Proposed Staff Recommendation Consent Calendar for January 22, 2015

WATER PLANNING

9- 1  Resolution approving Rainbow Municipal Water District’s Proposed Campus Park West Annexation.
Adopt Resolution No. 2015 _____ that:
   a) Resolves that the Final Environmental Impact Report (EIR) certified by the County of San Diego as Lead Agency complies with California Environmental Quality Act and the State CEQA Guidelines, and adequately addresses the potential environmental effects resulting from annexation, issues findings required by CEQA as a Responsible Agency; and
   b) Sets final terms and conditions and approves the concurrent annexation of Rainbow Municipal Water District’s proposed Campus Park West annexation to the Water Authority and the Metropolitan Water District conditioned upon the fulfillment of all conditions and final approval by the San Diego Local Agency Formation Commission.

9- 2  Professional Services Contract for environmental consulting services for the Pipeline 3 Reline - Lake Murray to Sweetwater Reservoir Segment.
Authorize the General Manager to award a professional services contract to Helix Environmental Planning, Inc., in an amount not-to-exceed $323,000 to provide environmental consulting services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir project for a term of two years.

9- 3  Approve Modifications to Water Authority’s Water Shortage and Drought Response Plan Allocation Methodology.
Approve the following modifications to the Water Authority’s Water Shortage and Drought Response Plan allocation methodology:
1. Temporarily alter the methodology to allow use of water demands in fiscal years 2013 and 2014 as the base period for potential allocations during the current shortage period; and
2. Include an additional adjustment pertaining to mandatory use restrictions in place during the base period.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

9- 4  Amendment to the Partnership Agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs.
Authorize the General Manager to execute an amendment to the Partnership Agreement with San Diego Gas & Electric Company (SDG&E) to increase the agreement amount by $339,640, and extend the agreement by one year. The amended agreement would terminate on December 31, 2015.
**IMPORTED WATER COMMITTEE**

9- 5 Amend Agreement for Consulting Services with M Strategic Communications.
Amend the agreement with M Strategic Communications for continued consulting services to the Water Authority through December 31, 2015, for a period of 11 additional months, and increasing total contract funding to an amount not to exceed $326,000.

9- 6 Canal Lining Mitigation - Notice of Completion for the Wister Sport Fishery Project.
Authorize the General Manager to accept the Wister Sport Fishery Project as complete, record the Notice of Completion, and release all funds held in retention to Four M Contracting, Inc., following expiration of the notice of completion period.

**ENGINEERING AND OPERATIONS COMMITTEE**

9- 7 Professional services contract for Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir.
Authorize the General Manager to award a professional services contract to Dokken Engineering, in an amount not-to-exceed $267,972, to provide traffic engineering services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir project.

**ADMINISTRATIVE AND FINANCE COMMITTEE**

9- 8 Treasurer’s Report.
Note and file the monthly Treasurer’s report.

9- 9 Investment Policy.
Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2015. Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2015.
WATER PLANNING COMMITTEE

AGENDA FOR

January 22, 2015

Barbara Wight – Chair  Jim Murtland
Betty Evans – Vice Chair  Jose Preciado
Brian Brady – Vice Chair  Esther Sanchez
Jimmy Ayala  Dennis Sanford
Matt Hall
Keith Lewinger  Yen Tu
John Linden  Tom Wornham
Marty Miller

1. Roll call – determination of quorum.

2. Additions to agenda (Government Code Section 54954.2(b)).

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.

4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

1. Resolution approving Rainbow Municipal Water District’s Proposed Campus Park West Annexation.
   Staff recommendation:  Adopt Resolution No. 2015 _____ that:
   a) Resolves that the Final Environmental Impact Report (EIR) certified by the County of San Diego as Lead Agency complies with California Environmental Quality Act and the State CEQA Guidelines, and adequately addresses the potential environmental effects resulting from annexation, issues findings required by CEQA as a Responsible Agency; and
   b) Sets final terms and conditions and approves the concurrent annexation of Rainbow Municipal Water District’s proposed Campus Park West annexation to the Water Authority and the Metropolitan Water District conditioned upon the fulfillment of all conditions and final approval by the San Diego Local Agency Formation Commission.  (Action)

Dana Friehauf
2. Professional Services Contract for environmental consulting services for the Pipeline 3 Reline - Lake Murray to Sweetwater Reservoir Segment.  
   Staff Recommendation: Authorize the General Manager to award a professional services contract to Helix Environmental Planning, Inc., in an amount not-to-exceed $323,000 to provide environmental consulting services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir project for a term of two years. (Action)  
   
Mark Tegio

II. ACTION/DISCUSSION

1. Approve Modifications to Water Authority’s Water Shortage and Drought Response Plan Allocation Methodology.  
   Staff recommendation: Approve the following modifications to the Water Authority’s Water Shortage and Drought Response Plan allocation methodology:  
   1. Temporarily alter the methodology to allow use of water demands in fiscal years 2013 and 2014 as the base period for potential allocations during the current shortage period; and  
   2. Include an additional adjustment pertaining to mandatory use restrictions in place during the base period. (Action)  
   
Dana Friehauf

III. INFORMATION

1. Water Supply and Drought Management Update  
   Alexi Schnell  

   Ken Weinberg

IV. CLOSED SESSION

V. ADJOURNMENT

Linda A. Troyan, MMC  
Clerk of the Board

NOTE: This meeting is called as a Water Planning Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Revised). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA 92123 at the reception desk during normal business hours.
1. Roll call – determination of quorum.

2. Additions to agenda (Government Code Section 54954.2(b)).

3. Public comment – opportunities for members of the public to address the Committee on matters within the Committee’s jurisdiction.

4. Chair’s report.
   4-A Directors’ comments.

I. CONSENT CALENDAR

1. Amendment to the Partnership Agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs. 
   Staff recommendation: Authorize the General Manager to execute an amendment to the Partnership Agreement with San Diego Gas & Electric Company (SDG&E) to increase the agreement amount by $339,640, and extend the agreement by one year. The amended agreement would terminate on December 31, 2015. (Action).
   Lori Swanson

II. ACTION/DISCUSSION

1. Legislative Issues.
   1-A Washington Report by Ken Carpi. (supplemental materials)
2. Federal Legislative Priorities for 2015. (Discussion)       Glenn Farrel

3. WaterSmart Turf Replacement Program and Pilot Artificial Turf Discount Program Updates. (Information)       Jeff Stephenson

III. INFORMATION

1. Drought Response Communications and Outreach Update.       Jason Foster

2. Government Relations Update.       Glenn Farrel

IV. ADJOURNMENT

Linda A. Troyan, MMC
Clerk of the Board

NOTE: This meeting is called as a Legislation, Conservation, and Outreach Committee meeting. Because a quorum of the Board may be present, the meeting is also noticed as a Board meeting. Members of the Board who are not members of the Committee may participate in the meeting pursuant to Section 2.00.060(g) of the Authority Administrative Code (Recodified). All items on the agenda, including information items, may be deliberated and become subject to action. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the San Diego County Water Authority headquarters located at 4677 Overland Avenue, San Diego, CA  92123 at the reception desk during normal business hours.
President Obama Unveils Renewed Push on Infrastructure

Seeking to find common ground with the new Republican-controlled Congress, President Obama unveiled a new phase of his Build America Investment Initiative. In the area of water, the President announced the creation of a new Water Finance Center to work with state and local governments, utilities, and the private sector to leverage federal grants to attract more private capital into public infrastructure projects. The stated goal of the Center is to help improve coordination among federal agencies and clarify high-priority programs and projects. The Center is also intended to serve as an educational resource to improve planning between public and private institutions. Early Republican reaction to the proposal is cautiously favorable. While more details will be released with the President’s budget request to Congress next month, it appears the White House can implement this proposal without much congressional input.

A second proposal would create a new type of municipal bond called the Qualified Public Infrastructure Bonds (QPIB). These would expand the scope of the Private Activity Bonds (PAB), but would have no expiration date, no issuance caps, and interest on the bonds would not be subject to the alternative minimum tax. QPIB’s would require congressional approval and support from congressional leaders has been muted, with key Members saying they want to see more details before offering fuller comment, including whether the President intends the QPIB to replace municipal bonds or serve as an additional option.

Drought Talks Continue

Senator Feinstein and California Republicans have renewed negotiations over drought response legislation. After the collapse of talks in December, both sides have pledged to renew their efforts to find a compromise that would improve water deliveries while maintaining important environmental protections. No new proposals have been made public nor has a timeline for action been discussed.
Democrats Reintroduce ‘Water for the 21st Century Act’

Rep. Grace Napolitano (D-Covina) reintroduced the “Water in the 21st Century Act” (H.R. 291), a bill that would formally authorize EPA’s WaterSense program and create a new innovative water infrastructure financing program within the Department of the Interior. Senator Barbara Boxer introduced a companion bill in the Senate (S. 176). The bills are based on legislation both members introduced in the last Congress.

The bill would authorize several new programs to improve the sustainability of water supplies through conservation, efficiency improvements, and improved resiliency. These would include a new innovative financing program in the Bureau of Reclamation to provide additional funding for water recycling and for research into desalination technology. Other programs are also designed to help local governments address drought conditions. Reps. Scott Peters and Juan Vargas have signed on as cosponsors, along with several other Democrats from California and other states. However, given the Republican control of both the House and Senate the outlook for this legislation in both chambers is uncertain at best.

New EPW Chair to Focus on EPA Oversight, Blocking WOTUS

Incoming Senate Environment and Public Works (EPW) Committee Chairman James Inhofe (R-OK) laid out an agenda focused an aggressive oversight of the EPA and an effort to block or overturn the EPA/Corps of Engineers proposed rule redefining the “Waters of the United States” (WOTUS) under the Clean Water Act. Inhofe is working with House Transportation & Infrastructure Chairman Bill Shuster (R-PA) to pass legislation blocking the rule’s implementation. Such a bill is expected to be able to win 60 votes in the Senate, although a Presidential veto is likely.

Inhofe is also expected to support passage of legislation based on the Secure Chemical Facilities Act worked out in the last Congress by former Senator Frank Lautenberg. He is expected to maintain an exemption for drinking water and wastewater facilities, but a House bill (H.R. 54) would require the Department of Homeland Security to consult with EPA on new chemical security rulemaking affecting the “security at drinking water facilities and wastewater treatment works.”

Important Deadlines for the New 114th Congress and Legislative Outlook for 2015

The congressional agenda this year will be driven by a series of important deadlines. Several other important issues, discussed after the list of deadlines, could also be addressed over the course of the year.

**February 28:** Expiration of funding for the Department of Homeland Security. Congress passed a short-term extension of Homeland Security as a way to exert leverage on President Obama’s immigration executive orders. How the new GOP majority intends to actually exact changes is still unclear and will likely remain so until February.
March 31: Medicare Sustainable Growth Rate (SGR) or “Doc Fix” patch expires. Last year, lack of Republican support forced House leaders to pass a 12-month extension by voice vote when no one was on the chamber floor to object. That action enraged many rank-and-file members and will make passage of a new fix more difficult this year.

May 31: Funding runs out from the Highway Trust Fund. The account that pays for critical improvements to the nation’s infrastructure, bridges and roads is due to run out of money by the end of May. While reauthorization of transportation policies is relatively uncontroversial, paying for the federal program is a huge and growing problem. A six-year reauthorization at current funding levels would require roughly $100 billion in new revenue. While support for an increase in the federal gas tax is growing, it is unlikely to reach a level that could pass Congress. President Obama has also said he opposes raising the gas tax. A series of short-term extensions is likely over the course of the year and perhaps into 2016.

June 1: Three provisions of the USA Patriot Act expire. The provision cover roving wiretaps, searches of business records (the “library records provision”), and conducting surveillance of “lone wolves” (individuals suspected of terrorist-related activities not linked to terrorist groups).

June 30: The Export-Import Bank charter expires. Republican opposition to Ex-Im puts its continued survival in doubt, although expected furious lobbying from the business community might sway enough votes to sustain it.

August: Congress will need to address the nation’s debt ceiling before the August recess. In February 2014, Congress suspended the debt ceiling until March 15, 2015. However, the Treasury Department estimates it can use other measures to extend the ceiling into August of this year.

September 30: Expiration of funding for the Federal Aviation Administration. Reauthorization of FAA programs is an early priority in both the House and Senate in the hope that they will be able to work out differences before funding expires.

Funding also expires on this date for the Children’s Health Insurance Program (CHIP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

October 1: Start of FY2016. A Continuing Resolution to maintain federal programs will be required in the absence of enacted appropriations acts.

The Internet Tax Moratorium also expires on October 1.
Tax Reform

House and Senate Republicans have already begun to lay the groundwork for their proposals for individual, business, and international tax reform in the new Congress. If reform of the tax code is going to occur in this Congress, it needs to happen before attention turns to the 2016 elections. While at this point it is difficult to predict the final outcome, at a minimum we expect to see a tax extenders component that will eliminate some provisions while making others permanent, as well as efforts at entitlement reform, possibly via the reconciliation process.

Trade

Trade policy is one of the few areas where cooperation between Congress and President Obama is expected. In fact, it may fall upon the President to persuade fellow Democrats in the Senate to secure passage of his goals. Issues expected to come up this year include: expedited Trade Promotion Authority, U.S.-E.U. and U.S.-Pacific free trade agreements, a Miscellaneous Tariff Bill, reauthorization of the Generalized System of Preferences, reauthorization of the African Growth and Opportunity Act, legislation to increase the low-value duty threshold, renewal of the Trade Adjustment Assistance program, and a Customs Reauthorization bill.

Other Issues

The following items are expected to come up this year, although the timing for action has not yet been set:

- **Confirmation hearings for Attorney General** nominee Loretta Lynch and Secretary of Defense nominee Ashton Carter. Both are expected to win support from a majority of the Senate and no senator has yet announced plans to filibuster either nominee.

