

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
November 1, 2017, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

At this time members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

(NEXT RESOLUTION NO. 2060)

PRESENTATION/DISCUSSION/INFORMATION ITEMS

1. INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information.

2. PRESENTATION BY BRANDON GOSHI OF THE METROPOLITAN WATER DISTRICT REGARDING THE CENTRAL VALLEY PROJECT

Recommendation: Review and discuss the information presented.

3. DISCUSSION REGARDING A REQUEST TO AGENDIZE FOR THE DIRECTION OF THE MWDOC/MET DIRECTORS REGARDING SDCWA

Recommendation: Review and discuss the information presented, and take action as appropriate.

4. MET ITEMS CRITICAL TO ORANGE COUNTY (The following items are for informational purposes only – a write up on each item is included in the packet. Discussion is not necessary unless requested by a Director)

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project and in the Huntington Beach Ocean Desalination Project (Poseidon Desalination Project)
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

Recommendation: Discuss and provide input on information relative to the MET items of critical interest to Orange County.

5. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding September Board Meeting
- b. Review items of significance for MET Board and Committee Agendas

Recommendation: Review and discuss the information presented.

ADJOURNMENT

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



DISCUSSION ITEM

November 1, 2017

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

**SUBJECT: PRESENTATION BY BRANDON GOSHI OF THE METROPOLITAN
WATER DISTRICT REGARDING THE CENTRAL VALLEY PROJECT**

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

REPORT

The Bureau of Reclamation (Reclamation), part of the Department of the Interior, operates the multipurpose federal Central Valley Project (CVP) in California, one of the nation's largest water conveyance systems (see Figure 1). The CVP extends from the Cascade Range in Northern California to the Kern River in Southern California.

The CVP was built primarily to integrate California's water way to protect against crippling water shortages and hazardous floods; it also produces hydroelectric power and provides flood protection, navigation, recreation and water quality benefits. With over 250 water contracts or agreements for the delivery of CVP or water rights water, the CVP serves farms, homes and industry in the Central Valley, San Joaquin Valley and the San Francisco Bay Area. In an average year, it delivers approximately 5 million acre-feet of water to farms (including some of the nation's most valuable farmland), 600,000 acre-feet to municipal and industrial (M&I) users, 410,000 acre-feet to wildlife refuges, and 800,000 acre-feet for other fish and wildlife needs, among other purposes.

The CVP is made up of 20 dams and reservoirs, 11 power plants, and 500 miles of canals, as well as conduits, tunnels, and other storage and distribution facilities. Two federal and state pumping facilities in the southern portion of the Sacramento and San Joaquin Rivers

Budgeted (Y/N): N	Budgeted amount: None	Core <u> X </u>	Choice <u> </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

Delta near Tracy, CA, are a hub for water deliveries from both the CVP and State Water Project systems.

MWDOC staff has invited Brandon Goshi, of Metropolitan's Water Resource Management Group, to provide a presentation of the Central Valley Project. The presentation will focus on an overview and history of the CVP Water Users and Contractors.

Figure 1. Central Valley Project and Related Facilities



Source: Congressional Research Service (CRS).

Note: Colored areas are based on water and irrigation district boundaries and do correspond to the amount of water delivered from the Central Valley Project or the State Water Project. For example, some large areas have relatively small contracts for water compared with other, smaller areas.



DISCUSSION ITEM

November 1, 2017

TO: Board of Directors
FROM: Robert Hunter, General Manager

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

SUBJECT: DISCUSSION OF ACTIVITIES RELATIVE TO THE SAN DIEGO COUNTY WATER AUTHORITY AND A REQUEST TO AGENDIZE A RESOLUTION

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information and request.

BOARD RECOMMENDATION

Board recommends (To be determined at Workshop Board Meeting)

DETAILED REPORT

The San Diego County Water Authority (Authority) has filed a series of lawsuits against the Metropolitan Water District of Southern California (Metropolitan) over the last several years regarding rate issues. The first two of these lawsuits reached a significant milestone on September 27, 2017 when the California State Supreme Court decided not to review and thereby let stand the Appeals Court decision (2010 & 2012 cases). The MWD OC Board of Directors sent a letter to the Authority's directors and their member agencies stating that this was an opportunity "to turn away from expensive and wasteful litigation and to move towards effective cooperation" and offering to resume meetings between MWD OC and Authority Board and/or Metropolitan Directors. While MWD OC has received favorable responses from some of the Authorities' member agencies, we have not received a direct communication from the Authority. However, the Authority has corresponded with Metropolitan citing our letter and some level of discussions are occurring between those two parties.

Budgeted (Y/N):	Budgeted amount:	Core ____	Choice ____
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted):			

At the October 4, 2017 Workshop meeting of the MWDOC and MWDOC-Met Directors, Director Barbre made several observations regarding the general process and a request to agendize further discussion and possibly a Board resolution on the situation. Director Barbre was supportive of constructive conversations and meetings with the Authority, as he has been for several years. He observed that he had not seen a renewed sense of cooperation in the Authority's post-Supreme Court communications with Metropolitan and that if a satisfactory solution could not be reached, that a different approach may be appropriate. He opined that if the Authority is fundamentally dissatisfied with their relationship with Metropolitan then the ultimate solution may be the dissolution of that relationship. Director Barbre requested that an item be added to a future agenda to discuss the possibility of the MWDOC Board of Directors adopting a resolution requesting that Metropolitan convene a negotiating committee to begin discussions with the Authority. In the event that the discussions are not successful in reaching mutually acceptable solutions then the discussions should be redirected to focus on the Authority leaving Metropolitan after a ten-year period.



