, and adopt a Resolution Approving the Greater Los Angeles County 2014 IRWM Plan.

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS


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: June 25, 2014
Engineering and Operations Committee
Meeting with Board of Directors*

July 7, 2014
12:00 p.m. -- Room 2-145

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

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

2. **Approval of the Minutes of the meeting of the Engineering and Operations Committee held June 9, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   **8-1** Appropriate $3.6 million; and authorize rehabilitation of the Etiwanda Hydroelectric Plant (Approp. 15458). (E&O)

Date of Notice: June 25, 2014
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
a. Appropriate $3.6 million; and
b. Authorize rehabilitation of the Etiwanda Hydroelectric Plant.

8-2
Appropriate $10.47 million; and authorize: (1) final design and pilot of control upgrades for the Hiram W. Wadsworth Pumping Plant; (2) increase of $5.9 million agreement with Glenmount Global Services; and (3) increase of $840,000 to agreement with Power-Tech Engineers, Inc. (Approp. 15467). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and
a. Appropriate $10.47 million; and
b. Authorize final design and pilot of the Wadsworth Pumping Plant Control and Protection Upgrades;
c. Authorize increase of $5.9 million to the existing agreement with Glenmount Global Services, for a new not-to-exceed total of $7,025,000; and
d. Authorize increase of $840,000 to the existing agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,344,000.

8-3
Appropriate $3.5 million; and award $1,977,700 contract to Minako America Corp., dba Minco Construction to construct a solids transfer system for the Joseph Jensen Water Treatment Plant (Approp. 15371). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action was considered in the previously certified 2011 FEIR and 2012 Addendum, and
a. Appropriate $3.5 million; and
b. Award $1,977,700 contract to Minako America Corp., dba Minco Construction to construct a solids transfer system for the Jensen plant.
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. California Air Resources Board's AB 32 Scoping Plan

7. MANAGEMENT REPORTS

a. Water System Operations Manager’s report

b. Engineering Services Manager’s report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: June 25, 2014
REVISED AGENDA

Communications and Legislation Committee

Meeting with Board of Directors*

July 7, 2014

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

Meeting Schedule

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<td>9:00 a.m.</td>
<td>Rm. 2-145</td>
<td>F&amp;I</td>
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<tr>
<td>10:00 a.m.</td>
<td>Rm. 2-456</td>
<td>WP&amp;S</td>
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<tr>
<td>12:00 p.m.</td>
<td>Rm. 2-145</td>
<td>E&amp;O</td>
</tr>
<tr>
<td>1:00 p.m.</td>
<td>Rm. 2-456</td>
<td>C&amp;L</td>
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</table>

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

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

2. Approval of the Minutes of the meeting of the Communications and Legislation Committee held June 9, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   Added 8-5 Express support for SB 1121 (De Leon, D-Los Angeles) – California Climate Technology and Infrastructure Financing Act. (C&L)

REVISED: Date of Notice: July 2, 2014
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and authorize the General Manager to express Metropolitan’s support for SB 1121, as amended June 10, 2014.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

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

b. Report on activities from Sacramento

c. Oral report on regional communications and outreach campaign to increase water awareness and conservation

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.

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: Date of Notice: July 2, 2014
Legal and Claims Committee
Meeting with Board of Directors*

July 8, 2014

9:00 a.m. -- Room 2-145

Tuesday, July 8, 2014
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>7:00-8:00 a.m.</td>
<td>Rm. 2-413</td>
<td>Dirs. Computer Training</td>
</tr>
<tr>
<td>9:00 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>Rm. 2-456</td>
<td>OP&amp;T</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
</tr>
</tbody>
</table>

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

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

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

2. Approval of the Minutes of the meeting of the Legal and Claims Committee held June 10, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None

Date of Notice: June 25, 2014
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. General Counsel’s report of monthly activities

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

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

[Conference with legal counsel—potential litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(4)]

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 San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., Los Angeles County Superior Court Case No. BC 547139.
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS
9. ADJOURNMENT

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

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Date of Notice: June 25, 2014
Organization, Personnel and Technology Committee

Meeting with Board of Directors*

July 8, 2014

10:30 a.m. -- Room 2-456

<table>
<thead>
<tr>
<th>MWD Headquarters Building</th>
<th>700 N. Alameda Street</th>
<th>Los Angeles, CA 90012</th>
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</thead>
</table>

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

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

2. Approval of the Minutes of the meeting of the Organization, Personnel and Technology Committee held June 9, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-4 Approve Metropolitan Water District of Southern California’s Salary Schedule pursuant to CalPERS regulations. (OP&T)
Recommendation:

Adopt the CEQA determination that the project is not defined as a project under CEQA, and approve the salary schedule attached to the board letter.

