Proposed Staff Recommendation Consent Calendar for September 22, 2016

ADMINISTRATION AND FINANCE COMMITTEE
Note and file monthly Treasurer’s Report.

WATER PLANNING COMMITTEE
Adopt Resolution No. 2016-__ authorizing the General Manager to submit a 2016
Integrated Regional Water Management (IRWM) Proposition 1 planning grant application
for $250,000, accept the grant funds that are awarded, and enter into a contract to distribute
the funds to the project sponsor.

ENGINEERING AND OPERATIONS COMMITTEE
9-3. Professional services contract with PICA Pipeline Inspection and Condition Analysis Corp.
(USA) for pipeline condition assessment of the La Mesa Sweetwater Extension pipeline.
Authorize the General Manager to award a professional services contract to PICA Pipeline
Inspection and Condition Analysis Corp. (USA) for the condition assessment of
approximately 5 miles of the La Mesa Sweetwater Extension pipeline, for a total not-to-exceed amount of $401,170.

9-4. Procurement contract with VAG USA LLC to purchase a plunger valve for the San Diego-
12 Flow Control Facility.
Authorize the General Manager to award a contract to VAG USA LLC to purchase a plunger
valve for the San Diego-12 Flow Control Facility, for a total not-to-exceed amount of
$375,000.

9-5. Construction contract with Kiewit Infrastructure West Co. for the Carlsbad 6 Flow Control
Facility project to replace the existing Carlsbad 1 facility.
Authorize the General Manager to award a construction contract to Kiewit Infrastructure West
Co. in the amount of $2,786,250 for the Carlsbad 6 Flow Control Facility project to replace the
existing Carlsbad 1 facility.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
9-6. Amendment to the professional services agreement with WSA Marketing for continued
implementation of the Qualified Water Efficient Landscaper (QWEL) training program.
Authorize the General Manager to execute an amendment to the professional services
contract with WSA Marketing for $100,000, increasing the authorized cumulative contract
amount from $146,500 to an amount not to exceed $246,500, to continue implementation of
the Qualified Water Efficient Landscaper (QWEL) training program through June 2017.

9-7. A Resolution of Opposition to Proposition 53 – the No Blank Checks Initiative.
Adopt Resolution No. 2016-___ opposing Proposition 53, the No Blank Checks Initiative.
OCTOBER 2016

• 05 MWD Delegates Meeting at 11:00 a.m.
• 11 Cancelled-Audit Committee Meeting at 10:30 a.m.
• 13 Special Board Workshop Follow Up Meeting (note time) - 1:00 p.m. to 4:30 p.m.
• 27 Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.

NOVEMBER 2016

• 02 MWD Delegates Meeting at 11:00 a.m.
• 03 Special Board Imperial Valley Tour – 8:00 a.m. to 5:00 p.m.
• 10 Special Engineering and Operations Committee Meeting on San Vicente Energy Storage Project Study at 1:30 p.m.
• 24 No Formal Board Meeting

DECEMBER 2016

• 06 MWD Delegates Meeting at 11:00 a.m.
• 08 Combined November & December Board meeting
  Committees begin at 9:00 a.m.
  Formal Board meeting begins at 3:00 p.m.
September 21, 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 September 12 and 13, 2016, and meet next on October 10 and 11.

Discussion
Key actions at this month’s MWD Board meetings included: 1) authorizing bond proceeds to reimburse expenditures for the purchase of the Delta Wetlands properties; and 2) authorizing the renewal of two leases for some of MWD’s properties in the Palo Verde Irrigation District (PVID). Additionally, the Board received oral reports on MWD’s California WaterFix (WaterFix) outreach effort and the Treatment Fixed Charge Workgroup progress. Summaries of the Board’s discussion on the outreach strategy and workgroup are provided in Attachments 1 and 2, respectively. In closed session, the Board received oral updates on the rate and Public Records Act litigation with the Water Authority. At a special meeting of the Executive Committee, MWD established procedures for the election of the Board Chairman and Secretary so that a Chairman and Secretary will be elected at MWD’s October and November Board meetings, respectively.

Authorize Debt to Reimburse Delta Wetlands Purchase
The MWD Board adopted a resolution authorizing the reimbursement of cash expenditures used to acquire and purchase the Delta Wetlands properties with bond proceeds. MWD reported that it sought the authorization to issue revenue bonds totaling $196 million to cover the $175 million purchase price of the islands and $21 million for acquisition related expenses. The Water Authority Delegates opposed this item. The Board’s discussion on this item is summarized in Attachment 3.

