Proposed Staff Recommendation Consent Calendar for March 23, 2017

ENGINEERING AND OPERATIONS COMMITTEE


9- 2. Professional services contract with Infrastructure Engineering Corporation for design of the San Diego 12 Flow Control and Alvarado Hydroelectric Facilities Rehabilitation project. Authorize the General Manager to award a professional services contract for a not-to-exceed amount of $1,895,536 to Infrastructure Engineering Corporation to provide design services for the San Diego 12 Flow Control and Alvarado Hydroelectric Facilities Rehabilitation project for a duration of three years.

WATER PLANNING COMMITTEE

9- 3. Authorize WaterSMART Grant application to Bureau of Reclamation for a Water Conservation Project. Adopt Resolution 2017-__ authorizing and directing the General Manager to apply to the Bureau of Reclamation for a small-scale water efficiency grant and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.


LEGISLATION AND PUBLIC OUTREACH COMMITTEE

9- 5. Adopt positions on various state bills:

A) Adopt a position of Support if Amended on AB 18 (Garcia), relating to parks and resources bonds.

B) Adopt a position of Support if Amended on AB 196 (Bigelow), relating to use of Greenhouse Gas Reduction Funds.

C) Adopt a position of Support on AB 554 (Cunningham), relating to statewide desalination goals.

D) Adopt a position of Support on AB 574 (Quirk), relating to potable reuse.

E) Adopt a position of Support on AB 869 (Rubio), relating to disposition of recycled water production within the long-term water use efficiency framework.

F) Adopt a position of Oppose Unless Amended on AB 1041 (Levine), relating to urban water shortage contingency analyses.
G) Adopt a position of Support if Amended on SB 5 (De Leon), relating to parks, resources, and water bonds.

H) Adopt a position of Support on SB 214 (Atkins), relating to San Diego River Conservancy.


**ADMINISTRATION AND FINANCE COMMITTEE**


**IMPORTED WATER COMMITTEE**


9-10. Use of Water Authority’s Recharge Capacity at Semitropic Water Bank during calendar year 2017. Authorize the General Manager to enter into a recharge capacity use agreement with Homer LLC, a Delaware limited liability company (Homer) to allow Homer to use the Water Authority’s recharge capacity in Semitropic Water Storage District’s Stored Water Recovery Unit and Original Water Bank in calendar year 2017; and find that the proposed recharge capacity use agreement is not a new project under CEQA that would cause a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.
Trump Budget Gets Cool Reception on Capitol Hill

On March 16, Office of Management & Budget Director Mick Mulvaney delivered the President’s FY2018 budget request to Congress. This submission is a “skinny” budget, so called because it lacks the details needed to fully evaluate the request (those details will come in late May or early June). This version does not include revenue estimates, information on mandatory spending, or program-level budget figures.

The priority of President Trump’s request is on U.S. security, increasing both defense spending, immigration control and border enforcement. Additional spending for these categories comes at the expense of other domestic spending programs. Generally, spending on many important infrastructure programs holds steady or with slight cuts, while many non-infrastructure programs would be cut deeply or eliminated altogether. The scale of the proposed cuts has already caused many key Republicans to join all Democrats in opposing the budget. As with decades of Presidential requests before, it is important to remember that this document is only one step in a process that Congress controls.

Environmental Protection Agency

The EPA takes perhaps the hardest hit in the budget request. The President would deliver a 31 percent cut ($2.6 billion) to EPA, for a total request of $5.7 billion. This would come after several years of declining funding for EPA. The budget request includes $2.3 billion for the Clean Water and Safe Drinking Water State Revolving Funds, a $4 million increase over the 2017 annualized CR level. The Budget also provides $20 million for the Water Infrastructure Finance and Innovation Act program, equal to current year funding. This credit subsidy could leverage approximately $1 billion in direct Federal loans.

The deepest cuts for EPA are aimed at the agency’s climate and grant programs. It would cut Categorical Grants by $482 million, to a total of $597 million. It would eliminate more than 50 EPA programs, saving an additional $347 million. It does not list all of the
proposed eliminations, but lists Energy Star, Targeted Airshed Grants, and infrastructure assistance to the Mexico Border as examples. The request would also eliminate spending on regional programs like that for restoration of the Chesapeake Bay and Great Lakes, a move that could signal trouble for regional spending from other departments for areas like the Salton Sea.

In a comment on the entire budget, OMB Director Mulvaney said that, “You can’t drain the swamp and leave all the people in it.” If adopted as requested, this budget would eliminate more than 3,000 positions at EPA.

*Department of the Interior*

While DOI would take a 12 percent cut from the FY2017 CR rate, the budget calls for continuing support of most core Interior programs, focusing on existing assets rather than adding new ones. The request calls for “$1 billion in safe, reliable, and efficient management of water resources throughout the western United States.” This is encouraging in that it is not seeking deeper cuts, but says nothing about the Administration’s support for Title XVI Water Reclamation or other individual programs.

The request is also silent on programs authorized in the WIIN Act in December, such as the Salton Sea. As noted above, the budget is generally not supportive of regional initiatives that OMB sees as the responsibility of state and local government.

*Department of Homeland Security*

The budget requests $1.5 billion for DHS cybersecurity activities. It also directs DHS to share more cybersecurity incident information with other Federal agencies and non-Federal stakeholders, including the private sector. This is aimed, in part, to improve coordination in light of increasing cyber attacks on critical infrastructure, including water facilities.

**Congressional Work on Infrastructure Intensifies**

President Trump continues to tout the need for $1 trillion in investment in the nation’s infrastructure. He has mentioned the need for direct federal spending in addition to more public-private partnerships, and has voiced his support for spending on projects that can go to construction within 90 days – a goal at odds with other comments that infrastructure investment should be for the long-term health of economic growth and productivity.

Meanwhile, Congress is proceeding in earnest with assembling its own infrastructure package while it also awaits more direction from the President. Multiple congressional committees in the House and Senate have been meeting throughout the month to hear from stakeholders on needs and suggestions on how to improve infrastructure in the nation.

