Proposed Staff Recommendation Consent Calendar for May 26, 2016

ENGINEERING AND OPERATIONS COMMITTEE

9-1. Notice of Completion for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

Authorize the General Manager to accept the Twin Oaks Valley Water Treatment Plant Expanded Service Area project as complete, record the Notice of Completion, and release funds held in retention to NEWest Construction Company, Inc. following expiration of the retention period.


Authorize the General Manager to execute Amendment No. 1 for the Reimbursement Agreement between the Carlsbad Municipal Water District and the San Diego County Water Authority for the Carlsbad 5 Service Connection Facility Planning Study to include design, permitting, and right-of-way services increasing the amount by $919,300 for a total value of $1,014,300.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

9-3. Adopt positions on various state bills.

A) Adopt a position of Support if Amended on AB 2444 (Garcia), relating to park bonds.

B) Adopt a position of Oppose Unless Amended on AB 2480 (Bloom), relating to funding sources for watershed protection.

C) Adopt a position of Support on AB 2543 (Gordon), relating to water use efficiency in state facilities.

D) Adopt a position of Support on AB 2555 (Levine), relating to extension of sunset dates for ongoing quagga and zebra mussel control programs.

E) Adopt a position of Support if Amended on AB 2617 (Mayes), relating to outdoor water use efficiency.

F) Adopt a position of Support if Amended on AB 2868 (Gatto), relating to energy storage.

G) Adopt a position of Support if Amended on SB 886 (Pavley), relating to energy storage.
ADMINISTRATION AND FINANCE COMMITTEE

Note and file monthly Treasurer’s Report.

9- 5. Reschedule December 15, 2016 Board meeting date.
Reschedule the December 15, 2016 Board meeting date to December 8, 2016.

9- 6. Capacity charge refunds to a customer where water connections had not been established.
Authorize the General Manager to approve refunding previously paid capacity charges of $82,410 to applicant Abraham Artenstein.

9- 7. Resolution setting a Public Hearing date for the Water Authority’s proposed calendar year 2017 Rate and Charge increases.
Adopt Resolution Number 2016-__ setting the time and place for a public hearing on June 23, 2016, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2017.

WATER PLANNING COMMITTEE

9- 8. Drought Management Actions In Response To Rescission of Water Supply Allocation by Metropolitan Water District of Southern California and Actions of the State Water Resources Control Board.
In response to Metropolitan Water District of Southern California’s (Metropolitan) May 10, 2016, Board action to rescind the “Condition 3 – Water Supply Allocation” and declare a “Condition 2” – Water Supply Alert,” staff is recommending that the Water Authority Board:

   a. Rescind Ordinance No. 2016-01, An Ordinance of the Board of Directors of the San Diego County Water Authority Allocating Water Pursuant to the Water Authority’s Drought Management Plan and Establishing Penalties for Violations of Allocations; and

   b. Establish A Drought Awareness effort to ensure continued community focus on drought awareness and commitment to water use efficiency across the service area.
Date: May 25, 2016
To: San Diego County Water Authority Board Members
From: Ken Carpi, Washington Representative
Subject: Federal Legislative Update

**Senate Holds Hearing on Drought Response Proposals**

The Senate Subcommittee on Water and Power held a legislative hearing on several bills that would address the Western drought. While no date has been set to vote on the bills in committee or in the full Senate, the hearing was an important step toward that goal.

One of the bills included at the hearing was Senator Feinstein’s “California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act” (S. 2533). Speaking on behalf of her bill, Feinstein reiterated her belief that her bill is the best option to address the current drought in an environmentally sensitive manner; plan for future drought; and could win the signature of President Obama.

Commissioner of Reclamation Estevan Lopez offered tacit support for the bill, stating that it would help address drought conditions in the state and provide Reclamation with needed flexibility in managing the Central Valley Project and environmental water accounts. He noted there continues to be concerns with some elements of the bill, but the Bureau and Feinstein continue to work together to address these concerns.

Another bill considered at the hearing was the "Western Water Supply and Planning Enhancement Act" (S. 2902), introduced by Senator Jeff Flake (R-AZ). His bill would allow for reoperation of federal facilities to store water; authorize studies and projects to increase Colorado River supplies from Lake Mead; and broaden the use of categorical exclusions. The bill would also adapt a project approval process similar to the one that Congress has approved for use by the Corps of Engineers to work around the congressional earmark ban. Commissioner Estevan offered that Reclamation supports many of the bill’s provisions, but continues to oppose others. But, he added that he would continue to work with Senator Flake to address these objections.
Water Resources Development Act Continues Progress

The Senate Committee on Environment & Publics Works approved its version of the Water Resources Development Act of 2016 (S. 2848, WRDA ‘16) on April 28 by a vote 19-1. Majority Leader McConnell has not indicated when the bill might come before the full Senate.

The committee-approved version of WRDA authorizes $4.5 billion for Corps of Engineers projects (compared to $12.3 billion in the 2014 law) and authorizes another $4.9 billion for drinking water and clean water infrastructure over five years. Some of this funding is intended for Flint, Michigan, but other funds would be available for systems around the nation.

The House Transportation and Infrastructure Committee will mark up its WRDA draft on May 25. Their bill does not include funding similar to the Senate’s for drinking water and clean water infrastructure due to jurisdictional differences between the House and Senate committees. The full House could take up the WRDA bill during June.

Energy & Water Appropriations

The Senate approved its $37.5 billion bill for FY2017 Energy & Water Development programs by a vote of 90-8. The Senate’s bill would provide $1.14 billion for water programs run by the Bureau of Reclamation. This includes $21.5 million for Title XVI; $23.365 million for WaterSMART grants; and $100 million for “Western Drought Response” that would likely be used to augment Title XVI and WaterSMART.

The Senate approved an amendment by Minority Leader Harry Reid (D-NV) and Senator Dean Heller (R-NV) to provide an additional $50 million to support water supplies in Lake Mead. Earlier, by a vote of 56-42, the Senate rejected an amendment by Senator John Hoeven (R-ND) that would have blocked the Corps of Engineers from using federal funds to implement its “Waters of the U.S.” rule (WOTUS). The amendment needed 60 votes for adoption. Speaking against the amendment, Senator Feinstein said the court system was the appropriate place to judge the merits of the rule, not Congress.

The full House will take up its version of the bill this week. The House bill includes similar funding for Reclamation, but it would boost funding for both WaterSMART and Title XVI to $24 million each. At this time, it does not include funding to match the Senate’s Western drought response program. The House bill includes report language calling upon Reclamation to provide recommendations to appropriators for improving the Title XVI program. The House bill would block funding for the Corps to implement the WOTUS rule.

In a key difference from the Senate bill, House appropriators included much of the language from a controversial drought bill passed by the chamber last year. Senator Feinstein condemned this approach and said it risked a veto of any final bill. House supporters countered that the bill contains funding to respond to drought; therefore, it was
appropriate to also address drought conditions in the state through operational and other changes in federal water. Given the possibility the Senate will not approve drought legislation soon, supporters of the House strategy hope this will be a way to force the Senate to negotiate a drought response.

**House Committee Considers Two California Settlement Bills**

The House Natural Resources Committee heard testimony on H.R. 4366, introduced by, Rep. David Valadao (R-Hanford), to approve an agreement between the United States and Westlands Water District. The hearing also addressed H.R. 5217, introduced by Rep. Jim Costa (D-Fresno), the San Luis Unit Drainage Resolution Act. Democrats have been critical of the Westlands settlement focusing on the financial terms of the deal and the belief that Westlands will not ultimately be able to deliver the drainage called for under the settlement. Some have also criticized what they believe is the elevation of Westlands water rights over more senior holders to fulfill the agreement.

Both settlement agreements need to be affirmed by Congress to take effect. On their own, both bills face a difficult path to passage this year. However, it is possible that both will become part of a final drought deal if one is reached later this year.
May 25, 2016

Attention: Imported Water Committee

Metropolitan Water District Delegates’ Report (Discussion)

Background
This report summarizes key discussions held and actions taken at the Metropolitan Water District (MWD) committee and Board meetings, as reported by the Water Authority Delegates. The MWD committees and Board met on May 9 and 10, 2016, and will meet next on June 13 and 14.

Discussion
Key actions at this month’s MWD Board meetings included: 1) authorizing $1 million to fund water efficiency projects on the Colorado River; 2) rescinding the water supply allocation and declaring a “water supply alert;” 3) adopting the 2015 Urban Water Management Plan (UWMP), and 4) moving forward with the Delta Wetlands properties purchase. Additionally, the Board received a report on the litigation challenging this purchase in closed session.

Colorado River Water Use Efficiency Measures
The Board authorized $1 million to extend MWD’s participation in a pilot program for water use efficiency projects intended to slow down the decline of Lake Mead’s elevation in hope of delaying a shortage declaration on the Colorado River. In 2014, the Board authorized $2 million to participate in this program along with the Bureau of Reclamation (Bureau), Denver Water Department, Central Arizona Water Conservation District, and Southern Nevada Water Authority. MWD’s added funds are in response to the Bureau’s solicitation for match-funding for additional projects. Recent news articles suggest California water agencies, including MWD, are negotiating how to manage shortage on the River including California voluntarily reducing its senior Colorado River entitlement by 8 percent (Attachments 1 and 2). While supporting the Basin States’ efforts to find ways to delay a shortage declaration, the Water Authority Delegates requested the action be postponed until the Board is briefed about the shortage sharing discussions to better evaluate how this item would fit into the larger picture. The Delegates were unsuccessful in postponing the item and ultimately opposed it.1 Attachment 3 is a summary of the Board’s discussion of this program and surrounding shortage negotiations.

Water Supply Alert
On the heels of the State Water Project (SWP) allocation increasing to 60 percent, MWD rescinded its water supply allocation and declared a “water supply alert,” which encourages the continuation of water use efficient practices. The action took effect immediately. Due to improved hydrology, and depending on the member agencies’ ultimate demand for MWD water, MWD expects to store between 176,000 acre-feet and 576,000 acre-feet, which would increase its end-of-year dry-year storage reserves between 1.1 million acre-feet and 1.5 million acre-feet. The Communication and Legislation Committee received a report on the 2016 water awareness outreach campaign, which will continue to promote that the region use water wisely. According

1 A copy of the Delegates’ letter related to this pilot program can be found here: http://www.mwdfacts.com/wp-content/uploads/2016/05/2016-05-05-WA-ltr-re-MWD-Board-8-4-CR-Efficiency.pdf
to staff, this $2.2 million campaign will build on the success of the 2015 campaign with a large focus on paid media. Key media outlets include newspapers (including non-English), print, radio, mobile devices, Facebook, and Snapchat, among others.