Overview
Overall, the Water Authority Delegation supported seven of the eight action items approved by the MWD Board. Following a closed session presentation, the Real Property and Asset Management Committee, and later the Board, authorized the renewal of leases for portions of MWD’s PVID properties with HayDay Farms and River Valley Ranches. MWD withdrew an item seeking adoption of watershed management policy principles (which was deferred from last month). Also, during MWD’s Water Planning and Stewardship Committee meeting, staff reported it will work with the Alliance for Water Efficiency to complete a peer-review of MWD’s conservation programs. Staff said more information on this review will be provided at

For more information on the debt reimbursement resolution item see the MWD Program Report in the Water Authority’s September 2016 Board Packet starting on page 88 here: http://www.sdcwa.org/sites/default/files/files/board/2016_Agendas/2016_09_22FormalBoardPacketSEC.pdf
MWD’s October Integrated Resources Planning Committee when directors may also provide input into the review’s scope. During his report at MWD’s Board meeting, General Manager Kightlinger said that in response to several questions by directors, staff will provide a report at MWD’s October Engineering and Operations Committee on the recent settlement with the Water Authority related to Pipeline 4 deliveries. Also during its meeting, the MWD Board received one public comment expressing interest in MWD’s “regional approach” on its potential recycled water program with the Los Angeles County Sanitation Districts and hope that MWD’s State Water Project contract and local supply development in Los Angeles do not “preempt” each other. Director Gloria Cordero was inducted onto the MWD Board; she replaces past Director Lowenthal as the city of Long Beach’s Delegate. Attachment 4 is a copy of MWD’s September 2016 committee and Board meeting agendas and summary report.

Prepared by:  Liz Mendelson-Goossens, Water Resources Specialist  
Reviewed by:  Communications and Legislation Committee by delegates  
            Engineering and Operations Committee by Fern Steiner  
            Executive Committee by Michael Hogan  
            Finance and Insurance Committee by delegates  
            Legal and Claims Committee by Fern Steiner  
            Organization, Personnel and Technology Committee by Michael Hogan  
            Real Property and Asset Management Committee by Michael Hogan  
            Water Planning and Stewardship Committee by Fern Steiner

Attachment 1:  Discussion Summary of MWD’s California WaterFix Outreach Strategy  
Attachment 2:  Discussion Summary of MWD’s Treatment Fixed Charge Workgroup  
Attachment 3:  Discussion Summary of MWD’s Authorization to Issue Debt for the Intent to Reimburse Delta Wetlands Purchase Costs  
Attachment 4:  MWD’s committee and Board meeting agendas and Board summary, dated September 12 and 13, 2016
Discussion Summary of MWD’s California WaterFix Outreach Strategy

During the External Affairs Manager’s Report at the Communications and Legislation Committee (C&L Committee) meeting, Assistant General Manager/Chief External Affairs Officer Zinke presented on MWD’s California WaterFix (WaterFix) outreach strategy. Although the Board has yet to take a position on the project because the ongoing cost allocation discussions, staff said that it would devise locally-targeted factsheets, update exiting materials, launch a website, hold legislative briefings and community presentations, and engage with the media on the importance of WaterFix. According to staff, MWD should begin its WaterFix outreach efforts because:

- The project is nearing the end of the environmental review process;
- There is growing public interest in WaterFix, and the material MWD has provided to its Special Committee on Bay-Delta needs to be “simplified;”
- Legislators and their staff have requested updates on the project; and
- Some MWD directors have requested information and materials.

To guide its outreach strategy, Zinke indicated that MWD uses the policy direction provided by the Board through its 2007 Delta Action Plan Framework, and other Delta policy principles adopted by the Board between 2007 and 2009. Additionally, Zinke said that MWD’s “numerous funding agreements” aimed at “advancing this project”1 guide staff’s development of MWD’s WaterFix outreach framework. She said MWD’s campaign will focus on three key messages: 1) Northern California water supplies one-third of MWD’s service area, 2) the WaterFix ensures these supplies are reliable and addresses some current “conflicts,” and 3) there is no time to waste, conclude the current process now to allow the project to move forward. MWD has developed customized single-page factsheets for each of the six counties in its service area that provide five key “reasons” WaterFix is important to each community.

Following Zinke’s presentation, Director Abdo (Santa Monica) questioned why MWD would expend resources on a project on which the Board has yet to support. Zinke replied that MWD is not spending additional funding, but is utilizing staff time to respond to member agency requests in an effort to provide consistent “tools” across MWD’s service area. Commenting “there’s a line between persuading people to agree and giving out information,” Abdo said she “failed to see the difference” in MWD’s approach. Clarifying her previous statement, Zinke said MWD is trying to “get information out for the member agencies and the public” to promote understanding of the issues WaterFix will address related to MWD’s imported water supply. Also, the outreach effort is intended to prepare the MWD Board and member agencies to make a decision on the project, according to Zinke. Additionally, Zinke reported that MWD is responding, and preparing to respond to “inquiries” related to WaterFix-opposition efforts.

Director Ackerman (Municipal Water District of Orange County) voiced support for the outreach strategy, saying it was overdue and that the public needs to be educated on the project because it will benefit them and is important to the region’s economy. Echoing Ackerman, Director McKenney (Municipal Water District of Orange County) added that he appreciated staff’s approach, which is “walking the line” between education and advocacy, and within the Board’s

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1 The MWD Board authorized $63 million to fund its share of the Department of Water Resources’ Bay Delta Conservation Plan’s planning costs.
adopted policy principles. McKenney said that the “Governor’s proposal” must have enough public support to make it through the “process of being developed” so MWD has an option to consider. Director Gold (Los Angeles) noted that Los Angeles’ current mayor was not in office when MWD adopted its referenced Delta policy principles and, also, has set Los Angeles on an aggressive path to develop local water supplies to reduce reliance on imported water, stating the city seeks to ensure that WaterFix is the best project, especially in the context of the project’s impact on its ratepayers and other political considerations. He also pointed out that key project information is missing, including the project’s cost to MWD and how MWD in turn will allocate the costs to its member agencies. Similar to Abdo, Gold also expressed concern that MWD’s efforts border on advocacy. Responding to Gold’s comments, General Manager Kightlinger said project cost information is available on MWD’s website, including past presentations; however, the outreach material attempts to “boil-down” the information into “one-pagers,” which are not final.

