

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
March 4, 2015, 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. 2010)

PRESENTATION/DISCUSSION/INFORMATION ITEMS

1. 2015 WATER SUPPLY REPORT

Recommendation: Review and discuss the information presented.

2. VALUE OF WATER COMMUNICATIONS PLAN

Recommendation: Review and discuss the information presented.

3. INTEGRATED RESOURCES PLAN (IRP) SCHEDULE

Recommendation: Review and discuss the information presented.

4. MET ITEMS CRITICAL TO 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 by MET in the Doheny Desalination Project and in the Huntington Beach Ocean Desalination Project (Poseidon Desalination Project)
- f. Orange County Reliability Projects

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

5. OTHER INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES**6. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

- a. Summary regarding February MET 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

March 4, 2015

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Harvey De La Torre

SUBJECT: 2015 Water Supply Report

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

REPORT

Current Water Supply Conditions

Reports have shown that 2015 will be the fourth consecutive year of a drought for California. This is due to below average precipitation and an extremely low snowpack for the State. As of February 26, the accumulated precipitation at the 8-Station (Northern Sierra) index measured 30.3 inches or 89% of normal to date; and the snowpack for the Sierra measured 17% of normal to date. This has caused DWR to keep the 2015 SWP "Table A" allocation at 15% - far below the average of 60%.

This improved precipitation has improved key state reservoirs, such as Lake Oroville and San Luis which are currently at 70% and 74% of normal to date, respectively. Unfortunately, this multiple year drought has drained local groundwater supplies and regional imported storage that requires several years of above average conditions to refill. In 2014, MWD used over 1.1 million AF of dry-year storage to meet demands.

The National Weather Service projects Northern California will continue to have below average precipitation and above average temperatures over the next three months. This does not appear to improve the snowpack conditions for the Northern Sierra which play a significant part in determining this year's final "Table A" allocation.

As for the Colorado River system, precipitation and snowpack are slightly below average to date. The snowpack is currently at 80% of normal to date, and additional precipitation is expected at the end of February.

Based on these conditions, it appears MET is likely to implement its Water Supply Allocation Plan in April to reduce demands and stretch dry-year storage supplies for the

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

coming year. MET staff plans to provide a recommended Allocation Shortage Level to the Board in April. If the Board approves the implementation of the Allocation Plan, the effective date would be July 1, 2015 to June 30, 2016.



2015 Water Supply Report

**MWDOC Board Workshop on MET
Issues**

March 4, 2015

Municipal Water District of Orange County

Local Weather Conditions



Annual Precipitation (Santa Ana)

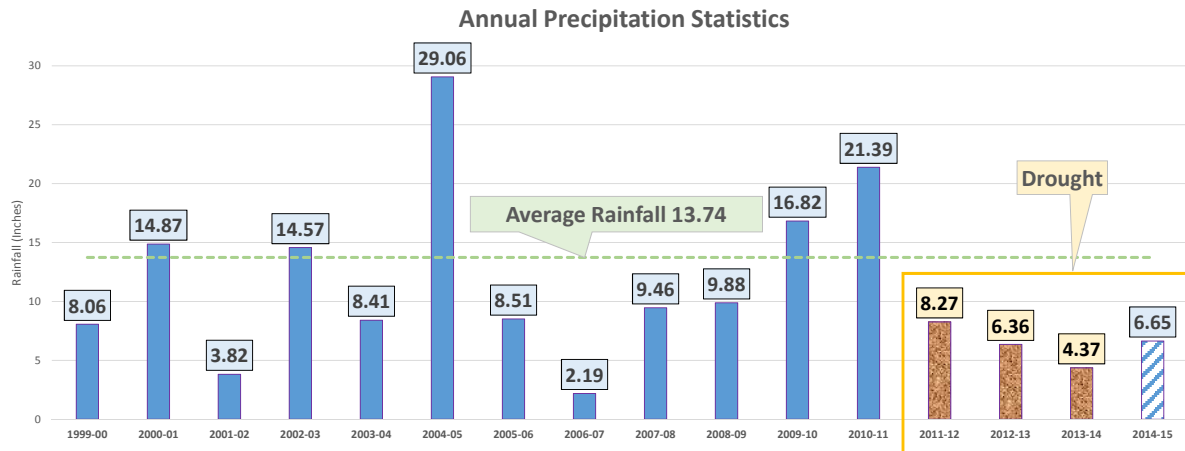
Cumulative Year-to-Date

Average: 9.60"

2014-15: **6.65"**

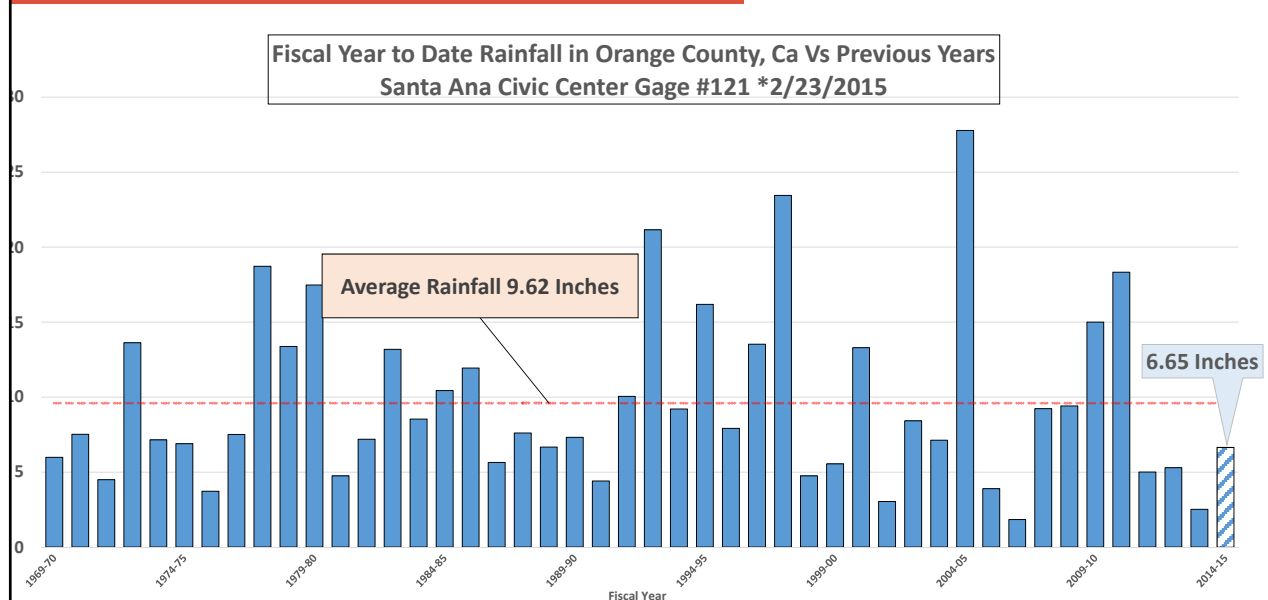
15 yr. Average Annual Rainfall: 13.74"

3.5-Year Deficit: 25.17" (2011-12 to Present)



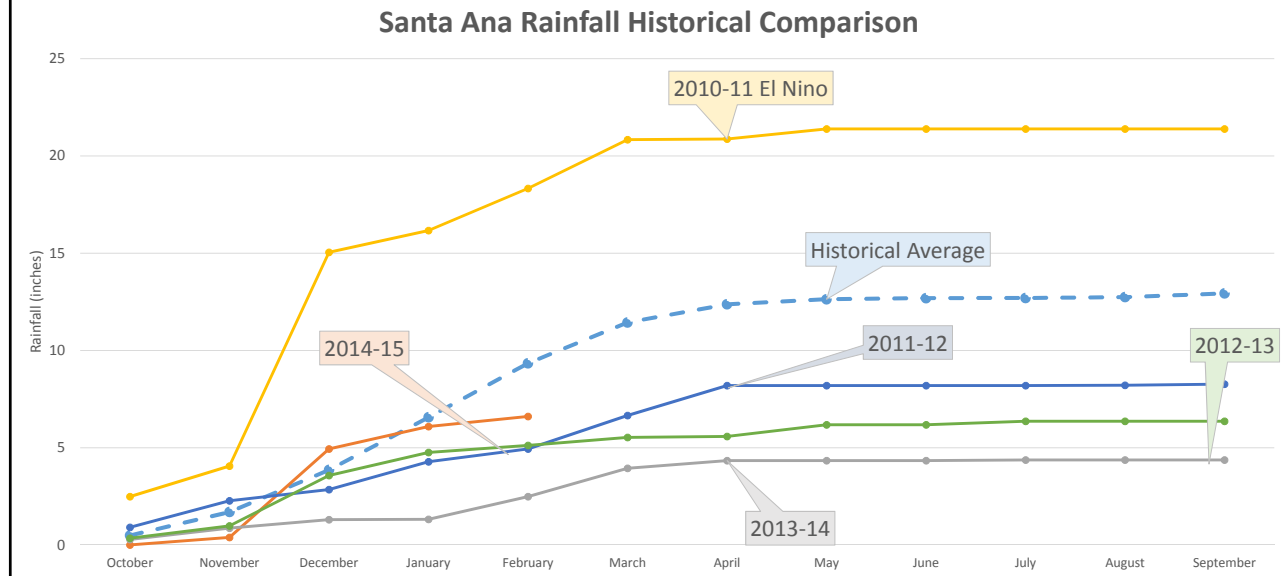
Local Precipitation – FY to Date

*As of 2/24/2015 Precipitation was 3 inches below our average for End of February