5. BOARD INFORMATION ITEMS

9-1 General Manager’s modification of the Business Outreach Program’s organizational goal for small business participation from 18 percent to 25 percent. (OP&T)

6. COMMITTEE ITEMS

a. Cost Comparison of CalPERS Medical Insurance

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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

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

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Date of Notice: June 25, 2014
REVISED AGENDA

Regular Board Meeting

July 8, 2014

12:00 p.m. -- Board Room

1. Call to Order

   (a) Invocation: Grigor Nshanyan, Information Technology System Administrator, Business Technology Group

   (b) Pledge of Allegiance: Director Paul Koretz

2. Roll Call

3. Determination of a Quorum

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

5. OTHER MATTERS

   A. Approval of the Minutes of the Meeting for June 10, 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 June

C. Induction of new Director, Peter Beard, from city of Fullerton
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

D. Induction of new Director, Phillip D. Hawkins, from Central Basin Municipal Water District
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

E. Presentation of five-year service pin to Director Thomas P. Evans, representing Western Municipal Water District of Riverside County

F. Approve Memorial Resolution for late Chairman John V. Foley

G. Approve Commendatory Resolutions for past Directors Aaron Grunfeld and James Edwards

H. Adopt motion to adjourn the August Board Meeting to August 19, 2014, to establish tax rate. (Committees to meet on August 18 and 19)

I. Approve committee assignments

J. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

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

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

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

D. Ethics Officer's summary of activities for the month of June
7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt resolution approving Greater Los Angeles County 2014 Integrated Regional Water Management Plan. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the project is not defined as a project and is not subject to CEQA, and adopt a Resolution Approving the Greater Los Angeles County 2014 IRWM Plan.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Appropriate $3.6 million; and authorize rehabilitation of the Etiwanda Hydroelectric Plant (Approp. 15458). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $3.6 million; and
b. Authorize rehabilitation of the Etiwanda Hydroelectric Plant.

8-2 Appropriate $10.47 million; and authorize: (1) design and pilot of control upgrades for the Hiram W. Wadsworth Pumping Plant; (2) increase of $5.9 million to agreement with Glenmount Global Services; and (3) increase of $840,000 to agreement with Power-Tech Engineers, Inc. (Approp. 15467). (E&O)
Recommendation:

Option #1:

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

a.  Appropriate $10.47 million; and
b.  Authorize final design and pilot of the Wadsworth Pumping Plant Control and Protection Upgrades;

c.  Authorize increase of $5.9 million to the existing agreement with Glenmount Global Services, for a new not-to-exceed total of $7,025,000; and

d.  Authorize increase of $840,000 to the existing agreement with Power-Tech Engineers, Inc., for a new not-to-exceed total of $1,344,000.

Appropriate $3.5 million; and award $1,977,700 contract to Minako America Corp., dba Minco Construction to construct a solids transfer system for the Joseph Jensen Water Treatment Plant (Approp. 15371). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action was considered in the previously certified 2011 FEIR and 2012 Addendum, and

a.  Appropriate $3.5 million; and
b.  Award $1,977,700 contract to Minako America Corp., dba Minco Construction to construct a solids transfer system for the Jensen plant.

Approve Metropolitan Water District of Southern California’s Salary Schedule pursuant to CalPERS regulations. (OP&T)

Recommendation:

Adopt the CEQA determination that the project is not defined as a project under CEQA, and approve the salary schedule attached to the board letter.

Express support for SB 1121 (De Leon, D-Los Angeles) –California Climate Technology and Infrastructure Financing Act. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and authorize the General Manager to express Metropolitan’s support for SB 1121, as amended June 10, 2014.
9. BOARD INFORMATION ITEMS

9-1 General Manager’s modification of the Business Outreach Program’s organizational goal for small business participation from 18 percent to 25 percent. (OP&T)

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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MEMORANDUM