In response to C&L Committee Chair Kurtz (Pasadena), Zinke said the county-specialized fact-sheets can be altered to include cost information and a different number of key “reasons” for WaterFix. Continuing, Zinke said these factsheets will be shared with member agencies’ public information officers (PIOs). Responding to Gold’s cost comment, Zinke reported WaterFix’s cost is roughly $5 per month per household, and noted that as cost allocation information becomes available this figure may be revised. Supporting McKenney’s comments, Director Blois (Calleguas) said the project is “controversial” but important to “a number of” MWD’s member agencies and posed the question: what would the cost be if the project was not undertaken? Director Steiner stated that it is important to know the cost and quantity of water MWD will receive as well as the benefits the project offers and how its costs will be allocated among the member agencies. Although understanding that some directors may wish to move forward with the project, Steiner expressed her belief that it is important to have answers to those key questions before proceeding to ensure that it is a “good deal” for ratepayers. Agreeing that cost information is important, Director Ramos (Burbank) said she requested information from MWD to help her decide Burbank’s position on the project in conjunction with her city councilmembers. Ackerman described staff’s WaterFix outreach framework as both “advocacy” and “education,” saying the public needs to be made aware of where its water comes from and that the Bay-Delta is “failing.” She described WaterFix’s $5 cost estimate as less than “Starbucks” and “not much per month to have the water that our mission statement promises to deliver.” Knowing how MWD will pay for the project is “the final solution,” according to Ackerman, who said that MWD cannot make a decision on the project until all the “regulatory pieces are in order.”

Returning to the county-specific one-page sheets, Director Paskett (Los Angeles) requested the Los Angeles sheet be “run through [its] Delegation” and that MWD coordinate closely with the Delegation because MWD’s decision on WaterFix will not be made in a vacuum and there has been, and will continue to be a lot of public discussion. Paskett stressed the importance for the Los Angeles directors to be “comfortable with” the “collateral material that comes out of” MWD since they will be “held accountable” for it, adding that the city’s Delegation is not “comfortable” with the current version. Zinke said MWD would work with PIOs as requested by Paskett. In response to Paskett’s questions about outreach for MWD’s potential recycled water project with the Los Angeles County Sanitation District (LACSD), Zinke said that the Board has
not made a decision on the LACSD program, but if it decided to move forward with the program then MWD will carry out public outreach. Continuing, Zinke said that she used the LACSD project to demonstrate that MWD does not have “one issue, one source of supply,” instead MWD has “issues on both imported water systems” as well as “issues” related to long term planning, local supply development, and conservation – MWD outreaches on all of these issues. It is within this context that MWD will conduct outreach related to WaterFix, according to Zinke. Gold reflected that similarly to MWD, Los Angeles is also exploring local projects and “trying to balance” its effort to “transform [its] entire infrastructure” to rely more on local water.

Returning to project costs, Director Peterson (Las Virgenes) called the discussion on WaterFix’s cost “major, important” but “a little bit premature” because MWD already discussed the cost of alternative supplies and the project, and he believes the most important cost factor will be determined by “market conditions.” He requested that MWD provide cost information specific to its member agencies suggesting that those agencies relying more on MWD supplies will pay more of the project’s costs, so for his agency he surmised the cost would be about $10 per household per month. Zinke replied that staff will accommodate his request. Continuing, Peterson said that lost water has an associated cost and suggested that because WaterFix was not in place this year, about 990,000 acre-feet of water was lost.

Appreciating staff’s effort to “boil down” information, McKenney said he thinks additional important considerations for WaterFix are that MWD is contracted to pay for SWP supplies through 2034 and that local supply projects also have environmental ramifications. Chairman Record (Eastern) said that “staff understands the difference between advocacy and education,” adding that “it is hard for me to imagine that” MWD would be part of a $250 million planning effort “if it wasn’t obvious that it’s the cheapest thing we’ve got.” Although the Board may not always agree on the cost numbers, Record said it is important to get the numbers out to the public. Specifically, Record believes it is important for the public to understand the basis for MWD, along with others, to invest $250 million in the project’s planning. Steiner asked if the cost of the project was re-evaluated after its permitting was changed from a 50-year Section 10 Endangered Species Act permit to the year-by-year Section 7 permit. Kightlinger replied that an analysis was done and there was no impact to the project’s cost.