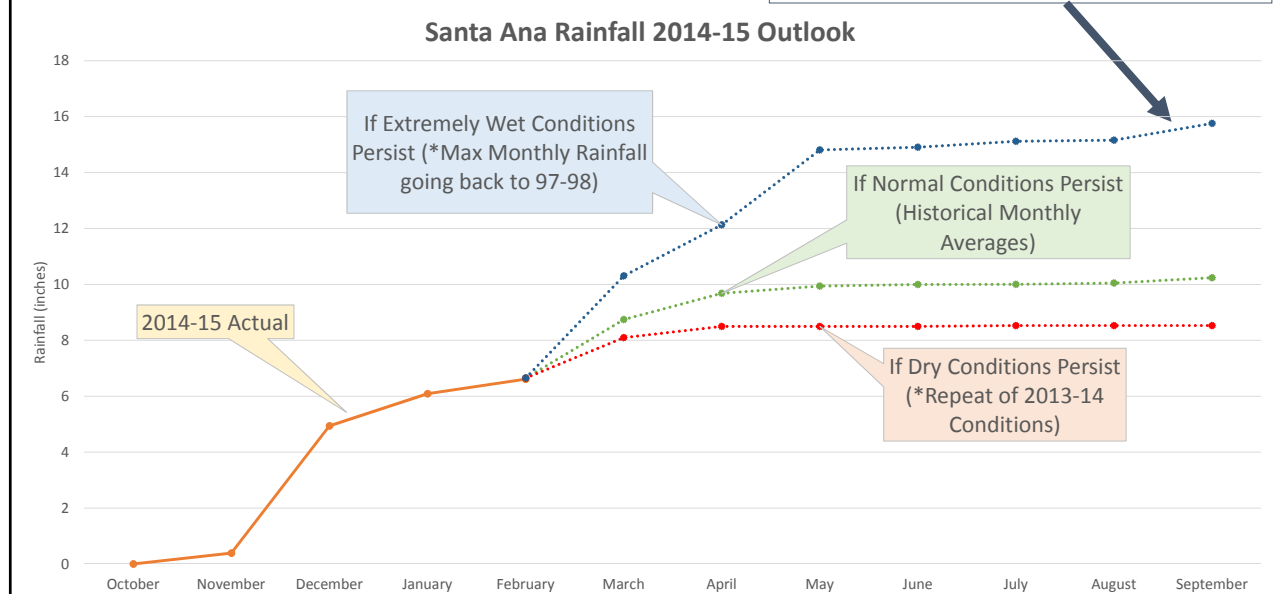
Rainfall Comparison (5 Years)

* Overall December rainfall was above average but January and February have been very dry so far resulting in below average precipitation for the year.



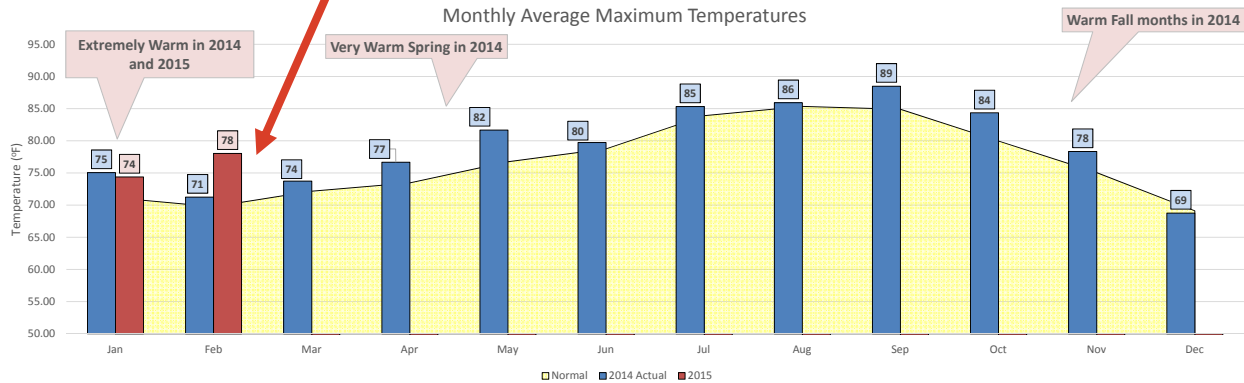
Rainfall Outlook (As Mid February)

*Even if a miraculous wet March/April occur the likely total precipitation would only be ~16 Inches for the year (2.00 Inches above average).



2015 vs. 2014 Temperatures

- Monthly temperatures in 2014 were **hotter** than average with January, May, September and October being the highest.
- ~2015 has started off very warm. February has been 8 Degrees above average so far.*

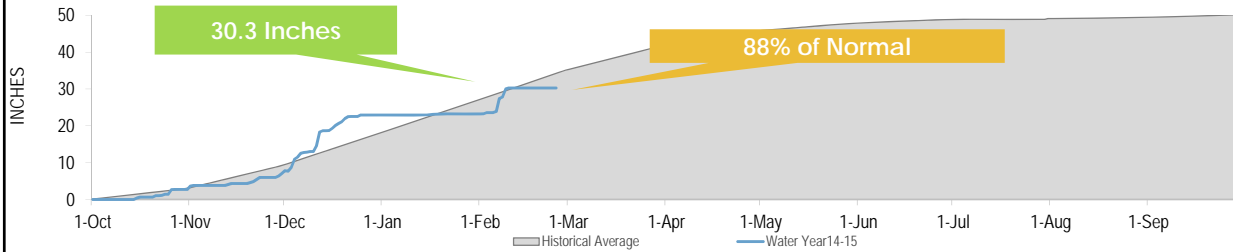


Regional Weather and Water Supply Conditions

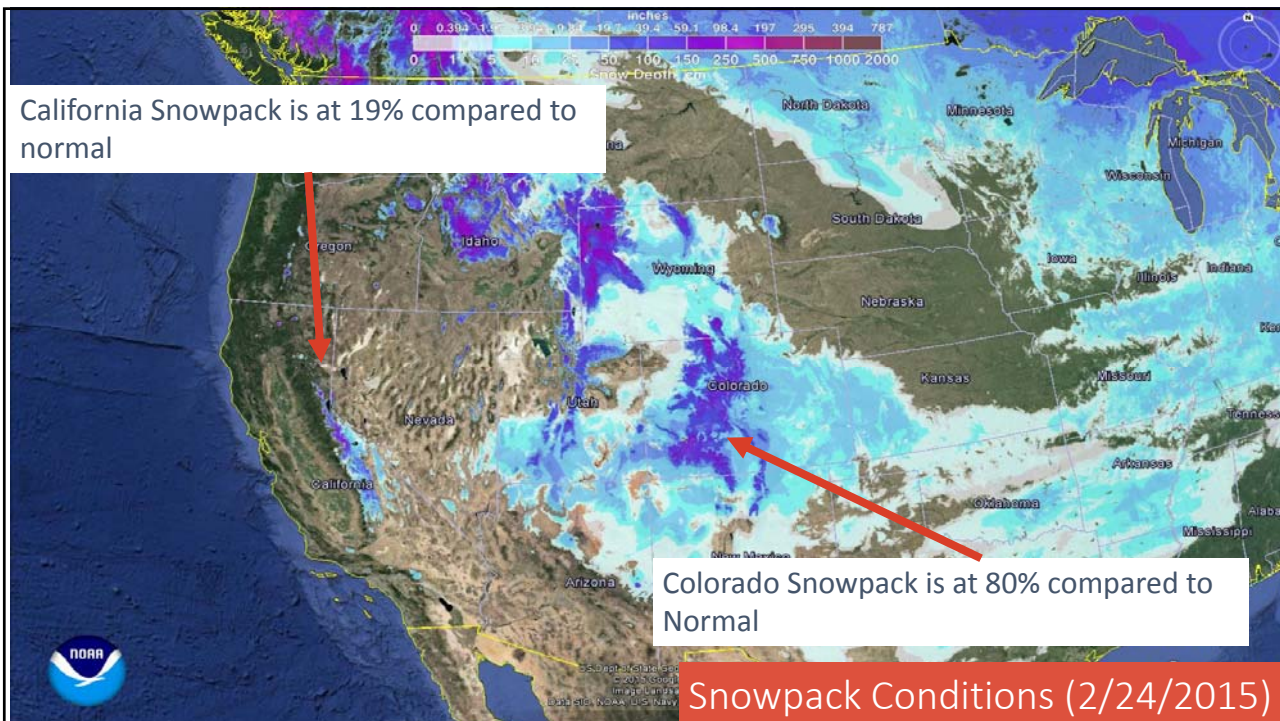
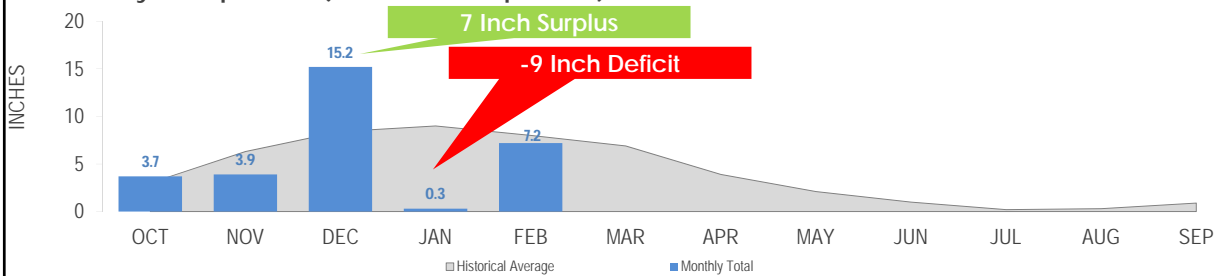