**Urban Water Management Plan Adoption**
MWD adopted its 2015 UWMP following a presentation on staff’s responses to comments received during public review of the draft plan. The Delegates also provided a comment letter voicing their concerns that the Board has yet to have discussions addressing policy issues and that the UWMP relied on flawed assumptions from the 2015 Integrated Water Resources Plan update. As such, the UWMP uses different standards in choosing which new supply projects to include. For example, it includes only 20,000 acre-feet out of the almost 200,000 acre-feet of local supply projects that are in the advanced planning stage, but includes the California WaterFix, which is only in the environmental review phase. In doing so, MWD inflates the need for imported water. Attachment 4 summarizes the Water Planning and Stewardship Committee’s discussion on MWD’s 2015 UWMP.

**Purchase of Delta Wetlands Properties**
In March 2016, the MWD Board narrowly approved purchasing the Delta Wetlands properties with only 53.92 percent of support and the condition that before closing escrow, staff would return to the Board for reconsideration upon further due diligence analysis. This month, MWD noticed this item as an information item rather than a Board action item. Because MWD’s agenda is structured in such a way that allows action on any item, at the Board meeting, Director Lewinger moved, and Director Tu seconded, that MWD withdraw from the escrow agreement to purchase the properties. The Delegates echoed the concerns described in their letter on this item – that by purchasing the lands MWD would incur liabilities and also subsidize supply benefits realized by other state and federal water contractors. Lewinger’s motion failed, gaining 29.46 percent of the Board’s support. Attachment 5 provides a summary of Board’s discussion on this item.

**Overview**
Overall, the Water Authority Delegation supported 13 of the 17 action items approved by the MWD Board. In addition to the three items discussed above, the Delegates also opposed the adoption of MWD’s 2017 Water Standby Charge. In closed session, the Legal and Claims Committee received a report on the Water Authority’s rate litigation. Attachment 6 is a copy of MWD’s May 2016 committee and Board meeting agendas and summary report.

Prepared by: Liz Mendelson-Goossens, Water Resources Specialist
Reviewed 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

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Legal and Claims Committee by Fern Steiner and Yen Tu
Organization, Personnel and Technology Committee by Michael Hogan
Real Property and Asset Management Committee by Michael Hogan
Water Planning and Stewardship Committee by Keith Lewinger and Fern Steiner

Attachment 1: Las Vegas Review Article States consider more cuts on Colorado River to prop up Lake Mead dated April 26, 2016
Attachment 2: The Desert Sun Article California weighs sharing “pain” of Colorado River cuts dated April 26, 2016
Attachment 3: Discussion summary of Colorado River water efficiency pilot program and shortage negotiations
Attachment 4: Discussion summary of MWD’s 2015 Urban Water Management Plan
Attachment 5: Discussion summary of MWD’s purchase of the Delta Wetlands properties
Attachment 6: MWD’s committee and Board meeting agendas and Board summary, dated May 9 and 10, 2016
States consider more cuts on Colorado River to prop up Lake Mead

Overall view from the South Rim of the Grand Canyon and the Colorado River near Tusayan, Arizona, Aug. 10, 2012. (Charles Platiau/Reuters)

Black Canyon Water Trail, a 30-mile stretch of the Colorado River that travels from Hoover Dam to Eldorado Canyon, was recently designated part of the National Water Trail system. (Hali Bernstein Saylor/Boulder City Review file)

By HENRY BREAN
LAS VEGAS REVIEW-JOURNAL
Top water officials in Nevada, Arizona and California have negotiated a deal to cut their use of the Colorado River and slow the decline of Lake Mead, but the landmark agreement is far from finished.

Negotiators from Arizona and California are now shopping the plan to various water users and policymakers in their states, where the proposed cuts are likely to be painful and in some cases unprecedented.
Arizona would shoulder most of the reductions, but the tentative deal marks the first time California has agreed to share the pain — if the drought worsens.

“That’s certainly a huge step forward. We see that as a landmark outcome,” said Tom Buschatzke, director of Arizona’s Department of Water Resources.

California is not now required to take any cuts to its 4.4 million acre-foot river allocation, which is the largest among the seven states that share the Colorado.

The voluntary cuts being discussed are designed to prop up Lake Mead and stave off deeper, mandatory forced cuts for Arizona and Nevada if the lake sinks below levels outlined in a 2007 agreement.

“It’s a risk assessment,” Southern Nevada Water Authority chief John Entsminger said of the plan and the talks leading to it.

Buschatzke called the effort a “proactive, planned response” to what’s happening on the river before it becomes a crisis.

Details of the plan were first reported by Tony Davis of the “Arizona Daily Star” in Tucson.

Nevada’s share of the proposed cuts is comparatively small, but so is the state’s annual river allocation of 300,000 acre-feet, Entsminger said.

Nevada would leave 8,000 acre-feet of water in Lake Mead each year under the first round of voluntary cuts, while Arizona would lose 192,000 of its 2.8 million acre-foot allocation. One acre-foot of water is enough to supply two average Las Vegas Valley homes for just over a year.

The annual reductions would increase to 10,000 acre-feet for Nevada and 240,000 acre-feet for Arizona should the surface of Lake Mead drop another 32 feet from current level, to 1,045 feet above sea level.

Elevation 1,045 is also where California would see voluntary cuts, which start at 200,000 acre-feet a year and increase by 50,000 with every additional 5-foot drop in Lake Mead.

The voluntary cuts being discussed for Nevada and Arizona come on top of the escalating series of mandatory shortages the two states will have to absorb as the lake drops below elevations 1,075, 1,050 and 1,025.

Entsminger said the most Nevada stands to lose in a given year is 30,000 acre-feet in voluntary and mandatory cuts. Thanks largely to the success of local conservation efforts, the state currently has a surplus of about 80,000 acre-feet available annually to absorb the cuts.

“We think at all reservoir elevations there’s not a volume that we can’t handle,” he said.
Buschatzke said Arizona officials are in the early stages of selling the plan to water users. The deal also requires the blessing of the Arizona Legislature, something that’s unlikely to happen until next year.

California officials face a similar uphill battle as they lobby in the Golden State, Buschatzke said.

News of the water negotiations comes amid worsening projections for the Colorado River, which is now expected to see 74 percent of its average flow in 2016, down from last month’s forecast of 80 percent. That would mark the 13th year of below-average flows since 2000.

The Las Vegas Valley draws 90 percent of its water supply from the Colorado by way of Lake Mead, which has seen its surface drop by more than 130 feet over the past 16 years.

On Tuesday, Nevada Sens. Harry Reid and Dean Heller won Senate approval for an amendment that would add $50 million to a program that pays cities, farms, factories and power plants for efficiency improvements aimed at keeping more water in the river.

The Colorado River System Conservation Program was launched in 2014 with $11 million in seed money from the U.S. Bureau of Reclamation, the water authority and the largest municipal water suppliers in Arizona, California and Colorado.

Reid in a telephone call Tuesday said the pilot program has “done well” so far, but the river needs all the help it can get.

“My dad used to swim across the Colorado River,” the Searchlight native said. “The Colorado River is a tiny little river to do all that it’s counted on to do.”

Contact Henry Brean at hbrean@reviewjournal.com or 702-383-0350. Find @RefriedBrean on Twitter.
California weighs sharing ‘pain’ of Colorado River cuts

With the Colorado River tapped beyond its limits and the level of Lake Mead in decline, representatives of California, Arizona and Nevada say they've been making progress in negotiating an agreement for all three states to share in water cutbacks in order to stave off a more severe shortage.

Officials who have been involved in the talks over the past several months cautioned that the details have yet to be finalized, and said difficult negotiations remain between water districts and among the states. But they expressed optimism in interviews on Monday that the three states and the federal government will be able to reach a deal to keep more water in Lake Mead, the nation's largest reservoir.

“We are looking for an agreement that will be beneficial to all three Lower Basin states,” said Tanya Trujillo, executive director of the Colorado River Board of California. “That’s in the context of recognizing that there are still significant issues that we need to keep working through. So we’re going to keep at it, and it may take several months. It may take another year.”

Under the proposals being considered, each of the states would accept cuts in water deliveries at different threshold levels as Lake Mead continues to decline. California, which holds the most privileged rights to water from the Colorado River, would accept reductions before it would otherwise be legally required to.

“It’s kind of a hypothetical scenario that we’ve been walking through,” Trujillo said. She said the talks between water managers have focused on sharing cutbacks due to a recognition that “we may need to plan for some very, very, very dire hydrologic conditions.”

READ MORE: The Desert Sun's One Nation climate change series (topic/7b935134-1f42-4290-86bc-f3a1c4fba8d6/climate-change-one-nation-palm-springs/)

Officials from the three states and the U.S. Bureau of Reclamation have been meeting regularly since last summer to discuss ways of preventing Lake Mead's levels from falling to critical levels.

The water level in Lake Mead stood above 1,077 feet elevation on Monday. But water managers predict that a shortage is increasingly likely in the coming years. The Bureau of Reclamation could declare a shortage during the summer if it projects Lake Mead's elevation would sink to 1,075 feet or lower at the beginning of next year. The U.S. Department of the Interior would take charge of water allocation if the reservoir’s level were to sink to an elevation of 1,025 feet.

“We’re trying to reduce the probabilities that those critical elevations will be hit or even exceeded by putting this plan in place,” said Tom Buschatzke, director of the Arizona Department of Water Resources. He said that by working collaboratively, the three states can “control our own destiny.”

He said they have put together the outlines of a potential plan that “while it might have some pain for all of us, it’s pain that we perhaps can live with and deal with.”
The Arizona Department of Water Resources presented elements of the proposed plan to the Southern Arizona Water Users Association last week. The agency’s presentation included potential cutbacks for each of the states and the Bureau of Reclamation, which manages Lake Mead.

Among the details, Arizona would lose 512,000 acre-feet of its total of 2.8 million acre-feet per year if a first-level shortage is declared, compared with the 320,000 acre-feet it had previously agreed to at that level. Nevada would sacrifice 21,000 acre-feet of its 300,000 acre-feet, up from its original 13,000.