Next week, on March 28, the Senate Environment & Public Works Committee will hold a hearing on water infrastructure. The focus of the hearing is expected to be on a yet-to-be-introduced bill by Senator Deb Fischer (R-NE) that Committee Chairman John Barrasso
(R-MT) may use as the centerpiece of a broader water infrastructure bill. Fisher’s draft bill, called the “Water Infrastructure Flexibility Act,” would build upon provisions enacted in the WIIN Act. It would give communities flexibility to prioritize investments in wastewater and stormwater projects needed to comply with the Clean Water Act. It is not yet certain what other items might be added to address water infrastructure needs in this bill or in a broader package.

**Committees Examine Role of Hydropower Infrastructure**

The House Subcommittee on Energy and the Senate’s full Committee on Energy and Natural Resources held hearings on the opportunities for expanding hydropower generation. Both hearings pointed to the need to reduce the cost and duration of the licensing process and improve the reliability of licensing schedules. According to statements and testimony at these hearings, the current process is holding back investment in and modernization of hydroelectric facilities.

House Subcommittee Ranking Member Frank Pallone (D-NJ) raised concerns that hydropower and pumped storage benefits cannot be fully utilized under current electricity rate structures. Testifying in the House, Chuck Hookham from the American Society of Civil Engineers recommended subcommittee look at privatizing some federally owned dams.

The Senate hearing looked at needs specific to hydropower, but also how these facilities fit into a broader energy network that includes transmission, pipelines, and improving access to renewable energy resources. This hearing also gave attention to cybersecurity threats and the need to address these as a part of an infrastructure package.
March 22, 2017

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. This report includes MWD Board activities for March 2017. The MWD committees and Board met on March 13 and 14, and meet next on April 10 and 11.

Discussion
Key actions at the March MWD Board and committee meetings included: 1) authorization of a five-year contract to administer MWD’s conservation subsidy programs; 2) expressing support, and seeking amendment for AB 574 (Quirk, D-Hayward) – Potable Reuse; and 3) authorization of an increase in contract amount with Richardson & Company LLP, for State Water Project auditing services to a new not to exceed amount of $7 million with a three-year term ending March 31, 2020. The Delegates opposed entering a five-year contract with Electric & Gas Industries Association (EGIA) to administer some of MWD’s conservation programs because MWD staff had not completed negotiations, the authorization was sought without a set contract amount, and there was no urgency for the Board to authorize the open-ended contract. Additionally, the Delegates questioned how the proposed agreement would address the issues identified in the General Auditor’s recent audit of the Turf Removal Program, a program administered by EGIA and that could be administered by EGIA again under the new agreement.1 Attachment 1 is a summary of the Board’s discussion of this item.

The Board received two reports related to MWD’s financial management: a follow-up report on the treatment charge workgroup and the Chief Financial Officer’s report (both summarized in Attachment 2). The Integrated Resources Planning Committee received a presentation on the IRP’s “Policy Development Discussion,” which is summarized in Attachment 3. Additionally, during both the Organization, Personnel and Technology (OP&T) Committee and Board meetings, public comment was provided on the “deplorable” housing conditions at MWD’s remote facilities along the Colorado River Aqueduct.

Housing Conditions at MWD’s Desert Facilities
During the OP&T Committee meeting, two MWD employees who reside at MWD’s remote desert facilities and the Executive Director of MWD’s largest labor union (AFSCME Local 1902) expressed concern with management’s lack of response to the facilities’ unacceptable housing conditions. These conditions, which included raw sewage under homes, persisted for months after an MWD-commissioned inspection report dated May 2016 revealed them. Several of MWD’s Board members, including Directors Hogan, Lewinger, and Steiner, urged that management work swiftly to resolve these issues, and improve communication between MWD

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management and the impacted parties and their representatives. MWD staff’s response to directors’ questions and AFSCME Local 1902 Executive Director’s comments (made later during MWD’s Board meeting) disclosed that management had either not timely addressed or had not yet addressed the poor conditions. Chairman Record (Eastern) said he would meet with management following the Board meeting to further discuss MWD’s response and OP&T Committee Chair Wunderlich (Beverly Hills) said that this item will return to the committee in the “near term.”

**Overview**

Overall, the Water Authority Delegation supported nine of the 10 action items approved by the MWD Board in March. Directors Hogan and Steiner were assigned to the newly formed Conservation and Local Resources Committee, which will be Chaired and Vice-Chaired by Directors Gold (Los Angeles) and Abdo (Santa Monica), respectively. Additionally, two directors were inducted onto the MWD Board representing Central Basin: Leticia Vazquez and William Gedney. Director Gold, representing Los Angeles, was reappointed to the MWD Board. Attachment 4 is a copy of MWD’s March 2017 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 Elsa Saxod
*Engineering and Operations Committee* by Fern Steiner
*Finance and Insurance Committee* by Keith Lewinger and Elsa Saxod
*Integrated Resources Planning Committee* by Keith Lewinger and Fern Steiner
*Legal and Claims Committee* by Fern Steiner
*Organization, Personnel and Technology Committee* by Michael Hogan
*Water Planning and Stewardship Committee* by Keith Lewinger and Fern Steiner

Attachment 1: Discussion Summary of Contract to Administer Some of MWD’s Conservation Programs
Attachment 2: Discussion Summary of Matters Relating to MWD’s Financial Management
Attachment 3: Discussion Summary of Integrated Water Resources Plan Policy Issues
Attachment 4: MWD’s committee and Board meeting agendas and Board summary, dated March 13 and 14, 2017
Discussion Summary of Contract to Administer Some of MWD’s Conservation Programs

In February 2017, MWD initially placed on its agenda an item to approve a contract with Electric & Gas Industries Association (EGIA) to administer up to $420 million of additional subsidies for MWD’s various conservation programs, including its on-site recycled water retrofit and Water Savings Incentive programs, over a five-year period (fiscal years 2018 through 2022). A memo was not provided and the item was later withdrawn from the agenda.¹ When MWD returned to seek Board authorization for this contract in March 2017, staff indicated that the negotiations would continue pending direction from the Board and there was no maximum contract amount or indication of the level of funding MWD anticipates for its conservation expenditures over the five-year contract term. During staff’s presentation, Water Resource Management Group Manager Upadhyay said that staff did not want to “speculate” the level of funding the Board will approve for its conservation programs, which would impact EGIA’s contract amount. (Staff’s memo indicated a fixed amount per approved application or a fixed percent of the approved subsidy payment amount as proposed by EGIA).²