Sierra Nevada Accumulated Precipitation

Accumulated Precipitation (8-Station Precip Index)



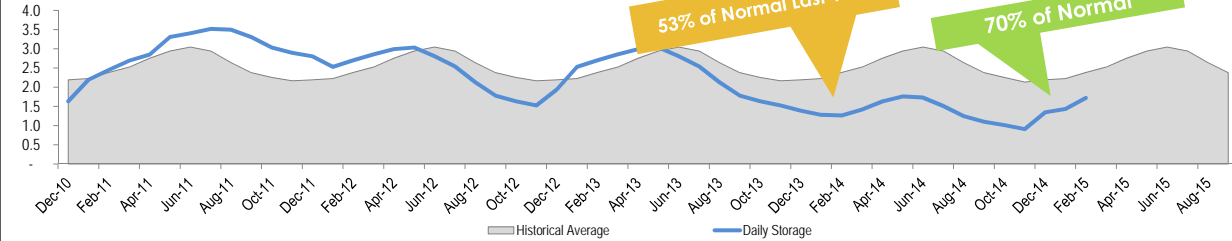
Monthly Precipitation (8 Station Precip Index)



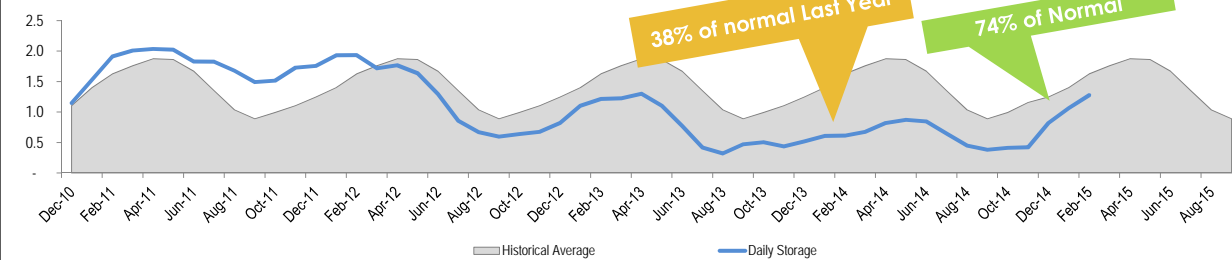
Statewide Reservoir Elevations As of February 25, 2015

~Both Oroville and San Luis Reservoirs have more water this time of year compared to last year at the same time.

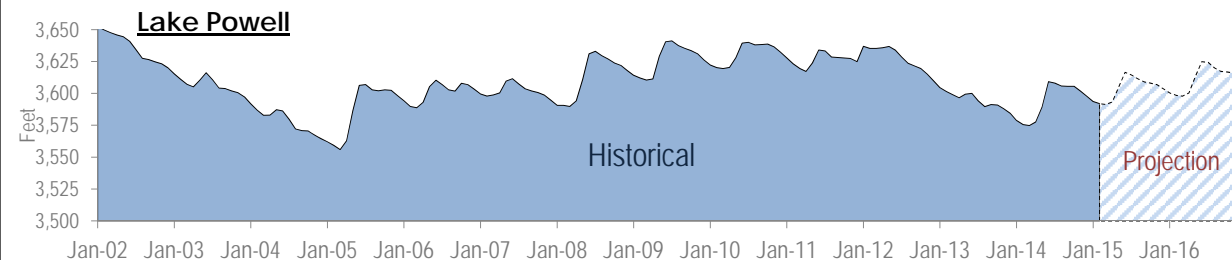
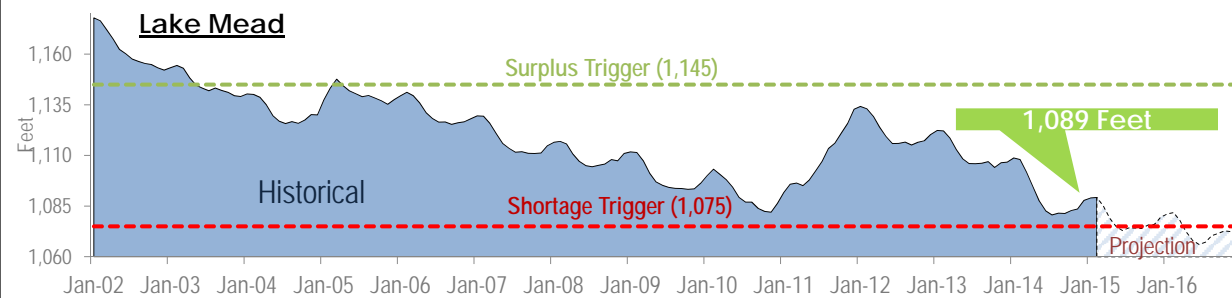
Lake Oroville