As the discussion wrapped-up, Kurtz said she would find the proposed materials helpful in her discussions with others but that, as Ackerman suggested, “it can be boiled down to” the project being “cheaper than [a cup of] coffee.” In response to C&L Committee Vice-Chair Gary (West Basin), Zinke said that staff will provide a presentation on MWD’s WaterFix outreach materials and efforts.
Discussion Summary of MWD’s Treatment Fixed Charge Workgroup

MWD provided an update on the Treatment Fixed Charge Workgroup\(^1\) progress during its Finance and Insurance Committee (F&I Committee) meeting. Following this update, F&I Committee Vice-Chair Wunderlich (Beverly Hills) expressed his frustration with the workgroup’s pace, suggesting that the Board could take action in April 2017 and implement the fixed treated water charge in January 2018. Assistant General Manager/Chief Financial Officer Breaux assured that the workgroup would bring a recommendation to the Board when appropriate and would not take longer than necessary. In response to Director McKenney (Municipal Water District of Orange County), Breaux said MWD is aiming to present the workgroup’s objectives to the member agency managers at their October meeting and then seek the “concurrence” of the F&I Committee. Once the F&I Committee agrees with the workgroup’s objectives, the workgroup will consider different rate options. Echoing Wunderlich’s desire to have a fixed charge recommendation in-time to implement it with the calendar year 2018 rates, McKenney surmised that the F&I committee will come to agreement quickly. General Manager Kightlinger reflected that the Board voted down the most recent fixed treated water charge proposal that was developed over six to seven months, therefore, staff is working on an option that will gain consensus. In response to Director Steiner, Breaux said that the fixed charge will be based on the current biennial budget and rates’ cost-of-service (COS) study and that an updated COS study would only be used if the rate was to be implemented during the next biennial budget. Agreeing with McKenney and Wunderlich, F&I Committee Chair Barbre (Municipal Water District of Orange County) expressed support for a more aggressive timeline to develop and implement the fixed charge. Breaux replied that the member agency managers are trying to develop a recommended charge that will gain Board support.

\(^1\) For more information on the workgroup and the Water Authority’s involvement see the *MWD’s Treatment Fixed Charge* memo in the Water Authority’s September 2016 Board Packet starting on page 84 here: 
Discussion Summary of MWD’s Authorization to Issue Debt for the Intent to Reimburse Delta Wetlands Purchase Costs

During MWD’s September 2016 Finance and Insurance Committee (F&I Committee), staff sought Board adoption of a resolution to authorize the reimbursement of cash expenditures with bond proceeds for MWD’s purchase of the Delta Wetlands properties. Staff reported that MWD plans to issue debt to replenish the reserves it used to purchase the properties, but the debt issuance will take place after the 60 days of close of escrow necessitating a Board resolution to preserve MWD’s ability to issue debt later. Because the existing leases on some of the properties currently preclude the use of tax-exempt bonds, initially MWD will seek to issue taxable bonds. However, when MWD determines the uses for the properties in the future, the taxable debt may be refunded by tax-exempt debt. The resolution serves two purposes: 1) reimburse MWD’s cash expenditures; and 2) allow MWD the “ability to issue tax-exempt debt in the future” for a portion, or all, of the debt. Following staff’s presentation the F&I Committee, the Board discussed the item.

In response to Director Touhey (Upper San Gabriel), Assistant General Manager/Chief Financial Officer Breaux said that short-term taxable debt is more cost-effective than short-term tax-exempt debt by about 10 basis points. However, in the long-term, tax-exempt debt would be slightly more cost-effective, according the Breaux. Director Dake (Los Angeles) reflected that this item only seeks to issue debt while not describing what the bond proceeds may be used to finance. Breaux replied that in October or November staff will return to the Board to issue debt, which will include Delta Islands’ purchase costs details. Replying to Director Peterson (Las Virgenes), Breaux said that MWD will initially issue short-term debt so that MWD’s debt “can easily be reduced” if it secures partners. Following up on Dake’s questions, Director Murray (Los Angeles) requested more details on the $21 million acquisition costs, saying the amount seems large considering the properties’ purchase price of $175 million. General Manager Kightlinger responded that originally the purchase price for the properties was $196 million but because of “litigation threats,” MWD negotiated a lower purchase price of $175 million. MWD set aside about $16 million “to deal with all those complications,” but of the $21 million in acquisition costs MWD has spent only “a couple million dollars to date.” Kightlinger said that staff included the full amount for “contingency” and complications and will provide details on the acquisition costs to the Board.

At MWD’s Board meeting the following day, before voting on the item, Director Paskett (Los Angeles) reminded the Board that when previously discussing the purchase of the islands, it “considered the future opportunity to recover costs from those who benefit from the use of” the properties, stressing that MWD should not “bare the exclusive costs to the extent it would benefit statewide other parties.” She requested an update on these opportunities as MWD moves forward with the management of the islands. Kightlinger replied that in the next 60 to 90 days, staff will provide a “recap” of all activities related to the purchase, including discussions with potential partners and land management. In addition, he clarified the cost break-down that he provided the previous day, noting that the original purchase price for the islands was $190 million plus $6 million for acquisition costs. Following negotiations, the purchase price was reduced by $15 million to $175 million, and the Board was also informed that MWD “expected a considerable amount of litigation challenges” so out of an abundance of caution MWD is seeking
bond funding for the full $196 million. Kightlinger reported that to date, MWD has spent $1.7 million in costs to purchase the islands, including “legal work.” Although litigation is ongoing and MWD plans to complete “more survey work,” Kightlinger does not anticipate spending the entire $21 million MWD has set aside for acquisition costs and ensured the Board will be informed on these funds’ use.