If the shortage worsens and the level of Lake Mead falls between 1,045 feet and 1,025, the plan calls for California to take a cut of between 200,000 acre-feet and 350,000 acre-feet – up to about 8 percent of its total of 4.4 million acre-feet per year.

“I think there’s going to be some back and forth and refinement of several drafts before we come to hopefully some sort of closure on this,” said Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, which has been involved in the talks.

“It’s in nobody’s interest to have the Colorado River system get pushed so hard that it reaches some sort of breaking point,” Kightlinger said. “It’s our goal to make sure the Colorado River is a big sustainable supply of water for California for decades to come, so to do that, as we reach lower and lower elevations, it makes sense for all of us to be proactive and not wait for trouble to come.”
The Metropolitan Water District supplies water to more than 19 million people in Southern California. Kightlinger said the talks have focused in part on the terms of the cutbacks, including allowing water districts that voluntarily leave water in Lake Mead to access those supplies in later years.

"Internally within California, we’re discussing how do we share that pain amongst ourselves," Kightlinger said. Those negotiations involve his districts and others including the Coachella Valley Water District, the Imperial Irrigation District and the Palo Verde Irrigation District. He said he hopes to have something finalized by the end of the year, but added that a deal is by no means certain.

Jim Barrett, general manager of the Coachella Valley Water District, said the parties involved in the discussions “have not yet agreed to any specifics so it would be premature at this point to provide additional details.”

“CVWD’s imported water supply is obviously an important issue for the Coachella Valley and residents can be confident that their interests are being represented during the discussions,” Barrett said in an email.

Lake Mead’s levels have declined during a 16-year drought, and climate change is projected to add significantly to the strains on a river that is already severely overallocated.

READ MORE: Losing snow in a changing climate (/story/news/environment/2016/04/14/climate-change-snowpack-water-supplies/82631192/)

John Entsminger, general manager of the Southern Nevada Water Authority, said the three states have come up with a “tentative framework” and much could change before any agreement is finalized. He said he, too, hopes to have an agreement in place by the end of the year, and certainly before the next president is sworn in next year.

"I think it’s in the best interests of the people of all three states if we can get something done this year,” Entsminger said. “What you’re seeing here is a recognition of the increasing risk of Lake Mead going below pretty critical elevations and everybody realizing it’s going to take everybody on the river to solve the problem.”

In Arizona, exactly how the proposed cutbacks would be absorbed has yet to be determined. Farms will likely not be alone in facing reductions. The state will ask cities and towns to volunteer to help, said Theodore Cooke of the Central Arizona Project.

“Our hope is that we have some sharing of the burden,” Cooke said, “so it doesn’t just fall on the backs of some.”

The negotiations follow a previous 2014 agreement among users of the river that helped conserve water and prevent larger declines in the levels of Lake Mead.

THE CURRENT: Sign up for The Desert Sun's energy and water newsletter (/featured-newsletter/the_current/)

"We recognize that there are risks to the flow of the river and we know that the possibility of Lake Mead falling to unacceptably low levels keeps increasing as the drought continues,” Buschatzke said. “We are going to proactively find ways to lower the risk of that happening.”

He called it a “landmark” that California officials have expressed willingness to potentially take less than the state’s full entitlement.

“They stepped up to the plate big-time,” Buschatzke said. He said Arizona’s representatives have also stepped up in a big way by being willing to reduce the state’s use more than they previously agreed to do during 2007 negotiations.

Praising the cooperative steps in the negotiations, he said the proposed cuts may evolve further based on the talks in each state.

The boards of water districts in California and Nevada would need to sign off on any agreement. In Arizona, approval by the Legislature would be required.

Buschatzke said he hopes to have a deal finalized later this year in order to present it to the Arizona Legislature in January.

Ian James writes about water and the environment for The Desert Sun. He can be reached by email at ian.james@desertsun.com (mailto:ian.james@desertsun.com) and on Twitter: @TDIanJames (https://twitter.com/TDIanJames).

Caitlin McGlade of The Arizona Republic contributed to this report.
Discussion Summary of Colorado River Water Efficiency Pilot Program and Shortage Negotiations

In 2014, the MWD Board authorized $2 million to participate in the pilot program to create system water on the Colorado River (River) through water efficiency projects. The system water is intended to delay Lake Mead and Lake Powell from declining, and reaching levels that would trigger a shortage. Other participants included Denver Water Department (Denver), Southern Nevada Water Authority, Central Arizona Water Conservation District, and the Bureau of Reclamation (Bureau). The three municipal agencies each provided $2 million in funding for these projects while the Bureau provided $3 million. Recently, the Bureau released a spending plan that would allow for an additional $3.5 million in cost-share funding for these projects. In response to the Bureau’s request for cost-share funds, MWD sought Board approval for an additional $1 million in funding for this pilot program. MWD’s funding level would drop to $500,000, if the California Six Agency Committee – of which both MWD and the Water Authority are members – were to also provide funding for the program.

Although the Delegates supported the Board’s 2014 action to fund the pilot program, there has been recent press coverage indicating that Colorado River water contractors, including MWD, are discussing voluntary reductions of Colorado River diversions as a means to manage shortage on the River (see Attachments A and B). Although a Six Agency Committee member, the Water Authority has not been a party to these talks. News sources suggested that California may give up its higher priority right on the River by as much as 8 percent, but it is unclear how this voluntary reduction in California would be shared. While supporting the Basin States’ effort to delay shortage on the River, the Water Authority Delegates submitted a letter1 to MWD requesting to defer action on further funding the pilot program until the Board is informed on these shortage negotiations to better understand how the pilot program fits within the larger shortage sharing negotiations.2

During MWD’s May 2016 Water Planning and Stewardship Committee meeting, staff reported that although the chance of a shortage on the River in 2017 is low (10 percent), moving into the future “shortages are likely to be a way of life,” predicted to occur in two out of every three years starting in 2019. According to staff, MWD engaged in discussions with other Lower Basin states on how to manage these shortage risks. In these talks, MWD indicated it would be willing to give up some of its water in order to reduce the risk of Lake Mead reaching 1,025 feet – a shortage level defined as requiring further consultation and negotiations under the 2007 Shortage Guidelines – and allow MWD to access its Intentionally Created Surplus account in Lake Mead during a declared shortage. Staff reported that there is no term sheet or any discussion on how much water MWD would sacrifice, so there is “no document or even any dialogues about the direct impacts to” MWD. (Attachment C is table from a presentation made by the Central Arizona Project on May 5, 2016 to its Board depicting the cutbacks to the Lower Basin States, Bureau, and Mexico under the existing 2007 Shortage Guidelines and those currently being discussed.) Although, staff said the “goal” of these discussions is to reach agreement on shortage management terms by the end of the year – any agreement would return to the Board for authorization. Staff indicated that in June it will provide a more in-depth report on the Colorado River’s “drought contingency plan.”

1 A copy of the Delegates’ letter on this pilot program can be found here: http://www.mwdfacts.com/wp-content/uploads/2016/05/2016-05-05-WA-ltr-re-MWD-Board-8-4-CR-Efficiency.pdf
2 The Lower Colorado Basin divides its 7.5 million acre-feet Colorado River supply among California, Arizona, and Nevada. California holds senior water rights to Arizona and Nevada, so that if a shortage on the River is declared Arizona and Nevada are the first to face supply cut-backs. Within California’s 4.4 million acre-feet apportionment, MWD has Priority 4 for 550,000 acre-feet of Colorado River supplies and, when available any water unused by Priorities 1 through 3 under MWD’s 5(a) and 5(b) priorities.
Following staff’s report, Director Gold (Los Angeles) requested the assumptions behind the shortage forecasts. On a different note, Director Tu expressed concern with California voluntarily reducing its share of Colorado River water and sought further information on the duration of these reductions. Staff clarified that the agreement would be for 10 years and would be in addition to the 2007 Shortage Guidelines, which will expire in 2026 (negotiations on how to move forward from these guidelines are scheduled to begin in 2020). Since there is concern that Lake Mead will drop to 1,025 feet prior to 2026, the 10-year agreement currently under negotiation is intended to serve as “a short-term stop gap measure” until long-term agreements are achieved. Director Lewinger asked what California would receive in exchange for giving up its senior rights on the River. Staff replied that California would not be giving up its rights, but would voluntary reduce its water use and “store” the conserved water in Lake Mead. Staff did not describe if, or under what conditions, the “stored” water would be returned. This voluntary cut-back would “offer stability on the River,” prevent other Lower Basin states from facing challenges associated with shortage, foster cooperation, and allow MWD to fill its aqueduct in dry years, staff reported. Director Beard (Fullerton) echoed the request to better understand the probabilities of shortage on the River and the implications to MWD of California agreeing to voluntary “shortage.” Noting that staff will return with a more detailed report on these negotiations next month, Beard questioned the need to approve funding the pilot water use efficiency program. Staff responded that matching funds from the Bureau need to be allocated by the end of September.

The committee transitioned to staff’s presentation on the pilot program. Following this presentation, General Manager Kightlinger deemed the program “very successful” because it has involved various urban stakeholders and conserved 65,000 acre-feet of water to date. Kightlinger said that MWD believes this program could be expanded in connection with a western-wide drought bill, which may provide funding for Colorado River programs. He also pointed out that staff is seeking authorization to use $1 million for the program, which would cover all of California’s cost of the program if the Colorado River Board decides not to contribute to it. In response to Director Paskett’s (Los Angeles) question about funding, staff said that so far $11.25 million of funding has been secured and $7.5 million of additional funding is in the process of being authorized. Director Lewinger questioned how this pilot program connects to shortage-sharing negotiations, making a substitute motion to defer authorizing funds for the pilot program until after next month’s update on the negotiations. His motion did not get a second and Kightlinger said there is no relationship between the program and the negotiations. Director Peterson (Las Virgenes) offered a “friendly” amendment to Director Morris’ (San Marino) motion to authorize funding for the program to require that the funding be directed towards projects increasing Lake Mead’s level only. Kightlinger argued against the amendment saying it is unnecessary and would break from the current cooperative spirit between the Lower and Upper basins (although Denver is not providing funding this round because projects target the Lower Basin). Peterson retracted his amendment and the committee authorized up to $1 million in funding for water efficiency projects on the Colorado River.