San Luis Reservoir



Colorado River Reservoir Elevations As of Late February 2015



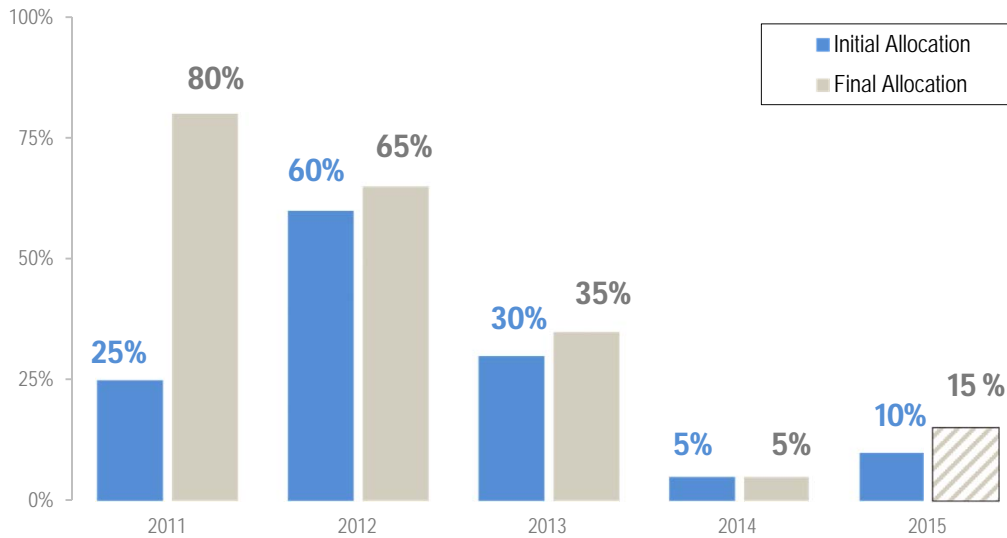
RESERVOIR STORAGE – Late February 2015



Water Supply and Weather Outlook

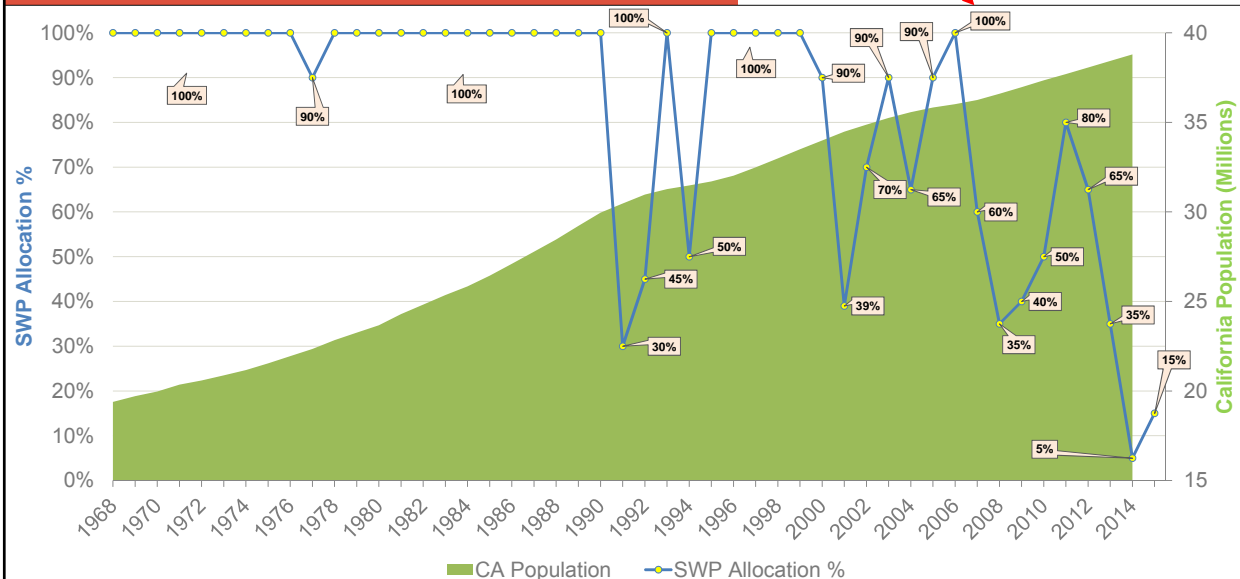


State Water Project "Table A" Allocation



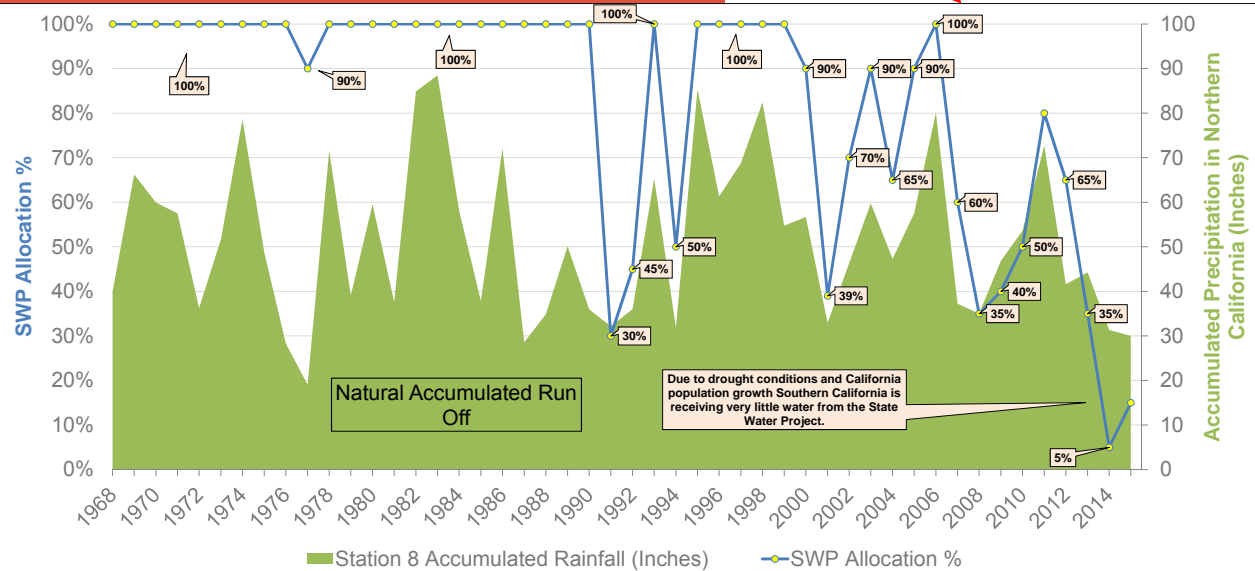
Historical State Water Project "Table A" Allocation

*Since the year 2000 the SWP Allocation % has only been 100 % once.

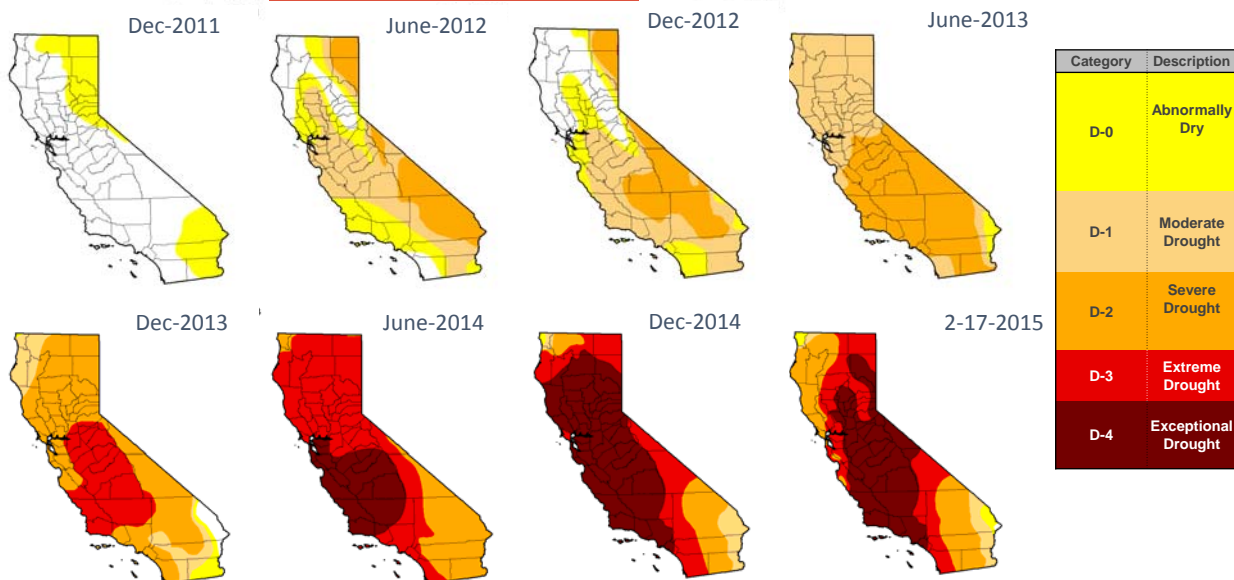


Historical State Water Project "Table A" Allocation

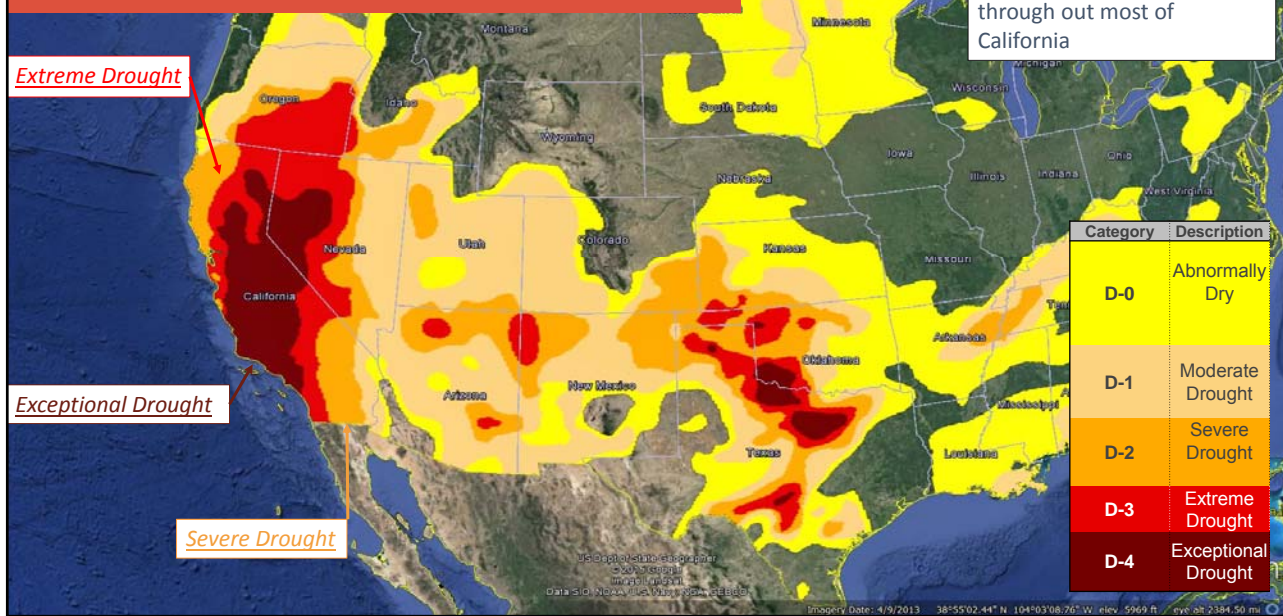
*Since the year 2000 the SWP Allocation % has only been 100 % once.