Following Kightlinger’s comments, the Board approved adopting the resolution with the Water Authority Delegates opposing the item. The Delegates opposed the item because of their opinion that MWD should not be paying the entire cost of purchasing the islands since they provide statewide benefits. And although MWD may find potential partners, MWD should not be acting as a banker for the purchase transaction.
## REVISED AGENDA

**Finance and Insurance Committee**

**Meeting with Board of Directors***

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**September 12, 2016**

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

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**Meeting Schedule**

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

2. **Approval of the Minutes of the meeting of the Finance and Insurance Committee held August 15, 2016**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   **8-1** Adopt CEQA determination and resolution authorizing the reimbursement from bond proceeds of capital expenditures for the purchase of the Delta Islands and acquisition costs, and costs of issuance of debt. (F&I)
Added

Recommendation:

Option #1:

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

Adopt the Resolution Pertaining to the Reimbursement from Bond Proceeds of Capital Expenditures for the Purchase of the Delta Islands and Acquisition Costs, and Costs of Issuance of Debt as contained in Attachment 1 to the board letter.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Oral report on investment activities

b. Update on Treatment Fixed Charge Workgroup

7. MANAGEMENT REPORT

a. Chief Financial Officer's report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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

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

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

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

REVISED: Date of Notice: September 6, 2016
Water Planning and Stewardship Committee
Meeting with Board of Directors*

September 12, 2016

10:00 a.m. – Room 2-456

Monday, September 12, 2016
Meeting Schedule

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

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

1. Opportunity for members of the public to address the 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 August 15, 2016

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None

Date of Notice: August 30, 2016
5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Conservation Program Update

b. Water Surplus Drought Management 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

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

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

Date of Notice: August 30, 2016
E&O Committee
G. Peterson, Chair
S. Blois, Vice Chair
B. Barbre
P. Beard
M. Camacho
G. Dake
D. De Jesus
L. Dick
S. Faessel
D. Galleano
R. Lefevre
J. Morris
F. Steiner
J. Zurita

Engineering and Operations Committee
Meeting with Board of Directors*

September 12, 2016
12:00 p.m. -- Room 2-145

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

Monday, September 12, 2016
Meeting Schedule

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

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

2. Approval of the Minutes of the meeting of the Engineering and Operations Committee held August 15, 2016

3. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $550,000; and authorize design of electrical upgrades to 14 structures within the Orange County operating region (Approp. 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $550,000; and

b. Authorize design of electrical upgrades to 14 structures within the Orange County operating region.

Date of Notice: August 30, 2016
7-2 Adopt CEQA determination and appropriate $290,000; and authorize design of lining repairs for yard piping at the Hiram W. Wadsworth Pumping Plant (Approp. 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
a. Appropriate $290,000; and
b. Authorize design of lining repairs for the yard piping at Wadsworth Pumping plant.

4. OTHER BOARD ITEMS — ACTION

8-2 Adopt CEQA determination and appropriate $2.43 million; award $1,171,293 contract to Corrpro Companies, Inc. for cathodic protection of the Allen-McColloch Pipeline; and authorize design of cathodic protection for the Orange County Feeder (Approp. 15441). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed actions are categorically exempt, and
a. Appropriate $2.43 million;
b. Award $1,171,293 contract to Corrpro Companies, Inc. to install cathodic protection on the Allen-McColloch Pipeline; and
c. Authorize design of cathodic protection for the Orange County Feeder.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Metropolitan’s capital appropriation process
b. Update on operation of the desert electrical transmission system

Date of Notice: August 30, 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

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

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Date of Notice: August 30, 2016
**REVISED AGENDA**

Communications and Legislation Committee

Meeting with Board of Directors*

September 12, 2016

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

---

<table>
<thead>
<tr>
<th>Meeting Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:30 a.m. Rm. 2-145 F&amp;I</td>
</tr>
<tr>
<td>10:30 a.m. Rm. 2-456 WP&amp;S</td>
</tr>
<tr>
<td>12:00 p.m. Rm. 2-145 E&amp;O</td>
</tr>
<tr>
<td>1:00 p.m. Rm. 2-456 C&amp;L</td>
</tr>
</tbody>
</table>

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

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

2. **Approval of the Minutes of the meeting of the Communications and Legislation Committee held August 15, 2016**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   Withdrawn 8-3 Adopt CEQA determination and Policy Principle on Watershed Management. (C&L)

---

**REVISED: Date of Notice: September 6, 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 World Water Forum

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*

September 13, 2016

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

---

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

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

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

2. Approval of the Minutes of the meeting of the Legal and Claims Committee held August 16, 2016

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   None

5. BOARD INFORMATION ITEMS

   None

REVISED: Date of Notice: September 6, 2016
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-10-510380, CPF-12-512466 and CPF-14-514004; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266; 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)]

Added

b. Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. BS164526.  
   [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

c. Discussion of Department Head Performance and Goal Setting  
   [Public employees’ performance evaluation – General Counsel; to be heard in closed session pursuant to Gov. Code Section 54957]

7. MANAGEMENT REPORTS
   
a. General Counsel’s report of monthly activities

8. FOLLOW-UP ITEMS
   
   None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED: Date of Notice: September 6, 2016
Real Property and Asset Management Committee
Meeting with Board of Directors*

September 13, 2016

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

| 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 August 16, 2016

3. CONSENT CALENDAR ITEMS – ACTION
   None
4. OTHER BOARD ITEMS – ACTION

8-4 Adopt CEQA determination and authorize renewal of leases for HayDay Farms and River Valley Ranches. (RP&AM)