Following staff’s presentation, the Water Planning and Stewardship (WP&S) Committee discussed the contract. In response to Director Dick’s (Municipal Water District of Orange County) surprise that EGIA was the sole bidder to MWD’s Request For Proposals for such a “substantial contract,” Upadhyay suggested there are a limited number of vendors who can manage such a “large” program. Switching gears, in response to Director Steiner, Upadhyay clarified that the contract would not contain a minimum amount MWD must pay EGIA, stating that the “Board can choose to zero out the conservation budget” and because of no program activity, EGIA “would not be getting any fees.” Steiner suggested that MWD should regularly report the administrative fees associated with its conservation programs to facilitate greater transparency. Upadhyay said currently MWD reports monthly on the cost of its conservation programs as-a-whole, but could provide the data Steiner requested.

Returning to the specifics of the contract, Director Lewinger noted that MWD is seeking approval for the terms of a contract that previously had issues, offering the example of the findings of the General Auditor’s recent Turf Removal Program audit. Lewinger pointed out that without the Board being able to review the contract, it has no idea if these issues are being addressed. Lewinger asked if staff could complete its contract negotiation with EGIA and return to the committee once the contract is finalized. Although agreeing that MWD could delay action, Upadhyay said it’s “not traditional for your Board to be approving a specific contract with terms.” Lewinger pointed out that in this case MWD’s own auditor found substantial issues with the previous EGIA contract, justifying the need for the Board to understand the terms and conditions of the new one to ensure it addressed the audit’s findings.

Returning to MWD’s reporting of its conservation programs’ expenditures, Lewinger requested that MWD include in its monthly reports data on programs’ expenditures by member agency.

¹ This amount exceeds MWD’s Board adopted fiscal year 2018 budget and 10-year financial forecast that plans for no more than $271 million in conservation program expenses over these five fiscal years.
² More details are provided in the “Metropolitan Water District Program Report” found starting on page 276 of the Water Authority’s March 2017 Board packet:
Assistant General Management/Chief Operating Officer Man first responded to Lewinger’s earlier comments, indicating MWD had incorporated changes into the contract in response to the audit’s findings and then said the data he requested was available and MWD could provide each agency with their individual data. After clarifying that his request was for data of all member agencies to be made available, Chairman Record (Eastern) said MWD would provide the data.

Responding to Director Paskett (Los Angeles), Upadhyay said that MWD chose a five-term for the proposed contract because if a new vendor is selected, the vendor would have to “get up to speed” and may be “making some investment” that it “would need to recoup over a longer period.” Returning to one of Upadhyay’s previous comments that the Board would be setting a maximum amount in its authorization of the contract, Steiner confirmed that this was not the case since the contract is based on how much the Board budgets for its conservation program. Upadhyay agreed with Steiner.

Ultimately, the WP&S Committee authorized the contact with EGIA without requiring Board review of the final contract. The Water Authority’s two committee members (Lewinger and Steiner) opposed the action.

The subsequent day, during MWD’s Board meeting, Lewinger referenced the Delegates’ letter submitted earlier that articulated their concerns with the action and made a motion to table this item. Although, in the past, MWD has not permitted discussion following a motion to table an item, Chairman Record allowed Director Dake (Los Angeles) to reflect that he had previously asked questions concerning the contract, which he felt staff adequately responded to. Following Dake’s comment, the Board voted on Lewinger’s motion to table the item, which failed. The Board then authorized entering the contract with EGIA with the Delegates opposing the action.

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3 The Delegates’ concerns with the EGIA contract authorization are articulated in their March 14, 2017 letter found here: http://www.mwdfacts.com/wp-content/uploads/2017-03-14-WA-ltr-re-EGIA-Contract.pdf
Discussion Summary of Matters Relating to MWD’s Financial Management

During MWD’s March 2017 Finance and Insurance (F&I) committee staff presented responses to the Board’s February 2017 discussion of the Treatment Charge Workgroup’s (Workgroup) recommendation. This recommendation included three components: 1) policy principles; 2) a fixed charge intended to recover the peaking portion of treatment costs; and 3) guidelines to implement the proposed fixed charge. Staff reported that the Workgroup’s proposed fixed charge would recover 16 percent of the treatment revenue requirement associated with maximum flows, but did not provide data detailing these costs. The Workgroup suggested the fixed charge be based on each agency’s trailing three-year peak day treated water demands between May 1 and September 30 to incentivize agencies to manage their demands during this period when demand has historically been the highest. The Workgroup’s recommendation differed from the fixed charge recommended by MWD staff in April 2016, which included a mechanism to recover treatment costs associated with MWD providing standby service, or, as staff described as, “insurance.” Following this presentation, the Board engaged in further discussion.

Director Paskett (Los Angeles) surmised that about two-thirds of MWD’s treatment costs are dedicated to capital financing. Assistant General Manager/Chief Financial Officer Breaux agreed, clarifying that these capital costs are funded through both bonds, which usually have 30-year terms, and cash (PAYGo). Breaux also agreed with Paskett that demands declined following the Wanger decision and member agencies’ infrastructure investments and noted that all water agencies, including those outside MWD’s service area, have experienced decreased demands. Breaux was apprehensive to agree with Paskett’s assertion that MWD should align its treatment costs to when decisions occurred to make treatment investments. Paskett suggested there is a “mismatch” in the Workgroup’s recommendation between the decision to make these investments and the shift in their benefits and costs. Dove-tailing on Paskett’s comments, Director Lewinger pointed out that MWD lacked policies to secure financial commitments from those that may benefit from MWD’s investments. Continuing, Lewinger pointed out that due to new laws and court rulings, agencies payments must be proportionate to the benefits received; MWD needs to demonstrate that its rates comply with this standard.