DISCUSSION ITEM

November 1, 2017

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Karl Seckel
Harvey De La Torre
Melissa Baum-Haley

**SUBJECT: METROPOLITAN WATER DISTRICT (MET) ITEMS CRITICAL TO
ORANGE COUNTY**

STAFF RECOMMENDATION

Staff recommends the Board of Directors to review and discuss this information.

DETAILED REPORT

This report provides a brief update on the current status of the following key MET issues that may affect Orange County:

- a) MET's Water Supply Conditions
- b) MET's Finance and Rate Issues
- c) Colorado River Issues
- d) Bay Delta/State Water Project Issues
- e) MET's Ocean Desalination Policy and Potential Participation in the Doheny and Huntington Beach Ocean (Poseidon) Desalination Projects
- f) Orange County Reliability Projects
- g) East Orange County Feeder No. 2
- h) South Orange County Projects

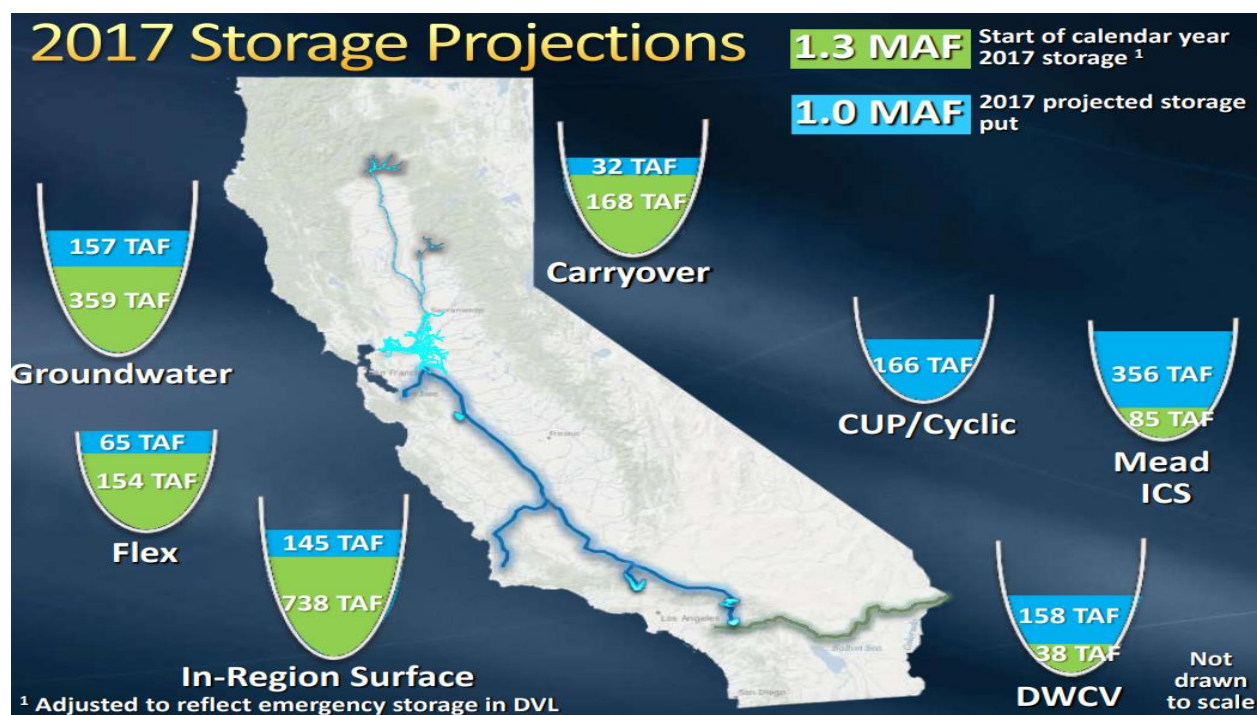
Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount:		Line item:	
Fiscal Impact (explain if unbudgeted):			