5. BOARD INFORMATION ITEMS

None

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

Date of Notice: August 30, 2016
10. ADJOURNMENT

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REVISED AGENDA

Regular Board Meeting

September 13, 2016

12:00 p.m. – Board Room

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

1. Call to Order

(a) Invocation: Jeannette Correa, Administrative Analyst, Business Technology Group

(b) Pledge of Allegiance: Director Michael Hogan

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 August 16, 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 August

REVISED: Date of Notice: September 6, 2016
C. Induction of new Director Gloria Cordero, from City of Long Beach
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

D. Approve 30-day leave of absence for Director Russell Lefevre, commencing September 23, 2016

E. Approve committee assignments

F. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

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

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

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

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

7. CONSENT CALENDAR ITEMS — ACTION

7-1 Adopt CEQA determination and appropriate $550,000; and authorize design of electrical upgrades to 14 structures within the Orange County operating region (Approp. 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $550,000; and
b. Authorize design of electrical upgrades to 14 structures within the Orange County operating region.
7-2 Adopt CEQA determination and appropriate $290,000; and authorize design of lining repairs for yard piping at the Hiram W. Wadsworth Pumping Plant (Approp. 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt, and
a. Appropriate $290,000; and
b. Authorize design of lining repairs for the yard piping at Wadsworth Pumping plant.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and resolution authorizing the reimbursement from bond proceeds of capital expenditures for the purchase of the Delta Islands and acquisition costs, and costs of issuance of debt. (F&I)

Added

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and
Adopt the Resolution Pertaining to the Reimbursement from Bond Proceeds of Capital Expenditures for the Purchase of the Delta Islands and Acquisition Costs, and Costs of Issuance of Debt as contained in Attachment 1 to the board letter.

8-2 Adopt CEQA determination and appropriate $2.43 million; award $1,171,293 contract to Coropro Companies, Inc. for cathodic protection of the Allen-McColloch Pipeline; and authorize design of cathodic protection for the Orange County Feeder (Approp. 15441). (E&O)
Recommendation:

Option #1:

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

a. Appropriate $2.43 million;

b. Award $1,171,293 contract to Corrpro Companies, Inc. to install cathodic protection on the Allen-McColloch Pipeline; and

c. Authorize design of cathodic protection for the Orange County Feeder.

Withdrawn 8-3 Adopt CEQA determination and Policy Principle on Watershed Management (C&L)

8-4 Adopt CEQA determination and authorize renewal of leases for HayDay Farms and River Valley Ranches. (RP&AM)


9. BOARD INFORMATION ITEMS

None

10. FUTURE AGENDA ITEMS
11. ADJOURNMENT

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

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

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

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Executive Committee
R. Record, Chairman
L. Ackerman, Vice Chair
G. Gray, Vice Chair
J. Murray, Vice Chair
M. Touhey, Vice Chair
J. Morris, Secretary
M. Camacho
M. Hogan
B. Barbre
D. De Jesus
C. Kurtz
G. Peterson
J. Quiñonez

Special Executive Committee
Meeting with Board of Directors*

September 13, 2016
12:30 p.m. -- Board Room

Tuesday, September 13, 2016
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:30 a.m.</td>
<td>Rm. 2-145</td>
<td>L&amp;C</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>Rm. 2-456</td>
<td>RP&amp;AM</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
</tr>
<tr>
<td>12:30 p.m.</td>
<td>Board Room</td>
<td>Exec.</td>
</tr>
</tbody>
</table>

* The Metropolitan Water District’s Executive 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 Executive 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 Executive Committee will not vote on matters before the Executive Committee.

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

2. **COMMITTEE ITEMS—ACTION**

   a. Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and establish procedures for election of Board Chairman in October 2016 (which may include setting a forum for communicating candidate views and providing notice of proposed nominations)

   b. Adopt CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and establish procedures for election of Board Secretary in November 2016 (which may include setting a forum for communicating candidate views and providing notice of proposed nominations)

3. **ADJOURNMENT**

Date of Notice: September 7, 2016
NOTE: At the discretion of the Executive Committee and the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee or the Board.

The Executive Committee may consider matters brought before other committees. The Agendas of other committees are available from the Board Executive Secretary.

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Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
September 13, 2016

INDUCTION OF BOARD MEMBER
Gloria Cordero was inducted to the Board representing the City of Long Beach.  *(Agenda Item 5C)*

COMMITTEE ASSIGNMENTS
Director Cordero was assigned to the Legal and Claims Committee and the Organization, Personnel and Technology Committee.  *(Agenda Item 5E)*

FINANCE AND INSURANCE COMMITTEE
Adopted the Resolution Pertaining to the Reimbursement from Bond Proceeds of Capital Expenditures for the Purchase of the Delta Islands and Acquisition Costs, and Costs of Issuance of Debt as contained in the Board letter.  *(Agenda Item 8-1)*

ENGINEERING AND OPERATIONS COMMITTEE
Appropriated $2.43 million; awarded $1,171,293 contract to Corpro Companies, Inc. to install cathodic protection on the Allen-McColloch Pipeline; and authorized design of cathodic protection for the Orange County Feeder.  *(Approp. 15441)* *(Agenda Item 8-2)*

COMMUNICATIONS AND LEGISLATION COMMITTEE
Adopt Policy Principle on Watershed Management.  *(Agenda Item 8-3)* *(The item was withdrawn)*

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE
Authorized renewal of leases for HayDay Farms and River Valley Ranches.  *(Agenda Item 8-4)*

CONSENT CALENDAR
In other action, the Board:

Appropriated $550,000; and authorized design of electrical upgrades to 14 structures within the Orange County operating region.  *(Approp. 15480)* *(Agenda Item 7-1)*

Appropriated $290,000; and authorized design of lining repairs for the yard piping at Hiram W. Wadsworth Pumping Plant.  *(Approp. 15480)* *(Agenda Item 7-2)*

OTHER MATTERS:
In other action, the Board:
Approved 30-day leave of absence for Director Russell Lefevre, effective September 23, 2016.