Turning to the Workgroup’s recommendation, Lewinger expressed concern that by basing a fixed charge on peak-day water use during the summer months, rather than an annual basis, would allow agencies to shift their purchases and render the fixed charge less effective at recovering the costs it intends to. Additionally, Lewinger pointed out that MWD failed to provide the Workgroup with the data needed to ensure treatment costs are properly aligned to the services MWD provides and then allocated correctly among the member agencies based on their use of these services. Although he supported “the idea” behind the Workgroup’s proposal due to these concerns, Lewinger said he could not support how the charge was developed.

Switching gears, Director Wunderlich (Beverly Hills) questioned the “logic” of dropping the standby portion of MWD staff’s recommendation. Breaux said the Workgroup wants to focus on “right-sizing” the treatment plants before establishing a fixed charge for these standby costs.

Wunderlich surmised that by not including a fixed standby charge component, MWD is improperly shifting these costs among the member agencies and agreed with Paskett that those member agencies that drove the decisions for MWD’s investments should pay for them. Breaux suggested some standby costs related to treatment will be recovered through MWD’s existing capacity charge. In addition to expanding treatment plant capacity, Director Steiner pointed out that MWD also made significant investments in ozonation and that the treatment costs being recovered by the proposal included all treatment improvements not just those to expand Skinner. Therefore, to do as Paskett suggested each improvement would have to be tied to its authorization date and agencies benefitted.

Echoing Wunderlich, Director Blois (Calleguas) suggested the committee consider additional alternatives to those developed by the Workgroup, but also expressed support for the Workgroup’s three component recommendation. Conversely, Director Dake (Los Angeles) expressed support for only the policy principles component of the Workgroup’s recommendation and urged that MWD focus its efforts on right-sizing facilities. Although potentially difficult to implement, Dake supported gaining commitments from member agencies before making future investments to expand treatment capacity. Noting the Workgroup had “dissent” on the recommendation it put forth, Dake warned that MWD may repeat what occurred in April 2016: a failure to adopt anything. Suggesting that a middle ground could be found, Director McKenney (Municipal Water District of Orange County) recommended a charge that compromises between the “math” of developing charges to recover both the peaking and standby costs (as advocated by Wunderlich) and a charge that can gain majority Board support.

In response to Paskett, F&I Committee Chair Barbre (Municipal Water District of Orange County) said moving forward, the Committee should consider adopting the entire recommendation put forth by the Workgroup through an up-or-down vote but offered to have this topic discussed as an informational item by MWD’s full Board before moving ahead with a vote. 2 Director Murray (Los Angeles) said that “doing nothing” is consistent with the Board’s existing policy since it voted down staff’s recommended fixed charge. Barbre pointed out that the Workgroup’s recommendation is different and hopefully more “plateable” since it recovers only peaking treatment costs. Chairman Record (Eastern) disagreed with Barbre’s suggestion to further discuss this item at full Board and advocated that the Board vote on an option next month and then “move on.” Record also suggested there are policies MWD will implement without formally adopting them, specifically stating MWD is “not going to start spending a lot of money on capital improvements for an agency that says ‘I need it’ but won’t commit to it.” In preparation for next month’s action, Lewinger requested that staff provide detailed treatment cost data to enable the Board to determine which costs align to specific services. Breaux said MWD would provide that data.

Disagreeing with Record about not having a full Board discussion, Paskett said this issue is important enough to warrant a discussion at Board. Barbre replied that all members of the Board may participate in the committee’s discussion. Pointing out that staff previously indicated that with or without a fixed charge MWD would recover its treatments costs, Paskett requested an analysis behind MWD’s assertion that a fixed treatment charge would provide “financial

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2 The MWD Board usually does not discuss information items at the full Board, instead, MWD holds discussions at the Committee level.
resiliency.” Without indicating if MWD would accommodate this request, Breaux said a fixed treatment charge would improve MWD’s financial resiliency.

Following the discussion on MWD’s treatment cost recovery, Breaux provided a Chief Financial Officer’s Report. MWD forecasts sales and exchanges of 1.6 million acre-feet3 (100,000 acre-feet below budget) and Breaux noted that groundwater demands are lower than expected. Lewinger pointed out that MWD is taking hundreds of thousands of acre-feet of water more than it anticipated and asked for a projection of how MWD will finish the fiscal year. Breaux said MWD’s Controller will provide a quarterly update at the Committee’s April meeting, adding that initially MWD anticipated State Water Project (SWP) contract costs falling below budget by $50 million to $60 million, but now this amount is expected to be less. Noting that at last month’s Colorado River Board meeting Los Angeles’ representative indicated that the city will have excess supplies, Lewinger asked if MWD and Los Angeles are discussing how to utilize this surplus. Assistant General Manager/Chief Operating Officer Man said the city asked to coordinate diversions and MWD is examining if it can introduce Los Angeles’ water into the Jensen Treatment Plant or the SWP’s East Branch. Additionally, Man said MWD is not looking to purchase water from Los Angeles, but considering an uneven exchange that would keep MWD’s water supplies and costs “whole.” Lewinger requested that MWD provide updates on its discussions with Los Angeles and analysis on how any potential agreement may impact MWD’s water reserves.

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3 At MWD’s February 2017 F&I Committee meeting, Breaux reported projected sales and exchanges of 1.57 million acre-feet for fiscal year 2017 and 1.5 million acre-feet for fiscal year 2018. Both fiscal years’ budgeted sales and exchanges are 1.7 million acre-feet.
**Discussion Summary of Integrated Water Resources Plan Policy Issues**

At MWD’s March 2017 Integrated Resources Planning Committee (IRP Committee), staff identified some policy issues for the Board to discuss during its May 2017 Integrated Water Resources Plan (IRP) workshop. Prior to staff’s presentation, Director Steiner requested to finish her request that was being made when MWD was evacuated at the last meeting that MWD discuss the IRP’s adaptive management approach, specifically the nexus between MWD’s Local Resources Program (LRP) and efforts to develop its own local supply projects (such as the potential recycled water program with the Los Angeles County Sanitation Districts). IRP Committee Chair Atwater (Foothill) confirmed Steiner’s request would be discussed at the workshop. Following the presentation, which focused on local resource development, the committee identified additional policy issues to discuss during its workshop.