July 23, 2014

TO:        Board of Directors

FROM:      Ken Weinberg, Director of Water Resources

RE:        State Water Resources Control Board Resolution No. 2014-0038

On July 15, 2014, the State Water Resources Control Board adopted Resolution No. 2014-0038 for emergency statewide urban water conservation. Attached please find a copy of the resolution and the proposed text of the emergency regulations. The regulations will become final, anticipated on or about August 1, 2014, after the State's Office of Administrative Law completes its review.
WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order to strengthen the state’s ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water. The executive order finds that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity if drought conditions continue into 2015. The National Integrated Drought Information System reported that nearly 80% of the state was reported to be under “extreme” drought conditions at the end of June;

2. The executive order refers to the Governor’s Proclamation No. 1-17-2014, issued on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. Since January, state water officials indicate that reservoirs, rainfall totals and the snowpack remain critically low. This follows two other dry or below average years, leaving reservoir storage at alarmingly low levels. The January Proclamation highlights the State’s dry conditions, lack of precipitation and the resulting effects on drinking water supplies, the cultivation of crops, and the survival of animals and plants that rely on California’s rivers and streams. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent;

3. There is no guarantee that winter precipitation will alleviate the drought conditions that the executive orders address, which will lead to even more severe impacts across the state if the drought wears on;

4. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports”;

5. Over 400,000 acres of farmland are expected to be fallowed, thousands of people may be out of work, communities risk running out of drinking water, and fish and wildlife will suffer.
6. Many Californians have taken bold steps over the years and in this year to reduce water use; nevertheless, the dire nature of the current drought requires additional conservation actions from residents and businesses. Some severely affected communities have implemented water rationing, limiting water use in some cases to only 50 gallons per person per day, foregoing showers, laundry, toilet flushing, and all outdoor watering.

7. Water conservation is the easiest, most efficient and most cost effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances that water rationing is required;

8. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water;

9. Public information and awareness is critical to achieving conservation goals and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (http://saveourwater.com).

10. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;

11. The emergency regulations set a minimum standard requiring only modest lifestyle changes across the state. Many communities are already doing more and have been for years. They should be commended, but can and should do more. Others are not yet doing so and should at least do this, but should do much more given the severity of the drought;

12. On July 8, 2014, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board’s regularly-scheduled July 15, 2014 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;

13. On April 25, 2014, the Governor suspended the California Environmental Quality Act’s application to the State Water Board’s adoption of emergency regulations pursuant to Water Code section 1058.5 to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation;

14. As discussed above, the State Water Board is adopting the emergency regulation because of emergency drought conditions, the need for prompt action, and current limitations in the existing enforcement process;
15. Disadvantaged communities may require assistance in increasing water conservation and state agencies should look for opportunities to provide assistance in promoting water conservation;

16. Nothing in the regulations or in the enforcement provisions of the regulations, preclude a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulations adopted by this resolution and local agencies retain their enforcement discretion in enforcing the regulations, to the extent authorized, and may develop their own progressive enforcement practices to encourage conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, sections 863, 864, and 865, as appended to this resolution as an emergency regulation;

2. The State Water Board staff will submit the regulation to the Office of Administrative Law (OAL) for final approval;

3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes;

4. These regulations shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulations due to continued drought conditions as described in Water Code section 1058.5;

5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulations and their effect;

6. Directs State Water Board staff to condition funding upon compliance with the emergency regulations, to the extent feasible;

7. Directs State Water Board staff to work with the Department of Water Resources and the Save Our Water campaign to disseminate information regarding the emergency regulations; and

8. Directs State Water Board staff in developing an electronic reporting portal to include data fields so that local agencies may provide monthly reporting data on (i) conservation-related implementation measures or enforcement actions taken by the local agency and (ii) substitution during the drought of potable water with recycled water to extend water supplies.
THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board commends water suppliers that have increased conservation messaging and adopted innovative strategies to enhance customer awareness of water use, such as applications that let customers compare their water use to water use by others; reduce system losses, such as fixing system leaks which can deplete supplies by 10 percent or more; and establish incentives to reduce demand, such as tiered or drought rate structures. The State Water Board also commends all Californians that have already been working to maximize their conservation efforts, both at home and at work;

10. The State Water Board calls upon water suppliers to take the following actions:

   Educate customers and employees
   • Retail water suppliers should provide notice of the regulations in English and Spanish in one or more of the following ways: newspaper advertisements, bill inserts, website homepage, social media, notices in public libraries;
   • Wholesale suppliers should include reference to the regulations in their customer communications;
   • All water suppliers should train personnel on the regulations;
   • All water suppliers should provide signage where recycled or reclaimed water is being used for activities that the emergency regulations prohibit with the use of potable water, such as operation of fountains and other water features;
   • All water suppliers should redouble their efforts to disseminate information regarding opportunities and incentives to upgrade indoor fixtures and appliances;
   • All water suppliers should use education and the tools available through the Save Our Water website (http://saveourwater.com); and
   • All water suppliers should educate and prepare their boards and councils on the drought response actions contained in the emergency regulations and in this resolution, and to make sure that drought response items are placed on agendas as early as possible;