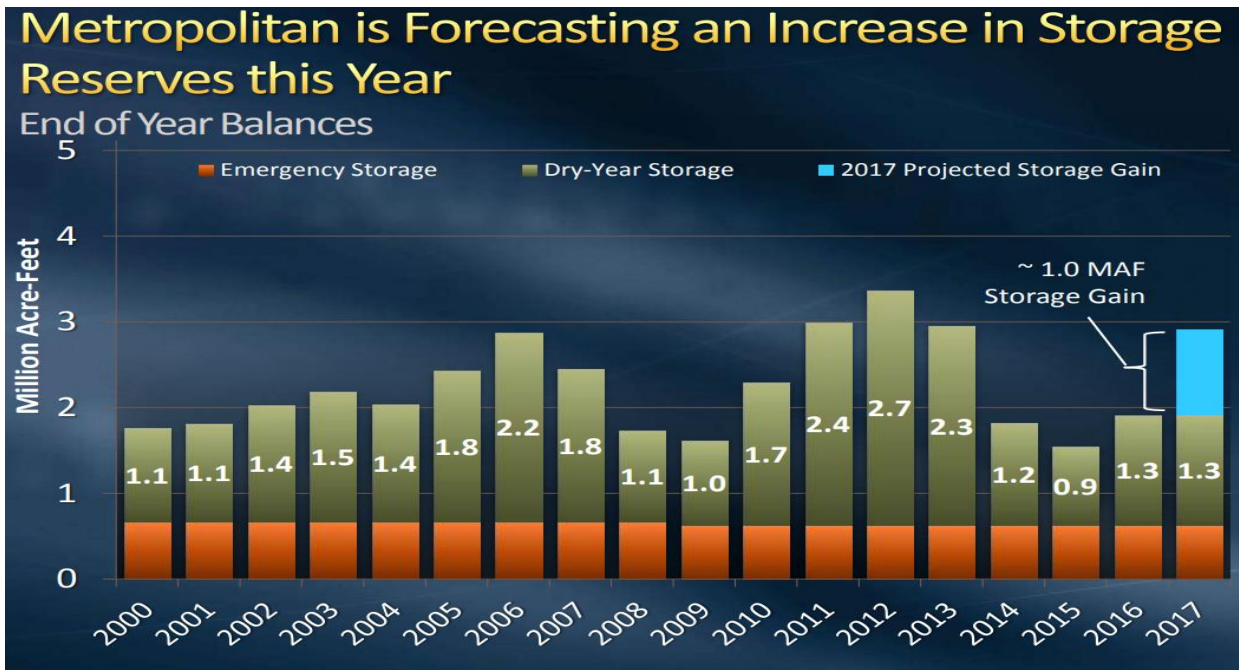
ISSUE BRIEF # A**SUBJECT: MET's Water Supply Conditions****RECENT ACTIVITY****2017 Water Supply Balance**

With the Department of Water Resources (DWR) setting the State Water Project (SWP) "Table A" allocation at 85%, Metropolitan will have approximately 1.624 million acre-feet (MAF) in SWP deliveries this water year. In addition, Metropolitan has received approximately 124 TAF of Article 21 supplies through September. On the Colorado River system, MET estimates a total delivery of 960 TAF.

Metropolitan is projecting that supplies will exceed demand levels in CY 2017. With a current demand trend of 1.47 MAF, Metropolitan is expected to increase their dry-year supplies by 1.04 MAF, which is the highest they have ever stored. Based on this estimated recovery and a beginning dry-year storage balance of 1.3 MAF, this will bring Metropolitan's total dry-year storage to 2.3 MAF.

Limitations with recharging groundwater basins due to the "suspect" of quagga mussels and to secure all of the available imported water supplies for 2017, the Metropolitan Board approved last month a one-year In-Lieu storage program. The purpose of this program is to store additional imported water locally that would have been otherwise lost if no action was taken. For September 2017, MWDOC (Along with the three cities of Anaheim, Fullerton and Santa Ana) have requested that Metropolitan certify 13,749 AF of imported treated deliveries as In-Lieu. In-Lieu deliveries for October 2017 are estimated to be around 10,000 AF to 13,000 AF.





ISSUE BRIEF # B**SUBJECT: MET's Finance and Rate Issues****RECENT ACTIVITY**

MET Financial Report

The financial portfolio performance report through the September 30, 2017 resulted in a short-term portfolio with a market value of \$779.8 million, an increase of \$59.9 million since August 31, 2017. From inception, the short-term portfolio has outperformed the benchmark by 0.57%.



For the month of September, the total return of the long-term portfolio resulted in a mild underperformance of the benchmark by -\$1.2 million which is 0.00%. However, from inception, the long term portfolio has outperformed the benchmark by 0.30%.

Water sales through September were 135.9 TAF lower than budget and 62.4 TAF lower than the 5-year average. Low sales in September remain due to decreased untreated water sales, this is in part due to LA purchasing very little imported water as a result of this year's snow pack in the Eastern Sierras as well as lower than expected replenishment purchases due to the "suspect" of quagga mussels in the SWP system.

ISSUE BRIEF # C**SUBJECT: Colorado River Issues****RECENT ACTIVITY**

Modified Intentionally Created Surplus Plan for 2017 Supported by Seven Basin States Representatives

The Governors' representatives of the seven Colorado Basin States sent a letter with concurrence recommendation to the Secretary of the U.S. Department of the Interior to modify Metropolitan's Intentionally Created Surplus (ICS) plan, as requested by Metropolitan in July 2017. The Bureau of Reclamation (Reclamation) is expected to approve the modified plan soon.

Metropolitan originally submitted its 2017 ICS plan to create 200,000 acre-feet of Extraordinary Conservation ICS for storage in Lake Mead in June of 2016. Metropolitan's ICS plan was approved by Reclamation on November 30, 2016. In the intervening time, hydrologic conditions in California have gone from the driest period of historical record to the wettest single year. The extraordinary and unprecedented wet conditions of this water year have provided Metropolitan with the unanticipated opportunity to utilize ongoing conservation efforts to create and store additional ICS this year to the benefit of Lake Mead and the Colorado River Basin during an ongoing period of historic drought in the Basin. Metropolitan expects to be able to store 375,000 acre-feet of ICS in Lake Mead in 2017.