- **Terrorism Risk Insurance Act (TRIA) renewal.** After failing to pass a reauthorization of the Terrorism Risk Insurance Act (TRIA) in the 113th Congress, House Speaker John Boehner said approval of the program, which expired on December 31, is an early priority. Additionally, House Financial Services Committee Chairman Jeb Hensarling (R-TX) has stated that his committee will vote on an authorization bill in January. The Senate is also expected to move on reauthorization early in 2015. Senator Tom Coburn (R-OK), who blocked final consideration of TRIA last year, retired at the end of 2014.

- **New sanctions on Iran,** which President Obama may oppose, and additional sanctions on Russia have generated bipartisan support in the Senate.

- **Normalization of relations with Cuba.** The Obama Administration has the authority to remove numerous restrictions on engagement with Cuba administratively. However, others are subject to the Helms-Burton Act and other
statutory restrictions in addition for the need to have available funds to carry them out. How and when Congress will respond to the President’s efforts to normalize relations with Cuba will be discussed over the course of the year and could be tied to other trade-related initiatives supported by President Obama and through the appropriations process.

- **Tax Extenders package.** Nearly 60 tax provisions expired on December 31, 2014. Renewal of some or all of these provisions could come up again before the end of 2015.

A number of other issues continue to be discussed for potential action in either or both chambers. Some of these will certainly be issues for the 2016 presidential election and may serve more as political markers than compromise legislative efforts:

- Immigration reform and response to the President’s Executive Action
- Affordable Care Act revisions
- Dodd-Frank Wall Street Reform and Consumer Protection Act revisions
- Energy issues, including LNG and oil exports
- Cybersecurity, privacy, and data breach
- Net Neutrality
- Patent reform
- Regulatory reform, including responses to the President’s proposed rules on climate and environmental issues.
January 21, 2015

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Information)

Background
This report summarizes discussions held and key decisions made at the MWD committee and Board meetings, as reported by the MWD Delegates. Due to the Water Authority’s Board meeting schedule, this report includes MWD Board activities for December 2014 and January 2015. The MWD committees and Board met on December 8 and 9, 2014 and January 12 and 13, 2015. The next regular MWD Board and committee meetings are scheduled for February 9 and 10.

Discussion
In December, the Water Authority Delegation supported five of seven action items approved by the MWD Board. The Delegates opposed an item that increased MWD’s conservation incentives’ biennial budget to $100 million from $60 million, and contract authority for the administration of its regional conservation rebate program. In a letter, the Delegates emphasized their support for conservation, but objected to MWD’s ad hoc approach in using money over-collected from ratepayers as the program’s funding source. They also expressed concerns that MWD cannot financially sustain the current spending trend and raised questions on whether the funds are properly spent to achieve their intended purposes (for the Water Authority Delegates’ letter to MWD, see Attachment 1). The Delegates also opposed adjustments to MWD’s Water Supply Allocation Plan (WSAP) because, along with other issues, the modifications are inconsistent with the MWD Act and MWD’s policy. Their concerns are detailed in the Delegates’ letter to MWD (Attachment 2). The Delegates also submitted written comments on MWD’s Draft 2015 Annual Progress Report to the California State Legislature on Achievements in Conservation, Recycling, and Groundwater Recharge (Attachment 3).

In January, the Water Authority Delegation supported 13 of 14 action items approved by the MWD Board. The Delegates recused themselves on an item related to the rate litigation, which authorized increases in the amounts payable under contract for legal and consultant services to Quinn Emanuel Urquhart & Sullivan, LLP by $3,150,000 and to Woodcock & Associates, Inc. by $100,000, to amounts not to exceed $5,500,000 and $200,000, respectively.

Attachments 4 and 5 are copies of MWD’s December 2014 and January 2015 committee and Board meeting agendas and summary reports, respectively.

December meetings:

Board
Two Speakers spoke during the public commenting period on the proposed modifications to the WSAP. David Pettijohn, Water Resources Director for Los Angeles Department of Water and Power, voiced the city of Los Angeles’ concern with one of the proposed changes that would create a separate allocation adjustment for drought-impacted groundwater basins. Pettijohn said Los Angeles does not support this item because it would reduce the region’s available imported
water for consumptive use during an allocation. Paul Jones, General Manager of Eastern Municipal Water District, commented that Eastern supports the adjustments as a “balanced and needs-based approach.” Following public comments, Director Koretz (Los Angeles) reiterated Los Angeles’ concern, adding that the groundwater allocation serves as a disincentive for conservation and that the Los Angeles delegation would oppose the WSAP modifications if they contain that component. Directors Dick (Municipal Water District of Orange County), Touhey (Upper San Gabriel Valley), Peterson (Las Virgenes), and Caulkins (Anaheim) indicated that they would vote in favor of staff’s recommendation. However, Peterson added he was “deeply disappointed in the logic behind” the groundwater basin allocation. Following further discussion, the Board approved the modifications to the WSAP. Both the Los Angeles and San Diego delegations opposed the item (see Attachment 6 for a copy of a joint letter from the mayors of the cities of San Diego and Los Angeles opposing the WSAP modifications).

Also during the Board meeting, Chair Record (Eastern) acknowledged being unaware that the Administrative Code requires appointments for committee chairs and vice-chairs to take place in December of even years. Record requested to waive the requirement and defer the appointments until MWD’s January 2015 Executive Committee meeting; the Board approved his request.

**Communications and Legislation Committee**

The committee and Board approved the legislative priorities for 2015/16. These priorities were consistent with last year’s priorities, except they included a new item to oppose actions that would unfairly shift procurement of renewable resources to the State Water Project (SWP). Also included were recommendations made by Peterson to monitor potential changes made to the definition of waters of the United States and by Director Tu to follow the implementation of the 2014 water bond, Proposition 1.

MWD’s consultant Rene Fraser from Fraser Communications reported on MWD’s water awareness and conservation outreach campaign. In addition to the $5.5 million MWD budgeted for media outreach, MWD obtained $1.4 million in free media. She said the campaign was particularly effective at impacting conservation efforts by renters and millennials as well as directing people to MWD’s “bewaterwise” website for water conservation tools and rebates.

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

**Engineering and Operations Committee**

The committee received an update on MWD’s Energy Management and Reliability Study, which highlighted MWD’s efforts to ensure reliable energy and manage future energy costs. There are three main areas of MWD operations that require energy: the SWP, the Colorado River Aqueduct, and MWD’s in-region distribution system. It was reported that although the SWP accounts for 54.3 percent of MWD’s energy use, it amounts to more than 80 percent of MWD’s energy costs.

Staff gave a presentation on MWD’s Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation and Replacement Program and reported that MWD is prioritizing about 100 miles of pipeline of the Calabasas, Sepulveda, and Second Lower Cross Feeders, and the Allen-McColloch and Rialto Pipelines for relining or replacement. In response to a question from Director Lefevre
(Torrance), MWD staff reported that it would cost approximately $2.4 billion over 20 years to reline all 100 miles of pipeline.

**Finance and Insurance Committee**
John Swedensky, Chief of Affiliate Program Services Division for CalPERS, gave the committee an update on MWD’s Other Post-Employment Benefits (OPEB) contributions into the California Employer Retiree Benefit Trust (CERBT), which is administered by CalPERS. Swedensky estimated that MWD’s unfunded portion of its OPEB liability, at approximately $170 million, is a little more than 49 percent as of November 30, 2014. MWD has contributed more than $170 million into the CERBT since September 2013 and received investment earnings of about $4.3 million. In June, Governmental Accounting Standards Board (GASB) issued a statement, which will require government agencies, such as MWD and the Water Authority, to report their net OPEB liability on their financial statements starting in fiscal year 2017. Additionally, Actuarial Standards of Practice No. 6, to be implemented in 2015, will require employers to include the subsidy value associated with participating in a pooled health plan, such as MWD’s participation in the CalPERS health plan. This new standard will increase MWD’s disclosure of its OPEB liability.

Following the presentation, Director Lewinger asked staff to describe how MWD plans to fund its OBEF liability in its budget. Treasurer Marumoto said that MWD’s current biennial budget fully funds its Annual Required Contribution (ARC) of about $30 million, of which approximately $20 million is to help pay down the unfunded amount. According to Swedensky, the ARC is calculated under the GASB formula that amortizes the unfunded liability over a 30-year period. Swedensky said that the GASB requirements may shorten the amortization period used to calculate the ARC, which would increase MWD’s ARC but decrease the pay-back term.

The committee also received a report on MWD’s investment activities.

**Legal and Claims Committee**
In closed session, the committee heard reports on the Consolidated Delta Smelt Cases and rate litigation with the Water Authority. There were no reportable actions.

**Organization, Personnel and Technology Committee**
The committee received a report on the Affordable Care Act, during which, Lewinger clarified that one of MWD’s health care premiums falls under the “Cadillac Tax.” (The Cadillac Tax is scheduled to take effect in 2018 and is a new excise tax on high-cost health plans proposed to both slow the rise in health costs and finance the expansion of health coverage.) How MWD pays this tax will be discussed during the upcoming labor negotiations (the current memorandum of understanding with MWD employees’ labor union ends in 2016).

Human Resources Group Manager Mares gave a report on the improvements that the Human Resources Department (HR) implemented from fiscal year 2007 through fiscal year 2014. In response to Director Hogan’s question, staff confirmed that employee “Voices Surveys” are used to guide the department’s focuses. Later, Director Steiner reiterated her request for staff to provide the Board with the Voices Surveys so that the Board may better understand staff’s perspective; Director Gray (West Basin) also indicated her interest in seeing these surveys. Mares responded that the surveys were handled by an outside consultant and staff felt strongly
that the surveys remain anonymous; Chief Administrative Officer Ivey echoed staff’s concern. Noting that HR reduced staff levels over this report’s time period, Director Evans (Western Municipal Water District) encouraged the department to continue the reduction trajectory.

The committee also received updates on the Information Technology Strategic Plan and Information Technology’s Disaster Recovery Program.

**Water Planning and Stewardship Committee**

The committee heard a report on MWD’s achievements in conservation, recycling, and groundwater recharge. A public hearing followed staff’s report, during which seven members of the public provided comments. Koretz noted that unlike past reports, this report did not include an Ethics section. Staff responded that this year the report was “streamlined” and the Ethics Officer will be issuing a separate report. (Subsequently, during the Board meeting and in response to Steiner, Ethics Officer Ghaly confirmed it was her intent to prepare a separate report). Lewinger reiterated his concern that MWD does not include new local resources projects developed without MWD subsidies toward meeting its Local Resources Program (LRP) goal. Water Resources Group Manager Upadhyay responded that MWD’s Integrated Resources Plan includes “all” the member agencies local project development even though MWD’s LRP goal does not account for those projects that do not receive MWD funding. General Manager Kightlinger added that MWD updates the LRP goal every five years, to which Lewinger requested that the goal be updated on an ongoing basis. Kightlinger said that due to population growth, demands on MWD grow by 30,000 to 40,000 acre-feet annually, suggesting that continually updating the goal is unnecessary as the growth in demand coupled with local resources development will not result in significant changes to the goal.

The committee and Board approved an increase of $40 million for conservation incentives for the fiscal years 2015 and 2016 biennial budget and an increase in the existing contract capacity with MWD’s vendor to $290 million from $90 million to administer the conservation program through fiscal year 2017. Staff reported that the increases sought would cover rebate requests up to November 2014 and would carry the conservation spending through fiscal year 2015 only (expenditures associated with rebate requests received after November 2014 would not show up until next fiscal year, staff said); additional expenditures would be requested to fund fiscal year 2016 expenditures at a later date. Lewinger urged the General Auditor to conduct audits of the Conservation Program, starting with the turf removal program, to ensure that projects do not receive subsidy amounts that are greater than their costs. Kightlinger said that the General Auditor intends to conduct an audit and Chief Operations Officer Man added that MWD conducts random audits of projects in addition to requiring receipts for projects that cost more than $100,000. Later, Koretz and Director Quiñonez (Los Angeles) agreed that MWD should institute oversight controls to prevent project “fraud.” Steiner asked if the committee would consider placing a cap on the subsidy amount projects receive and suggested the need to evaluate the effectiveness, and the rate of return, of the program. Kightlinger said that these comments are part of a larger policy discussion on how the program should operate, which staff will bring back to the Board in the spring for further dialog. In response to Kightlinger’s comment, Director Beard (Fullerton) added that MWD should consider managing the conservation program according to a schedule rather than ad hoc funding. Caulkins recommended that MWD start thinking about an “exit strategy” from the current turf removal program funding level. Tu suggested that funding should focus on transforming the market and reaching a broader audience.
The committee and Board approved staff’s recommended modifications to MWD’s WSAP after debating the merits of including a separate allocation for drought-impacted groundwater basins. Peterson said that an “Orange County director” told him that the new groundwater allocation adjustment is to allow Orange County to avoid paying MWD’s treatment costs. Lewinger asked about Central Basin Municipal Water District’s request for replenishment water under the agency’s preferential rights. Kightlinger said that Central Basin rescinded its preferential rights request, adding that an agency’s preferential rights would not be forfeited even if it voted to approve the proposed modifications to the WSAP. During the committee, Koretz made a substitute motion to approve staff’s proposed modifications, excluding the groundwater allocation adjustment; Directors Lewinger and Steiner supported the substitute motion, which failed.

Colorado River Resources Manager Hasencamp provided an overview of a proposed memorandum of understanding (MOU) with the Bureau of Reclamation, Southern Nevada Water Authority, Central Arizona Water Conservation District, Colorado River Board of California, Colorado River Commission of Nevada, and the Arizona Department of Water Resources for Colorado River-related pilot drought response actions. This MOU is in response to Lake Mead elevation reaching a historic low and to prevent it from reaching shortage triggers. The MOU did not require Board authorization, but Board approval will be sought for specific programs identified under the MOU at a later date.