(Agenda Item 5D)

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser http://edmsidm.mwdh2o.com/idmweb/home.asp.
September 21, 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 September 14, 2016 meeting in La Verne, California. The meeting also featured a tour of the Metropolitan Water District of Southern California (MWD) Weymouth Water Treatment Plant.

Weymouth Water Treatment Plant Tour
MWD’s Weymouth Water Treatment Plant tour began with a roof top view of the full facility. The plant manager shared information on the plant’s water treatment process and solar panel fields. Weymouth is the first treatment plant built by MWD as part of the district’s Colorado River Aqueduct construction project in 1940. The plant treats water from both the Colorado River and the State Water Project with a treatment capacity of 520 million gallons per day, and is currently being retrofitted for ozone disinfection. The tour continued through the plant’s machine shops that are responsible for fabricating and restoring parts for many MWD facilities and reservoirs. The tour also visited the water quality laboratory which featured information on flavor profiling, safety and quality testing, and quagga mussel removal.

Agency Updates
California Department of Water Resources (DWR): DWR is currently meeting with the National Oceanic and Atmospheric Administration (NOAA) to understand whether the upcoming water year will have neutral or La Niña conditions.

MWD: Diamond Valley Lake is filling and conditions are more promising than the past couple years. MWD is still conserving according to State Water Resources Control Board regulations.

Water Authority: The Water Authority is seeing sustained conservation with a 21% reduction in use throughout the San Diego region over the period since the state regulations were put in place.

Imperial Irrigation District (IID): IID is encouraged by the Salton Sea Memorandum of Understanding (MOU) between the State of California and the Federal government, as well as Secretary Sally Jewell’s recent promotion of geothermal energy at the Sea. IID is currently tracking at an under-run of their annual apportionment of 120,000 acre feet.

Palo Verde Irrigation District (PVID): PVID will finish its diversion dam project in mid-January completing its third gate replacement. PVID is currently looking at the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) for potential water savings.

Colorado River Basin Water Report
The Bureau of Reclamation (Reclamation) held a webinar on August 15, 2016 to discuss the results of the August 24-Month Study and held the third consultation for the 2017 Colorado River Annual Operation Plan (AOP) in Las Vegas on September 8, 2016. The August 2016 24-Month study indicates Lake Mead’s elevation is projected to be 1,078.93 feet and Lake Powell’s elevation is projected to be 3,605.83 feet at the end of 2016, which triggers an upper elevation
balancing tier release from Lake Powell of at least 8.23 million acre-feet of water. The Lower Basin will be operating within the normal or ICS surplus operating tier and there will be no Lower Basin shortage in 2017. Current projections indicate there is a 48% chance of shortage in 2018, increasing to a 60% change of shortage in the following years. A water supply and reservoir conditions update was provided with data from September 6, 2016 (Table 1).

<table>
<thead>
<tr>
<th>Conditions as of September 6, 2016</th>
<th>Volume (million acre-feet)</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total System Storage</td>
<td>30.60</td>
<td>51%</td>
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<tr>
<td>Lake Powell</td>
<td>13.04</td>
<td>54%</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>9.63</td>
<td>37%</td>
</tr>
<tr>
<td>Unregulated Inflow to Lake Powell</td>
<td>9.63</td>
<td>89% (of average)</td>
</tr>
</tbody>
</table>

**Drought Contingency Planning**

No agreement has been finalized among the states related to Drought Contingency Planning (DCP) and discussions are expected to continue through the end of the calendar year.

**Colorado River Basin Salinity Control Program**

The Salinity Control Work Group met August 30 through September 1 in Cheyenne, Wyoming. Reclamation is working on modeling for the 2017 Triennial review and the first draft of the modeling results will be presented during the Forum meeting on October 26-27. A tour and celebration of the 20th anniversary of the Paradox Valley Unit injection well will be held in conjunction with the Forum meetings.

**Negotiations of Minute 32X**

Discussions continue on the development of the successor minute to Minute 319. The new minute will build off of elements of Minute 319 and no major modifications are anticipated. Elements under discussion include whether to extend or expand the current provisions of Minute 319 through 2026 and there are ongoing discussions about Mexico’s participation in DCP. There is a desire to complete the negotiations of Minute 32X by the end of the calendar year.

**Glen Canyon Dam Adaptive Management Program**

The technical work group met in August to approve the fiscal year 2017 budget, work plan, and hydrograph. There is currently not enough sediment for a high flow experiment. National Park Service staff is working to remove a recently discovered invasive sunfish population that was eradicated last year and poses a danger to endangered native fish. The Long-Term Experimental and Management Plan EIS is expected to be finalized this month with a final Biological Opinion expected in October.