   Increasing local supplies
   • All water suppliers should accelerate the completion of projects that will conserve potable water by making use of non-potable supplies, such as recycled water, “greywater,” and stormwater collection projects;
   • All water suppliers should improve their leak reporting and response programs and request that police and fire departments and other local government personnel report leaks and water waste that they encounter during their routine duties/patrols;
   • Smaller water suppliers – those with fewer than 3,000 service connections – should take proactive steps to secure their communities’ water supplies and educate their customers about water conservation and the status of their supply reserves;
   • All water suppliers should conduct water loss audits and make leak detection and repair a top priority for the duration of the drought; and
   • All urban water suppliers should evaluate their rate structures and begin to implement needed changes as part of planning for another dry year. Information and assistance on setting and implementing drought rates is available from the Alliance for Water Efficiency. (http://www.allianceforwaterefficiency.org/).
11. The State Water Board calls on all Californians to take the following additional actions:
   • Further reduce water demand, whether by using less water in daily routines indoors and out, retrofitting appliances and installing greywater and rainwater catchment systems; and
   • Check residential and business water bills to see if there are high charges that may indicate a leak and to fix the leak, if they are able, or contact their local water utility if they need assistance.

12. The State Water Board encourages its staff, the Department of Water Resources, the Public Utilities Commission, urban water suppliers, and other local agencies to look for opportunities to encourage and promote new technologies that reduce water usage, including through timely access to water usage information and behavioral response.

13. The State Water Board encourages all state and local agencies to look for additional opportunities to minimize potable water use in outdoor spaces.

14. The State Water Board encourages investor-owned utilities to expeditiously submit applications for implementation of the regulations to the California Public Utilities Commission.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 15, 2014.

AYE: Chair Felicia Marcus
     Vice Chair Frances Spivy-Weber
     Board Member Steven Moore
     Board Member Dorene D’Adamo

NAY: None

ABSENT: Board Member Tam M. Doduc

ABSTAIN: None

Jeanine Townsend  
Clerk to the Board
PROPOSED TEXT OF EMERGENCY REGULATIONS

Article 22.5. Drought Emergency Water Conservation

Sec. 863 Findings of Drought Emergency
(a) The State Water Resources Control Board finds as follows:
   (1) On January 17, 2014, the Governor issued a proclamation of a state of
       emergency under the California Emergency Services Act based on drought conditions;
   (2) On April 25, 2014, the Governor issued a proclamation of a continued state of
       emergency under the California Emergency Services Act based on continued drought
       conditions;
   (3) The drought conditions that formed the basis of the Governor’s emergency
       proclamations continue to exist;
   (4) The present year is critically dry and has been immediately preceded by two or
       more consecutive below normal, dry, or critically dry years; and
   (5) The drought conditions will likely continue for the foreseeable future and
       additional action by both the State Water Resources Control Board and local water
       suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

Sec. 864 Prohibited Activities in Promotion of Water Conservation
(a) To promote water conservation, each of the following actions is prohibited, except
    where necessary to address an immediate health and safety need or to comply with
    a term or condition in a permit issued by a state or federal agency:
    (1) The application of potable water to outdoor landscapes in a manner that causes
        runoff such that water flows onto adjacent property, non-irrigated areas, private and
        public walkways, roadways, parking lots, or structures;
    (2) The use of a hose that dispenses potable water to wash a motor vehicle, except
        where the hose is fitted with a shut-off nozzle or device attached to it that causes it to
        cease dispensing water immediately when not in use;
    (3) The application of potable water to driveways and sidewalks; and
    (4) The use of potable water in a fountain or other decorative water feature,
        except where the water is part of a recirculating system.
(b) The taking of any action prohibited in subdivision (a) of this section, in
    addition to any other applicable civil or criminal penalties, is an infraction, punishable by
    a fine of up to five hundred dollars ($500) for each day in which the violation occurs.

Authority: Wat. Code, § 1058.5.
Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water.

(2) As an alternative to subdivision (b)(1), an urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within thirty (30) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week or shall implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

(d) In furtherance of the promotion of water conservation each urban water supplier shall prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. Beginning October 15, 2014, the monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves. In its initial monitoring report, each urban water supplier shall state the number of persons it serves.