January meetings:

**Board**
The Board inducted Marsha Ramos, who replaces Glenn Brown as the city of Burbank’s delegate.

**Communications and Legislation Committee**
The committee and Board authorized staff to initiate a request for proposals (RFP) for MWD’s summer water conservation and awareness campaign for an amount not to exceed $5.5 million. Zinke reported that the External Affairs budget will fund $3.5 million of these expenses and the remaining $2.0 million will come from the Water Management Fund. In response to questions posed by Steiner and Lewinger, Zinke said that MWD will terminate its current contract with Fraser Communications in April even though Fraser has two more years left in the contract. She said that this RFP is intended to secure a consultant through a competitive bid process, which was not completed when Fraser was selected due to MWD’s desire to quickly implement its multi-media campaign.

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

**Engineering and Operations Committee**
The committee and Board appropriated $34.4 million and authorized contracts related to the final design to rehabilitate PCCP sections of the Second Lower Cross Feeder as well as to prepare a programmatic Environmental Impact Report and Environmental Impact Statement (EIR/EIS). The programmatic EIR/EIS will incorporate the projects for the five pipelines requiring PCCP rehabilitation (Calabasas, Second Lower Cross, and Sepulveda Feeders and the Allen-McColloch and Rialto Pipelines) over the next 20 years. The total cost for all these projects is estimated to fall between $2.4 billion and $2.6 billion.
Also, the committee received an update on MWD’s Emergency Response Program.

Finance and Insurance Committee
The committee received a quarterly financial review, during which Chief Financial Officer Breaux reported that under the current trend, MWD is projecting to close fiscal year 2015 with revenues over budget by $93 million and expenditures below budget by $54.3 million. Water sales are expected to exceed budget by 129,500 acre-feet, accounting for the majority of the excess revenues. State Water Contract expenses are trending lower than budgeted due to lower water deliveries and prior year credits. Evans (Western) asked about the impact of DWR’s under-billing for SWP costs during previous years on MWD’s current State Water Contract costs. Man responded that this impact was overestimated. Additionally, debt service costs are lower than budgeted as a result of MWD refinancing debt, however, Controller Soper pointed out that the refinance requires MWD to place more money into fund reserves, offsetting the debt reduction. McKenney (Municipal Water District of Orange County) said that the excess revenues from higher water sales are the result of MWD pulling water from storage and asked if MWD has a formal policy on how to set aside money to replenish storage. Breaux said that the Water Management Fund serves this purpose; however, Lewinger clarified that MWD lacks a formal policy but has, on an ad hoc basis, placed excess revenues in this fund with the intent to refill storage.

The committee also received a report on MWD’s investment activities.

Legal and Claims Committee
General Counsel Scully provided a report on the U.S. Supreme Court’s decision not to review the Consolidated Delta Smelt Cases. Patterson added to Scully’s report, saying that through MWD’s continued cooperation with regulatory agencies and $1 million funding from the Bureau of Reclamation, there has been enhanced monitoring of Delta Smelt populations and turbidity levels in the Delta. This improved data facilitated the first flush, during which the water contractors agreed to reduce pump flows to minimize the movement of turbidity, and consequently smelt, into the south Delta. Patterson said that this action temporary reduced total exports by 20,000 acre-feet, but is projected to result in 83,000 acre-feet of higher exports later in the year.

The committee and Board authorized contracts with four firms for special bond counsel services and three firms for special bond co-counsel services. Also, in closed session, the committee heard a report on the rate litigation with the Water Authority.

Real Property and Asset Management Committee
The committee and Board authorized a permanent easement of 91 square-feet to the city of South Gate. Additionally, the committee heard the Real Property Development and Management Manager’s report. Real Property Development and Management Group Manager Clairday said that MWD assisted the State Water Project Contractors Authority with assessing land value in the Bay-Delta as parts of MWD’s efforts “to support Bay-Delta initiatives.”

Water Planning and Stewardship Committee
The committee and Board authorized an agreement with the State Water Contractors, Inc (SWC) to seek up to 100,000 acre-feet of water transfers from Sacramento Valley sellers in calendar
year 2015. This action authorized staff to provide the SWC with a partially-refundable deposit of $500,000 for administrative fees associated with securing the transfers ($5 per acre-foot). In response to questions raised by Steiner, staff reported that in calendar year 2014 MWD entered into a similar agreement with SWC but did not pursue any transfers and was refunded $483,000 of the initial $500,000 deposit. MWD reported that staff did not recommend the purchase of transfer supplies in 2014 because they were, in staff’s view, expensive at around $500 to $600 per acre-foot and approximately half the water would be lost as it moved through the Delta. In light of this information, Director Lewinger made a substitute motion, which passed both the committee and Board, to enter into the agreement as described but require staff to return to the Board for approval to purchase or not purchase the transfer water.

The committee and Board authorized an exchange agreement with Westside Mutual Water Company (Westside), a privately held water provider and banking partner in the Kern Water Bank, and the Kern County Water Agency (KCWA), the State Water Project Contractor that serves the Westside service area. Man said this agreement offers “system and operational flexibility” by exchanging up to 50,000 acre-feet of SWP supplies early in calendar year 2015, which MWD would receive in the winter months and return (exchange) in the summer months. In response to Steiner, Man reported that the exchange would benefit MWD’s SWP-exclusive area. Peterson sought clarification on when MWD would be required to return the supplies, to which Kightlinger responded that MWD intends to return the water in the summer of 2015 but that the parties may opt to change this time if they mutually agree to do so. During the Board meeting, MWD staff stated that returning the water in the summer would not impede MWD’s operations and deliveries to its member agencies.

During the Water Surplus and Drought Management presentation, it was reported that MWD ended calendar year 2014 with about 1.2 million acre-feet in storage (excluding 626,000 acre-feet of emergency storage). However, MWD said that only 500,000 acre-feet of storage would be available for MWD’s use under a 10 percent SWP Table A allocation due to operational and facility constraints. MWD provided four 2015 supply scenarios based on different SWP Table A allocations (10, 20, 45, and 55 percent) and how MWD’s 2.1 MAF of demands may be met. Under an allocation of 45 percent, which staff described as a “median condition,” based on DWR’s modeling forecast under the most restrictive pumping scenario, MWD projects it may face a supply gap of about 210,000 acre-feet, which can be met by storage withdrawals. Staff also said that under this scenario, hydrology would be improved and local supplies, including the city of Los Angeles’ Owens Valley supplies, would be higher than they were in 2014; therefore, demands on MWD may be reduced enough so that there would be no gap between MWD’s supplies and demands. MWD will most likely implement the WSAP if the final Table A allocation is 20 percent or lower. Because DWR’s final Table A allocation will not be issued until April, at the earliest, MWD reported that it will evaluate the supplies needed to meet its anticipated demands based on DWR’s median hydrology forecast, which, most currently, supported a 45 to 55 percent Table A allocation. Given January’s median forecast, staff believes consideration of allocation can be postponed another month as hydrologic conditions further develop.

Directors Blois (Calleguas), Morris (San Marino), and Lewinger suggested that the MWD Board discuss allocating water earlier rather than later with Morris recommending that staff return to the committee next month with an “action item” describing a range of potential water supply and
demand outcomes and a plan detailing how MWD will respond to these various scenarios. Lewinger also requested that the Board discuss how emergency storage may be used, questioning if a severe drought warrants use of these reserves. Steiner renewed her request to have a larger policy discussion on MWD’s storage use, noting that under the 20 percent Table A allocation scenario MWD staff suggested it is possible to meet its supply gap of 690,000 acre-feet by pulling 500,000 acre-feet of storage supplies and reducing demands by 190,000 acre-feet through implementing the WSAP. Upadhyay replied that it is unlikely MWD would pull such a large amount from storage and that MWD intends to have a discussion on the balance between taking water from storage and the extent that MWD allocates supplies during next month’s committee meeting.

The committee also received an update on conservation activities that focused on the funds expended and reserved through MWD’s commercial and residential conservation programs, which include subsidies for turf removal and water use efficiency devices. Following the presentation, Lewinger suggested that the committee discuss options to ensure conservation programs are funded to meet the intended purposes of transforming and changing behavior.

The committee also received updates on Bay-Delta and Colorado River matters.

Prepared by:    Liz Mendelson, Water Resources Specialist
Approved by:    Communications and Legislation Committee by Keith Lewinger and Yen Tu
                 Engineering and Operations Committee by Fern Steiner
                 Finance and Insurance Committee by Keith Lewinger
                 Legal and Claims Committee by Fern Steiner and Yen Tu
                 Real Property and Asset Management Committee by Michael Hogan
                 Water Planning and Stewardship Committee by Keith Lewinger and Fern Steiner

Attachment 1: Letter to MWD on Conservation Program Spending, dated December 8, 2014
Attachment 2: Letter to MWD on Modifications to the Water Supply Allocation Plan, dated December 8, 2014
Attachment 4: MWD’s committee and Board meeting agendas and Summary of Actions, dated December 8 and 9, 2014
Attachment 5: MWD’s committee and Board meeting agenda and Summary of Actions, dated January 12 and 13, 2014
Attachment 6: Joint Letter from Mayors of San Diego and Los Angeles to MWD on Modifications to the Water Supply Allocation Plan, dated December 8, 2014
December 8, 2014

Randy Record 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 8-1: Authorize: (1) increase of $40 million for conservation incentives and (2) increase to contract authority of the five-year agreement with Electric and Gas Industries Association for administration of Metropolitan’s regional conservation rebate program – OPPOSE

Chair Record and Members of the Board:

The Water Authority and its member agencies strongly support and have an outstanding record of leadership in water conservation planning, programs and implementation. Through our collective efforts, the San Diego region’s per capita water use has been reduced by almost 25 percent since 2007. In response to the current drought, we launched our When in Drought, Save Every Day, Every Way campaign in order to further increase public awareness. As a result of these efforts, a recent poll shows that more than 80 percent of San Diegans now believe saving water is a civic duty. While we continue to support the Governor and State Board’s call to increase conservation, we must oppose staff’s recommendation due to the manner in which ratepayer dollars are being spent and the absence of any accountability or demonstration that the expenditure of these funds is actually achieving the intended purpose.

Staff’s recommendation is to spend five times more than its adopted budget on conservation programs in this fiscal year alone (leaving no conservation funding for the following fiscal year). Funding would come from money MWD has over-collected from ratepayers over the last two fiscal years. This money could have been invested directly at the local level, on water conservation and supply programs that would not only alleviate the impacts of drought, but also provide long term water supply benefits. Instead, MWD is proposing to spend a significant portion of this money, over-collected from all ratepayers, on turf replacement on commercial properties including private golf courses. At MWD’s $2 per square foot rebate, this costs MWD ratepayers more than $1,500 per acre-foot.
Against this backdrop, we find it ironic that the MWD board just last month adopted a purchase order policy that allows MWD member agencies to increase purchases of low priced Tier 1 water (and avoid the higher Tier 2 rate on an annual basis as costs are incurred), completely eliminating the pricing signal Tier 2 was originally intended to send. MWD's "pricing signals" and behaviors - including this water conservation program - are completely upside down and inconsistent.

MWD is simply burning through ratepayer dollars irresponsibly in the name of water conservation. It could accomplish much more by structuring its rates according to its cost of service and sending true price signals about the value of water. At a minimum, before approving any further funding, MWD should redesign this program to place a cap on the amount of rebate applicants may receive so that conservation rebates are possible involving the general public and a wider range of applicants.

Given the proposed unprecedented level of spending associated with money being paid to private business, we request the General Auditor conduct a financial audit of all rebate programs, starting with a specific emphasis on the turf removal program. For the same reason, we request that the contract authority for EGIA be extended only to match the biennial budget, rather than through 2017. We believe this is absolutely essential to ensure that the MWD board of directors is being a responsible steward of ratepayer dollars.

Sincerely,

Michael T. Hogan
Director

Keith Lewinger
Director

Fern Steiner
Director

Yen C. Tu
Director

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1 The staff letter states that the current proposed increase is “intended to address immediate issues in the conservation program for the current fiscal year.” MWD’s adopted biennial budget for conservation for fiscal years 2014/15 and 2015/16 was $40 million. With the addition of $20 million in February and this request to add another $40 million, the conservation budget for the current year alone would total $100 million.
December 8, 2014

Randy Record 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: Approve adjustments to Metropolitan’s Water Supply Allocation Plan -- REQUEST TO DEFER ACTION PENDING A BOARD WORKSHOP or in the alternative, OPPOSE

Chair Record and Members of the Board:

We write to request that the board defer action on the recommended adjustments to MWD’s Water Supply Allocation Plan (Allocation Plan) detailed in Board Memo 8-2 pending an emergency board workshop to review a number of fiscal and policy issues discussed below; should the board decline to defer action to accommodate scheduling of a Board workshop, then we OPPOSE the recommended adjustments to the Allocation Plan.

Background: The Water Authority’s delegates wrote to this Board on September 9, 2011, regarding adjustments that were then being proposed to the Allocation Plan (a copy of the September 9 letter is attached for ease of reference). Although our delegates voted to support the Allocation Plan adopted in 2008, our 2011 letter noted that the Allocation Plan was based on policy direction given by the Board in 1999. Thus, in 2011, it had already been more than 10 years since this Board of Directors had considered the policies upon which the Allocation Plan is based. We noted in 2011 that MWD’s water supply and fiscal conditions had changed dramatically, but that the associated board policies had not been reviewed or updated. Now, three more years have passed without Board deliberation of these vital polices. Instead, we are presented with a list of meetings MWD staff held with member agency staff and are now advised of their conclusory recommendations, while there may be benefits for staff to discuss allocation details with member agency staff, the board must ensure that the recommendations are consistent with board policy; no data or analyses supporting how these recommendations are consistent with the MWD Act have been presented to this board.