Minute 323 Update

On September 27, 2017, the Commissioners for the United States and Mexico on the International Boundary and Water Commission (IBWC) made the formal exchange of letters for Minute No. 323, thereby making the minute effective. Following Metropolitan's Board authorization, the domestic implementation agreements were signed by September 21, 2017, by all of the parties to those agreements, including Metropolitan.

Minute No. 323 extends the provisions of Minute No. 319 regarding distribution of flows under high and low reservoir elevations, expands Mexico's ability to defer deliveries of its Treaty allotment and store water in the U.S., and continues funding of conservation projects in Mexico by U.S. entities in exchange for a share of the conserved water. In addition, Mexico agreed to implement additional water delivery reductions under a plan referred to as the Binational Water Scarcity Contingency Plan, if and when the United States approves a similar Lower Basin Drought Contingency Plan. Mexico would be entitled to recover these deferred deliveries under specified conditions. In consideration for the opportunity to acquire a portion of Mexico's conserved water Metropolitan, Imperial Irrigation District (IID), Central Arizona Water Conservation District, and Southern Nevada Water Authority agreed to reduce the amount of surplus water diverted in equal amounts to offset the amount of water made available to Mexico. Minute No. 323 also includes provisions regarding salinity, measures related to the variability of daily flows arriving in Mexico, the environment, and the possibility of an All-American Canal binational connection. Minute No. 323 addresses issues related to Mexico's Colorado River deliveries and storage from 2017 through 2026.

State Water Resources Control Board Workshop on Proposed Stipulated Order regarding Salton Sea Restoration

The State Water Resources Control Board (SWRCB) held an informational public workshop on September 7 in Sacramento to receive information and solicit public input regarding the Salton Sea Management Program and the Draft Stipulated Order. The workshop was for informational purposes and no formal action was taken.

The Draft Stipulated Order, which was developed with input from IID and San Diego County Water Authority (SDCWA) would modify Order WRO 2002-0013, issued by the SWRCB in 2002. The 2002 Order approved the long term transfer of water from IID to SDCWA and Coachella Valley Water District.

On March 15, 2017, IID submitted a Motion for Evidentiary Hearing to the SWCRB regarding potential modification of WRO 2002-0013. As a result of the motion, a Draft Stipulated Order has been developed for consideration by the SWCRB.

The Order recites the history relevant to the SWCRB's action, then notes that delivery of mitigation water to the sea will end on December 31, 2017, but that mitigation measures identified in IID's EIR on the Water Conservation and Transfer Project, including a four-step air quality plan, will go forward.

Metropolitan's 2018 Bureau of Reclamation Water Order Submitted

Metropolitan submitted its water order to Reclamation for 2018 on September 15, 2017. In this order, Metropolitan estimated that its total available supply of Colorado River water in 2018 would total 995,000 acre-feet of the 1.25 million acre-feet that Metropolitan is capable of diverting and putting to beneficial use. This diversion estimate incorporates Metropolitan's plan to create up to 390,000 acre-feet of Extraordinary Conservation ICS. As the year progresses, Metropolitan will determine how much of this water to store in Lake Mead or, in the event of a dry year, recover from the ICS account.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

California WaterFix

On October 10, Metropolitan's Board of Directors voted to support a state-federal project to modernize the state water system and help improve supply reliability for the Southland. Metropolitan's board approved the district's 26 percent share of financing the California WaterFix project as well as moving forward on a governance structure to build and finance the \$17 billion project. Metropolitan's share is about \$4.3 billion.

Metropolitan has been joined by State Water Project contractors from throughout the state in supporting the project.

California WaterFix State Water Project Contractor Member Agency Board Consideration/Action				
Agency	Date	Voted to Support CWF ¹	Design and Construction	
			JPA	Finance JPA
Zone 7 Water Agency	Sep 20	✓	✓	✓
Mojave Water Agency	Sep 28	✓	TBD	TBD
San Geronio Pass Water Agency	Oct 2	✓	TBD	TBD
Desert Water Agency	Oct 3	✓	TBD	TBD
San Bernardino Valley MWD	Oct 3	✓	TBD	TBD
Crestline-Lake Arrowhead WA	Oct 5	✓	TBD	TBD
Coachella Valley Water District	Oct 10	✓	TBD	TBD
Metropolitan Water District	Oct 10	✓	✓	✓
Castaic Lake Water Agency	Oct 11	✓	TBD	TBD
Alameda County Water District	Oct 12	✓	TBD	TBD
Kern County Water Agency	Oct 12	✓	TBD	TBD
Santa Clara Valley Water District	Oct 17	✓	TBD	TBD

1. Many other State Water Project Contractors are not taking explicit action to their boards, but would anticipate cost responsibility under their existing SWP contract with the state, along with existing opportunities under the contract to manage their supply and costs through water transfers, banking, and exchanges.

Special Committee on Bay-Delta Item 3b: Slide 2 October 24, 2017

Now that the majority of contractors have expressed support for California WaterFix, many are asking what comes next for the project. Supporters answer that they continue to explore how SWP contractors and Central Valley Project stakeholders can continue to work together on the project. Much progress has been made and the dialogue continues to move forward.