At the following day’s Board meeting, the Delegates voiced their support of the Basin States’ and federal government’s efforts to find long-term solutions to shortage on the River, but opposed funding the water efficiency pilot program. Also, the Delegates expressed concerns that the Board lacked information on the current shortage negotiations to which this program is connected. Ultimately, the Board authorized up to $1 million for the pilot program.

Attachment A: Las Vegas Review Article States consider more cuts on Colorado River to prop up Lake Mead dated April 26, 2016
Attachment B: The Desert Sun Article California weighs sharing “pain” of Colorado River cuts dated April 26, 2016
Attachment C: Central Arizona Project Board presentation side dated May 5, 2016
States consider more cuts on Colorado River to prop up Lake Mead

Overall view from the South Rim of the Grand Canyon and the Colorado River near Tusayan, Arizona, Aug. 10, 2012. (Charles Platiau/Reuters)

Black Canyon Water Trail, a 30-mile stretch of the Colorado River that travels from Hoover Dam to Eldorado Canyon, was recently designated part of the National Water Trail system. (Hali Bernstein Saylor/Boulder City Review file)

By HENRY BREAN
LAS VEGAS REVIEW-JOURNAL

Top water officials in Nevada, Arizona and California have negotiated a deal to cut their use of the Colorado River and slow the decline of Lake Mead, but the landmark agreement is far from finished.

Negotiators from Arizona and California are now shopping the plan to various water users and policymakers in their states, where the proposed cuts are likely to be painful and in some cases unprecedented.
Arizona would shoulder most of the reductions, but the tentative deal marks the first time California has agreed to share the pain — if the drought worsens.

“That’s certainly a huge step forward. We see that as a landmark outcome,” said Tom Buschatzke, director of Arizona’s Department of Water Resources.

California is not now required to take any cuts to its 4.4 million acre-foot river allocation, which is the largest among the seven states that share the Colorado.

The voluntary cuts being discussed are designed to prop up Lake Mead and stave off deeper, mandatory forced cuts for Arizona and Nevada if the lake sinks below levels outlined in a 2007 agreement.

“It’s a risk assessment,” Southern Nevada Water Authority chief John Entsminger said of the plan and the talks leading to it.

Buschatzke called the effort a “proactive, planned response” to what’s happening on the river before it becomes a crisis.

Details of the plan were first reported by Tony Davis of the “Arizona Daily Star” in Tucson.

Nevada’s share of the proposed cuts is comparatively small, but so is the state’s annual river allocation of 300,000 acre-feet, Entsminger said.

Nevada would leave 8,000 acre-feet of water in Lake Mead each year under the first round of voluntary cuts, while Arizona would lose 192,000 of its 2.8 million acre-foot allocation. One acre-foot of water is enough to supply two average Las Vegas Valley homes for just over a year.

The annual reductions would increase to 10,000 acre-feet for Nevada and 240,000 acre-feet for Arizona should the surface of Lake Mead drop another 32 feet from current level, to 1,045 feet above sea level.

Elevation 1,045 is also where California would see voluntary cuts, which start at 200,000 acre-feet a year and increase by 50,000 with every additional 5-foot drop in Lake Mead.

The voluntary cuts being discussed for Nevada and Arizona come on top of the escalating series of mandatory shortages the two states will have to absorb as the lake drops below elevations 1,075, 1,050 and 1,025.

Entsminger said the most Nevada stands to lose in a given year is 30,000 acre-feet in voluntary and mandatory cuts. Thanks largely to the success of local conservation efforts, the state currently has a surplus of about 80,000 acre-feet available annually to absorb the cuts.

“We think at all reservoir elevations there’s not a volume that we can’t handle,” he said.
Buschatzke said Arizona officials are in the early stages of selling the plan to water users. The deal also requires the blessing of the Arizona Legislature, something that’s unlikely to happen until next year.

California officials face a similar uphill battle as they lobby in the Golden State, Buschatzke said.

News of the water negotiations comes amid worsening projections for the Colorado River, which is now expected to see 74 percent of its average flow in 2016, down from last month’s forecast of 80 percent. That would mark the 13th year of below-average flows since 2000.

The Las Vegas Valley draws 90 percent of its water supply from the Colorado by way of Lake Mead, which has seen its surface drop by more than 130 feet over the past 16 years.

On Tuesday, Nevada Sens. Harry Reid and Dean Heller won Senate approval for an amendment that would add $50 million to a program that pays cities, farms, factories and power plants for efficiency improvements aimed at keeping more water in the river.

The Colorado River System Conservation Program was launched in 2014 with $11 million in seed money from the U.S. Bureau of Reclamation, the water authority and the largest municipal water suppliers in Arizona, California and Colorado.

Reid in a telephone call Tuesday said the pilot program has “done well” so far, but the river needs all the help it can get.

“My dad used to swim across the Colorado River,” the Searchlight native said. “The Colorado River is a tiny little river to do all that it’s counted on to do.”

Contact Henry Brean at hbrean@reviewjournal.com or 702-383-0350. Find @RefriedBrean on Twitter.
California weighs sharing ‘pain’ of Colorado River cuts

With the Colorado River tapped beyond its limits and the level of Lake Mead in decline, representatives of California, Arizona and Nevada say they’ve been making progress in negotiating an agreement for all three states to share in water cutbacks in order to stave off a more severe shortage.

Officials who have been involved in the talks over the past several months cautioned that the details have yet to be finalized, and said difficult negotiations remain between water districts and among the states. But they expressed optimism in interviews on Monday that the three states and the federal government will be able to reach a deal to keep more water in Lake Mead, the nation’s largest reservoir.

“We are looking for an agreement that will be beneficial to all three Lower Basin states,” said Tanya Trujillo, executive director of the Colorado River Board of California. “That’s in the context of recognizing that there are still significant issues that we need to keep working through. So we’re going to keep at it, and it may take several months. It may take another year.”

Under the proposals being considered, each of the states would accept cuts in water deliveries at different threshold levels as Lake Mead continues to decline. California, which holds the most privileged rights to water from the Colorado River, would accept reductions before it would otherwise be legally required to.

“It’s kind of a hypothetical scenario that we’ve been walking through,” Trujillo said. She said the talks between water managers have focused on sharing cutbacks due to a recognition that “we may need to plan for some very, very, very dire hydrologic conditions.”

READ MORE: The Desert Sun's One Nation climate change series (/topic/7b935134-1f42-4290-86bc-f3a1c4fba8d6/climate-change-one-nation-palm-springs/)

Officials from the three states and the U.S. Bureau of Reclamation have been meeting regularly since last summer to discuss ways of preventing Lake Mead’s levels from falling to critical levels.

The water level in Lake Mead stood above 1,077 feet elevation on Monday. But water managers predict that a shortage is increasingly likely in the coming years. The Bureau of Reclamation could declare a shortage during the summer if it projects Lake Mead’s elevation would sink to 1,075 feet or lower at the beginning of next year. The U.S. Department of the Interior would take charge of water allocation if the reservoir’s level were to sink to an elevation of 1,025 feet.

“We’re trying to reduce the probabilities that those critical elevations will be hit or even exceeded by putting this plan in place,” said Tom Buschatzke, director of the Arizona Department of Water Resources. He said that by working collaboratively, the three states can “control our own destiny.”

He said they have put together the outlines of a potential plan that “while it might have some pain for all of us, it’s pain that we perhaps can live with and deal with.”
The Arizona Department of Water Resources presented elements of the proposed plan to the Southern Arizona Water Users Association last week. The agency’s presentation included potential cutbacks for each of the states and the Bureau of Reclamation, which manages Lake Mead.

Among the details, Arizona would lose 512,000 acre-feet of its total of 2.8 million acre-feet per year if a first-level shortage is declared, compared with the 320,000 acre-feet it had previously agreed to at that level. Nevada would sacrifice 21,000 acre-feet of its 300,000 acre-feet, up from its original 13,000.

If the shortage worsens and the level of Lake Mead falls between 1,045 feet and 1,025, the plan calls for California to take a cut of between 200,000 acre-feet and 350,000 acre-feet – up to about 8 percent of its total of 4.4 million acre-feet per year.

“I think there’s going to be some back and forth and refinement of several drafts before we come to hopefully some sort of closure on this,” said Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, which has been involved in the talks.

“It’s in nobody’s interest to have the Colorado River system get pushed so hard that it reaches some sort of breaking point,” Kightlinger said. “It’s our goal to make sure the Colorado River is a big sustainable supply of water for California for decades to come, so to do that, as we reach lower and lower elevations, it makes sense for all of us to be proactive and not wait for trouble to come.”
The Metropolitan Water District supplies water to more than 19 million people in Southern California. Kightlinger said the talks have focused in part on the terms of the cutbacks, including allowing water districts that voluntarily leave water in Lake Mead to access those supplies in later years.

"Internally within California, we're discussing how do we share that pain amongst ourselves," Kightlinger said. Those negotiations involve his districts and others including the Coachella Valley Water District, the Imperial Irrigation District and the Palo Verde Irrigation District. He said he hopes to have something finalized by the end of the year, but added that a deal is by no means certain.

Jim Barrett, general manager of the Coachella Valley Water District, said the parties involved in the discussions “have not yet agreed to any specifics so it would be premature at this point to provide additional details.”

“CVWD’s imported water supply is obviously an important issue for the Coachella Valley and residents can be confident that their interests are being represented during the discussions,” Barrett said in an email.

Lake Mead’s levels have declined during a 16-year drought, and climate change is projected to add significantly to the strains on a river that is already severely overallocated.

READ MORE: Losing snow in a changing climate (/story/news/environment/2016/04/14/climate-change-snowpack-water-supplies/82631192/)

John Entsminger, general manager of the Southern Nevada Water Authority, said the three states have come up with a “tentative framework” and much could change before any agreement is finalized. He said he, too, hopes to have an agreement in place by the end of the year, and certainly before the next president is sworn in next year.

“I think it's in the best interests of the people of all three states if we can get something done this year,” Entsminger said. “What you're seeing here is a recognition of the increasing risk of Lake Mead going below pretty critical elevations and everybody realizing it's going to take everybody on the river to solve the problem.”

In Arizona, exactly how the proposed cutbacks would be absorbed has yet to be determined. Farms will likely not be alone in facing reductions. The state will ask cities and towns to volunteer to help, said Theodore Cooke of the Central Arizona Project.