As stated in our 2011 letter, we question whether a "need"-based approach that does not even require member agencies to achieve statutorily mandated retail conservation targets sends the right signal. Under the MWD Act, we do not believe that the Allocation Plan is enforceable in the absence of a declared water supply emergency or in the event a member agency orders a water
supply within its preferential rights. Board Memo 8-2 does not reference the statutory authority pursuant to which it is adopted (we assume footnote 1 on page 1 of the Board Memo is not intended as the basis of the proposed MWD board action). MWD Act Section 135 establishes the member agency’s respective entitlement to MWD water. It does not contain any additional authority for allocation of water.

The time has long since passed for this Board to review all of the relevant data and modeling that may (or may not) support the policies, assumptions and recommendations for the allocation of water during times of shortage. Consideration by the member agency staff and managers is no substitute for board deliberation. The Board must also consider how the Allocation Plan relates to other board policies and principles and legal requirements.

Separate Allocation for drought-impacted groundwater basins: We oppose adding a separate allocation for drought-impacted groundwater basins because we believe it would necessarily drive MWD into an even higher stage of shortage than currently exists and impede its ability to meet the ordinary demands and requirements of all Southern California water consumers. Instead, the needs of MWD water consumers located in these areas should be factored in to whatever allocation is made to all MWD water consumers.

The board memo confuses issues having to do with water supply allocation during times of shortage with issues associated with long-term planning to meet the replenishment needs of groundwater agencies. We don't believe any studies or consultation with MWD staff is needed to "verify" the need for groundwater replenishment; indeed, if MWD can find a groundwater basin in Southern California (or California generally) that is not in need of replenishment at this time, we would be surprised. But MWD is not charged with meeting the needs of groundwater basins; rather, it is charged with utilizing its available water supplies during times of shortage to meet the legal demand for water by its member agencies, or, take action to distribute water under Section 350 of the Water Code.

Replacing Allocation Plan penalty rates with an "Allocation Surcharge": As noted earlier, it is unclear what statutory authority MWD is relying upon in Board Memo 8-2. In any case, we do not believe that sufficient information has been provided to determine whether or not the penalty or "surcharge" meets legal requirements. We believe the current penalty pricing provision, as well as the proposed surcharge, are inconsistent with Section 135 to the extent that any member agency is assessed a penalty for an amount of water that is within its preferential right.

It is also paradoxical to eliminate the Tier Two "pricing signal," as the Board did last month in adopting changes to the "Purchase Orders," and at the same time declare the Allocation Surcharge is needed to send a "pricing signal." MWD staff and legal counsel need to go back to the drawing board on all of these policies and legal requirements so that MWD’s member agencies and Southland water consumers may have more certainty about what imported water supplies they may count on receiving from MWD during times of shortage. We have expressed concerns separately regarding the merits of the turf removal funding (see Board Letter of this
Chair Record and Member of the Board
December 8, 2014

Page 3

date RE Board Memo 8-1).

**Request to give staff additional discretion to allocate water:** Board Memo 8-2 recommends giving staff a wide range of discretion to adjust water supplies to be allocated to member agencies.⁴ We do not support staff having discretion to determine on an ad hoc or case-by-case basis how water supplies should be allocated during shortages.

**The data contained in Attachment 2 RE 2014 WSAP Member Agency Base Period and Allocation Year Data is incorrect:** Water Authority staff has previously requested correction of this data to eliminate the double-counting of its Colorado River "local supplies" as also being "MWD Purchases." This reporting is not consistent with the manner in which the local water supplies of all other MWD member agencies have been accounted for.

We urge the Board to defer staff’s recommendations, and instead, direct staff to schedule a board workshop to discuss changed circumstances and board policies contained in the Water Supply and Drought Management and Allocation Plans. We welcome the opportunity to work with you in preparing an agenda and approach for the Board’s consideration.

Sincerely,

Michael T. Hogan  
Director

Keith Lewinger  
Director

Fern Steiner  
Director

Yen C. Tu  
Director

**Attachments:**

2. Water Authority’s Letter to MWD on Conservation, dated December 8, 2014

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⁴ Staff recommends (1) that it be allowed to establish a "consultation process" to meet with member and retail agencies regarding adjustments to the Allocation Plan Base Period and only report adjustments to the Board ex post facto; (2) to replace current defined methodology for calculating conservation demand hardening credits with an alternative methodology based on "observed" reductions and adding a new credit for "the member agency’s dependence on MWD," which has nothing to do with demand hardening; and (3) a "consultation" process in which staff will decide how much water may be allocated to the "needs of groundwater basins," and including an "appeals process" in which the Board may vote to allocate additional supplies. Aside from creating even more confusion about how much water any agency may obtain from MWD during a time of shortage, MWD does not have staff available that is qualified to make the various determinations about meeting the "needs of groundwater basins," let alone deciding what is a "severe and/or inequitable financial impact."
September 9, 2011

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

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

Dear Chairman Foley and Board Members:

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

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

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

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

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

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

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

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

Sincerely,

Jim Bowersox       Lynne Heidel       Keith Lewinger       Fern Steiner
Director          Director          Director          Director

cc: MWD Board of Directors
     SDCWA Board of Directors

Attachment 1: “Guiding Principle,” “Supporting Principles” and “Implementation Goals” (1999 WSDM Plan)
WSDM PRINCIPLES AND IMPLEMENTATION GOALS

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

Guiding Principle

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

Supporting Principles

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

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

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

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

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

WSDM Plan Implementation Goals

- Avoid mandatory import water allocations to the extent practicable.

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

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

- Impact on retail consumers and economy
- Reclamation/Recycling
- Conservation
- Population and economic growth
- Investment in local resources
  - Change and/or loss of local supply
Planning and Resources Division, 3/26/99

- Participation in Metropolitan’s Non-firm (interruptible) programs
- Investment in Metropolitan’s facilities.

• Encourage storage of surplus supplies to mitigate shortages and improve water quality.
December 8, 2014

Randy Record 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 8-1: Authorize: (1) increase of $40 million for conservation incentives and (2) increase to contract authority of the five-year agreement with Electric and Gas Industries Association for administration of Metropolitan’s regional conservation rebate program – OPPOSE

Chair Record and Members of the Board:

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Staff’s recommendation is to spend five times more than its adopted budget on conservation programs in this fiscal year alone (leaving no conservation funding for the following fiscal year). Funding would come from money MWD has over-collected from ratepayers over the last two fiscal years. This money could have been invested directly at the local level, on water conservation and supply programs that would not only alleviate the impacts of drought, but also provide long term water supply benefits. Instead, MWD is proposing to spend a significant portion of this money, over-collected from all ratepayers, on turf replacement on commercial properties including private golf courses. At MWD’s $2 per square foot rebate, this costs MWD ratepayers more than $1,500 per acre-foot.
Against this backdrop, we find it ironic that the MWD board just last month adopted a purchase order policy that allows MWD member agencies to increase purchases of low priced Tier 1 water (and avoid the higher Tier 2 rate on an annual basis as costs are incurred), completely eliminating the pricing signal Tier 2 was originally intended to send. MWD's "pricing signals" and behaviors - including this water conservation program - are completely upside down and inconsistent.

MWD is simply burning through ratepayer dollars irresponsibly in the name of water conservation. It could accomplish much more by structuring its rates according to its cost of service and sending true price signals about the value of water. At a minimum, before approving any further funding, MWD should redesign this program to place a cap on the amount of rebate applicants may receive so that conservation rebates are possible involving the general public and a wider range of applicants.

Given the proposed unprecedented level of spending associated with money being paid to private business, we request the General Auditor conduct a financial audit of all rebate programs, starting with a specific emphasis on the turf removal program. For the same reason, we request that the contract authority for EGIA be extended only to match the biennial budget, rather than through 2017. We believe this is absolutely essential to ensure that the MWD board of directors is being a responsible steward of ratepayer dollars.

Sincerely,

Michael T. Hogan
Director

Keith Lewinger
Director

Fern Steiner
Director

Yen C. Tu
Director

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The staff letter states that the current proposed increase is “intended to address immediate issues in the conservation program for the current fiscal year.” MWD’s adopted biennial budget for conservation for fiscal years 2014/15 and 2015/16 was $40 million. With the addition of $20 million in February and this request to add another $40 million, the conservation budget for the current year alone would total $100 million.
December 8, 2014

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

RE: SB 60 - Report – Water Planning and Stewardship Committee Public Hearing

Chair Record and Members of the Board:

We submit the following comments for inclusion in today’s public hearing record.

1. We appreciate that the Report’s Achievement Scorecard now includes production data on member agencies’ water recycling and groundwater recovery programs. Similar data should be included for member agencies’ conservation. Also, the text of the Report continues to focus solely on programs MWD has funded, rather than all of the things MWD could do and its member agencies have done to support the objectives and requirements of SB 60. The Report should describe how MWD is integrating and incorporating member agencies’ local water supplies and planning in MWD’s supply planning.

2. Although the Report touched on seawater desalination under the Foundational Actions Funding Program, it did not reference the Water Authority’s Carlsbad Seawater Desalination Project. Given that the Carlsbad project is scheduled to be online next fall and will generate up to 56,000 acre-feet of local water supply, we suggest that the Report reference that achievement.

3. The Report did not include an Ethics Office page. For the first time since the creation of this office, it successfully conducted an investigation that has improved awareness of how the Board should conduct its business. We also believe that achievement should be noted in this Report.

Sincerely,

Michael T. Hogan
Director

Keith Lewinger
Director

Fern Steiner
Director

Yen C. Tu
Director
Finance and Insurance Committee

Meeting with Board of Directors*

December 8, 2014

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

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Date of Notice: November 25, 2014

* 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 November 17, 2014

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt final resolution for annexation of the Campus Park West Annexation to San Diego County Water Authority and Metropolitan. (F&I)
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. Adopt resolution granting approval for the Campus Park West Annexation concurrently to SDCWA and Metropolitan and establish Metropolitan’s terms and conditions for the annexation, conditioned upon approval by San Diego County’s Local Agency Formation Commission, and upon receipt of annexation fee of $454,530.12; and

b. Approve SDCWA’s Statement of Compliance with the current Water Use Efficiency Guidelines.

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral report on investment activities

b. Other Post-Employment Benefits update by CalPERS – December 2014

c. Update on Metropolitan’s Business Continuity Program

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*

December 8, 2014

10:00 a.m. – Room 2-456

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**Water Planning and Stewardship Committee**

Meeting with Board of Directors*

**Monday, December 8, 2014**

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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. **PUBLIC HEARING**
   
a. Review of Metropolitan’s achievements in conservation, recycling and groundwater recharge

3. **Approval of the Minutes of the meeting of the Water Planning and Stewardship Committee held November 17, 2014**

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

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Date of Notice: November 26, 2014
5. OTHER BOARD ITEMS — ACTION

8-1 Authorize: (1) increase of $40 million for conservation incentives; and (2) increase to the contract authority of the five-year agreement with Electric and Gas Industries Association for administration of Metropolitan’s regional conservation rebate program. (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
a. Authorize the increase in conservation budget of $40 million, from $60 million to $100 million; and
b. Authorize the General Manager to amend Agreement No. 129415 with EGIA to increase contract capacity authority from $90 million to $290 million to allow for the increased activity in Metropolitan’s regional rebate program.

8-2 Approve adjustments to Metropolitan’s Water Supply Allocation Plan. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the item is categorically and statutorily exempt, and approve adjustments to the Water Supply Allocation Plan.

6. BOARD INFORMATION ITEMS

9-1 Overview of proposed memorandum of understanding for Colorado River-related pilot drought response actions. (WP&S)

7. COMMITTEE ITEMS

a. Report on Water Surplus and Drought Management Plan
8. MANAGEMENT REPORTS

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

9. FOLLOW-UP ITEMS

   None

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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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: November 26, 2014
**E&O Committee**
T. Evans, Chair
G. Brown, V. Chair
B. Barbre
P. Beard
S. Blois
D. Calkins
M. Camacho
G. Dake
D. De Jesus
R. Lefevre
S. Lowenthal
J. Morris
G. Peterson
F. Steiner

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**Engineering and Operations Committee**

**Meeting with Board of Directors**

**December 8, 2014**

**12:30 p.m. -- Room 2-145**

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**Meeting Schedule**

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---

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

2. **Approval of the Minutes of the meeting of the Engineering and Operations Committee held November 17, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

   **7-2** Appropriate $880,000; and authorize design of seismic upgrades for 12 structures throughout the distribution system (Approps. 15458 and 15441). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt from CEQA, and
a. Appropriate $880,000;
b. Authorize design of seismic upgrades to the Foothill Hydroelectric Plant and Carbon Creek Pressure Control Structure; and
c. Authorize design of seismic upgrades to service connection structures on the Allen-McColloch Pipeline.

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Energy Management and Reliability Study
b. Update on Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Program
c. Update on Emergency Response Program

7. MANAGEMENT REPORTS

a. Water System Operations Manager’s report
b. Engineering Services Manager’s report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS
10. **ADJOURNMENT**

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REVISED AGENDA

Communications and Legislation Committee

Meeting with Board of Directors*

December 8, 2014

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

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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 Communications and Legislation Committee held November 17, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-3 Adopt Legislative Priorities for 2015/16. (C&L)
Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and adopt the Legislative Strategy for 2015/16.