State Water Resources Control Board

The California WaterFix Petition proceedings before the State Water Resources Control Board (SWRCB) are ongoing. Part 1 of the hearings addresses the effects of the proposed

project on legal users of water. Metropolitan staff is participating in the rebuttal phase of Part 1 in collaboration with the State Water Contractors. Closing briefs for Part 1 are due to the SWRCB on November 8, 2017. On August 31, the SWRCB issued a ruling regarding the schedule for Part 2 of the hearings. Part 2 of the hearings will address the effects of the proposed project on fish and wildlife, including consideration of appropriate Delta flow criteria. Opening briefs for Part 2 are due November 30, 2017, and Part 2 of the California WaterFix hearing will commence January 18, 2018.

Science Activities

Metropolitan staff continued its participation in the Collaborative Science and Adaptive Management Program, including in the Delta Smelt Scoping Team Outflow workgroup and the Flow Alteration Project Work Team to develop detailed work plans for the Directed Outflow Project. The purpose of the Directed Outflow Project is to evaluate the theorized benefit of fall outflow alteration for Delta smelt, and monitor fish, zooplankton, chlorophyll, nutrients, toxicity, and physical parameters in the Delta during fall 2017. The effort included frequent meetings for development, review, funding, and permitting. The Directed Outflow Project includes Principle Investigators from ICF, UC Davis, U.S. Fish and Wildlife Service (USFWS), and San Francisco State University. Sample collection for the project started in mid-September.

A study proposal developed by Metropolitan staff to better understand predation on juvenile salmon at contact points, structures that are associated with predation, has been recommended for funding in the Central Valley Project Improvement Act (CVPIA) 2018 Draft Work Plan. Metropolitan staff developed the proposal with National Oceanic and Atmospheric Administration Fisheries, USFWS, East Bay Municipal Utility District, and consulting experts. The CVPIA 2018 Work Plan will be finalized in October 2017.

Metropolitan staff attended a symposium on invasive species in California organized by the Delta Science Program. There are a number of invasive species present in the Delta (Arundo, water primrose, fish, insects, invertebrates, jellies), and a number of species that are expected to invade the Delta at some point (zebra and quagga mussels, water snake, nutria, beetle). New tools are being developed to map distributions of invasive species, and this can be used to alert communities that a species has been introduced so that they can put in place a response or eradication program. Significant knowledge gaps exist for invasive species in the Delta and this has been identified as an important area for science investigations.

Metropolitan staff is participating in a series of workshops on the Winter-Run Life Cycle Model that has been used in the recent National Marine Fisheries Service (NMFS) Biological Opinion. The workshops provide stakeholders an opportunity to understand the model, identify knowledge gaps, and propose improvements. Metropolitan staff is coordinating future workshops with representatives from Bureau of Reclamation (USBR), NMFS, and the water agencies, to identify management questions that could be addressed with the model.

Metropolitan staff attended and provided public comment at the Yolo Bypass Salmon Habitat Restoration and Fish Passage Analytical Tool Independent Scientific Review. The purpose of this review was to independently and externally evaluate the analytical tools for assessing the project alternatives being considered in the Draft Yolo Bypass Fish Passage and Habitat Restoration Program Environmental Impact Statement/Environmental Impact

Report. The goal is a scientific assessment of the tools and whether they use the best available science, if the associated assumptions are being used appropriately, and to ensure results are appropriately interpreted for evaluating alternatives. The panel provided preliminary findings at the end of the two-day review, and they will provide their final findings and recommendations in October 2017.

Delta Flood Emergency Management Plan

The Department of Water Resources (DWR) has developed a Flood Emergency Response Information Exchange system to improve flood emergency preparedness, response, and recovery in the Delta and elsewhere in the state. It is an accessible online system capable of depicting decision support information in real-time to all responsible agencies to assist with making flood operational decisions. It can facilitate and create potential outcome scenarios, based upon forecasts, actual hydrology, and geographic data for a specific location of interest. The U.S. Army Corps of Engineers utilizes an internal data exchange system with similar functionality and framework to DWR's.

A contract for the northern portion of the Stockton Weber site is expected to be completed in December 2017 to provide two additional loading and off-loading facilities, space for additional rock storage, and rehabilitation of a major warehouse for flood emergency response materials. Remaining project funds are being identified for large sheet pile to be used, if needed, to close at least two major levee breaches in the event of an emergency. Purchase will be done under available DWR contracts. During an emergency, sheet pile will be spliced together as needed for lengths required in field installation.

ISSUE BRIEF # E

SUBJECT: MET's Ocean Desalination Policy and Potential Participation in the Doheny and Huntington Beach Ocean (Poseidon) Desalination Projects

RECENT ACTIVITY

Doheny Desal

The details of this have been moved to briefing Issue H as it pertains only to South Orange County.

Poseidon Huntington Beach

The State Lands Commission approved the lease amendment for the proposed Huntington Beach Desalination Project on October 19, 2017. The Santa Ana Regional Water Quality Control Board will next consider approval of an Ocean Discharge Permit Amendment for the project in the first half of 2018, and then the California Coastal Commission will consider approval of a Coastal Development Permit. OCWD is still working on the system integration concepts.