In response to Steiner, Water Resource Management Group Manager Upadhyay said MWD could consider how it decides which local supply projects it includes in its IRP forecasts. (Steiner noted that the IRP’s forecasts include projects at a certain planning stage only if they have an LRP agreement with MWD, excluding many member agency projects that are likely to be developed from the IRP’s forecasts.) Director Blois (Calleguas) suggested that MWD develop parameters to prioritize local resource development since it has limited funding, specifically requesting that MWD consider establishing a goal to deliver water equally to all its member agencies (some of MWD’s service area can only receive State Water Project supplies). Agreeing that MWD should discuss system reliability, Lewinger requested that this discussion be expanded to include the IRP’s reliability objective of meeting all demands under all hydrologic conditions and the affordability of this goal.

Returning to the local supply projections, Lewinger suggested that the IRP projections include some portion of projects identified in agencies’ Urban Water Management Plans that are in different planning stages – currently projects that are not under construction are entirely excluded from the IRP’s forecasts. Misunderstanding Lewinger’s comment, Chair Record (Eastern) replied that the IRP is not intended to list specific projects, but is a planning exercise that provides “comfort” to the public. Record said “adaptive management is key,” suggesting it will enable MWD to do what is best for MWD’s ratepayers and bring projects online when they are needed. Responding to Lewinger, Upadhyay said that to develop “realistic” IRP resource development targets, MWD’s supply assessments must be based on “very real projects,” but suggested there may be a “gray area” that allows for the inclusion of projects in different planning stages.

Referencing the current treatment cost recovery discussion, Steiner reiterated the need to discuss obtaining firm commitments from agencies to pay for projects MWD develops. Additionally, she requested the Board discuss the types of agreements that would achieve these commitments. Returning to the IRP’s adaptive management approach, Lewinger suggested that MWD revisit its progress in meeting the IRP targets more frequently. He offered the example of the Board understanding the impacts of approving an LRP agreement on the IRP’s local resource development target. Upadhyay agreed that the Board would discuss this topic and Record added that MWD is forming a new committee focused on local resources and conservation that will offer a monthly focus on MWD’s progress in these areas. Dove-tailing Steiner’s and Lewinger’s comments, Director McKenney (Municipal Water District of Orange County) urged that at its workshop, the Board discuss how it will adapt to changing conditions.
# Finance and Insurance Committee

Meeting with Board of Directors*

**March 13, 2017**

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

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

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

2. **Approval of the Minutes of the meeting of the Finance and Insurance Committee held February 13, 2017**

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

4. **OTHER BOARD ITEMS — ACTION**

   None

5. **BOARD INFORMATION ITEMS**

   None

Date of Notice: February 15, 2017
6. COMMITTEE ITEMS
   a. Follow up on Treatment Charge Workgroup recommendations
   b. Oral Report on Investment Activities

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.

Date of Notice: February 15, 2017
REVISED AGENDA

Water Planning and Stewardship Committee

Meeting with Board of Directors*

March 13, 2017

10:30 a.m. – Room 2-456

Meeting Schedule

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* 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 February 13, 2017

3. CONSENT CALENDAR ITEMS — ACTION

   None

4. OTHER BOARD ITEMS — ACTION

   8-3 Adopt CEQA determination and authorize a five-year agreement with Electric & Gas Industries Association to administer Metropolitan’s consumer incentive programs. (WP&S)
Added Recommendation:

Option #1:

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

- Authorize a five-year agreement with Electric & Gas Industries Association to administer Metropolitan’s consumer incentive programs, to be paid from funds the Board authorizes for Metropolitan’s consumer incentive programs, in accordance with a cost schedule that will not exceed the proposal in Attachment 1 of the board letter.

8-4 Adopt CEQA determination and authorize an increase of maximum amount payable under the contract with Richardson & Company LLP for auditing services related to State Water Project charges and related claims from $3,900,000 to an amount not to exceed $7,000,000 and extend the term by three years to March 31, 2020. (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 amend the agreement with Richardson & Company LLP to extend the term for three years to March 31, 2020; and

b. Increase the maximum amount payable under the contract with Richardson & Company LLP from $3,900,000 to an amount not to exceed $7,000,000.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

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

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Engineering and Operations Committee

Meeting with Board of Directors*

March 13, 2017
12:00 p.m. -- Room 2-145

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 February 13, 2017**

3.  **CONSENT CALENDAR ITEMS — ACTION**

   **7-1**  Adopt CEQA determination and appropriate $1.65 million; and authorize three rehabilitation projects at Lake Mathews (Appropriation Nos. 15441 and 15480). (E&O)
Recommendation:

Option #1:

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

a. Appropriate $1.65 million;

b. Authorize construction of structural repairs to the Lake Mathews Hydroelectric Plant; and

c. Authorize design of two rehabilitation projects at Lake Mathews.

7-2  Adopt CEQA determination and appropriate $1.92 million; and award $1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station (Appropriation No. 15488). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $1.92 million; and

b. Award $1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station.

4. OTHER BOARD ITEMS — ACTION

8-1  Adopt CEQA determination and appropriate $4.57 million; authorize preliminary investigations for a system-wide upgrade of Metropolitan’s control system; and award $2,305,000 contract to Systems Integrated, LLC for control equipment and support services (Appropriation No. 15467) (E&O)

Recommendation:

Option #1:

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

a. Appropriate $4.57 million;

b. Award $2,305,000 contract to Systems Integrated, LLC for control equipment and support services; and

c. Authorize preliminary investigations for a system-wide upgrade of Metropolitan’s control system.
8-2 Adopt CEQA determination and appropriate $7.4 million; award $5,285,000 contract to RockForce Construction, LLC for erosion protection of the Whitewater Siphons on the Colorado River Aqueduct; and authorize increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new not-to-exceed total of $303,000 (Appropriation No. 15341). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2013 Final EIR, findings, MMRP, and the 2015 Addendum to the Final EIR, and that no further environmental analysis or documentation is required, and

a. Appropriate $7.4 million;

b. Award $5,285,000 contract to RockForce Construction, LLC for erosion protection of the Whitewater Siphons; and

c. Authorize increase of $150,000 to an existing agreement with Helix Environmental Planning Inc., for a new not-to-exceed total of $303,000.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Management of Metropolitan’s Reservoirs and Dams