5. BOARD INFORMATION ITEMS

Added 9-2 Report on Federal Drought Legislation. (C&L)

6. COMMITTEE ITEMS

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

b. Report on activities from Sacramento

Withdrawn c. Report on Advertising Campaign

Added d. Report and assessment of water awareness and conservation outreach campaign

Added e. Update on conservation messaging and extended outreach program

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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REVISED: Date of Notice: December 3, 2014
### REVISED AGENDA

**Legal and Claims Committee**

Meeting with Board of Directors*

**December 9, 2014**

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

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**MWD Headquarters Building**

700 N. Alameda Street
Los Angeles, CA 90012

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

2. **Approval of the Minutes of the meeting of the Legal and Claims Committee held November 18, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   **Deferred** 8-4 Authorize increase in maximum amount payable under contract with Van Ness Feldman LLP for legal services related to preparation of the Bay Delta Conservation Plan by $150,000 to an amount not to exceed $250,000. (L&C)
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)]

c. 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**

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**REVISED:** Date of Notice: December 3, 2014
REVISED AGENDA

Organization, Personnel and Technology Committee

Meeting with Board of Directors*

December 9, 2014

10:00 a.m. -- Room 2-456

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

* 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 November 18, 2014**

3. **CHAIRMAN’S REPORT**

4. **CONSENT CALENDAR ITEMS — ACTION**

   None

5. **OTHER BOARD ITEMS — ACTION**

   None

**REVISED:** Date of Notice: December 3, 2014
6. **BOARD INFORMATION ITEMS**

   None

7. **COMMITTEE ITEMS**

   a. Information Technology Strategic Plan Oral Update (period ending September 2014)

   b. Update on Information Technology’s Disaster Recovery Program

   c. Oral report on Affordable Care Act

   Added

   d. 2013/14 Human Resources Highlights

8. **FOLLOW-UP ITEMS**

   None

9. **FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

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**REVISED:** Date of Notice: December 3, 2014
1. Call to Order
   (a) Invocation: Duane Cave, Director, Moulton Niguel Water District
   (b) Pledge of Allegiance: Director Don Calkins

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 November 18, 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 November

REVISED: Date of Notice: December 3, 2014
C. Reappointment of Director Michael Touhey from Upper San Gabriel Valley Municipal Water District

D. Presentation of five-year service pins to:
   Director Brett Barbre, representing Municipal Water District of Orange County
   Laura Friedman, representing city of Glendale

E. Approve committee assignments

F. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

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

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

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt final resolution for annexation of the Campus Park West Annexation to San Diego County Water Authority and 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. Adopt resolution granting approval for the Campus Park West Annexation concurrently to SDCWA and Metropolitan and establish Metropolitan's terms and conditions for the annexation, conditioned upon approval by San Diego County's Local Agency Formation Commission, and upon receipt of annexation fee of $454,530.12; and

b. Approve SDCWA's Statement of Compliance with the current Water Use Efficiency Guidelines.
7-2  Appropriate $880,000; and authorize design of seismic upgrades for 12 structures throughout the distribution system (Approps. 15458 and 15441). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $880,000;
b. Authorize design of seismic upgrades to the Foothill Hydroelectric Plant and Carbon Creek Pressure Control Structure; and
c. Authorize design of seismic upgrades to service connection structures on the Allen-McColloch Pipeline.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1  Authorize: (1) increase of $40 million for conservation incentives; and (2) increase to the contract authority of the five-year agreement with Electric and Gas Industries Association for administration of Metropolitan’s regional conservation rebate program. (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

a. Authorize the increase in conservation budget of $40 million, from $60 million to $100 million; and
b. Authorize the General Manager to amend Agreement No. 129415 with EGIA to increase contract capacity authority from $90 million to $290 million to allow for the increased activity in Metropolitan’s regional rebate program.
8-2 Approve adjustments to Metropolitan’s Water Supply Allocation Plan. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the item is categorically and statutorily exempt, and approve adjustments to the Water Supply Allocation Plan.

8-3 Adopt Legislative Priorities for 2015/16 (C&L)

Added Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and adopt the Legislative Strategy for 2015/16.

Deferred 8-4 Authorize increase in maximum amount payable under contract with Van Ness Feldman LLP for legal services related to preparation of the Bay Delta Conservation Plan by $150,000 to an amount not to exceed $250,000. (L&G)

9. BOARD INFORMATION ITEMS

9-1 Overview of proposed memorandum of understanding for Colorado River-related pilot drought response actions. (WP&S)

Added 9-2 Report on Federal Drought Legislation. (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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Committee Assignments

Director Griset was assigned to the Agriculture and Business Outreach Committee; and the Board voted to waive the requirement in Administrative Code Section 2401 that Committee Chairs and Vice-Chairs be appointed at the December Board meeting and defer those appointments to the Executive Committee meeting on January 27, 2015. (Agenda Item 5E)

Water Planning and Stewardship Committee

Authorized the increase in conservation budget of $40 million, from $60 million to $100 million; and authorized the General Manager to amend Agreement No. 129415 with EGIA to increase contract capacity authority from $90 million to $290 million to allow for the increased activity in Metropolitan’s regional rebate program. (Agenda Item 8-1)

Approved adjustments to Metropolitan’s Water Supply Allocation Plan. (Agenda Item 8-2)

Communications and Legislation Committee

Amended the water quality priorities to reflect the policy of protecting against unacceptable risks from various constituents and adopted the Legislative Strategy for 2015/16 as amended. (Agenda Item 8-3)

Consent Calendar

In other action, the Board:

Adopted resolution granting approval for the Campus Park West Annexation concurrently to SDCWA and Metropolitan and establishing Metropolitan’s terms and conditions for the annexation, conditioned upon approval by San Diego County’s Local Agency Formation Commission, and upon receipt of annexation fee of $454,530.12; and approved SDCWA’s Statement of Compliance with the current Water Use Efficiency Guidelines. (Agenda Item 7-1)

Appropriated $880,000; authorized design of seismic upgrades to the Foothill Hydroelectric Plant and Carbon Creek Pressure Control Structure; and authorized design of seismic upgrades to service connection structures on the Allen-McColloch Pipeline. (Approps. 15458 and 15441) (Agenda Item 7-2)

Other Matters

In other action, the Board:

Reappointment of Director Michael Touhey representing Upper San Gabriel Valley Municipal Water District. (Agenda Item 5C)
Presentation of five-year service pin to Director Brett Barbre, representing Municipal Water District of Orange County. (Agenda Item 5G)

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.
Finance and Insurance Committee

Meeting with Board of Directors*

January 12, 2015

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

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

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

2. **Approval of the Minutes of the meeting of the Finance and Insurance Committee held December 8, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

   7-1 Adopt final resolution for annexation of the 104th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)
Recommendation:

Option #1:

Review and consider the Notice of Exemptions prepared by Eastern Municipal Water District as a Lead Agency, and

a. Adopt resolution granting approval for the 104th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $327,044.44; and

b. Approve Eastern’s Statement of Compliance with the current Water Use Efficiency Guidelines.

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral report on investment activities

b. Quarterly financial review

7. MANAGEMENT REPORT

a. Chief Financial Officer’s report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
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Water Planning and Stewardship Committee
Meeting with Board of Directors*

January 12, 2015

10:00 a.m. – Room 2-456

Monday, January 12, 2015
Meeting Schedule

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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 December 8, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

None
4. OTHER BOARD ITEMS — ACTION

8-1 Authorize: (1) agreement with the State Water Contractors, Inc. to pursue 2015 Sacramento Valley water transfer supplies; and (2) $5 per acre-foot initial administrative deposit not to exceed $500,000 from the Water Management Fund. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and there is no possibility that it may have a significant effect on the environment, and

a. Authorize the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2015 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and

b. Authorize making a $5-per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not to exceed $500,000 from the Water Management Fund.

8-2 Authorize an exchange of up to 50,000 acre-feet with Westside Mutual Water Company and Kern County Water Agency to enhance Metropolitan’s operational flexibility in 2015. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and authorize the General Manager to enter into the necessary agreements to facilitate an exchange with Westside Mutual Water Company and Kern County Water Agency, in a form approved by the General Counsel.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Report on Water Surplus and Drought Management Plan

b. Update on Conservation Activities

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

8. FOLLOW-UP ITEMS
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Engineering and Operations Committee

Meeting with Board of Directors*

January 12, 2015

12:30 p.m. -- Room 2-145

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**Meeting Schedule**

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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.

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 December 8, 2014**

3. **CONSENT CALENDAR ITEMS — ACTION**

   **7-2** Appropriate $430,000; authorize two rehabilitation projects at the F. E. Weymouth Water Treatment Plant; and adopt an addendum to an environmental impact report for the Weymouth plant (Approp. 15477). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, adopt Addendum No. 9 to the Certified Final Environmental Impact Report, and
a. Appropriate $430,000; and
b. Authorize two rehabilitation projects at the Weymouth plant.

7-3 Appropriate $710,000; and authorize design to extend electrical service to the East Dam area at Diamond Valley Lake (Approp. 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
a. Appropriate $710,000; and
b. Authorize design to extend electrical service to the East Dam area at Diamond Valley Lake.

7-4 Adopt resolutions supporting Metropolitan’s application for California Department of Water Resources Water-Energy Grant Program and acceptance of grant funding for the Weymouth and Jensen solar generation plants. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the action is not defined as a project and is not subject to CEQA, and
a. Adopt a resolution supporting Metropolitan’s application to DWR’s 2014 Water-Energy Grant Program for the Weymouth solar facility and the High Efficiency Toilet Rebate program within the Weymouth service area, and authorize the General Manager to accept potential grant funding of up to $2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel; and
b. Adopt a resolution supporting Metropolitan’s application to DWR’s 2014 Water-Energy Grant Program for the Jensen solar facility and the High Efficiency Toilet Rebate program within the Jensen service area, and authorize the General Manager to accept potential grant funding of up to $2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel.
4. OTHER BOARD ITEMS — ACTION

8-3  Award $3,067,900 contract to Zusser Company, Inc. to refurbish solids lagoons for the Joseph Jensen Water Treatment Plant; and authorize increase of $300,000 to an agreement with MWH Americas, for a new not-to-exceed total of $700,000. (E&O)

Recommendation:

Option #1:

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

a. Award $3,067,900 contract to Zusser Company, Inc. to refurbish solids lagoons for the Jansen plant; and

b. Authorize increase of $300,000 to the existing agreement with MWH Americas, for a new not-to-exceed total of $700,000.

8-4  Appropriate $6.3 million; and award $3,637,083 contract to Kana Engineering Group, Inc. to replace filter valves at the Joseph Jensen Water Treatment Plant (Approp. 15371). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the 2012 categorical exemptions and that no further environmental analysis or documentation is required, and

a. Appropriate $6.3 million; and

b. Award $3,637,083 contract to Kana Engineering Group, Inc. to replace filter valves at the Jensen plant’s Module No. 1.

8-5  Appropriate $34.3 million; and authorize: (1) final design to rehabilitate prestressed concrete cylinder pipe (PCCP) portions of the Second Lower Feeder; (2) preliminary engineering and environmental analyses to rehabilitate four other PCCP feeders; (3) an agreement with Black & Veatch in an amount not to exceed $16 million; and (4) an increase of $350,000 to the agreement with ICF International, for a new not-to-exceed total of $1.3 million (Approp. 15471). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt and are not subject to CEQA, and
a. Appropriate $34.3 million;
b. Authorize the first phase of final design to rehabilitate the PCCP portions of the Second Lower Feeder;
c. Authorize preliminary engineering and environmental analyses to rehabilitate the PCCP portions of the Sepulveda Feeder, Calabasas Feeder, Rialto Pipeline, and Allen-McColloch Pipeline;
d. Authorize an agreement with Black & Veatch in an amount not to exceed $16 million; and
e. Authorize an increase of $350,000 to the agreement with ICF International, for a new not-to-exceed total of $1.3 million.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Emergency Response Program

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: December 30, 2014
Communications and Legislation Committee

Meeting with Board of Directors*

January 12, 2015

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

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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 Communications and Legislation Committee held December 8, 2014

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-8 Authorize: (1) staff to initiate a Request for Proposals for a summer water awareness and conservation advertising campaign; and (2) expenditure of necessary funding, not to exceed $5.5 million. (C&L) (To be mailed separately)
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

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

b. Report on activities from Sacramento

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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REVISED AGENDA

Legal and Claims Committee

Meeting with Board of Directors*

January 13, 2015

8:30 a.m. -- Room 2-145

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

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

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

2. Approval of the Minutes of the meeting of the Legal and Claims Committee held December 9, 2014

3. CONSENT CALENDAR ITEMS — ACTION

None

4. OTHER BOARD ITEMS — ACTION

Corrected 8-6 Authorize contracts for special bond counsel services with Nixon Peabody LLP, Stradling Yocca, Carlson & Rauth, P.C., Hawkins Delafield & Wood LLP, and Fulbright & Jaworski LLP, and co-special bond counsel services with Law Offices of Alexis Chiu, Curls Bartling P.C. and Schiff Hardin LLP for the period ending June 28, 2018. (L&C)
Recommendation:

Option #1:

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

a. Authorize the General Counsel to retain the firms listed in the board letter as special bond counsel and co-counsel through June 30, 2018; and

b. Determine that special bond counsel fees may be approved by the General Counsel in amounts sufficient to procure special bond counsel and co-special bond counsel services for bond issues and legal advice, as described in the board letter.