ISSUE BRIEF # F**SUBJECT: Orange County Reliability Projects****RECENT ACTIVITY**

Central Pool Augmentation Project

The intention of the Central Pool Augmentation (CPA) Project is a major water conveyance and treatment system that augments deliveries of potable water to Metropolitan's Central Pool. Water from Lake Mathews would be treated at a new regional treatment plant located at Eagle Valley, and delivered to the Central Pool area through a pipeline and tunnel system extending under the Santa Ana Mountains into Orange County. Metropolitan's Central Pool area is an operational area located in the center of its service territory, comprising all areas served by the Jensen, Weymouth, and Diemer treatment plants.

(Nothing New to Report) Status of the CPA Project

Metropolitan has deferred the CPA Project and placed this project beyond the 25 year time horizon for CIP projects. However, Metropolitan continues to preserve the project's viability by; monitoring activity along the project's proposed alignment including the tunnel portals, maintaining coordination with member agencies to see if water demands increase, and maintaining key right-of-way areas (MET owns the Eagle Valley water treatment plant site).

Orange County Water Reliability Study

A conference call was held on October 25th with CDM-Smith and MWDOC staff to complete follow-up work to the 2016 study. The work includes modeling of more recently available information, updating Colorado River assumptions, assessment of additional scenarios for the Huntington Beach Desalination Plant, and assessment of the value of new storage. The update is expected to be completed in the next few months.

ISSUE BRIEF # G

SUBJECT: East Orange County Feeder No. 2

RECENT ACTIVITY

Use of East Orange County Feeder No. 2 for Conveyance of Groundwater and/or Poseidon Water

(Nothing New to Report) MWDOC has been discussing concepts for pumping groundwater into the EOCF No. 2 for conveyance to South Orange County during an emergency event. Upcoming discussions will be held with OCWD and then the Groundwater Producers.

ISSUE BRIEF # H

SUBJECT: South Orange County Projects

RECENT ACTIVITY

UPDATED - Doheny Desal Project

South Coast WD held a Special Board meeting October 23, 2017 on the findings and recommendations of a Water Reliability Working Group. The group was comprised of six local residents from various backgrounds who provided feedback on proposed District investments in water supply reliability with an emphasis on local sources. The group members found that the Doheny Ocean Desalination Project would provide water reliability and found value in that reliability being under the control of the District. They also found that customers would be willing to pay a 'reasonable amount' toward securing water reliability although there was a difference of opinion in what 'reasonable' meant. The group recommended that the District seek broader participation and shared financial responsibility from neighboring water districts for the desalination project. The group also recommended that the Project be designed and built from the beginning to accommodate future expansion.

South Coast WD is continuing to move the project forward, as follows:

STATUS INFORMATION BY TASK ORDER

Task Order # 7 – Project Delivery Analysis

Project Delivery Workshop 5 is scheduled for November 15th 3-5pm.

Task Order # 8B– Environmental Impact Report

Work on the Administrative Draft EIR has continued, with additional technical studies on the Southeast Intake area wrapping up. These include:

- Air Quality/GHG
- Brine Modeling
- Updating Regional Conveyance conceptual options

Stakeholder Briefings have also been conducted with OC Public Works, City of Dana Point, and the Regional Water Board.

Future milestones are:

- Mid November, 2017: 2nd NOP Scoping Meeting to discuss revised possible slant well locations and regional project.
- Late November 2017: Submit Administrative Draft to District for Review
- Late January/February: Draft EIR Released for Public Comments
- Targeting June 2018 for end of NOD 30-day period
- Task Order # 12 – Desal Plant Site Hydrology Study
- Final Report by October 31, 2017

Task Order # 13 – Value for Money Analysis

- The VfM Board Workshop was held on March 22, 2017, and follow up meetings took place with Directors to review the Risk Register in more detail and understand additional concerns.
- Next Major Deliverable Milestones are:
 - 1) Customer Impact numbers to be reviewed with the Board in October
 - 2) Final VfM Report by October 31st
- Task Order # 14 – Updated Slant Well Modeling
 - Task 1 – Additional Data Analysis has been completed. Data analysis resulted in modifications to preliminary paleochannel configuration that warrants slightly different approach for exploratory boreholes.
 - Revised approach is to use one borehole and an onshore geophone array to refine nearshore geologic conditions.
 - Next Major Deliverable Milestones are:
 - 1) Task 2 - Exploratory borehole work to be conducted upon receipt of Part 2 Permit from OC Parks. Permit was issued October 11th, currently scheduling drill rig
 - 2) Task 3 – Refinement and recalibration of model has based on geophone work has been completed.
 - 3) Task 4 – Draft modeling is complete, and Southeast Intake area modeling results may need to be updated based on results of borehole.
 - 4) Draft Memo – Issued on October 4, 2017
 - 5) Final Report – Estimated at October 31, 2017
- Task Order # 15 – Alternative Power Supply Analysis

Final Alternative Power Supply Report issued to the District on October 13, 2017

San Juan Watershed Project

Santa Margarita WD continues working on the San Juan Watershed Project. Phase 1 is being designed to capture wet and dry weather runoff through the installation of rubber dams along the lower portion of the creek, with subsequent phases looking to introduce recycled water into San Juan Creek.