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within thirty (30) days, take one or more of the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.
References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.
Date: July 23, 2014
To: San Diego County Water Authority Board Members
From: Ken Carpi, Washington Representative
Subject: Federal Legislative Update

Movement, But Little Progress, on Appropriations

While the House continues to approve annual appropriations bills, Presidential veto threats and paralysis in Senate continue to point towards stalemate in Congress. Congress will need to approve a Continuing Resolution (CR) to keep federal funding flowing after the start of Fiscal Year 2015 on October 1. Following the mid-term elections in November, congressional leaders and the President will need to decide whether to press forward with an Omnibus appropriations act during the lame duck session, or pass another CR to let the next Congress work out a spending plan.

House Passes Energy & Water Spending Bill; Poised to pass EPA Bill

The House passed its version of the FY2015 Energy and Water appropriations bill by a vote of 253-170. The bill funds the Army Corps of Engineers and the Bureau of Reclamation, in addition to Department of Energy programs. The House bill reduces overall spending by $50 million from FY2014, but includes a $100 million reduction for Reclamation.

The bill includes $57 million for the Central Valley Project Restoration fund and $37 million for California Bay-Delta restoration. However, to address the drought, the bill includes a provision that would allow at least 90 percent of these funds to be used for purchasing water, until the Secretary certifies that another solution has been implemented in regards to the San Joaquin Valley water shortage.

The bill includes a legislative rider that would block any further work by the Corps on a proposed rule redefining the ‘Waters of the U.S.’ under the Clean Water Act. President
Obama declared he would veto the bill if this provision is included when it reaches his desk. The House also adopted, by voice vote, an amendment to block federal funding for water efficient toilets (see following item on this subject).

Before leaving on its month-long August recess, the House likely will also pass its version of the Interior & Environment spending bill. This bill funds EPA and non-water programs at the Department of Interior. This bill will also include a rider blocking work on the ‘Waters of the U.S.’ rule and will also earn a veto threat.

Senate work on the Energy & Water and the Interior bills remains stalled over amendments to the block the ‘Waters of the United States’ proposal and proposed rules for greenhouse gas emissions from power plants. No further action is expected in the Senate on these bills until the lame duck session.

**Committee Approves Bill to Block Proposed ‘Waters of the U.S.’ Rule**

On July 16 the House Committee on Transportation & Infrastructure approved the “Waters of the United States Regulatory Overreach Protection Act” (H.R. 5078). The bill, introduced by Rep. Steve Southerland (R-TX), would prohibit the EPA and the U.S. Army Corps of Engineers from implementing a rule that broadens the scope of the Clean Water Act to expand the federal government’s regulatory authority. Floor consideration during July is possible, although it may slip until September. The Obama Administration opposes the bill and it is not expected to be considered in the Senate.

Committee Chairman Bill Shuster (R-PA) and Water Resources and Environment Subcommittee Chairman Bob Gibbs (R-OH) are cosponsors of the bill. While most of the 43 cosponsors are Republican, Transportation Committee Ranking Member Nick Rahall (D-WV) and Agriculture Committee Chairman Collin Peterson (D-MN) are among a handful of House Democrats supporting the bill.

**House Passes Ban on Federal Funding of Water Efficient Toilets**

In a repeat of prior years’ efforts, on July 10, the U.S. House of Representatives passed an amendment on a voice vote to the 2015 Energy and Water Appropriations Act (H.R. 4923) which would prohibit any federal spending for water efficient toilets. The House amendment was sponsored by Rep. Paul Gosar of Arizona. The bill then passed the House and is now on its way to the U.S. Senate.

Certain members of the House of Representatives propose limiting federal support for water efficient toilets every year, either through restrictions on federal funding or prohibiting federal efficiency standards. These efforts have resurfaced every year for at least ten years and perhaps back into the 90s. The proposed provisions never get enacted. This amendment passed on a voice vote, which makes it much easier to be dropped in conference – a likely
scenario, in that Senator Feinstein will be on the conference committee due to her chairmanship of the Senate Energy and Water Appropriations Subcommittee.

The typical lines of argument against water efficient toilets are:

- It is not an appropriate use of federal regulations/funding;
- It represents a regulatory overreach by any level of government;
- These toilets are actually wasteful, because they need to be flushed twice (this argument is still being used in spite of being discredited long ago.)