8-7 Report on existing litigation; and authorize increase in maximum amount payable under contract for legal services with Quinn Emanuel Urquhart & Sullivan, LLP by $3,150,000 to an amount not to exceed $5,500,000, and authorize increase in maximum amount payable under contract for consultant services with Woodcock & Associates, Inc. by $100,000 to an amount not to exceed $200,000, both in connection with San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, and CPF-14-514004. (L&C)

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

(To be mailed separately)

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)]
7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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

2. **Approval of the Minutes of the meeting of the Real Property and Asset Management Committee held September 8, 2014**

3. **CONSENT CALENDAR ITEMS -- ACTION**

   **7-5** Authorize granting a permanent easement to city of South Gate on Metropolitan-owned property located in county of Los Angeles. (RP&AM)

   **Recommendation:**

   **Option #1:**

   Adopt the Lead Agency’s CEQA determination that the project is categorically exempt, and authorize the General Manager to grant a permanent easement to the city of South Gate.
4. OTHER BOARD ITEMS -- ACTION

None

5. COMMITTEE ITEMS

None

6. MANAGEMENT REPORT

a. Real Property Development and Management Manager's Report

7. FUTURE AGENDA ITEMS

8. ADJOURNMENT

NOTE:

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Date of Notice: December 30, 2014
REVISION 2

Regular Board Meeting

January 13, 2015

12:00 p.m. – Board Room

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

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1. Call to Order

   (a) Invocation: Duane Cave, Director, Moulton Niguel Water District

   (b) Pledge of Allegiance: Director Yen Tu

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 December 9, 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 December

REVISED: Date of Notice: January 9, 2015
C. Induction of new Director, Marsha Ramos, from City of Burbank  
   (a) Receive credentials  
   (b) Report on credentials by General Counsel  
   (c) File credentials  
   (d) Administer Oath of Office  
   (e) File Oath  

Withdrawn  
D. Reappointment of Director John Murray, Jr. from City of Los Angeles  

Withdrawn  
E. Reappointment of Director Glen Dake from City of Los Angeles  

F. Approve committee assignments  

G. Chairman's Monthly Activity Report  

6. DEPARTMENT HEADS' REPORTS  
   A. General Manager's summary of Metropolitan's activities for the month of December  
   B. General Counsel's summary of Legal Department activities for the month of December  
   C. General Auditor's summary of activities for the month of December  
   D. Ethics Officer's summary of activities for the month of December  

7. CONSENT CALENDAR ITEMS — ACTION  
   7-1 Adopt final resolution for annexation of the 104th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)
Recommendation:

Option #1:

Review and consider the Notice of Exemptions prepared by Eastern Municipal Water District as a Lead Agency, and

a. Adopt resolution granting approval for the 104th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $327,044.44; and

b. Approve Eastern’s Statement of Compliance with the current Water Use Efficiency Guidelines.

7-2 Appropriate $430,000; authorize two rehabilitation projects at the F. E. Weymouth Water Treatment Plant; and adopt an addendum to an environmental impact report for the Weymouth plant (Approp. 15477). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, adopt Addendum No. 9 to the Certified Final Environmental Impact Report, and

a. Appropriate $430,000; and

b. Authorize two rehabilitation projects at the Weymouth plant.

7-3 Appropriate $710,000; and authorize design to extend electrical service to the East Dam area at Diamond Valley Lake (Approp. 15480) (E&O)

Recommendation:

Option #1:

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

a. Appropriate $710,000; and

b. Authorize design to extend electrical service to the East Dam area at Diamond Valley Lake.

7-4 Adopt resolutions supporting Metropolitan’s application for California Department of Water Resources Water-Energy Grant Program and acceptance of grant funding for the Weymouth and Jensen solar generation plants. (E&O)
Recommendation:

Option #1:

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

a. Adopt a resolution supporting Metropolitan’s application to DWR’s 2014 Water-Energy Grant Program for the Weymouth solar facility and the High Efficiency Toilet Rebate program within the Weymouth service area, and authorize the General Manager to accept potential grant funding of up to $2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel; and

b. Adopt a resolution supporting Metropolitan’s application to DWR’s 2014 Water-Energy Grant Program for the Jensen solar facility and the High Efficiency Toilet Rebate program within the Jensen service area, and authorize the General Manager to accept potential grant funding of up to $2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel.

7-5 Authorize granting a permanent easement to city of South Gate on Metropolitan-owned property located in county of Los Angeles. (RP&AM)

Recommendation:

Option #1:

Adopt the Lead Agency’s CEQA determination that the project is categorically exempt, and authorize the General Manager to grant a permanent easement to the city of South Gate.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Authorize: (1) agreement with the State Water Contractors, Inc. to pursue 2015 Sacramento Valley water transfer supplies; and (2) $5 per acre-foot initial administrative deposit not to exceed $500,000 from the Water Management Fund. (WP&S)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and there is no possibility that it may have a significant effect on the environment, and

a. Authorize the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2015 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and

b. Authorize making a $5-per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not to exceed $500,000 from the Water Management Fund.

8-2 Authorize an exchange of up to 50,000 acre-feet with Westside Mutual Water Company and Kern County Water Agency to enhance Metropolitan’s operational flexibility in 2015. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and authorize the General Manager to enter into the necessary agreements to facilitate an exchange with Westside Mutual Water Company and Kern County Water Agency, in a form approved by the General Counsel.

8-3 Award $3,067,900 contract to Zusser Company, Inc. to refurbish solids lagoons for the Joseph Jensen Water Treatment Plant; and authorize increase of $300,000 to an agreement with MWH Americas, for a new not-to-exceed total of $700,000. (E&O)

Recommendation:

Option #1:

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

a. Award $3,067,900 contract to Zusser Company, Inc. to refurbish solids lagoons for the Jansen plant; and

b. Authorize increase of $300,000 to the existing agreement with MWH Americas, for a new not-to-exceed total of $700,000.

8-4 Appropriate $6.3 million; and award $3,637,083 contract to Kana Engineering Group, Inc. to replace filter valves at the Joseph Jensen Water Treatment Plant (Approp. 15371). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the 2012 categorical exemptions and that no further environmental analysis or documentation is required, and
a. Appropriate $6.3 million; and
b. Award $3,637,083 contract to Kana Engineering Group, Inc. to replace filter valves at the Jensen plant’s Module No. 1.

8-5 Appropriate $34.3 million; and authorize: (1) final design to rehabilitate prestressed concrete cylinder pipe (PCCP) portions of the Second Lower Feeder; (2) preliminary engineering and environmental analyses to rehabilitate four other PCCP feeders; (3) an agreement with Black & Veatch in an amount not to exceed $16 million; and (4) an increase of $350,000 to the agreement with ICF International, for a new not-to-exceed total of $1.3 million (Approp. 15471). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt and are not subject to CEQA, and
a. Appropriate $34.3 million;
b. Authorize the first phase of final design to rehabilitate the PCCP portions of the Second Lower Feeder;
c. Authorize preliminary engineering and environmental analyses to rehabilitate the PCCP portions of the Sepulveda Feeder, Calabasas Feeder, Rialto Pipeline, and Allen-McColloch Pipeline;
d. Authorize an agreement with Black & Veatch in an amount not to exceed $16 million; and
e. Authorize an increase of $350,000 to the agreement with ICF International, for a new not-to-exceed total of $1.3 million.

Corrected 8-6 Authorize contracts for special bond counsel services with Nixon Peabody LLP, Stradling Yocca, Carlson & Rauth, P.C., Hawkins Delafield & Wood LLP, and Fulbright & Jaworski LLP, and co-special bond counsel services with Law Offices of Alexis Chiu, Curls Bartling P.C. and Schiff Hardin LLP for the period ending June 28, 2018. (L&C)
Recommendation:

Option #1:

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

a. Authorize the General Counsel to retain the firms listed in the board letter as special bond counsel and co-counsel through June 30, 2018; and

b. Determine that special bond counsel fees may be approved by the General Counsel in amounts sufficient to procure special bond counsel and co-special bond counsel services for bond issues and legal advice, as described in the board letter.

8-7 Report on existing litigation; and authorize increase in maximum amount payable under contract for legal services with Quinn Emanuel Urquhart & Sullivan, LLP by $3,150,000 to an amount not to exceed $5,500,000, and authorize increase in maximum amount payable under contract for consultant services with Woodcock & Associates, Inc. by $100,000 to an amount not to exceed $200,000, both in connection with San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, and CPF-14-514004. (L&C) [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

8-8 Authorize: (1) staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and (2) expenditure of necessary funding, not to exceed $5.5 million. (C&L)

Added

Recommendation:

Option #1:

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

a. Authorize staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and

b. Authorize funding for a 2015 campaign, not to exceed $5.5 million.

9. BOARD INFORMATION ITEMS

None
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.

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.
INFORMATION OF DIRECTORS

Induction of Director Marsha Ramos representing the City of Burbank. (Agenda Item 5C)

COMMITTEE ASSIGNMENTS

None (Agenda Item 5F)

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2015 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and authorized making a $5-per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not to exceed $500,000 from the Water Management Fund; with direction to the staff to come back to the Board regarding recommendations whether or not to acquire water transfer supplies. (Agenda Item 8-1)

Authorized the General Manager to enter into the necessary agreements to facilitate an exchange with Westside Mutual Water Company and Kern County Water Agency, in a form approved by the General Counsel. (Agenda Item 8-2)

ENGINEERING & OPERATIONS COMMITTEE

Awarded $3,067,900 contract to Zusser Company, Inc. to refurbish solids lagoons for the Joseph Jensen Water Treatment Plant; and authorized increase of $300,000 to the existing agreement with MWH Americas, for a new not-to-exceed total of $700,000. (Agenda Item 8-3)

Appropriated $6.3 million; and awarded $3,637,083 contract to Kana Engineering Group, Inc. to replace filter valves at the Joseph Jensen Water Treatment Plant’s Module No. 1. (Approp. 15371) (Agenda Item 8-4)

Appropriated $34.3 million; authorized the first phase of final design to rehabilitate the PCCP portions of the Second Lower Feeder; authorized preliminary engineering and environmental analyses to rehabilitate the PCCP portions of the Sepulveda Feeder, Calabasas Feeder, Rialto Pipeline, and Allen-McColloch Pipeline; authorized an agreement with Black & Veatch in an amount not to exceed $16 million; and authorized an increase of $350,000 to the agreement with ICF International, for a new not-to-exceed total of $1.3 million. (Approp. 15471) (Agenda Item 8-5)

LEGAL AND CLAIMS COMMITTEE

Authorized the General Counsel to retain the firms listed in this board letter as special bond counsel and co-special bond counsel through June 30, 2018; and determined that special bond counsel fees may be approved by the General Counsel in amounts sufficient to procure special bond counsel and co-special bond counsel services for bond issues and for legal advice. (Agenda Item 8-6)
Authorized increase in maximum amount payable under contract for legal services with Quinn Emanuel Urquhart & Sullivan, LLP by $3,150,000 to an amount not to exceed $5,500,000, and authorized increase in maximum amount payable under contract for consultant services with Woodcock & Associates, Inc. by $100,000 to an amount not to exceed $200,000, both in connection with San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, and CPF-14-514004. (Agenda Item 8-7)

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and authorized funding for a 2015 campaign, not to exceed $5.5 million. (Agenda Item 8-8)

CONSENT CALENDAR

In other action, the Board:

Adopted resolution granting approval for the 104th Fringe Area Annexation concurrently to Eastern and Metropolitan and establish Metropolitan’s terms and conditions for the annexation, conditioned upon approval by Riverside County’s Local Agency Formation Commission, and upon receipt of annexation fee of $327,044.44; and approved Eastern’s Statement of Compliance with the current Water Use Efficiency Guidelines. (Agenda Item 7-1)

Appropriated $430,000; and authorized two rehabilitation projects at the F. E. Weymouth Water Treatment Plant; and adopted an addendum to an environmental impact report for the Weymouth plant. (Approp. 15477) (Agenda Item 7-2)

Appropriated $710,000; and authorized design to extend electrical service to the East Dam area at Diamond Valley Lake. (Approp. 15480) (Agenda Item 7-3)

Adopted a resolution supporting Metropolitan’s application to DWR’s 2014 Water-Energy Grant Program for the Weymouth solar facility and the High Efficiency Toilet Rebate program within the Weymouth service area, and authorized the General Manager to accept potential grant funding of up to $2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel; and adopted a resolution supporting Metropolitan’s application to DWR’s 2014 Water-Energy Grant Program for the Jensen solar facility and the High Efficiency Toilet Rebate program within the Jensen service area, and authorized the General Manager to accept potential grant funding of up to $2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel. (Agenda Item 7-4)

Authorized the General Manager to grant a permanent easement to city of South Gate on Metropolitan-owned property located in county of Los Angeles. (Agenda Item 7-5)

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.
December 8, 2014

Mr. Jeffrey Kightlinger  
General Manager  
Metropolitan Water District  
700 North Alameda Street  
Los Angeles, CA 90012-2944

Dear Mr. Kightlinger,

As mayors of the largest metropolitan areas in the service area of the Metropolitan Water District (MWD), we write in strong opposition to adding a proposed Groundwater Replenishment Allocation to MWD’s Water Supply Allocation Plan. The proposed replenishment allocation would drive the region into a higher stage of shortage and thereby impede MWD's ability to meet the ordinary demands and requirements of Southern California water consumers.

We cannot support any action by MWD that would undermine the region’s ability to manage shortages during an emergency allocation. Undermining the region's ability to cope with shortages, especially in the face of the many water supply challenges and risks Southern California faces, is misguided, and will prove to be detrimental to meeting the water supply needs of Southern California water consumers.

Our respective water agencies and representatives on the MWD board of directors are expected to have additional comments and concerns with the proposed board action.

Sincerely,

ERIC GARCETTI  
Mayor of Los Angeles

KEVIN FAULCONER  
Mayor of San Diego
January 21, 2015

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.

Discussion
This report covers activities from the January 14, 2015 CRB meeting held in Ontario, California. The CRB meeting included informational reports from CRB staff on activities discussed below:

Water Supply and Reservoir Conditions
A water supply and reservoir conditions update was provided with data from January 5 (Table 1). A more detailed water supply report is included as Attachment 1.