San Juan Creek is listed as a major steelhead trout watershed in the southern portion of the Southern California Steelhead Recovery Plan Area (southern California steelhead are listed as endangered under the Endangered Species Act). Santa Margarita WD staff met with National Oceanic and Atmospheric Administration (NOAA) Fisheries and California Department of Fish and Wildlife (CDFW) about fish passage design requirements for the project. The regulatory agencies stated that the project must have a physical fish passage (fish passage cannot be provided through operationally raising and lowering the rubber dams), therefore the design and Draft Environmental Impact Report (DEIR) must be

modified to include a fish passage. The revised estimate for DEIR public review is December 2017. An overview video is available at: <http://sanjuanwatershed.com/project-overview-video/>

SMWD Trampas Canyon Recycled Water Reservoir

(Nothing New to Report) The Trampas Dam and Reservoir Construction Project was advertised for bids on June 19, 2017. Bids were received on August 15, 2017 with Sukut Construction, Inc. as the apparent low bidder at \$82,289,000. SMWD staff are currently performing a value engineering review of the project to determine options for reducing the cost.

Other Information on South County Projects:

Expansion of the Irvine Interconnection Project to South Orange County

(Nothing New to Report) An agreement completed in 2006 resulted in an investment by South Orange County (SOC) agencies in the Irvine Ranch Water District (IRWD) system to allow exchanges of water to be delivered by IRWD into SOC under emergency situations. Project capacity was committed by IRWD to move up to 30 cfs of emergency supplies whereas the agreement allows moving up to 50 cfs, not to exceed 3,000 AF per emergency event. In accordance with the Agreement with IRWD, the emergency capacity committed to the SOC agencies declines over time and goes to zero by 2030. IRWD is examining their ability to increase the exchange and conveyance of water under this arrangement or extend to extend the end date of the agreement and the capacity thereunder. MWDOC is working on other options with OCWD and MET to move groundwater via the EOCF#2 to SOC during emergency events.

Laguna Beach County Water District Groundwater Project with Newport Beach

(Nothing new to report) MWDOC, MET, Laguna Beach County Water District and Newport Beach have been working to activate Laguna Beach County's access to 2,025 AF of groundwater from within the Orange County Water District Basin. Deliveries began in September 2016. MWDOC staff met individually with Laguna Beach County and Newport Beach in August to discuss possible future facility and operational modifications to the MET system as LBCWD now sources some of its supplies from the basin.

Camp Pendleton Seawater Desalination Project

(Nothing New to Report). San Diego County Water Authority (SDCWA) is studying the feasibility of a desalination project at the southwest corner of Camp Pendleton Marine Corps Base adjacent to the Santa Margarita River. The project is still in the feasibility study stage and SDCWA is conducting geological surveys, analyzing intake options, and studying the effect on ocean life and routes to bring desalinated water to SDCWA's delivery system. Michael Baker International has been retained to conduct the intake study and they are looking to lease the Doheny Mobile Test Facility from MWDOC and the Doheny Desal Participants. The intake study has been postponed until late 2018.

If any agencies would like to have updates included herein on any projects within your service area, please email the updates to Karl Seckel at kseckel@mwdoc.com

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
October 10, 2017**

COMMITTEE ASSIGNMENTS

None. (Agenda Item 5E)

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated \$4.41 million; authorized agreement with Project Partners, LLC in an amount not to exceed \$2,722,000 for deployment of the Project Controls and Reporting System; authorized the General Manager to amend the agreement with Project Partners by up to \$250,000; and authorized agreement with Oracle Corporation in an amount not to exceed \$600,000 for procurement of application licenses. (Appropriation No. 15490). (Agenda Item 8-1)

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to express support, if amended, for S.1272.
(Agenda Item 8-2)

BOARD MEETING

Adopted the CEQA determination that the Board has reviewed and considered BDCP/California WaterFix environmental documentation; adopted the lead agency's findings, SOC, and MMRP; and expressed Metropolitan's support for California WaterFix and authorized participation in the construction of California WaterFix including payment of costs consistent with Metropolitan's 25.9 percent share of overall project costs; authorized the General Manager to execute the following agreements having terms as described in the board letter dated October 10, 2017: (i) Agreement for Implementation of an Adaptive Management Program for Project Operations (AMP Agreement); (ii) Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority (Construction JPA Formation Agreement); (iii) Joint Powers Agreement Forming the Delta Conveyance Financing Joint Powers Authority (Financing JPA Formation Agreement); and adopted Resolution authorizing the General Manager to, as a member of the Financing Joint Powers Authority, authorize the purchase of private placement bonds from the California Department of Water Resources and issue public bonds by the Financing Joint Powers Authority, consistent with Metropolitan's share of 25.9 percent of the California WaterFix project costs, including an agreement to secure payment of Metropolitan's share. (Agenda Item 8-4)

CONSENT CALENDAR

In other action, the Board:

Appropriated \$200,000; and authorized preliminary design of security and erosion control improvements at the Mills plant. (Appropriation No. 15479) (**Agenda Item 7-1**)

Appropriated \$900,000; and authorized design of Stage 3 improvements for West Valley Feeder No. 1. (Appropriation No. 15377) (**Agenda Item 7-2**)

Appropriated \$1.12 million; authorized design and procurement to replace valves on the West Orange County Feeder; and authorized preliminary design to rehabilitate Service Connection OC-09. (Appropriation No. 15480) (**Agenda Item 7-3**)