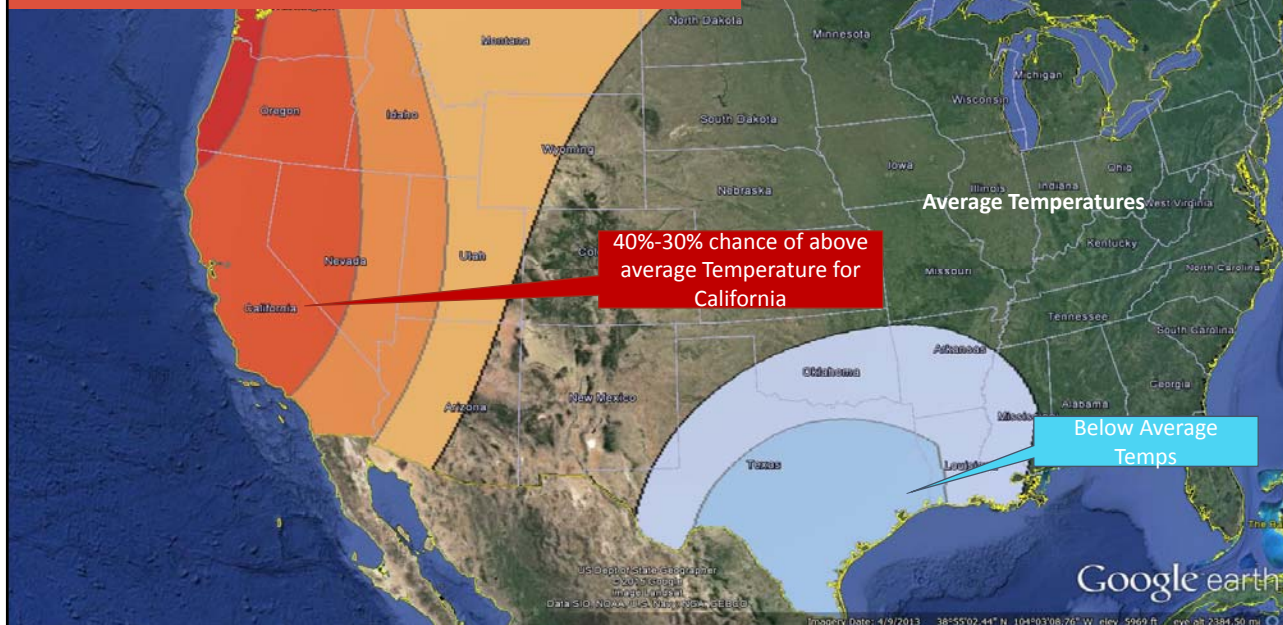
Current Drought Conditions



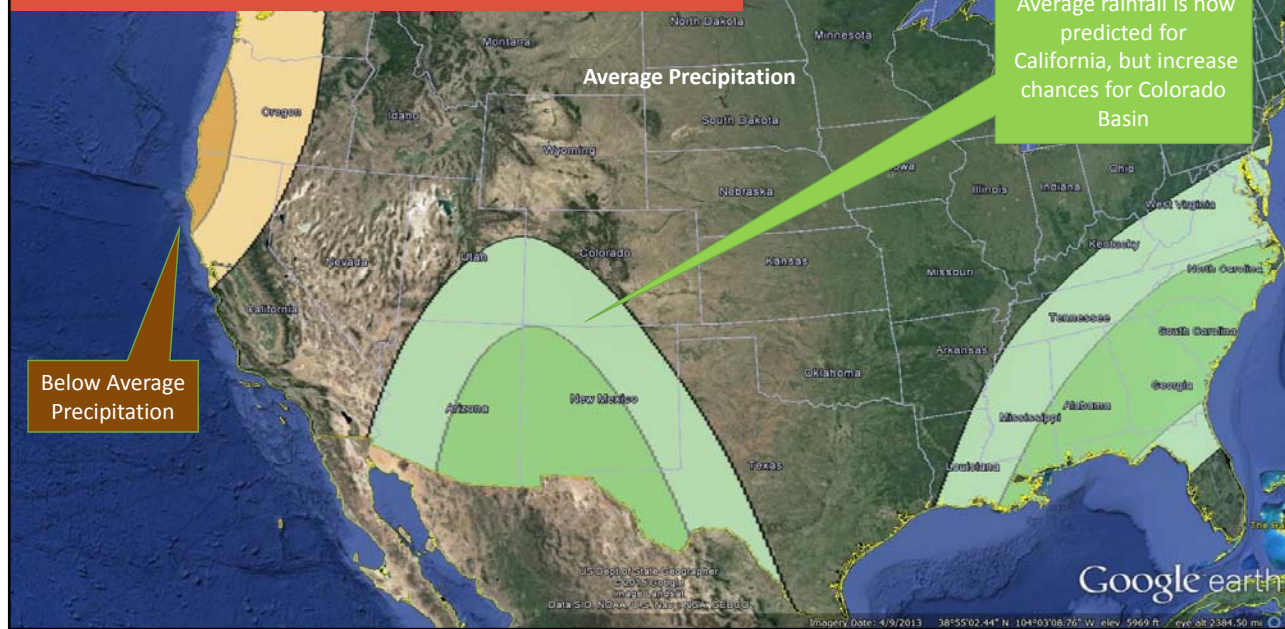
Current Drought Conditions



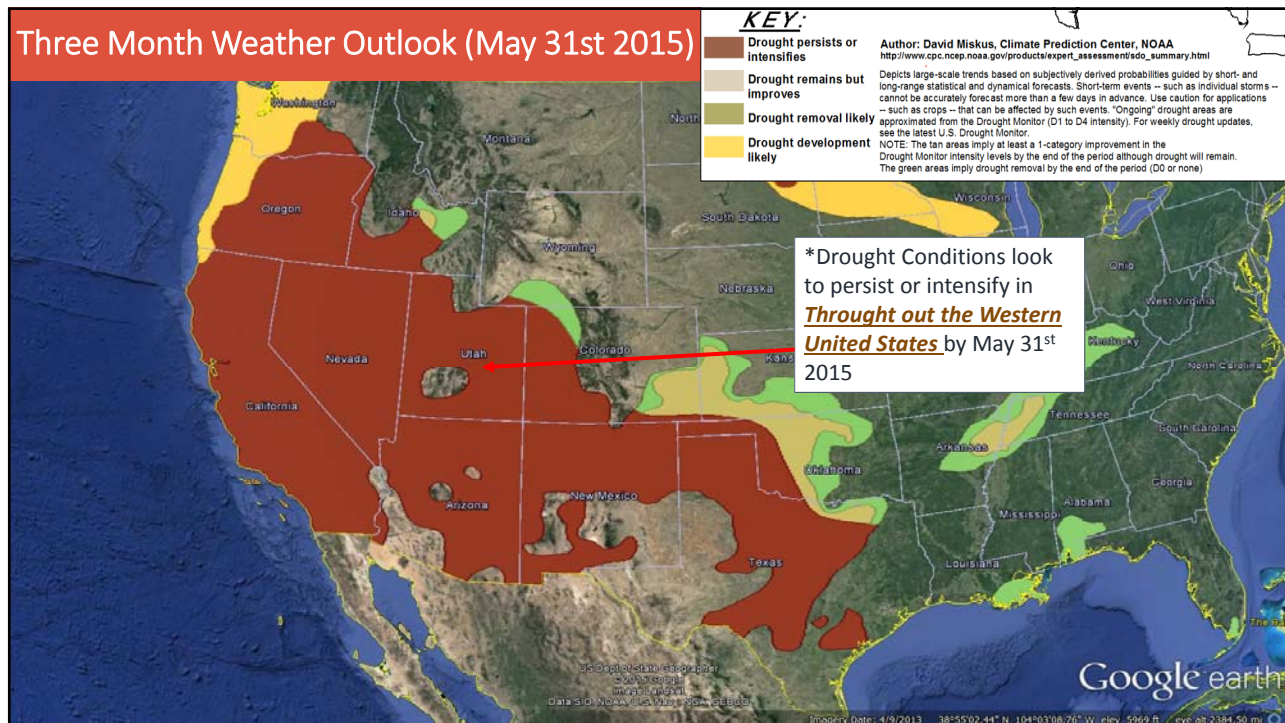
National Weather Service Temperature 3 Month Weather Outlook (Mar-May)