“Our hope is that we have some sharing of the burden,” Cooke said, “so it doesn’t just fall on the backs of some.”

The negotiations follow a previous 2014 agreement among users of the river that helped conserve water and prevent larger declines in the levels of Lake Mead.

THE CURRENT: Sign up for The Desert Sun's energy and water newsletter (/featured-newsletter/the_current/)

“We recognize that there are risks to the flow of the river and we know that the possibility of Lake Mead falling to unacceptably low levels keeps increasing as the drought continues,” Buschatzke said. “We are going to proactively find ways to lower the risk of that happening.”

He called it a “landmark” that California officials have expressed willingness to potentially take less than the state’s full entitlement.

“They stepped up to the plate big-time,” Buschatzke said. He said Arizona’s representatives have also stepped up in a big way by being willing to reduce the state's use more than they previously agreed to do during 2007 negotiations.

Praising the cooperative steps in the negotiations, he said the proposed cuts may evolve further based on the talks in each state.

The boards of water districts in California and Nevada would need to sign off on any agreement. In Arizona, approval by the Legislature would be required.

Buschatzke said he hopes to have a deal finalized later this year in order to present it to the Arizona Legislature in January.

Ian James writes about water and the environment for The Desert Sun. He can be reached by email at ian.james@desertsun.com (mailto:ian.james@desertsun.com) and on Twitter: @TDSIanJames (https://twitter.com/TDSIanJames).

Caitlin McGlade of The Arizona Republic contributed to this report.

DESSERT SUN
# LBDCP Reductions

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*Minute 319 reductions extend through 2017. Assume reductions continue in Minute 32X.
Discussion Summary of MWD’s 2015 Urban Water Management Plan

During MWD’s May 2016 Water Planning and Stewardship Committee meeting, staff responded to comments received on its 2015 Urban Water Management Plan (2015 UWMP) update. Following staff’s presentation, the committee considered adopting the 2015 UWMP.

Director Barbre (Municipal Water District of Orange County) sought to understand the implications of not adopting the report. In response, staff said California law requires water agencies of a certain size to complete a plan. If an agency fails to do so, it is ineligible for state grants and job assistance. Replying to a question from Barbre, General Manager Kightlinger said it was his understanding that this planning document is excluded from receiving state mandate reimbursement funding.

Turning to the contents of the 2015 UWMP, Director Lewinger pointed out that MWD’s supply projections only included a minimum amount (20,000 acre-feet out of almost 200,000 acre-feet) of new local supply projects1 in its demand forecasts but did not carry-over this criteria for its projected State Water Project supplies – including the California WaterFix, which is still in the environmental review stage. Lewinger questioned why MWD would include the California WaterFix while excluding local projects at the same planning phase. Staff replied that the 2015 UWMP includes the 2015 Integrated Water Resources Plan’s local supply development “target,” which is 20,000 acre-feet of development over the next 25 years. Chief Operating Officer Man added that MWD listed all local projects that its member agency provided in an appendix to the 2015 UWMP.

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1 MWD member agencies identified almost 200,000 acre-feet of additional local supplies from projects that could be developed by 2040 with full design and appropriated funds, or are environmentally certified, feasible, and conceptual, which are not part of existing or under construction projects.
Discussion Summary of MWD’s Purchase of the Delta Wetlands Properties

At its May 2016 Real Property and Asset Management Committee (RP&AM Committee), the Board received a report on MWD’s due diligence findings related to the purchase of the Delta Wetlands properties, about 20,000 acres of land across five different Bay-Delta islands. Prior to staff’s presentation on this item, four members of the public commented on the purchase. Two speakers, from The Nature Conservancy and GEI Consultants, Inc., (which consults for MWD), expressed support for MWD’s purchases of the properties and the environmental benefits that may result from MWD’s management of the lands. Two speakers from Food and Water Watch and Restore the Delta opposed MWD’s acquisition of the properties voicing concerns that MWD is buying the lands to advance the California WaterFix and paying the purchase of the lands without the participation of other project beneficiaries. Additionally, the Food and Water Watch representative said that MWD cannot legally complete habitat restoration on the properties and failed to complete the necessary environmental documentation to buy the lands.

Following staff’s presentation, General Manager Kightlinger added that he along with MWD Chairman Record (Eastern) and RP&AM Committee Chair Camacho (Inland Empire) recently met with Semitropic Water Storage District (Semitropic), which expressed “interest in a partnership” and said that other Central Valley groundwater banking agencies1 shared this interest. Kightlinger said that he told Semitropic that MWD would first need to close escrow and then obtain Board approval for a specific proposal before a partnership could be formed. Later, Kightlinger clarified that MWD was in contact with the other interested agencies as well. Similar to offering its Palo Verde Valley lands to be used in the Lower Colorado River Multi-Species Conservation Program, Kightlinger said that MWD anticipates it would receive environmental mitigation credit from California Fish and Wildlife for the California WaterFix or to satisfy other mitigation needs. However, Kightlinger stressed that it is the Board’s decision on how to use the islands. After Kightlinger’s comments Record clarified that although this item is informational, the Board has “the ability to do what [it] need[s] to do” at its Board meeting, implying that the Board may take action related to this item. The committee then discussed the purchase.

In response to Director Touhey (Upper San Gabriel Valley), staff said that gross receipts for the current leases on portions of the property are about $4.3 million annually. Staff added that MWD plans to purchase the islands with taxable bond financing at a current rate of 1 percent, which would cost MWD about $1.75 million annually, and that property maintenance costs are about half of the $4.3 million in lease revenues. Considering the financing and maintenance costs, MWD expects to “break even” on the purchase until the Board determines how to use the lands.

Director Kurtz (Pasadena) asked about the validity of public commentators’ claims that MWD cannot use the lands for restoration purposes. Kightlinger said that MWD’s consultant, Curt Schmutte, thinks some of the lands may be used for fish habitat and others for bird habitat. Later, in response to Director Wunderlich (Beverly Hills), Kightlinger said MWD would seek reimbursement from other beneficiaries if there were benefits related to the California WaterFix,

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1 The agencies reportedly include Semitropic, Rosedale-Rio Bravo Water Storage District, and Wheeler Ridge-Maricopa Water Storage District.
but if MWD took on restoration projects on its own then it would ensure it only accrued the benefits, such as mitigation credits. Director Peterson (Las Virgenes) later pointed out MWD’s ownership of the properties would help maintain the levees along the water export path and facilitate the implementation of an emergency water corridor should an earthquake in the Delta cause levee failure. (If the islands do afford these benefits, it remains unclear why MWD would assume all the costs and liability of these properties since all federal and state water contractors would benefit.) Later, in response to Director Murray (Los Angeles), Kightlinger said that strengthening levees and facilitating the emergency pathway offer direct water supply benefits.

Noting the existing agreements for the Delta Wetland’s storage project, Director Hogan asked about the impact of these agreements on MWD’s ownership of the lands. Kightlinger said that the escrow terms and conditions require that the storage project be withdrawn and therefore, MWD assumes that settlements in connection with protests to that project would “dissipate or disappear.” Following up on potential liabilities, Director Tu expressed surprise that staff’s presentation did not discuss more liabilities. Kightlinger replied that staff believes it covered liabilities, noting that MWD inspected levees for structural integrity and the islands for contamination, finding one area contaminated with diesel fuel. Later, in response to Director Faessel (Anaheim), staff clarified that the contaminated area is about 500 square-feet. And replying to Director Dake (Los Angeles), staff said levees meet, and in some areas exceed, federal and state standards of withstanding a 100-year flood event. Director Blois (Calleguas) expressed his support for purchasing the islands because he sees it as MWD taking a leadership role to move away from the unsustainable “status quo” in the Delta, offering both environmental and water supply benefits. Director Lefevre agreed with Blois and Peterson.

Pointing out that many of the benefits from the purchase accrue to state and federal contractors, Director Lewinger questioned why MWD would bear the responsibility to “bankroll” these benefits for the other contractors and not seek partnerships pre-purchase. Kightlinger responded that MWD had conversations with potential partners but that “we don’t really know what we have here, and a pre-purchase partnership would have to be approved by all the boards of all the agencies” and it remains unclear if escrow will close due to existing lawsuits. He added that the cost to MWD of the purchase is “essentially nothing” and that partnerships could be pursued post-purchase. In response to Lewinger, Kightlinger said existing litigation would have to be resolved in order to close escrow; however, future litigation could arise. Returning to potential partners, Director Tu expressed apprehension that partnerships are unlikely to form once MWD has paid for the properties. Kightlinger replied that MWD has pursued partners post-purchase in the past and “always gotten the full reimbursement;” also, if partners don’t come forward, Kightlinger said MWD can sell the lands. Echoing these concerns, Director Paskett (Los Angeles) requested that staff provide regular updates on partnerships related to the properties. Kightlinger agreed to provide these updates. Wrapping up the committee’s discussion, Director Beard (Fullerton) supported the purchase because it provides “a lot of opportunity” with “very little risk.”

Later, at the Board meeting, the four speakers from the RP&AM Committee reiterated their comments and three additional speakers, one from the Environmental Water Caucus and two from Restore the Delta, expressed opposition to the purchase. Lewinger made a motion for MWD to withdraw from escrow and Tu seconded it. Commenting that Los Angeles voted
against pursuing a purchase agreement at MWD’s March Board meeting, Murray said that the Los Angeles delegation would not participate in a vote on Lewinger’s motion. Director Gray (West Basin) opined that the Board had thoughtful discussion on the purchase, which is a “good investment,” and supported going forward with it. Agreeing with Gray, Camacho suggested that the intention of the March motion was not to re-vote on the purchase but for the Board to be able to review information. Tu reminded the Board of Record’s previous comment that the Board could take action on the purchase and reiterated her concern with MWD paying for supply benefits realized by the other contractors. Director Lowenthal (Long Beach) agreed that MWD should defer purchase of the islands because the only benefits of the ownership relate to the California WaterFix. Since the Board has not taken a position on the California WaterFix, Lowenthal suggested that purchasing the island would be putting the cart before the horse. Record expressed support for moving forward with the purchase while Director Gold (Los Angeles) agreed with Lowenthal that the purchase was “premature.” Gold questioned investing in land acquisition rather than conservation and the short, 60-day escrow. Kightlinger replied that the Board first received information on the properties in September 2015 and noted that its recent land purchase in the Palo Verde Valley was a 30-day escrow.