Appropriated \$1.4 million; and awarded \$787,906 contract to Environmental Construction, Inc. to relocate the turnout for Service Connection OC-76 on the Allen-McColloch Pipeline. (Appropriation No. 15480) (**Agenda Item 7-4**)

Approved amendments to the Administrative Code set forth in Attachment 2 of the Board letter. (**Agenda Item 7-5**)

OTHER MATTERS

In other action, the Board:

Inducted new Director Barry D. Pressman, representing the City of Beverly Hills. (**Agenda Item 5C**)

Approved Commendatory Resolutions for Director Robert Wunderlich, representing the City of Beverly Hills. (**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>

All current month materials, before they are moved to the Board Letter Archive, are available on the public website here: <http://mwdh2o.com/WhoWeAre/archived-board-meetings>



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Item No. 5b

MWD MEETING AGENDA

DRAFT AGENDA

Board Meeting

November 14, 2017

12:00 p.m. – Boardroom

November 14, 2017 Meeting Schedule		
8:30 a.m.	Rm. 2-145	L&C
9:30 a.m.	Rm. 2-456	C&LR
11:00 a.m.	Rm. 2-145	RP&AM
12:00 p.m.	Boardroom	Board Meeting

MWD Headquarters Building

• 700 N. Alameda Street

• Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Edward Villa, Senior Administrative Analyst,
Real Property Group
- (b) Pledge of Allegiance: Director Gloria Gray, West Basin MWD

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 October 10, 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 October
- C. Approve committee assignments
- D. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of activities for the month of October
- B. General Counsel's summary of activities for the month of October
- C. General Auditor's summary of activities for the month of October
- D. Ethics Officer's summary of activities for the month of October

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Adopt CEQA determination and adopt resolution for annexation of the 108th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. (F&I)

Recommendation:

Option #1:

**Adopt the CEQA determination that the xxxx; and
Xxxxxx.**

- 7-2** Adopt CEQA determination and approve Metropolitan Water District of Southern California's salary schedule pursuant to CalPERS regulations. (OP&T)

Recommendation:

Option #1:

**Adopt the CEQA determination that the xxxx; and
Xxxxxx.**

- 7-3** Adopt CEQA determination and affirm the General Manager's determination that 655 acres in Beaumont, California identified as Metropolitan Water District of Southern California's parcel number 145-1-1, (APN 424-160-001, -004, -005, -006, -007, -008, -009, -010, -011, -012, -014, -015)("Potrero Creek property") is surplus to Metropolitan's needs. (RP&AM)

Recommendation:

Option #1:

**Adopt the CEQA determination that the xxxx; and
Xxxxxx.**

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination and appropriate \$4.57 million; and award \$3,248,000 contract to J. F. Shea Construction to repair the forebay lining and outlet tower at Lake Mathews (Appropriation No. 15441). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and
a. xxx; and
b. xxx.

- 8-2** Adopt CEQA determination and appropriate \$7.17 million; award \$4,866,067 procurement contract to Crispin Valve, LLC for rubber-lined butterfly valves; and award \$771,984 procurement contract to DeZURIK, Inc. for high-performance butterfly valves for the F. E. Weymouth Water Treatment Plant (Appropriation No. 15369). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and
a. xxx; and
b. xxx.

- 8-3** Adopt CEQA determination and authorize staff to initiate a request for proposals for a three year, multi-media water conservation advertising campaign and related research, and the expenditure of necessary funding not to exceed \$14.7 million over the three year period. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

- a. xxx; and**
- b. xxx.**

- 8-4** Adopt CEQA determination and report on existing litigation: Shimmick Construction Company, Inc./Obayashi Corporation, a Joint Venture v. The Metropolitan Water District of Southern California, LASC Case No. BC559603; and authorize increase of maximum amount payable under contract with Hunt Ortmann Palffy Darling & Mah, Inc. for legal services by \$700,000 to an amount not to exceed \$1,700,000 (Approp. 15389). (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

- a. xxx; and**
- b. xxx.**

- 8-5** Adopt CEQA determination and report on existing litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa and San Joaquin Counties, including County of San Joaquin v. Metropolitan Water District of Southern California, et al., San Joaquin County Superior Court Case No. STK-CV-UWM-2016-3597; and Central Delta Water Agency, et al. v. Delta Wetlands Properties, et al., Contra Costa County Superior Court Case No. C16-01022; and authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services by \$400,000 to a maximum amount payable of \$800,000. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

- a. xxx; and**
- b. xxx.**

- 8-6** Adopt CEQA determination and report on existing litigation: 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; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266 and California Supreme Court Case No. S243500; and Los Angeles County Superior Court Case No. BS169881; and authorize an increase in maximum amount payable under contract for legal services with Manatt, Phelps & Phillips, LLP in the amount of \$_____ for a total amount not to exceed \$_____. (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

9. BOARD INFORMATION ITEMS

- 9-1** Update on Conservation Program
- 9-2** Compliance with Fund Requirements and Bond Indenture Provisions. (F&I)

10. OTHER MATTERS

- 10-1** Report on 2017 Department Head Salary Survey
- 10-2** Adopt the CEQA determination and discuss and approve compensation recommendations for General Manager, General Counsel, and General Auditor

11. FOLLOW-UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

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

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

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

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