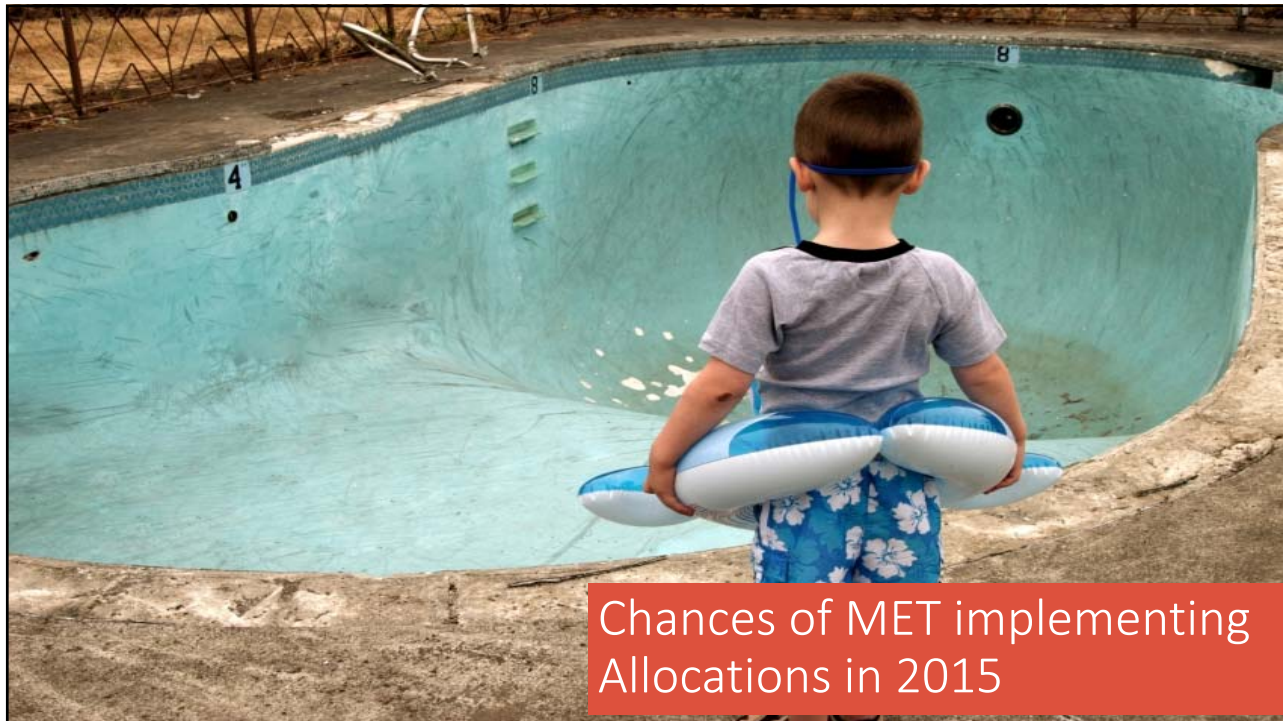


National Weather Service Precipitation 3 Month Weather Outlook (Mar-May)

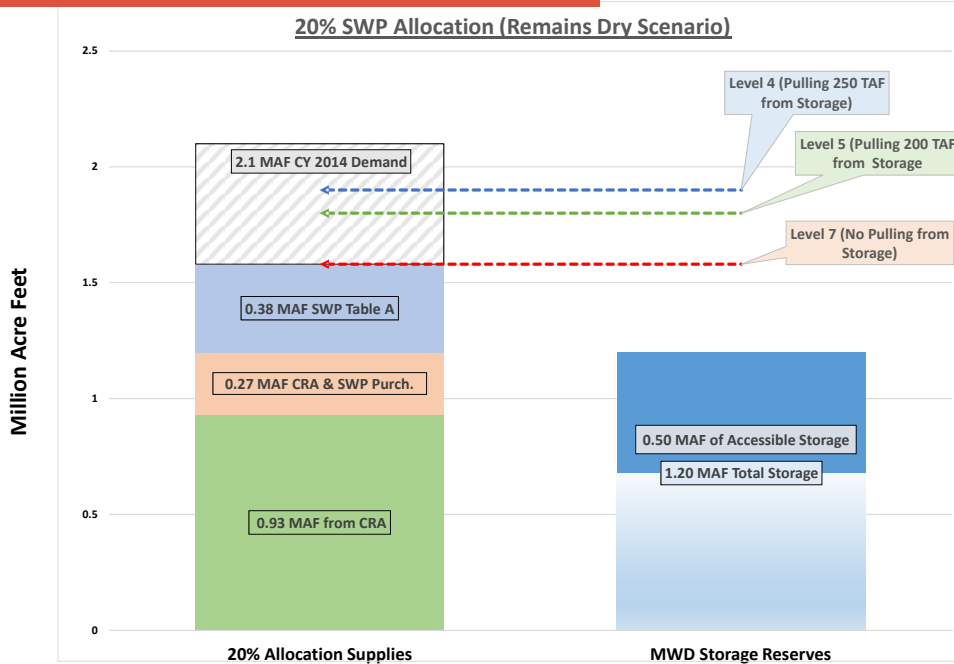


Three Month Weather Outlook (May 31st 2015)

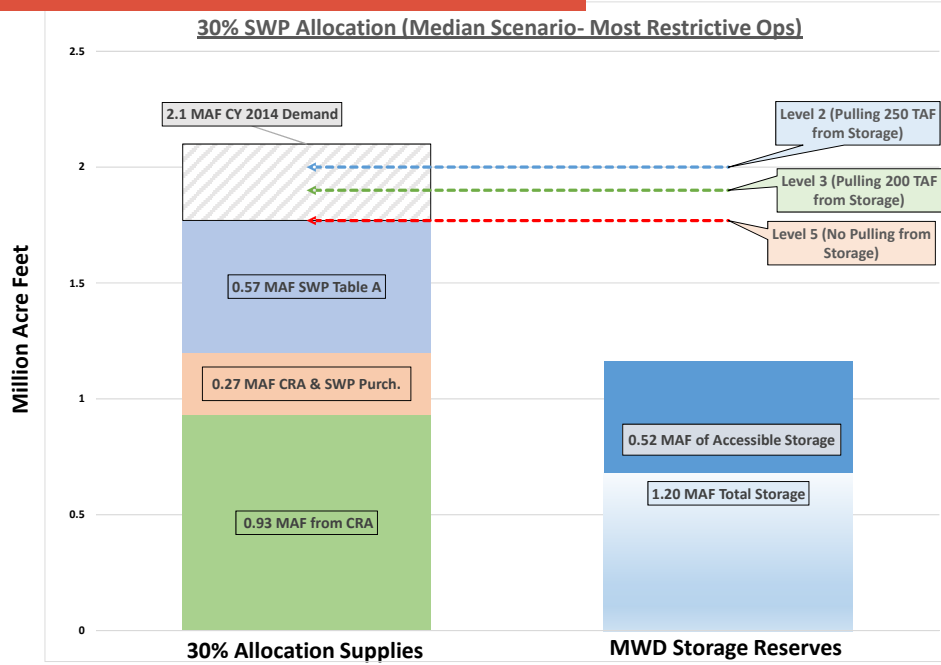




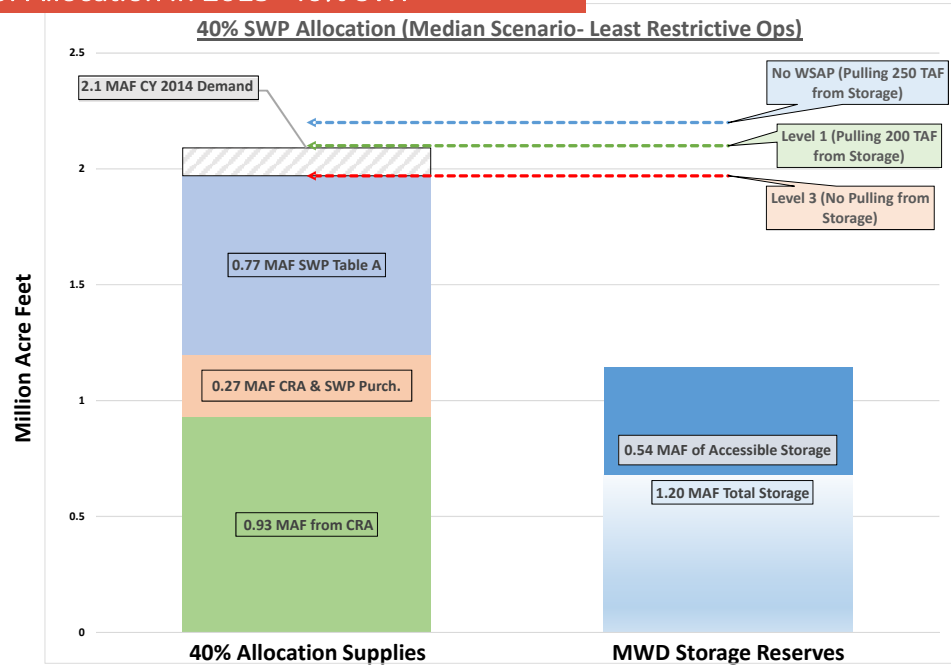
Chances of Allocation in 2015 – 20% SWP



Chances of Allocation in 2015- 30% SWP



Chances of Allocation in 2015- 40% SWP





Questions



DISCUSSION ITEM

March 4, 2015

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Darcy M. Burke

SUBJECT: VALUE OF WATER COMMUNICATIONS PLAN UPDATE

STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss the information provided and then receive and file the report