**Lower Colorado River Multi-Species Conservation Program**

CRB staff sent letters on September 12 to California entities that purchase power from Hoover Dam to advise them of the new proportionate shares of LCR MSCP costs as a result of new Hoover Power contracts.
Date: September 21, 2016
To: San Diego County Water Authority Board Members
From: Ken Carpi, Washington Representative
Subject: Federal Legislative Update

House and Senate Attempting to Recess Early

Unable to pass regular appropriations bills for FY 2017, talks between congressional leaders and the White House have turned to passing a Continuing Resolution (CR) to fund the government through December 9th. This would allow Members to depart early for the campaign trail. Those plans have hit an impasse over restrictions on funding to respond to the Zika virus in addition to other issues. Louisiana Members are also seeking emergency assistance following recent flooding there. Democratic leaders have offered to accept this if they receive increased emergency assistance for Flint, Michigan, a move not accepted by Republican leaders so far.

While the threat of a government shutdown at the beginning of the new fiscal year on October 1 remains remote, the struggles to pass a CR illustrate the challenges faced with finalizing FY2017 spending bills in a post-election lame duck session. The following table provides a comparison of Energy & Water Development spending proposals with the levels enacted for the current fiscal year.

Should Congress pass a CR for the length of FY2017, funding would match that of FY2016. A shorter term CR would fund programs at the FY2016 level until a new spending level is enacted for the remainder of the fiscal year.

<table>
<thead>
<tr>
<th>Program</th>
<th>FY2016 Omnibus</th>
<th>FY2017 House</th>
<th>FY2017 Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPA (total funding)</td>
<td>$8.1 billion</td>
<td>$7.98 billion</td>
<td>$8.1 billion</td>
</tr>
<tr>
<td>Clean Water SRF</td>
<td>$1.39 billion</td>
<td>$1.0 billion</td>
<td>$1.35 billion</td>
</tr>
<tr>
<td>Drinking Water SRF</td>
<td>$863 million</td>
<td>$1.07 billion</td>
<td>$1.02 billion</td>
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<tr>
<td>WIFIA</td>
<td>--</td>
<td>$50 million</td>
<td>$30 million</td>
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<tr>
<td>Bureau of Reclamation (total)</td>
<td>$1.12 billion</td>
<td>$1.13 billion</td>
<td>$1.14 billion</td>
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<tr>
<td>Title XVI</td>
<td>$23.4 million</td>
<td>$24 million</td>
<td>$21.5 million</td>
</tr>
<tr>
<td>WaterSMART</td>
<td>$20 million</td>
<td>$24 million</td>
<td>$23.4 million</td>
</tr>
<tr>
<td>Drought Assistance</td>
<td>$100 million</td>
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<td>$100 million</td>
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</tbody>
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Senate Passes Major Water Bill; House Action Possible

Last week, the Senate approved S. 2848, the Water Resources Development Act (WRDA) of 2016, by a vote of 95-3. Most of the bill authorizes funding for the navigation and planning programs of the U.S. Army Corps of Engineers. However, the Senate bill also provides direct funding (bypassing appropriations) for EPA programs to assist Flint, Michigan and other water systems to respond to lead contamination and other water delivery needs.

The following summarizes the major EPA provisions in the Senate bill:

- Provides $70 million to capitalize immediately the “Water Infrastructure Innovative Financing Act (WIFIA) program at EPA.
- Authorizes an additional $100 million for the Drinking Water State Revolving Fund program.
- Authorizes $1.4 billion in grants over five years “to assist small and disadvantaged communities in complying with the requirements of the Safe Drinking Water Act, plus $300 million over five years in grants to replace lead service lines as well as for testing, planning, corrosion control and education.”
- Reauthorizes Section 221 of the Clean Water Act and authorizes $1.8 billion over five years for grants to address combined sewer overflows, sanitary sewer overflows, and stormwater discharges.
- Requires utilities to notify customers within 15 days of a lead action level exceedance, with EPA required to do so if a utility fails to issue the notice.
- Amends the revolving loan program under the Safe Drinking Water Act to make planning, design, and associated preconstruction activities eligible for assistance.
- Affirms the use of state revolving loan funds as security for state bonds.

The Senate bill also includes a provision related to the Salton Sea. It would expand the current pilot program allowing the Corps of Engineers to work with the Salton Sea Authority for environmental mitigation planning. Under the Senate bill, the program would become permanent and allow the Corps to also work with another non-Federal interest apart from the Salton Sea Authority. The program was authorized in WRDA 2007 for a total of $30 million, with the federal cost-share for any one project not to exceed $5 million. This would not change in the current bill.

House Action Delayed Until Lame Duck

Despite strong lobbying from supporters, the House will not take up its version of WRDA this month. Instead, it is expected to come before the full House early in a lame duck
session. While staff can work on many of the differences between the two bills over the next few weeks, there will be little time to reach a final House-Senate compromise once Members return.

Due to jurisdictional differences from the Senate, the House bill does not include any funding for the EPA. Should another bill provide aid to help Flint, Michigan (whether the CR or an omnibus appropriations bill), the funding provided for the EPA in the Senate bill could be removed from WRDA negotiations. The House bill, at this time, does not include any provisions related to the Salton Sea.