<table>
<thead>
<tr>
<th>Conditions as of January 5, 2015</th>
<th>Volume (million acre-feet)</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total System Storage</td>
<td>29.59</td>
<td>50%</td>
</tr>
<tr>
<td>Lake Powell</td>
<td>11.48</td>
<td>47%</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>10.69</td>
<td>41%</td>
</tr>
<tr>
<td>Preliminary Observed Inflow to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lake Powell for Water Year 2015</td>
<td>10.07</td>
<td>93% of Average</td>
</tr>
</tbody>
</table>

The final version of the 2015 Annual Operating Plan is available and confirms that the Bureau of Reclamation’s most probable inflow scenario projects a 9.0 million acre-feet release from Glen Canyon Dam in water year 2015.

Based on provisional forecasts for calendar year 2014, it does not appear that there will be any overruns by any Lower Basin contractors. Final accounting for 2014 will be available in May.

California Drought Update
The first snow survey for the winter of 2015 shows a statewide snow water equivalent of 50 percent of average. The December 30, 2014 Drought Monitor map for California indicates that over 32 percent of the State continues to be in “exceptional drought.” The California Department of Water Resources anticipates that it will take precipitation of 150 percent of average to help California recover from the drought.

Basin States Drought Contingency Planning Efforts
A Memorandum of Understanding (MOU) for Pilot Drought Response Actions with the other Lower Basin States, the US and certain water agencies (Central Arizona Project, Southern
Nevada Water Authority, and Metropolitan District of Southern California) was signed in December 2014. The Bureau of Reclamation has evaluated the initial round of proposals for funding through the Pilot System Water Conservation Program in the Lower Basin. The Upper Basin States have signed Resolutions Regarding Development of an Emergency Upper Basin Drought Contingency Plan and Implementation of the 2014 System Conservation Pilot Program in the Upper Basin.

**Minute 319**
During presentations at the Colorado River Water Users Association (CRWUA) conference in December, the Mexican Commissioner and the Deputy from CONAGUA reconfirmed Mexico’s interest in fully implementing the provisions of Minute 319 and continuing progress toward negotiation of the next series of agreements. Additional information is expected from the Mexican delegation regarding the lining of an additional section of the Canal Revolucion and other projects funded through Minute 319.

**Salinity Control Program**
California will host the next Salinity Control Workgroup meeting on February 17-19, which will highlight the impact of higher salinity levels on water recycling projects at Eastern Municipal Water District.

**Glen Canyon Dam Adaptive Management Program**
As the new “Secretary’s Designee” to the Glen Canyon Adaptive Management Program, Ms. Jennifer Gimbel will chair the meetings and advise the Secretary of the Interior of the effects of Glen Canyon Dam operations and management actions. The next meeting Adaptive Management Work Group meeting will be on February 25-26 in Salt Lake City.

**Lower Colorado River Multi-Species Conservation Program (MSCP)**
This year marks the 10th anniversary of the MSCP, which will be recognized and celebrated in April with a tour on April 7-9.

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 Water Supply Report
**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

<table>
<thead>
<tr>
<th>PERCENT</th>
<th>Content</th>
<th>Elev. (Feet)</th>
<th>7-Day Release</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FULL</td>
<td>1000</td>
<td>above mean</td>
</tr>
<tr>
<td>CURRENT STORAGE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAKE POWELL</td>
<td>47%</td>
<td>11,477</td>
<td>3597.12</td>
</tr>
<tr>
<td>* LAKE MEAD</td>
<td>41%</td>
<td>10,687</td>
<td>1088.02</td>
</tr>
<tr>
<td>LAKE MOHAVE</td>
<td>87%</td>
<td>1,574</td>
<td>638.38</td>
</tr>
<tr>
<td>LAKE HAVASU</td>
<td>89%</td>
<td>549</td>
<td>446.35</td>
</tr>
</tbody>
</table>

TOTAL SYSTEM CONTENTS **  
As of 01/04/2015  
SYSTEM CONTENT LAST YEAR  
49%  29,261

* 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.

- Salt/Verde System  
  - 49%  1,133
- Painted Rock Dam  
  - 0%  0  530.00  0
- Alamo Dam  
  - 5%  54  1088.93  10

Estimated Actual Water Use for Calendar Year 2014 (as of 1/2/2015) (values in kaf)

- NEVADA  
  - 222
- SOUTHERN NEVADA WATER SYSTEM  
  - 195
- OTHERS  
  - 27

- CALIFORNIA  
  - 4,656
- METROPOLITAN WATER DISTRICT OF CALIFORNIA  
  - 1,176
- IRRIGATION DISTRICTS  
  - 3,374
- OTHERS  
  - 106

- ARIZONA  
  - 2,778
- CENTRAL ARIZONA PROJECT  
  - 1,631
- OTHERS  
  - 1,147

TOTAL LOWER BASIN USE  
7,656

DELIVERY TO MEXICO - 2014  
(Mexico Scheduled Delivery + Preliminary Yearly Excess¹)  
1,532

**OTHER SIGNIFICANT INFORMATION**

UNREGULATED INFLOW INTO LAKE POWELL - JANUARY FINAL FORECAST DATED 1/5/2015

<table>
<thead>
<tr>
<th>MILLION ACRE-FEET</th>
<th>% of Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>FORECASTED WATER YEAR 2015</td>
<td>10.069</td>
</tr>
<tr>
<td>FORECASTED APRIL-JULY 2015</td>
<td>6.500</td>
</tr>
<tr>
<td>DECEMBER OBSERVED INFLOW</td>
<td>0.396</td>
</tr>
<tr>
<td>JANUARY INFLOW FORECAST</td>
<td>0.340</td>
</tr>
</tbody>
</table>

Upper Colorado Basin  
Salt/Verde Basin

- WATER YEAR 2015 PRECIPITATION TO DATE  
  - 92% (8.3")  
  - 65% (4.9")
- CURRENT BASIN SNOWPACK  
  - 101% (7.0")  
  - 56% (1.6")

¹ Delivery to Mexico forecasted yearly excess calculated using year-to-date observed and projected excess.
# Forecast of End of Year Consumptive Use

Forecast based on use to date and approved annual water orders (acre-feet).

## Water Use Summary

<table>
<thead>
<tr>
<th></th>
<th>Use To Date CY2014</th>
<th>Forecast Use CY2014</th>
<th>Approved Use CY2014</th>
<th>Excess to Approval CY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>2,777,588</td>
<td>2,777,588</td>
<td>2,790,734</td>
<td>-13,146</td>
</tr>
<tr>
<td>California</td>
<td>4,655,910</td>
<td>4,655,915</td>
<td>4,657,815</td>
<td>-1,900</td>
</tr>
<tr>
<td>Nevada</td>
<td>222,308</td>
<td>222,308</td>
<td>300,000</td>
<td>-77,692</td>
</tr>
<tr>
<td><strong>States Total</strong></td>
<td><strong>7,655,806</strong></td>
<td><strong>7,655,811</strong></td>
<td><strong>7,748,549</strong></td>
<td><strong>-92,738</strong></td>
</tr>
<tr>
<td>Mexico in Satisfaction of Treaty (Including downward delivery)</td>
<td>1,578,659</td>
<td>1,532,048</td>
<td>1,500,000</td>
<td>32,048</td>
</tr>
<tr>
<td>To Mexico As Scheduled</td>
<td>1,546,611</td>
<td>1,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico in Excess of Treaty</td>
<td>32,048</td>
<td>32,048</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bypass Pursuant to Minute 242</td>
<td>146,493</td>
<td>146,493</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Lower Basin &amp; Mexico</strong></td>
<td><strong>9,380,958</strong></td>
<td><strong>9,334,352</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ Incorporates Jan-Nov USGS monthly data and 80 daily reporting stations which may be revised after provisional data reports are distributed by the USGS. Use to date estimated for users reporting monthly and annually.

2/ These values reflect adjusted apportionments. See Adjusted Apportionment calculation on each state page.

3/ Includes unmeasured returns based on estimated consumptive use/diversion ratios by user from studies provided by Arizona Department of Water Resources, Colorado River Board of California, and Reclamation.

Graph notes: Jan 1 forecast use is scheduled use in accordance with the Annual Operating Plan’s state entitlements, available unused entitlements, and over-run paybacks. A downward sloping line indicates use at a lower rate than scheduled, upward sloping is above schedule, and a flat line indicates a use rate equal to schedule. Lower priority users such as CAP, MWQD, 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>CY2014 To Date</th>
<th>Forecast CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CALIFORNIA PUMPERS</td>
<td>1,959</td>
<td>1,959</td>
<td>1,959</td>
<td></td>
</tr>
<tr>
<td>FORT MOJAVE INDIAN RESERVATION, CA</td>
<td>8,643</td>
<td>8,648</td>
<td>9,996</td>
<td>3,499</td>
</tr>
<tr>
<td>CITY OF NEEDLES (includes LCWSP use)</td>
<td>1,931</td>
<td>1,931</td>
<td>1,931</td>
<td>2,720</td>
</tr>
<tr>
<td>METROPOLITAN WATER DISTRICT</td>
<td>1,176,172</td>
<td>1,176,172</td>
<td>1,177,000</td>
<td>99,251</td>
</tr>
<tr>
<td>COLORADO RIVER INDIAN RESERVATION, CA</td>
<td>3,444</td>
<td>3,448</td>
<td>428,892</td>
<td>948,629</td>
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<tr>
<td>PALO VERDE IRRIGATION DISTRICT</td>
<td>58,067</td>
<td>58,076</td>
<td>47,886</td>
<td>99,251</td>
</tr>
<tr>
<td>YUMA PROJECT RESERVATION DIVISION</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YUMA PROJECT RESERVATION DIVISION - INDIAN UNIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YUMA PROJECT RESERVATION DIVISION - BARD UNIT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YUMA ISLAND PUMPERS</td>
<td>4,974</td>
<td>4,974</td>
<td>4,974</td>
<td></td>
</tr>
<tr>
<td>FORT YUMA INDIAN RESERVATION - RANCH 5</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td></td>
</tr>
<tr>
<td>IMPERIAL IRRIGATION DISTRICT</td>
<td>2,536,322</td>
<td>2,536,322</td>
<td>2,544,150</td>
<td>3,373,810</td>
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<tr>
<td>SALTON SEA SALINITY MANAGEMENT</td>
<td>88,429</td>
<td>88,429</td>
<td>90,000</td>
<td></td>
</tr>
<tr>
<td>COACHELLA VALLEY WATER DISTRICT</td>
<td>349,960</td>
<td>349,960</td>
<td>349,960</td>
<td></td>
</tr>
<tr>
<td>OTHER LCWSP CONTRACTORS</td>
<td>650</td>
<td>650</td>
<td>650</td>
<td></td>
</tr>
<tr>
<td>CITY OF WINTERHAVEN</td>
<td>69</td>
<td>69</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>CHEMHEUVE INDIAN RESERVATION</td>
<td>128</td>
<td>128</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>TOTAL CALIFORNIA</td>
<td>4,655,910</td>
<td>4,655,915</td>
<td>5,242,592</td>
<td>5,396,434</td>
</tr>
</tbody>
</table>

CALIFORNIA ADJUSTED APPORTIONMENT CALCULATION

| California Basic Apportionment                  | 4,400,000      |
| Payback of IOPP Overrun (IID)                   | -117,391       |
| Intentionally Created Surplus Water (IID)       | -25,000        |
| Storage of State of Nevada unused apportionment | 65,000         |
| Delivery of ICS (MWD)                           | 335,206        |
| Total State Adjusted Apportionment              | 4,657,815      |
| Excess to Total State Adjusted Apportionment    | -1,900         |

ISG ANNUAL TARGET COMPARISON CALCULATION

| Priorities 1, 2, 3b Use (PVID+YPRD+Island+PVID Mesa) | 487,528 |
| MWD Adjustment                                     | -67,528 |
| Total California Agricultural Use (PVID+YPRD+Island+IID+CVWD) | 3,373,810 |
| California Agricultural Paybacks                   | 117,391  |
| Misc. PPRs Covered by IID and CVWD                 | 14,500   |
| California ICS Creation (IID ICS)                  | 25,000   |
| Total Use for Target Comparison                     | 3,463,173 |
| ISG Annual Target (Exhibit B)                       | 3,455,000 |
| Amount over/(under) ISG Annual Target              | 8,173    |

NOTES: Click on California Schedules and Approvals above for incoming diversion schedules and approvals.
1/ Includes MWD Adjustment, California Agricultural Use and Paybacks, IID-CVWD covered PPRs, and taking out the MWD-CVWD Exchange
### Arizona Water Users

**Forecast of End of Year Consumptive Use**

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

#### Arizona Schedules and Approvals

- **Historic Use Records (Water Accounting Reports)**

#### Water User Forecast

<table>
<thead>
<tr>
<th>WATER USER</th>
<th>Use To Date CY2014</th>
<th>Forecast 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>Arizona Pumpsers</td>
<td>17,902</td>
<td>17,902</td>
<td>17,902</td>
<td>27,698</td>
<td>27,698</td>
<td>27,698</td>
<td>0</td>
</tr>
<tr>
<td>Lake Mead NRA, AZ - Diversions from Lake Mead</td>
<td>158</td>
<td>158</td>
<td>158</td>
<td>158</td>
<td>158</td>
<td>158</td>
<td>0</td>
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<td>Lake Mead NRA, AZ - Diversions from Lake Mohave</td>
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<td>191</td>
<td>191</td>
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<td>0</td>
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<tr>
<td>Davis Dam Project</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>0</td>
</tr>
<tr>
<td>Bullhead City</td>
<td>7,014</td>
<td>7,014</td>
<td>8,523</td>
<td>10,468</td>
<td>10,468</td>
<td>12,720</td>
<td>-2,252</td>
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<tr>
<td>Mohave Water Conservation</td>
<td>495</td>
<td>495</td>
<td>495</td>
<td>738</td>
<td>738</td>
<td>738</td>
<td>0</td>
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<td>148</td>
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<td>-1,242</td>
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<td>2,777,588</td>
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<td>3,604,306</td>
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<td>1,630,681</td>
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<td><strong>All Others</strong></td>
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<td>1,146,907</td>
<td>1,259,218</td>
<td>1,973,625</td>
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<td>163,221</td>
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<td>309,724</td>
<td>309,724</td>
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</tr>
</tbody>
</table>