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

MWDOC staff has been working with the participating agencies and Fraser Communication in the development and distribution of creative materials for the Value of Water Communications Plan. Each of the participating agencies were surveyed in regards to their priorities for material development and media platform preferences, such as digital, social or print. Based on these priorities, the following creative materials are in development:

- Short Video
- Consumer Confidence Report Template – Electronic Format
- Social Media Posts/Tweets
- Newsletter Articles
- Field-crew support materials

In addition, MWDOC staff is working with the participating agencies to identify current local water supply improvement projects, local repair and replacement efforts, water use efficiency efforts, local programs, key influencer groups, “good neighbor” efforts, local media platforms such as community access channels, local partnerships and outreach opportunities.

The next steps including finalizing materials currently in production, culminating agency information and analyzing and identifying activities and efforts for the next fiscal year.

Budgeted (Y/N): Y	Budgeted amount: \$178,000	Core ____	Choice X
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted):			



Value of Water Communications Plan Update

Municipal Water District of Orange County

Participation - \$178,000

- | | |
|-------------------------------------|----------------------------------|
| • Buena Park | • San Clemente |
| • East Orange County Water District | • Santa Margarita Water District |
| • El Toro Water District | • Seal Beach |
| • Fountain Valley | • Serrano Water district |
| • Garden Grove | • South Coast Water District |
| • Huntington Beach | • Trabuco Canyon |
| • La Habra | • Tustin |
| • Mesa Water District | • Yorba Linda |
| • Moulton Niguel Water District | |
| • Newport Beach | |
| • City of Orange | |



Goals & Objectives

3

Improve public trust and credibility

Build a public majority consensus for:

- 💧 Water reliability planning and investments
- 💧 Local water project investments
- 💧 Water rate increases
- 💧 The value of water and water service at the local level
- 💧 Restoring the Bay Delta and alternate conveyance
- 💧 Continued and increased water use efficiency
- 💧 Supporting the outcomes in Metropolitan's Market Transformation Plan



Audiences

4

1. **Residential Consumer:** Average consumer that pays water bill
2. **Business Decision Makers:** Members of the business community in a position to make decisions about their organization's water use
3. **Influential Community Members:** Includes Elected Officials, Media personalities, and Mavens who have influence on conversations about local issues

All Audiences are considered un- or under-informed about the value of water.



Three Pillars

-  Innovation
-  Education
-  Jobs & the Economy

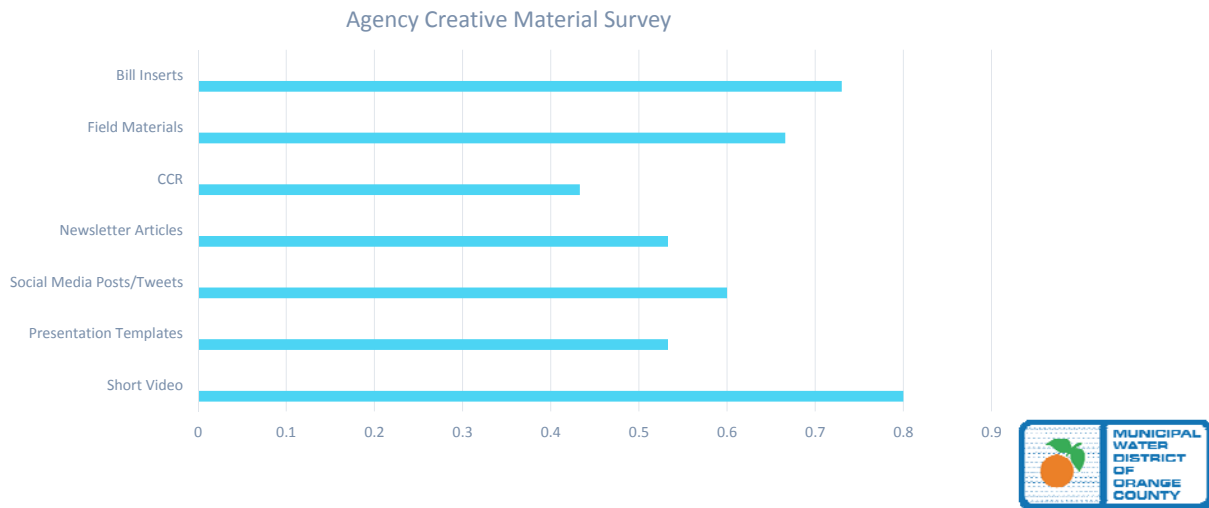


Tag Line

LET'S GET
SMART ABOUT **WATER**



Agency Creative Material Survey



Agency Information

- 💧 What projects are currently underway?
- 💧 What projects are planned?
- 💧 What programs are you actively doing?
- 💧 What “good neighbor” efforts are you doing?
- 💧 What are the key influencer groups in your service area?
- 💧 What are the media channels you currently use? i.e. Bill inserts, Community Access TV, etc...



Media Channels

9

Media Selection Criteria

- 🔥 Provides targeted coverage of districts participating in the program
- 🔥 Supports digital media messaging
- 🔥 Reaches all audiences:
 - 💧 Residential
 - 💧 Business decision makers
 - 💧 Influential community members
- 🔥 Engages target audiences in unexpected places
- 🔥 Uses existing media channels