Ultimately, Lewinger’s motion failed, gaining 29.46 percent of the Board’s support. The Long Beach delegation, one Los Angeles director (Gold), and one Central Basin director (Apodaca) supported the motion while two Los Angeles Directors, Quiñonez and Murray, abstained.
Finance and Insurance Committee
Meeting with Board of Directors*

May 9, 2016

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

F&I Committee
B. Barbre, Chair
R. Wunderlich, V. Chair
R. Apodaca
S. Blois
G. Dake
D. Dear
D. De Jesus
S. Faessel
C. Kurtz
K. Lewinger
M. Martinez
L. McKenney
L. Paskett
M. Ramos
M. Touhey

Monday, May 9, 2016
Meeting Schedule

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</table>

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

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

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

2. Approval of the Minutes of the meetings of the Finance and Insurance Committee held April 11, 2016

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-1 Adopt resolution to continue Metropolitan’s Water Standby Charge for fiscal year 2016/17. (F&I)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and
Adopt the resolution to continue collecting the Standby Charge for fiscal year 2016/17.

5. BOARD INFORMATION ITEMS

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

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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Date of Notice: April 27, 2016
WP&S Committee
D. De Jesus, Chair
R. Atwater, Vice Chair
J. Abdo
L. Ackerman
M. Camacho
L. Dick
G. Gray
K. Lewinger
J. Morris
L. Paskett
G. Peterson
J. Quiñonez
F. Steiner
M. Touhey
R. Wunderlich

Water Planning and Stewardship Committee

Meeting with Board of Directors*

May 9, 2016

10:00 a.m. – Room 2-456

Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Room</th>
<th>Agenda Item</th>
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<tbody>
<tr>
<td>9:00 a.m.</td>
<td>Rm. 2-145</td>
<td>F&amp;I</td>
</tr>
<tr>
<td>10:00 a.m.</td>
<td>Rm. 2-456</td>
<td>WP&amp;S</td>
</tr>
<tr>
<td>11:00 a.m.</td>
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<td>E&amp;O</td>
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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 committee on matters within the committee’s jurisdiction (As required by Gov. Code Section 54954.3(a))

2. Approval of the Minutes of the meeting of the Water Planning and Stewardship Committee held April 11, 2016

3. CONSENT CALENDAR ITEMS — ACTION

None

4. OTHER BOARD ITEMS — ACTION

8-4 Authorize continuing participation in pilot program to fund water use efficiency measures for the Colorado River and approve payment of up to $1 million. (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 General Manager to continue to participate in the pilot program for funding the creation of Colorado River system water through voluntary reductions in use; and
b. Approve payment of up to an additional $1 million for partially funding the pilot program.

8-5 Declare a “Condition 2 -- Water Supply Alert” effective immediately; do not implement a Water Supply Allocation Plan for 2016/17 and thereby rescind the current “Condition 3 – Water Supply Allocation”. (WP&S) (To be mailed separately)

8-6 Adopt the 2015 Urban Water Management Plan and resolution for submittal to the State of California. (WP&S) (To be mailed separately)

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Conservation update

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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REVISED AGENDA

Engineering and Operations Committee

Meeting with Board of Directors*

May 9, 2016

11:00 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 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 April 11, 2016**

3. **CONSENT CALENDAR ITEMS — ACTION**

   7-1 Appropriate $800,000; and authorize design of chemical system upgrades at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)
Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2015 Final EIR, Findings of Fact, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required, and

a. Appropriate $800,000; and
b. Authorize design of chlorination system upgrades at the Weymouth plant.

7-2 Appropriate $400,000; and award $268,000 contract to First Responder Fire Protection Corp. to install a fire protection system in the La Verne Shops (Approp. 15395). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the 2005 Final EIR, Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required, and

a. Appropriate $400,000; and
b. Award $268,000 contract to First Responder Fire Protection Corp. to install a fire protection system at the La Verne Shops.

7-3 Appropriate $600,000; and authorize design of drainage and erosion control improvements at Garvey Reservoir (Approp. 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $600,000; and
b. Authorize design of drainage and erosion control improvements at Garvey Reservoir.

4. OTHER BOARD ITEMS — ACTION

8-2 Appropriate $6.7 million; and authorize: (1) preconstruction activities for seismic upgrades and preliminary design of building improvements for Metropolitan’s Headquarters Building; and (2) increase of $3.5 million to an agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $5.3 million (Approp. 15473). (E&O)
Recommendation:

Option #1:

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

a. Appropriate $6.7 million;

b. Authorize preconstruction activities for seismic upgrades and preliminary design of building improvements for Metropolitan’s Headquarters Building; and

c. Authorize increase of $3.5 million to an agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $5.3 million.

Revised

Option #1:

Adopt the CEQA determination that the proposed actions have been previously addressed and that no further environmental analysis or documentation is required, and

a. Appropriate $2.12 million;

b. Award $708,000 contract to Pacific Winds Building, Inc. for electrical upgrades at the East Dam area of Diamond Valley Lake; and authorize: (1) $540,000 agreement with Southern California Edison (SCE); and (2) granting of permanent easements to SCE; and (3) construction of a sanitation facility at the East Marina (Approps. 15334 and 15480). (E&O)

Revised

Option #1:

Adopt the CEQA determination that the proposed actions have been previously addressed and that no further environmental analysis or documentation is required, and

a. Appropriate $2.12 million;

b. Award $708,000 contract to Pacific Winds Building, Inc. for electrical upgrades at the DVL East Dam area;

c. Authorize $540,000 agreement with Southern California Edison to extend electrical service to the East Dam area;

d. Authorize the General Manager to grant permanent easements to Southern California Edison; and

e. Authorize construction of a sanitation facility at the DVL East Marina.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on California’s Drinking Water Regulatory Program

b. Capital Investment Plan quarterly report for period ending March 2016
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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Communications and Legislation Committee

Meeting with Board of Directors*

May 9, 2016

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

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<table>
<thead>
<tr>
<th>Meeting Schedule</th>
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<tr>
<td>9:00 a.m.</td>
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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 April 11, 2016**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   None

Date of Notice: April 27, 2016
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Report on activities from Washington, D.C.
b. Report on activities from Sacramento
c. Update on 2016 advertising and outreach campaign related to water conservation

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED AGENDA

Legal and Claims Committee

Meeting with Board of Directors*

May 10, 2016

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

Tuesday, May 10, 2016
Meeting Schedule

<table>
<thead>
<tr>
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<tr>
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<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
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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 April 12, 2016

3. CONSENT CALENDAR ITEMS — ACTION

7-5 Redesignation of the Special Real Property and Asset Management Committee as a Board Standing Committee. (L&C)

Recommendation:

Option #1:

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

Approve the changes to the Administrative Code set forth in Attachment 2 to the board letter to establish the Real Property and Asset Management Committee as a board standing committee.
4. OTHER BOARD ITEMS — ACTION

Added 8-8 Report on Bradley Wayne Nutt v. Metropolitan Water District of Southern California, Los Angeles Superior Court Case No, BC550863; and authorize an increase in the maximum amount payable under contract with Atkinson, Andelson, Loya, Ruud & Romo for legal services by $250,000 to an amount not to exceed $800,000. (L&C)

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

5. BOARD INFORMATION ITEMS

9-4 Report on existing and potential litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa, San Joaquin, and Solano Counties, including County of San Joaquin v. Metropolitan Water District of Southern California, et al., San Joaquin County Superior Court Case No. STK-CV-UWM-2016-3597; North Coast Rivers Alliance v. Metropolitan Water District of Southern California, et al., Contra Costa County Superior Court Case No. MSN16-0629; and Pacific Coast Federation of Fishermen’s Associations v. Metropolitan Water District of Southern California, et al., Solano County Superior Court Case No. FCS046934. (L&C)

[Conference with legal counsel—existing and anticipated litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) & (d)(2)]

6. COMMITTEE ITEMS

a. 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, CPF-12-512466, and CPF-14-514004; and San Diego County Water Authority v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. BS161729. [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

7. MANAGEMENT REPORTS

a. General Counsel’s report of monthly activities

8. FOLLOW-UP ITEMS

None

REVISED: Date of Notice: May 3, 2016
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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**Organization, Personnel and Technology Committee**

Meeting with Board of Directors*

May 10, 2016

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 committee’s 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 March 8, 2016**

3. **CHAIRMAN’S REPORT**

4. **CONSENT CALENDAR ITEMS -- ACTION**

   None

5. **OTHER BOARD ITEMS – ACTION**

   **8-7** Approve Metropolitan Water District of Southern California’s Salary Schedule pursuant to CalPERS regulations. (OP&T)

Date of Notice: April 27, 2016
Recommendation:

Option #1:

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

Approve the salary schedule attached to the board letter.

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS


b. Information Technology Strategic Plan Quarterly Update – Period ending March 2016

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Date of Notice: April 27, 2016
Real Property and Asset Management Committee

Meeting with Board of Directors*

May 10, 2016

10:30 a.m. -- Room 2-145

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

* The Metropolitan Water District's Real Property and Asset Management Committee meeting is noticed as a joint 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 Real Property and Asset Management 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 Real Property and Asset Management Committee will not vote on matters before the Real Property and Asset Management 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 Real Property and Asset Management Committee held April 12, 2016

3. CONSENT CALENDAR ITEMS – ACTION

7-4 Authorize granting a permanent easement to the city of San Jacinto on Metropolitan-owned property located in Riverside County. (RP&AM)

Recommendation:

Option #1:

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

Authorize the General Manager to grant a permanent easement to the city of San Jacinto.
4. **OTHER BOARD ITEMS – ACTION**

   None

5. **BOARD INFORMATION ITEMS**

   9-3 Update on purchase of property from Delta Wetlands Properties in Contra Costa, San Joaquin, and Solano Counties. (RP&AM)

6. **COMMITTEE ITEMS**

   None

7. **MANAGEMENT REPORT**

   a. Real Property Development and Management Manager's Report

8. **FOLLOW-UP ITEMS**

   None

9. **FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

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Date of Notice: April 27, 2016
REVISED AGENDA (2)

Regular Board Meeting

May 10, 2016

12:00 p.m. – Board Room

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1. Call to Order
   (a) Invocation: Manju Nair, Assistant Engineer II, Engineering Services Group
   (b) Pledge of Allegiance: Director Russell Lefevre

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 April 12, 2016. (A copy has been mailed to each Director) Any additions, corrections, or omissions
   B. Report on Directors' events attended at Metropolitan expense for month of April
   C. Approve committee assignments
D. Chairman's Monthly Activity Report

E. Approve 30-day leave of absence for Director Larry Dick, commencing May 5, 2016

6. DEPARTMENT HEADS' REPORTS

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

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

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Appropriate $800,000; and authorize design of chemical system upgrades at the F. E. Weymouth Water Treatment Plant (Approp. 15477). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2015 Final EIR, Findings of Fact, Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required, and

a. Appropriate $800,000; and

b. Authorize design of chlorination system upgrades at the Weymouth plant.
7-2 Appropriate $400,000; and award $268,000 contract to First Responder Fire Protection Corp. to install a fire protection system in the La Verne Shops (Approp. 15395). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the 2005 Final EIR, Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program, and that no further environmental analysis or documentation is required, and

a. Appropriate $400,000; and
b. Award $268,000 contract to First Responder Fire Protection Corp. to install a fire protection system at the La Verne Shops.