7. MANAGEMENT REPORTS

a. Water System Operations Manager’s report

b. Engineering Services Manager’s report

Date of Notice: March 1, 2017
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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REVISED AGENDA
Communications and Legislation Committee
Meeting with Board of Directors*

March 13, 2017

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

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Monday, March 13, 2017
Meeting Schedule

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Committee</th>
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<tbody>
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<td>9:30 a.m.</td>
<td>Rm. 2-145</td>
<td>F&amp;I</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>Rm. 2-456</td>
<td>WP&amp;S</td>
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<tr>
<td>12:00 p.m.</td>
<td>Rm. 2-145</td>
<td>E&amp;O</td>
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<tr>
<td>1:30 p.m.</td>
<td>Rm. 2-456</td>
<td>C&amp;L</td>
</tr>
<tr>
<td>2:30 p.m.</td>
<td>Rm. 2-145</td>
<td>IRP</td>
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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* 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 February 13, 2017**

3. **CONSENT CALENDAR ITEMS — ACTION**

   None

4. **OTHER BOARD ITEMS — ACTION**

   Revised 8-6 **Adopt CEQA determination and express support, and seek amendment, for AB 574 (Quirk, D-Hayward) - Potable Reuse. (C&L)**
Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and
Authorize the General Manager to express support, and seek an amendment, for AB 574.

Adopt CEQA determination and express support for SB 231 (Hertzberg, D-Van Nuys) - Local Government: Fees and Charges. (C&L)

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and
Authorize the General Manager to support SB 231 as described in this board letter.

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. Update on Metropolitan’s Social Media Activities

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

c. Report on activities from Sacramento

7. MANAGEMENT REPORT

a. External Affairs Management report

8. FOLLOW-UP ITEMS

None
9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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Integrated Resources Planning Committee

Meeting with Board of Directors*

March 13, 2017
2:30 p.m. – Room 2-145

Attachment 4, Page 13 of 29

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

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

2. Approval of the Minutes of the meeting of the Integrated Resources Planning Committee held February 28, 2017

3. CHAIRMAN’S REPORT

4. CONSENT CALENDAR ITEMS – ACTION

    None

5. OTHER BOARD ITEMS – ACTION

    None

Date of Notice: March 1, 2017
6. **BOARD INFORMATION ITEMS**

   None

7. **COMMITTEE ITEMS**

   a. Integrated Water Resource Plan Policy Development Discussion

8. **FOLLOW-UP ITEMS**

   None

9. **FUTURE AGENDA ITEMS**

10. **ADJOURNMENT**

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Legal and Claims Committee

Meeting with Board of Directors*

March 14, 2017

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 February 14, 2017**

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

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

Date of Notice: March 2, 2017
5. OTHER BOARD ITEMS — ACTION

8-5 Adopt CEQA determination and receive report on *In re Holy Hill Community Church*, U.S. Bankruptcy Court Case No. 2:15-ap-01467-WB (Bankr. C.D. Cal. 2015), and authorize settlement. (L&C) [To be mailed separately]

[Conference with legal counsel – discussion concerning existing and potential litigation; may be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) and (d)(2)]

6. BOARD INFORMATION ITEMS

None

7. 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, CPF-14-514004 and CPF-16-515282; and the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266.

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

b. L&C Committee Briefing: *Overview of the State Water Project*

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT
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Organization, Personnel and Technology Committee

Meeting with Board of Directors*

March 14, 2017

10:30 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 February 14, 2017

3. CONSENT CALENDAR ITEMS – ACTION

None

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

Date of Notice: February 22, 2017
6. COMMITTEE ITEMS

a. Update on Conference with Labor Negotiators.
   [Conference with Labor Negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency representative: Stephen Lem, Manager of Labor Relations and EEO Investigations Section. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902, the Association of Confidential Employees, and The Supervisors Association.]

7. MANAGEMENT REPORT

a. Human Resources Manager's report

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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REVISED AGENDA
Regular Board Meeting

March 14, 2017

12:00 p.m. – Board Room

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

Tuesday, March 14, 2017
Revised Meeting Schedule

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<tr>
<th>Time</th>
<th>Room</th>
<th>Agenda Item</th>
</tr>
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<tbody>
<tr>
<td>9:30 a.m.</td>
<td>2-145 L&amp;C</td>
<td></td>
</tr>
<tr>
<td>10:00 a.m.</td>
<td>2-456 RP&amp;AM</td>
<td></td>
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<tr>
<td>10:30 a.m.</td>
<td>2-456 OP&amp;T</td>
<td></td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Board Room</td>
<td>Board Meeting</td>
</tr>
</tbody>
</table>

1. Call to Order
   (a) Invocation: Diane Doesserich, Environmental Specialist
       Business Technology Group
   (b) Pledge of Allegiance: Director Camacho

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 February 14, 2017. (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 February
C. Induction of new Director William Gedney, from Central Basin Municipal Water District
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

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

E. Reappointment of Director Mark Gold from City of Los Angeles
   (a) Receive credentials
   (b) Report on credentials by General Counsel
   (c) File credentials
   (d) Administer Oath of Office
   (e) File Oath

F. Presentation of Commendatory Resolution to past Director Michael Touhey, representing Upper San Gabriel Valley Municipal Water District

G. Presentation of 15-year service pin to Director David De Jesus

H. Approve committee assignments

I. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

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

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

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

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

7-1 Adopt CEQA determination and appropriate $1.65 million; and authorize three rehabilitation projects at Lake Mathews (Appropriation Nos. 15441 and 15480). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $1.65 million;

b. Authorize construction of structural repairs to the Lake Mathews Hydroelectric Plant; and

c. Authorize design of two rehabilitation projects at Lake Mathews.

7-2 Adopt CEQA determination and appropriate $1.92 million; and award $1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station (Appropriation No. 15488). (E&O)

Recommendation:

Option #1:

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

a. Appropriate $1.92 million; and

b. Award $1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station.