### Arizona Adjusted Apportionment Calculation

- **Arizona Basic Apportionment**: 2,800,000
- **Payback of IDPP oversums - (Cocopah and Beattie)**: -266
- **CAGRD/YMIDD Pilot Conservation Program**: -9000

**Total State Adjusted Apportionment**: 2,790,734

**Excess to Total State Adjusted Apportionment**: -13,146

**Estimated Allowable Use for CAP**: 1,645,186

**NOTES**: Click on Arizona Schedules and Approvals above for incoming diversion schedules and approvals.

---

1/ CAWCD has agreed to forebear 9,000 acre-feet during phase one of the study, during which time CAGRD will refine the estimate of the actual conservation yield of the program.
**NEVADA WATER USERS**

**FORECAST OF END OF YEAR CONSUMPTIVE USE**

**FORECAST BASED ON USE TO DATE AND APPROVED ANNUAL WATER ORDERS**

**Historic Use Records (Water Accounting Reports)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>ROBERT B. GRIFFITH WATER PROJECT (SNWS)</td>
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<td>473,360</td>
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<td>410,039</td>
<td>473,360</td>
<td>-63,321</td>
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<td>409</td>
<td>409</td>
<td>568</td>
<td>---</td>
<td>409</td>
<td>409</td>
<td>568</td>
<td>-159</td>
</tr>
<tr>
<td>LAKE MEAD NRA, NV - Diversions from Lake Mohave</td>
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<td>155</td>
<td>155</td>
<td>224</td>
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**TOTAL NEVADA**

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<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
<th>Excess to Approved Diversion CY2014</th>
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<td>222,308</td>
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**SOUTHERN NEVADA WATER SYSTEM (SNWS)**

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<th>Use To Date CY2014</th>
<th>Use Forecast CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
<th>Excess to Approved Diversion CY2014</th>
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<td>410,039</td>
<td>410,039</td>
<td>432,903</td>
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**ALL OTHERS**

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<th>Excess to Estimated Use CY2014</th>
<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
<th>Excess to Approved Diversion CY2014</th>
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<tr>
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<td>27,260</td>
<td>203,603</td>
<td>410,039</td>
<td>410,039</td>
<td>432,903</td>
<td>2,864</td>
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**NEVADA USES ABOVE HOOVER**

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<th>Use Forecast CY2014</th>
<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
<th>Excess to Approved Diversion CY2014</th>
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<tr>
<td>217,490</td>
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<td>2,864</td>
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**NEVADA USES BELOW HOOVER**

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<th>Use Forecast CY2014</th>
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<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
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**Tributary Conservation & Imported Intentionally Created Surplus**

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<th>Estimated Use CY2014</th>
<th>Excess to Estimated Use CY2014</th>
<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
<th>Excess to Approved Diversion CY2014</th>
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<td>410,039</td>
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**5% System Cut for Creation of Intentionally Created Surplus**

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<th>Excess to Estimated Use CY2014</th>
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<th>Diversion Forecast CY2014</th>
<th>Diversion Approved CY2014</th>
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**Total Intentionally Created Surplus Left in Lake Mead**

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<th>Excess to Estimated Use CY2014</th>
<th>Diversion Use To Date CY2014</th>
<th>Diversion Forecast CY2014</th>
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<td>410,039</td>
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**NEVADA ADJUSTED APPORTIONMENT CALCULATION**

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<th>Nevada Basic Apportionment</th>
<th>Unused apportionment made available for storage by MWD</th>
<th>Excess to Total State Adjusted Apportionment</th>
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<tr>
<td>300,000</td>
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<td>-12,692</td>
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**NOTES:** Click on Nevada Schedules and Approvals above for incoming diversion schedules and approvals.
Upper Colorado Region  Water Resources Group

River Basin Tea-Cup Diagrams

Data Current as of:
01/04/2015

Upper Colorado River Drainage Basin

Drainage Area 279,300 Square Kilometers

Fontenelle
259528/344800
75% Full

Flaming Gorge
3253197/3749000
87% Full

Morrow Point
111400/117190
95% Full

Blue Mesa
570578/829500
69% Full

Navajo
1089547/1596000
64% Full

Lake Powell
11477376/24322000
47% Full
NOAA National Weather Service Monthly Precipitation Maps for November and December 2014

Monthly Precipitation for November 2014
(Averaged by Hydrologic Unit)

% Average
- > 150%
- 120 - 150%
- 110 - 129%
- 100 - 119%
- 90 - 100%
- 70 - 90%
- 50 - 70%
- < 50%
- Not Reported

Monthly Precipitation for December 2014
(Averaged by Hydrologic Unit)

% Average
- > 150%
- 120 - 150%
- 110 - 129%
- 100 - 119%
- 90 - 100%
- 70 - 90%
- 50 - 70%
- < 50%
- Not Reported
Colorado Basin River Forecast Center
Lake Powell Group

- Percent Median To Date: 93% (8.3 / 8.9)
- Percent Seasonal Median: 41% (8.3 / 20.1)

Accumulation rate 0.0 in/day averaged over last 3 days.

Los Angeles Civic Center Precipitation

Wettest year on record 1883-1884
Average Year
Driest year on record 2006-2007

Cumulative Inches

Precipitation values as of the end of each month

Attachment 1, Page 11 of 21
## Precipitation at Six Major Stations in Southern California

**From October 1, 2014 to December 31, 2014**

<table>
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<tr>
<th>Station</th>
<th>Precipitation in inches</th>
<th>Average to Date</th>
<th>Percent of Average</th>
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<td>Oct 1 to Dec 31</td>
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<td>San Luis Obispo</td>
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<td>4.95</td>
<td>6.29</td>
<td>5.03</td>
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<tr>
<td>Los Angeles</td>
<td>3.88</td>
<td>4.61</td>
<td>4.47</td>
</tr>
<tr>
<td>San Diego</td>
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<td>4.32</td>
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<tr>
<td>Blythe</td>
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<tr>
<td>Imperial</td>
<td>0.39</td>
<td>0.42</td>
<td>0.94</td>
</tr>
</tbody>
</table>
Water Year 2014-2015: Percent of Normal Precipitation

California: Current Water-Year (Oct 1) Percent of Normal Precipitation
Valid at 1/5/2015 1200 UTC - Created 1/5/15 18:24 UTC

National Weather Service – Advance Hydrologic Prediction Center
http://water.weather.gov/precip/
## Statewide Summary of Water-Year Data

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>110</td>
<td>90</td>
<td>105</td>
<td>15.9</td>
</tr>
<tr>
<td>2010-11</td>
<td>135</td>
<td>145</td>
<td>130</td>
<td>15.1</td>
</tr>
<tr>
<td>2011-12</td>
<td>75</td>
<td>60</td>
<td>95</td>
<td>11.8</td>
</tr>
<tr>
<td>2012-13</td>
<td>80</td>
<td>60</td>
<td>80</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Comparison of Water Year Data as of Dec 1

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>35</td>
<td>55</td>
<td>75</td>
<td>0.7</td>
</tr>
<tr>
<td>2014-15</td>
<td>70</td>
<td>50</td>
<td>55</td>
<td>0.8</td>
</tr>
</tbody>
</table>

* The Sacramento River Run-off is the sum of the unimpaired water year flow from the Sacramento River above Bend Bridge near Red Bluff, Feather River inflow to Oroville, Yuba River at Smartville, and American River inflow to Folsom. The average annual run-off is 18.4 MAF.
Snow Water Equivalents (inches)

Current Regional Snowpack from Automated Snow Sensors - % of April 1 Average

Northern Sierra / Trinity

Central Sierra

Southern Sierra

Statewide Average: 17%

http://cdec.water.ca.gov/cdecapp/snowapp/sweq.action
### Comparison of SWP Water Storage

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Capacity (acre-feet)</th>
<th>2014 Storage (As of January 1)</th>
<th>% of Cap.</th>
<th>2015 Storage (As of January 1)</th>
<th>% of Cap.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frenchman</td>
<td>55,475</td>
<td>27,307</td>
<td>49%</td>
<td>19,230</td>
<td>35%</td>
</tr>
<tr>
<td>Lake Davis</td>
<td>84,371</td>
<td>54,283</td>
<td>65%</td>
<td>45,153</td>
<td>54%</td>
</tr>
<tr>
<td>Antelope</td>
<td>22,564</td>
<td>17,364</td>
<td>77%</td>
<td>18,092</td>
<td>80%</td>
</tr>
<tr>
<td>Oroville</td>
<td>3,553,405</td>
<td>1,281,387</td>
<td>39%</td>
<td>1,351,642</td>
<td>38%</td>
</tr>
<tr>
<td>TOTAL North</td>
<td>3,715,815</td>
<td>1,486,308</td>
<td>40%</td>
<td>1,434,117</td>
<td>39%</td>
</tr>
<tr>
<td>Del Valle</td>
<td>39,914</td>
<td>29,706</td>
<td>75%</td>
<td>34,644</td>
<td>87%</td>
</tr>
<tr>
<td>San Luis (DWR)</td>
<td>1,062,180</td>
<td>278,873</td>
<td>22%</td>
<td>543,862</td>
<td>51%</td>
</tr>
<tr>
<td>Pyramid</td>
<td>169,901</td>
<td>167,102</td>
<td>98%</td>
<td>167,089</td>
<td>98%</td>
</tr>
<tr>
<td>Castaic</td>
<td>319,247</td>
<td>289,446</td>
<td>85%</td>
<td>120,165</td>
<td>38%</td>
</tr>
<tr>
<td>Silverwood</td>
<td>74,970</td>
<td>71,997</td>
<td>95%</td>
<td>69,866</td>
<td>93%</td>
</tr>
<tr>
<td>Perris</td>
<td>126,841</td>
<td>72,421</td>
<td>58%</td>
<td>49,922</td>
<td>39%</td>
</tr>
<tr>
<td>TOTAL South</td>
<td>1,793,053</td>
<td>847,625</td>
<td>47%</td>
<td>985,548</td>
<td>55%</td>
</tr>
<tr>
<td>TOTAL SWP</td>
<td>5,508,868</td>
<td>2,333,933</td>
<td>42%</td>
<td>2,419,665</td>
<td>44%</td>
</tr>
</tbody>
</table>

State Water Project Projected Deliveries:

As of December 1, 2014, the Table-A allocations for 2015 is 10%
Current Reservoir Conditions

http://cdec.water.ca.gov/cdecapp/resapp/getResGraphsMain.action
Oroville Storage (acre-feet)

October 1, 2005 – January 1, 2015
MWD’s Combined Reservoir Storage as of January 1, 2015
Lake Skinner, Lake Mathews, and Diamond Valley Lake

Total Capacity = 1,036,000 Acre-Feet

Table:

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Storage (Acre-Feet)</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diamond Valley Lake</td>
<td>393,830</td>
<td>49%</td>
</tr>
<tr>
<td>Lake Mathews</td>
<td>79,276</td>
<td>44%</td>
</tr>
<tr>
<td>Lake Skinner</td>
<td>30,206</td>
<td>69%</td>
</tr>
<tr>
<td>Total</td>
<td>603,312</td>
<td>49%</td>
</tr>
</tbody>
</table>

Month:
- Jan-05 to Jan-16

Storage (Thousand Acre-Feet):
- 1,100
- 1,000
- 900
- 800
- 700
- 600
- 500
- 400
2014 Water Deliveries to Member Agencies (AF)

Total Delivery to Date: 1.92 MAF
Total Average Delivery to Date: 1.88 MAF
102% of Annual Average to Date

2014 Monthly Deliveries

- 2014 Monthly Deliveries
- 10-year average deliveries
- % of monthly average
DATE: January 21, 2015
TO: Board of Directors
FROM: Daniel S. Hentschke, General Counsel
RE: Credentials of Matt Hall
     City of Carlsbad

Transmitted herewith is a resolution submitted by the City of Carlsbad appointing Matt Hall to the Water Authority’s Board of Directors. Mr. Hall is Carlsbad’s second representative. His term will expire on January 22, 2021.

The credentials furnished are sufficient for the qualifications of Mr. Hall as a member of the Water Authority Board.

Daniel S. Hentschke
General Counsel

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Attachment
RESOLUTION NO. 1513

A RESOLUTION OF THE BOARD OF DIRECTORS OF CARLSBAD MUNICIPAL WATER DISTRICT, APPROVING AN APPOINTMENT TO SAN DIEGO COUNTY WATER AUTHORITY BOARD OF DIRECTORS

WHEREAS, the Carlsbad Municipal Water District (CMWD) is a member of the San Diego County Water Authority (SDCWA); and

WHEREAS, the CMWD Board is allowed to appoint representatives of the to the San Diego County Water Authority; and

WHEREAS, the SDCWA guidelines have changed and based on the City of Carlsbad's population the district is now allowed appoint two representatives; and

WHEREAS, Keith Lewinger was appointed March 11, 2014 and term expires 2020.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Municipal Water District Board of the City of Carlsbad, California, as follows that:

1. The above recitations are true and correct.

2. That Matt Hall is hereby appointed to serve as the second representative of the Carlsbad Municipal Water District on the San Diego County Water Authority Board, for a term to expire in 2021.
PASSED, APPROVED AND ADOPTED at a Special Meeting of the Board of Directors of the Carlsbad Municipal Water District of the City of Carlsbad on the 13th day of January 2015, by the following vote to wit:

AYES: Board Members Hall, Blackburn, Schumacher, Wood, Packard.

NOES: None.

ABSENT: None.

MATT HALL, President

ATTEST:

BARBARA ENGLESON, Secretary

(SEAL)