7-3 Appropriate $600,000; and authorize design of drainage and erosion control improvements at Garvey Reservoir (Approp. 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $600,000; and
b. Authorize design of drainage and erosion control improvements at Garvey Reservoir.

7-4 Authorize granting a permanent easement to the city of San Jacinto on Metropolitan-owned property located in Riverside County. (RP&AM)

Recommendation:

Option #1:

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

Authorize the General Manager to grant a permanent easement to the city of San Jacinto.

7-5 Redesignation of the Special Real Property and Asset Management Committee as a Board Standing Committee. (L&C)
Recommendation:

Option #1:

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

Approve the changes to the Administrative Code set forth in Attachment 2 to the board letter to establish the Real Property and Asset Management Committee as a board standing committee.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt resolution to continue Metropolitan’s Water Standby Charge for fiscal year 2016/17. (F&I)

Recommendation:

Option #1:

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

Adopt the resolution to continue collecting the Standby Charge for fiscal year 2016/17.

8-2 Appropriate $6.7 million; and authorize: (1) preconstruction activities for seismic upgrades and preliminary design of building improvements for Metropolitan’s Headquarters Building; and (2) increase of $3.5 million to an agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $5.3 million (Approp. 15473). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $6.7 million;

b. Authorize preconstruction activities for seismic upgrades and preliminary design of building improvements for Metropolitan’s Headquarters Building; and

c. Authorize increase of $3.5 million to an agreement with ABSG Consulting, Inc., for a new not-to-exceed total of $5.3 million.
Revised 8-3  
Appropriate $2.12 million; award $708,000 contract to Pacific Winds Building, Inc. for electrical upgrades at the East Dam area of Diamond Valley Lake; and authorize: (1) $540,000 agreement with Southern California Edison (SCE); and (2) granting of permanent easements to SCE; and (3) construction of a sanitation facility at the East Marina (Approps. 15334 and 15480). (E&O)

Revised  
Recommendation:

**Option #1:**

Adopt the CEQA determination that the proposed actions have been previously addressed and that no further environmental analysis or documentation is required, and

a. Appropriate $2.12 million;

b. Award $708,000 contract to Pacific Winds Building, Inc. for electrical upgrades at the DVL East Dam area;

c. Authorize $540,000 agreement with Southern California Edison to extend electrical service to the East Dam area;

d. Authorize the General Manager to grant permanent easements to Southern California Edison; and

e. Authorize construction of a sanitation facility at the DVL East Marina.

8-4  
Authorize continuing participation in pilot program to fund water use efficiency measures for the Colorado River and approve payment of up to $1 million. (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 General Manager to continue to participate in the pilot program for funding the creation of Colorado River system water through voluntary reductions in use; and

b. Approve payment of up to an additional $1 million for partially funding the pilot program.

8-5  
Declare a “Condition 2 -- Water Supply Alert” effective immediately; do not implement a Water Supply Allocation Plan for 2016/17 and thereby rescind the current “Condition 3 – Water Supply Allocation”. (WP&S)
Added

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action of moving the Water Supply Condition is not defined as a project under CEQA, and
a. Declare a “Condition 2 – Water Supply Alert” and rescind the “Condition 3 – Water Supply allocation”; and
b. Do not implement the WSAP for 2016/17.

8-6

Adopt the 2015 Urban Water Management Plan and resolution for submittal to the State of California. (WP&S)

Added

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is statutorily exempt, and
Adopt the 2015 UWMP and the resolution for submittal to the state of California in order to comply with the Urban Water Management Planning Act in the California Water Code.

8-7

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

Recommendation:

Option #1:

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

Added

8-8

Report on Bradley Wayne Nutt v. Metropolitan Water District of Southern California, Los Angeles Superior Court Case No, BC550863; and authorize an increase in the maximum amount payable under contract with Atkinson, Andelson, Loya, Ruud & Romo for legal services by $250,000 to an amount not to exceed $800,000. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]
9. BOARD INFORMATION ITEMS

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

9-2 Upcoming Department Head Performance Evaluation Process and Schedule

9-3 Update on purchase of property from Delta Wetlands Properties in Contra Costa, San Joaquin, and Solano Counties. (RP&AM)

9-4 Report on existing and potential litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa, San Joaquin, and Solano Counties, including *County of San Joaquin v. Metropolitan Water District of Southern California, et al.*, San Joaquin County Superior Court Case No. STK-CV-UWM-2016-3597; *North Coast Rivers Alliance v. Metropolitan Water District of Southern California, et al.*, Contra Costa County Superior Court Case No. MSN16-0629; and *Pacific Coast Federation of Fishermen’s Associations v. Metropolitan Water District of Southern California, et al.*, Solano County Superior Court Case No. FCS046934. (L&C)

[Conference with legal counsel—existing and anticipated litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) & (d)(2)]

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

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

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

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

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.
Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
May 10, 2016

COMMITTEE ASSIGNMENTS

Director Gold was assigned to the Communications and Legislation Committee and the Integrated Resources Planning Committee. (Agenda Item 5C)

FINANCE AND INSURANCE COMMITTEE

Adopted the resolution to continue collecting the Standby Charge for fiscal year 2016/17. (Agenda Item 8-1)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated $6.7 million; authorized preconstruction activities for seismic upgrades and preliminary design of building improvements for Metropolitan’s Headquarters Building; and authorized increase of $3.5 million to an agreement with ABSG Consulting, Inc. for a new not-to-exceed total of $5.3 million. (Approp. 15473) (Agenda Item 8-2)

Appropriated $2.12 million; awarded $708,000 contract to Pacific Winds Building, Inc. for electrical upgrades at the Diamond Valley Lake (DVL) East Dam area; authorized $540,000 agreement with Southern California Edison (SCE) to extend electrical service to the East Dam area; authorized the General Manager to grant permanent easements to SCE; and authorized construction of a sanitation facility at the DVL East Marina. (Approps. 15334 and 15480) (Agenda Item 8-3)

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to continue to participate in the pilot program for funding the creation of Colorado River System water through voluntary reductions in use; and approved payment of up to an additional $1 million for partially funding the pilot program. (Agenda Item 8-4)

Declared a “Condition 2 – Water Supply Alert” and rescinded the “Condition 3 – Water Supply Allocation”; and decided not to implement the Water Supply Allocation Plan for 2016/17. (Agenda Item 8-5)

Adopted the 2015 Urban Water Management Plan and the resolution for submittal to the state of California in order to comply with the Urban Water Management Planning Act in the California Water Code. (Agenda Item 8-6)

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

Approved Metropolitan Water District of Southern California's Salary Schedule pursuant to CalPERS regulations. (Agenda Item 8-7)
**LEGAL AND CLAIMS COMMITTEE**

Received a report on *Bradley Wayne Nutt v. Metropolitan Water District of Southern California*, Los Angeles Superior Court Case No. BC550863; and authorized an increase in the maximum amount payable under contract with Atkinson, Andelson, Loya, Ruud & Romo for legal services by $250,000 to an amount not to exceed $800,000. (Report heard in closed session) *(Agenda Item 8-8)*

**CONSENT CALENDAR**

In other action, the Board:

- Appropriated $800,000; and authorized design of chlorination system upgrades at the F. E. Weymouth Water Treatment Plant. *(Approp. 15477)*. *(Agenda Item 7-1)*

- Appropriated $400,000; and awarded $268,000 contract to First Responder Fire Protection Corp. to install a fire protection system at the La Verne Shops. *(Approp. 15395)* *(Agenda Item 7-2)*

- Appropriated $600,000; and authorized design of drainage and erosion control improvements at Garvey Reservoir. *(Approp. 15480)* *(Agenda Item 7-3)*

- Authorized the General Manager to grant a permanent easement to the city of San Jacinto on Metropolitan-owned property located in Riverside County. *(Agenda Item 7-4)*

- Approved the changes to the Administrative Code set forth in Attachments to the Board letter to establish the Real Property and Asset Management Committee as a board standing committee. *(Agenda Item 7-5)*

**OTHER MATTERS:**

In other action, the Board:

- Approved 30-day leave of absence for Director Larry Dick commencing May 5, 2016. *(Agenda Item 5E)*

**THIS INFORMATION SHOULDN’T 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](http://edmsidm.mwdh2o.com/idmweb/home.asp).
May 25, 2016

Attention: Imported Water Committee

Colorado River Board Representative’s report. (Discussion)

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

Discussion
This report covers activities from the May 11, 2016 CRB and Six Agency Committee (SAC) meetings in Ontario, California.

Six Agency Committee:
The SAC consists of representatives from the six water agencies of the CRB and currently funds the entire CRB annual budget. At the May SAC meeting, there was an action item to approve expending funds for the Bureau of Reclamation’s (Reclamation) Pilot System Conservation Program included in the fiscal year 2016 budget in the amount of $500,000. Although the Water Authority fully supports efforts to work with the California parties that comprise the CRB; the other Lower Basin states; and the federal government to develop long term solutions on the Colorado River, the Water Authority has not been afforded the opportunity to participate in recent drought contingency planning discussions, which are directly relevant to use of Pilot System Conservation Program funding and the overarching goal of protecting Lake Mead elevation. As such the Water Authority voted no on the item due to concerns as to how drought contingency planning discussions will impact the Water Authority’s 280,000 acre feet of Colorado River supplies. Imperial Irrigation District also did not approve for reasons unrelated to the Water Authority’s concerns. The item passed with a vote of 4-2.