(END OF CONSENT CALENDAR)
8. OTHER BOARD ITEMS — ACTION

8-1 Adopt CEQA determination and appropriate $4.57 million; authorize preliminary investigations for a system-wide upgrade of Metropolitan’s control system; and award $2,305,000 contract to Systems Integrated, LLC for control equipment and support services (Appropriation No. 15467) (E&O)

Recommendation:

Option #1:

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

a. Appropriate $4.57 million;

b. Award $2,305,000 contract to Systems Integrated, LLC for control equipment and support services; and

c. Authorize preliminary investigations for a system-wide upgrade of Metropolitan’s control system.

8-2 Adopt CEQA determination and appropriate $7.4 million; award $5,285,000 contract to RockForce Construction, LLC for erosion protection of the Whitewater Siphons on the Colorado River Aqueduct; and authorize increase of $150,000 to an agreement with Helix Environmental Planning, Inc., for a new not-to-exceed total of $303,000 (Appropriation No. 15341). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2013 Final EIR, findings, MMRP, and the 2015 Addendum to the Final EIR, and that no further environmental analysis or documentation is required, and

a. Appropriate $7.4 million;

b. Award $5,285,000 contract to RockForce Construction, LLC for erosion protection of the Whitewater Siphons; and

c. Authorize increase of $150,000 to an existing agreement with Helix Environmental Planning Inc., for a new not-to-exceed total of $303,000.
8-3 Adopt CEQA determination and authorize a five-year agreement with Electric & Gas Industries Association to administer Metropolitan’s consumer incentive programs. (WP&S)

Added Recommendation:

Option #1:

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

Authorize a five-year agreement with Electric & Gas Industries Association to administer Metropolitan’s consumer incentive programs, to be paid from funds the Board authorizes for Metropolitan’s consumer incentive programs, in accordance with a cost schedule that will not exceed the proposal in Attachment 1 of the board letter.

8-4 Adopt CEQA determination and authorize an increase of maximum amount payable under the contract with Richardson & Company LLP for auditing services related to State Water Project charges and related claims from $3,900,000 to an amount not to exceed $7,000,000 and extend the term by three years to March 31, 2020. (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 amend the agreement with Richardson & Company LLP to extend the term for three years to March 31, 2020; and

b. Increase the maximum amount payable under the contract with Richardson & Company LLP from $3,900,000 to an amount not to exceed $7,000,000.

8-5 Adopt CEQA determination and receive report on In re Holy Hill Community Church, U.S. Bankruptcy Court Case No. 2:15-ap-01467-WB (Bankr. C.D. Cal. 2015), and authorize settlement. (L&C) [To be mailed separately]

[Conference with legal counsel – discussion concerning existing and potential litigation; may be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) and (d)(2)]
Revised 8-6  Adopt CEQA determination and express support, and seek amendment, for AB 574 (Quirk, D-Hayward) - Potable Reuse. (C&L)

Added  Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and
Authorize the General Manager to express support, and seek an amendment, for AB 574.

Revised 8-7  Adopt CEQA determination and express support for SB 231 (Hertzberg, D-Van Nuys) - Local Government: Fees and Charges. (C&L)

Added  Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and
Authorize the General Manager to support SB 231 as described in this board letter.

9. BOARD INFORMATION ITEMS

None

10. FUTURE AGENDA ITEMS

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

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INDUCTION OF NEW DIRECTORS

William Gedney was inducted to the Board representing Central Basin Municipal Water District. Leticia Vazquez was inducted to the Board representing Central Basin Municipal Water District. (Agenda Items 5C and 5D)

REAPPOINTMENT OF DIRECTOR

Mark Gold was reappointed to the Board representing the City of Los Angeles. (Agenda Items 5E)

COMMITTEE ASSIGNMENTS

Director Mark Gold was appointed as Chair of the Conservation and Local Resources Committee. Director Judy Abdo was appointed as Vice Chair of the Conservation and Local Resources Committee. Directors Linda Ackerman, Steve Blois, Gloria Gray, Michael Hogan, Cynthia Kurtz, Russell Lefevre, Larry McKenney, and Fern Steiner were assigned to the Conservation and Local Resources Committee. Director Charles Trevino was assigned to the Engineering and Operations Committee. Director Leticia Vazquez was assigned to the Organization, Personnel, and Technology Committee, and the Communications and Legislation Committee. Director Zareh Sinanyan was assigned to the Finance and Insurance Committee and the Legal and Claims Committee. (Agenda Item 5H)

ENGINEERING AND OPERATIONS COMMITTEE

Adopted the CEQA determination that the proposed action is categorically exempt, and appropriated $4.57 million; awarded $2,305,000 contract to Systems Integrated, LLC for control equipment and support services; and authorized preliminary investigations for a system-wide upgrade of Metropolitan’s control system. ( Appropriation No. 15467) (Agenda Item 8-1)

Adopted the CEQA determination that the proposed action has been previously addressed in the certified 2013 Final EIR, findings, MMRP, and the 2015 Addendum to the Final EIR, and that no further environmental analysis or documentation is required, and appropriated $7.4 million; awarded $5,285,000 contract to RockForce Construction LLC for erosion protection of the Whitewater Siphons; and authorized increase of $150,000 to an existing agreement with Helix Environmental Planning Inc., for a new not-to-exceed total of $303,000. ( Appropriation No. 15341) (Agenda Item 8-2)

WATER PLANNING AND STEWARDSHIP COMMITTEE

Adopted the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorized a five-year agreement with Electric & Gas Industries Association to administer Metropolitan’s consumer incentive programs, to be paid from funds the Board authorizes for
Metropolitan’s consumer incentive programs, in accordance with a cost schedule that will not exceed the proposal in the board letter. (Agenda Item 8-3)

Adopted the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorized the General Manager to amend the agreement with Richardson & Company LLP to extend the term for three years to March 31, 2020; and increased the maximum amount payable under the contract with Richardson & Company LLP from $3,900,000 to an amount not to exceed $7,000,000. (Agenda Item 8-4)

LEGAL AND CLAIMS COMMITTEE

Adopted CEQA determination and received report on In re Holy Hill Community Church, U.S. Bankruptcy Court Case No. 2:15-ap-01467-WB (Bankr. C.D. Cal. 2015), and authorized settlement. (Agenda Item 8-5 heard in closed session)