Colorado River Board:
Water Supply and Reservoir Conditions
A water supply and reservoir conditions update was provided with data from May 2 (Table 1). A more detailed report is available here: http://www.usbr.gov/lc/region/g4000/weekly.pdf.

<table>
<thead>
<tr>
<th>Conditions as of May 2, 2016</th>
<th>Volume (million acre-feet)</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total System Storage</td>
<td>28.56</td>
<td>48%</td>
</tr>
<tr>
<td>Lake Powell</td>
<td>11.03</td>
<td>45%</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>9.69</td>
<td>37%</td>
</tr>
<tr>
<td>Unregulated Inflow to Lake Powell</td>
<td>8.44</td>
<td>78% (of average)</td>
</tr>
<tr>
<td>Forecasted for Water Year 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Basin Snowpack</td>
<td>---</td>
<td>103% (of average)</td>
</tr>
</tbody>
</table>

Reclamation recently released the results from the April modeling results that project the potential system conditions over the next five years. The chance of shortage indicated by the
model is shown in Table 2. A shortage is determined by the August projection of the January 1 elevation of Lake Mead according to pre-determined trigger elevations.

**Table 2. April 2016 Projections for Lower Basin Shortage**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probability of Lower Basin Shortage</td>
<td>10%</td>
<td>56%</td>
<td>64%</td>
<td>64%</td>
<td>61%</td>
</tr>
</tbody>
</table>

**Basin States Technical Information Sharing Meeting**
Colorado River stakeholders met in Las Vegas, Nevada on April 21 for the Basin States Technical Information Sharing meeting. At the meeting, Reclamation and the Colorado Basin River Forecast Center provided a number of updates associated with current and projected hydrology conditions and reservoir operations. The US Geological Survey (USGS) presented on remote-sensing research for estimating consumptive use across the country. There were a variety of other updates including an update from the Upper Colorado River Commission on the proposed Lake Powell Pipeline project, which would convey 86,000 acre-feet of water from Lake Powell to St. George, Utah.

**California Drought Update**
On May 9, 2016, Governor Brown issued Executive Order B-37-16, “Making Water Conservation a California Way of Life,” which extends some of the provisions of the previous drought-related Executive Orders. The Order requires the State Water Resources Control Board to permanently prohibit activities such as hosing off sidewalks, watering lawns within 48 hours of a rain event, and irrigating public street medians. On May 3, 2016, the State Water Resources Control Board issued its water savings report for March, indicating that an average conservation rate of 24.3% was achieved compared to water use in March 2013.

**Drought Contingency Planning**
Drought contingency planning efforts have continued and the Lower Basin States have been working to develop additional agreements to enable more water to be saved in Lake Mead to decrease the likelihood of Lake Mead dropping below trigger elevations and increase flexibility for water users during low reservoir conditions. Part of the planning efforts include Federal activities to more efficiently operate the Colorado River system; and reducing the amount of excess deliveries to Mexico and bypass flows to the Cienaga de Santa Clara. The Yuma Bypass Flows Workgroup issued a report on proposed recommendations with thirteen options that can collectively help conserve and replace water currently bypassed to the Cienaga including operation of the Yuma Desalting Plant and increased pumping of the Minute 242 wellfield. Many of the options require consultation with Mexico.

Expansion of the Minute 242 wellfield will result in increased return flow credits assigned to Arizona’s Yuma Mesa Irrigation and Drainage District and Unit B Irrigation and Drainage District. In order to ensure conservation of mainstream supplies, the Central Arizona and Water Conservation District (CAWCD) entered into an agreement with Reclamation that Arizona will not divert the additional water made available from wellfield expansion. The agreement includes a provision that Reclamation will consult with Arizona to determine future operations if Lake Mead’s elevation recovers to an elevation of 1,145 feet.
Colorado River Basin Supply and Demand Study (Basin Study)
On April 5, Reclamation held a preliminary planning meeting for Phase 2 of the Basin Study’s Moving Forward effort. The goal of this phase is to implement pilot projects identified in the Basin Study. Additionally, the Tribal Basin Study that has been in progress since 2012 is expected to be completed by the end of the year.

Salinity Control Program
The Salinity Control Work Group met in April and discussed management of the Paradox Valley Unit. Little change has occurred to the well’s injection pressure in the past year but there has been an increase in seismic activity in the area, which will be closely monitored. At recent meetings in Washington, DC, CRB staff advocated for continued federal funding for the Salinity Control Program.

Lower Colorado River Multi-Species Conservation Program (MSCP)
The Lower Colorado MSCP held a Steering Committee meeting in Las Vegas on April 27. The MSCP program manager provided an overview of the status of the program and the proposed $31 million budget for fiscal year 2017.

Prepared by:  Kara Mathews, Senior Water Resources Specialist
Reviewed by:  Dan Denham, Colorado River Program Director
Approved by:  Doug Wilson, CRB Representative
May 23, 2016

Attention: Water Planning Committee

Drought Management Actions In Response To Rescission of Water Supply Allocation by Metropolitan Water District of Southern California and Actions of the State Water Resources Control Board (Action)

Staff recommendation
In response to Metropolitan Water District of Southern California’s (Metropolitan) May 10, 2016, Board action to rescind the “Condition 3 – Water Supply Allocation” and declare a “Condition 2 – Water Supply Alert,” staff is recommending that the Water Authority Board:

a. Rescind Ordinance No. 2016-01, An Ordinance of the Board of Directors of the San Diego County Water Authority Allocating Water Pursuant to the Water Authority’s Drought Management Plan and Establishing Penalties for Violations of Allocations; and

b. Establish A Drought Awareness effort to ensure continued community focus on drought awareness and commitment to water use efficiency across the service area.

Alternatives
Do not rescind Ordinance No. 2016-01 and continue Water Authority supply allocations.

Fiscal Impact
This action has no fiscal impact. Metropolitan’s action to immediately terminate its Water Supply Allocation for FY 16 means that no potential financial penalties will be imposed for exceeding an allocation.

Background
In response to dry conditions in February 2014, the Water Authority activated its Water Shortage and Drought Response Plan (WSDRP) and notified its member agencies of implementation of Stage 1, Voluntary Supply Management. The purpose of the WSDRP is to provide guidance and tools to manage temporary shortage situations that primarily result from drought conditions. The WSDRP contains implementing language describing the basic conditions that need to be in place in order to declare a certain stage. In July 2014, the Water Authority again took action and notified its member agencies of a Regional Drought Response Level 2 Drought Alert condition, which included mandatory water use restrictions. The actions were needed to increase conservation efforts to preserve water supplies in storage and assist member agencies in complying with the July 2014 emergency regulation issued by the State Water Resources Control Board (SWRCB).

In April 2015, the Metropolitan Board approved implementation of its Water Supply Allocation Plan (WSAP) Regional Shortage Level 3, effective July 1, 2015, through June 30, 2016. The WSAP includes formulas for calculating member agency supply allocations and the key elements for
administering an allocation. A Level 3 equates to a 15 percent supply cutback of Metropolitan supplies to the Water Authority. Under a Level 3 supply cutback, Metropolitan provides the Water Authority an annual amount of water based on the allocation methodology contained in its WSAP.

In response to cutbacks from Metropolitan, the Water Authority Board in May 2015 adopted Ordinance No. 2015-02. The ordinance directed the General Manager to implement a Municipal and Industrial (M&I) Water Supply Allocation for the period of July 1, 2015 to June 30, 2016, in accordance with the Supply Allocation Methodology of the WSDRP. The ordinance also directed the General Manager to implement supply allocations for participants in the Transitional Special Agricultural Water Rate (TSAWR) program in accordance with the requirements of that program. The board action moved the Water Authority into Stage 3 - Mandatory Cutbacks, of the WSDRP. In March 2016, the Board rescinded Ordinance No. 2015-02 and adopted Ordinance No. 2016-01, which rescinded the Regional Drought Response Level 2 Drought Alert but left in place the Mandatory Supply Cutback Stage of the WSDRP.

Discussion
In response to improved water supply conditions, the Metropolitan Board at its May 10, 2016, meeting, rescinded its “Condition 3 – Water Supply Allocation” and declared a “Condition 2 – Water Supply Alert.” The Water Supply Alert condition does not include water supply allocation but calls for continued conservation activities.

Consistent with Metropolitan’s Board action, staff is recommending that the Board rescind Ordinance No. 2016-01, An Ordinance of the Board of Directors of the San Diego County Water Authority Allocating Water Pursuant to the Water Authority’s Drought Management Plan and Establishing Penalties for Violations of Allocations. Rescission of Ordinance 2016-01 will move the Water Authority out of Stage 3, Mandatory Supply Cutbacks, and terminate M&I and TSAWR allocations, effective immediately.

In addition, on May 18, the State Water Resources Control Board (SWRCB) amended the emergency water conservation regulation to change from a mandated conservation standard to a self-certification approach that recognizes the unique supply conditions of each region/community. These changes will be in effect from June 1, 2016, to the end of January 2017.

Staff is currently working with the member agencies to implement this new regulation. Staff’s goal for this effort is to achieve consensus on a regional approach to developing the required supply sufficiency documentation. If the member agencies all approve of the Water Authority preparing a single self-certification for the region, this will reduce the compliance effort for the member agencies and will facilitate consistent regional messaging.

While water supply conditions improved for this water year, as evidenced by a 60 percent State Water Project allocation, uncertainty continues regarding Water Year 2017 and beyond. As such, staff is recommending an action that would establish a Drought Awareness effort. This effort would entail working with the member agencies on regional messaging that would ensure a continued community focus on drought awareness and a commitment to water use efficiency across the service area. The
Water Planning Committee  
May 23, 2016  
Page 3 of 3

Water Authority committed to the SWRCB that it would continue its leadership and support for continued conservation as well as long-term water use efficiency throughout the region.

Prepared by: Jeff Stephenson, Principal Water Resources Specialist  
Reviewed by: Robert R. Yamada, Director of Water Resources  
Approved by: Sandra L. Kerl, Deputy General Manager