COMMUNICATIONS AND LEGISLATION COMMITTEE

Adopted the CEQA determination that the proposed action is not defined as a project under CEQA, and authorized the General Manager to express support, and seek an amendment, for AB 574. (Agenda Item 8-6)

Item Deferred - Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and authorize the General Manager to support SB 231 as described in the board letter. (Agenda Item 8-7 – DEFERRED TO APRIL)

CONSENT CALENDAR

In other action, the Board:

- Adopted the CEQA determinations that the proposed actions are categorically exempt, and appropriated $1.65 million; authorized construction of structural repairs to the Lake Mathews Hydroelectric Plant; and authorized design of two rehabilitation projects at Lake Mathews. (Appropriation Nos. 15441 and 15480) (Agenda Item 7-1)

- Adopted the CEQA determination that the proposed action is categorically exempt from CEQA, and appropriated $1.92 million; and awarded $1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station. (Appropriation No. 15488) (Agenda Item 7-2)

OTHER MATTERS:

In other action, the Board:

- Deferred the presentation of Commendatory Resolution to past Director Michael Touhey, representing Upper San Gabriel Valley Municipal Water District to April. (Agenda Item 5F – DEFERRED TO APRIL)
Presented a 15-year service pin to Director David De Jesus.  *(Agenda Item 5G)*

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

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser http://edmsidm.mwdh2o.com/idmweb/home.asp.
March 22, 2017

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 March 15, 2017 CRB meeting in Ontario, California.

Agency Updates
CRB agencies provided updates, including:

- **Metropolitan Water District of Southern California (MWD)** – MWD stated that the Colorado River Aqueduct has been on a two-pump flow and is going up to a three-pump flow later this month.

- **Los Angeles Department of Water and Power (LADWP)** – LADWP reported that the Eastern Sierra snowpack this season is trendin towards the wettest year on record and the city expects to have around one million acre-feet of supplies this year. With projected demands around 500,000 acre-feet, LADWP is looking to utilize projects in the Mono Lake Basin and Owen’s Valley, and is in discussions with MWD and other agencies for options to manage the remaining 500,000 acre-feet. LADWP’s representative indicated that it is not legally allowed to sell this surplus water per the city’s charter.

- **Palo Verde Irrigation District (PVID)** – PVID showed a short video of the installation of the radial dam gates to complete the refurbishment and replacement of portions of the Palo Verde diversion dam.

- **Coachella Valley Water District (CVWD)** – CVWD stated that the 9th District Court of Appeals ruled for the tribes (Agua Caliente Band of Cahuilla Indians vs. CVWD and Desert Water Agency) in their request for rights to groundwater. This ruling sets a precedent and will have implications across the nation on how groundwater is viewed.

**CRB Executive Director Appointment**
Chris Harris was unanimously appointed as the new Executive Director of the CRB. Mr. Harris was the Deputy Director and previously served as the Acting Executive Director of the CRB.

**Colorado River Basin Water Report**
Over the last three months, the Colorado River Basin has experienced one of the wettest periods on record. Water supply and storage conditions as of the March 13, 20171 Bureau of Reclamation Weekly Water Supply Report are shown in Table 1.

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1 These hydrologic conditions are updated from those reviewed at the CRB meeting.
Table 1. Colorado River Reservoir Conditions

<table>
<thead>
<tr>
<th>Conditions as of March 13, 2017</th>
<th>Volume (million acre-feet)</th>
<th>Percent of Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total System Storage</td>
<td>29.5</td>
<td>50%</td>
</tr>
<tr>
<td>Lake Powell</td>
<td>11.2</td>
<td>46%</td>
</tr>
<tr>
<td>Lake Mead</td>
<td>10.8</td>
<td>41%</td>
</tr>
<tr>
<td>Upper Colorado River Snowpack</td>
<td></td>
<td>143% of average</td>
</tr>
<tr>
<td>Water Year 2017 Precipitation</td>
<td></td>
<td>127% of average</td>
</tr>
<tr>
<td>Forecasted Inflows to Lake Powell in Water Year 2017</td>
<td></td>
<td>132% of average</td>
</tr>
</tbody>
</table>

**Drought Contingency Plan (DCP)**

Discussions continue in each Lower Basin State to review concepts for a Lower Basin DCP. A small group is working to develop an operations and management agreement for implementing both the Lower Basin and Upper Basin DCPs. Intra-state Lower Basin DCP implementation agreements are still being negotiated. To implement the DCP, the California parties are continuing parallel efforts to resolve ongoing issues associated with the California Water Fix and Salton Sea. For the Upper Basin DCP, Reclamation and the Upper Basin States are developing an operating process document to clarify operations when implementing the DCP.

**Negotiations of Minute 32X**

A near-final draft of Minute 32X has been developed using input from binational workgroups. Discussions among the Basin States and federal agencies regarding elements of Minute 32X are expected to continue in 2017, but the positions of the new federal Administration and Mexico are still unclear. The Arizona State Legislature authorized the Director of the Arizona Department of Water Resources to execute the domestic implementation agreements that would support Minute 32X.

**Seven Basin States Meeting**

Representatives from the seven Basin States met on March 8 to discuss hydrology, DCPs, and Minute 32X. At the meeting, the group finalized a letter to the new Secretary of the Department of Interior, Ryan Zinke, to describe the status and importance of continuing efforts to complete Minute 32X and DCPs.

**Lower Colorado River Multi-Species Conservation Program (LCR MSCP)**

The U.S. Fish and Wildlife Service completed a draft Environmental Assessment for the addition of the recently listed northern Mexican garter snake to the LCR MSCP as a covered species. Adding this species to the program will require an amendment to the Habitat Conservation Plan and will provide LCR MSCP stakeholders Endangered Species Act compliance.

**Salinity Control Program**

Paradox Valley, Colorado experienced a magnitude 2.9 earthquake on March 12. The U.S. Bureau of Reclamation shut down operation of the nearby salinity control project, the Paradox Valley Unit, and is going through the required protocols.

Prepared by: Kara Mathews, Senior Water Resources Specialist
Reviewed by: Doug Wilson, CRB Representative