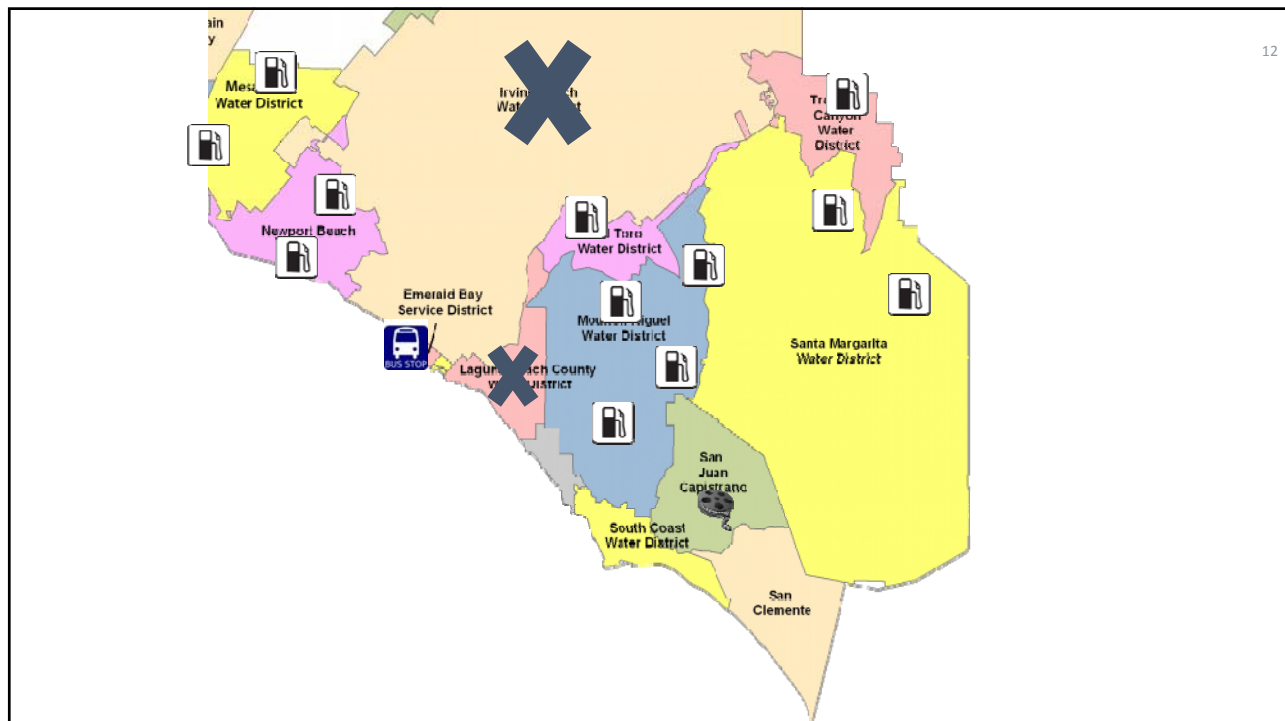
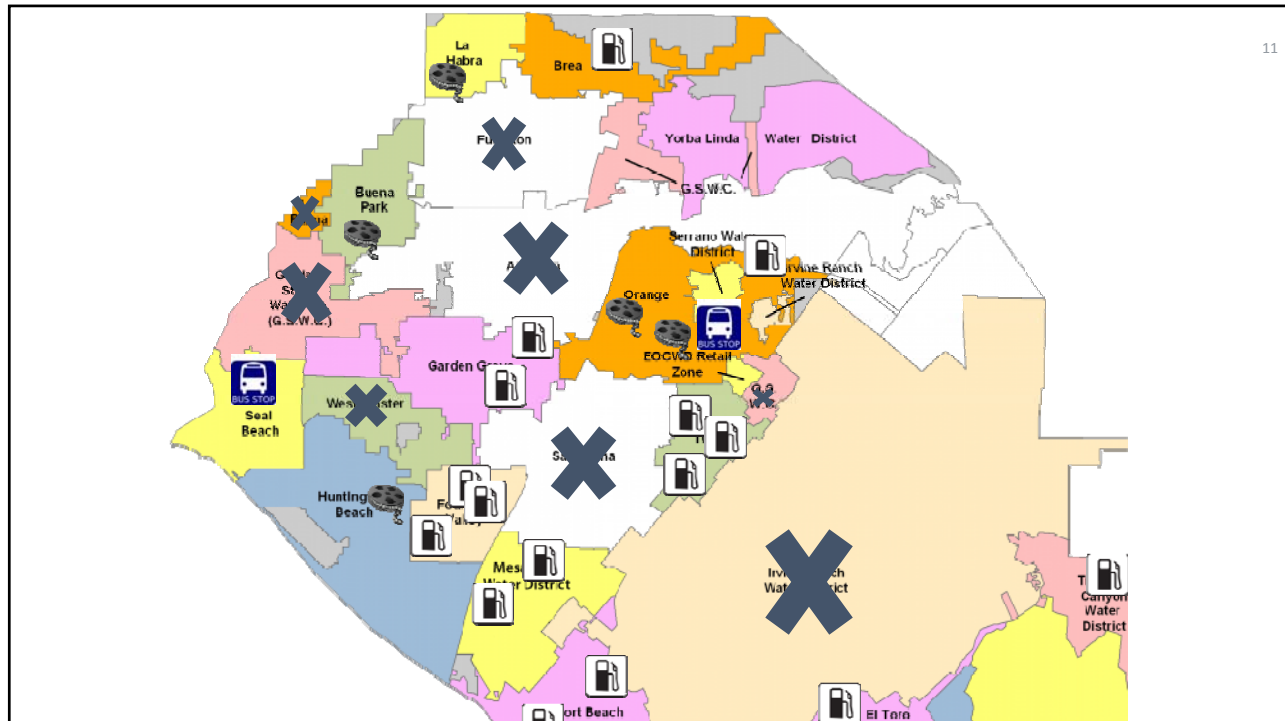


Out of Home Media Channels

10

- 🔥 Gas Toppers
- 🔥 In-Cinema
- 🔥 Bus Shelters





Other Media

13

Other Media Channels

-  **Social Media**
-  **Bill Inserts**
-  **Consumer Confidence Reports**



Social Media Tuesdays



Jobs are important to Orange County, and water is important to the businesses that create jobs. MWDOC and local water agencies are working hard to make sure OC remains a place where business and people can prosper.



Next Steps

- Finalize video script and filming locations
 - Production complete in March
 - Paid placement in April and May
- Finalize agency information
- Complete CCR Template and Distribute
- Complete and distribute other materials including
 - Social media posts
 - Newsletter articles
 - Field support materials
- Finalize activities and efforts for FY 2015-2016





DISCUSSION ITEM

March 4, 2015

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Harvey De La Torre
Joe Berg

SUBJECT: Metropolitan's 2015 Updated Integrated Resources Plan (IRP) Schedule

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

REPORT

At last month's Water Planning and Stewardship Committee, MET staff announced the schedule and process of updating its Integrated Resource Plan (IRP). The IRP is MET's comprehensive long-term strategy plan that identifies and evaluates the District's resources and development needs. It provides a set of water resource targets and goals, as well as adapt measures to ensure the District's long-term water reliability.

MWDOC staff will briefly describe the approach MET staff proposes for the 2015 IRP update as well as the proposed schedule.

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



Metropolitan's 2015 Updated Integrated Resources Plan (IRP) Schedule

MWDOC Board Workshop
March 4, 2015

Municipal Water District of Orange County


Agenda

- What is the IRP and its objectives?
- 2010 IRP Approach & Targets
- Drivers for the 2015 IRP Update
- 2015 IRP Update Process
- Proposed IRP Schedule







Background on MET's IRP

MET's Integrated Water Resource Plan

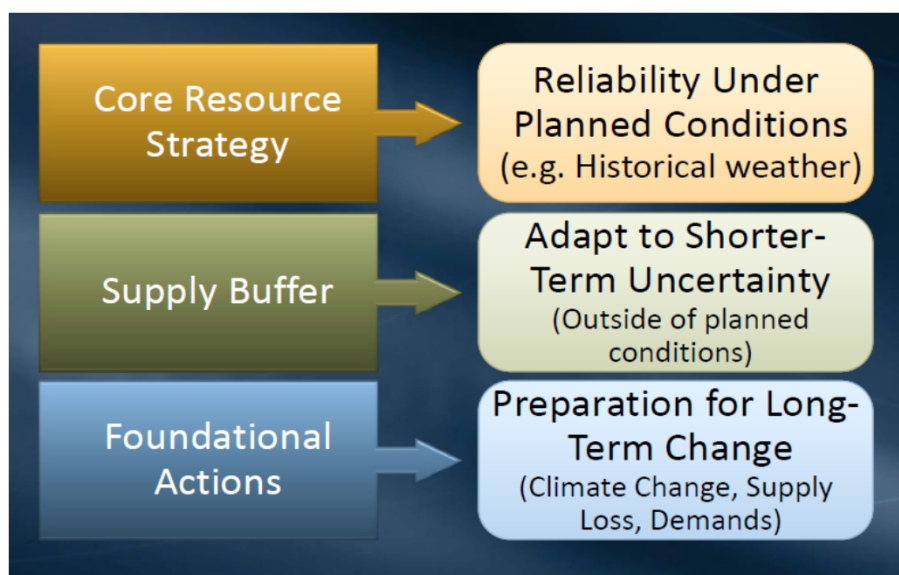
-  A comprehensive long-term strategy to identify potential resources development needs, adaptation measures, and implementation pathways

IRP Objectives

-  Ensure Reliability
-  Maintain and expand diversity and flexibility
-  Provide adaptability
-  Acknowledge constraints



2010 IRP Approach



2010 IRP Targets

- 💧 **Water Use Efficiency**
 - 📌 Achieve a 20% reduction in GPCD as a region by the year 2020
- 💧 **Local Resource**
 - 📌 Develop ~ 100 TAF through incentives and partnerships
- 💧 **State Water Project**
 - 📌 Seek Short, Mid, and Long-term Delta improvements; including the Bay-Delta Conservation Plan (BDCP)
- 💧 **Colorado River Aqueduct**
 - 📌 Develop Dry-Year supply Programs to fill the aqueduct when needed



Key Drivers for Updating the IRP

- 💧 Incorporate the recent changed conditions impacting regional and local supplies & demands
- 💧 Respond to the new challenges
- 💧 Refine long-term storage management strategy
- 💧 Incorporate recent policies changes
- 💧 Overcome barriers to implementations



2015 IRP Update Process

- 💧 The Update will be split into a two-part process
 - 💧 Technical update process – MET and Member Agency staff
 - 💧 Resource Policy issues discussion – IRP MET Board Subcommittee
- 💧 Both efforts will have interaction with the Board and the member agency managers



Proposed IRP Schedule





Questions



Item No. 4

DISCUSSION ITEM

March 4, 2015

TO: Board of Directors & MWD Directors

FROM: Robert J. Hunter
General Manager

Staff Contact: Harvey De La Torre

SUBJECT: MWD Items Critical To Orange County

STAFF RECOMMENDATION

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

SUMMARY

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

- a) MWD's Water Supply Conditions
- b) MWD's Finance and Rate Issues
- c) Colorado River Issues
- d) Bay Delta/State Water Project Issues
- e) MWD's Ocean Desalination Policy and Potential Participation by MWD in the Doheny Desalination Project and in the Huntington Beach Ocean Desalination Project (Poseidon Desalination Project)
- f) Orange County Reliability Projects

ISSUE BRIEF # A

SUBJECT: MWD's Water Supply Conditions

RECENT ACTIVITY

Reports have shown that 2015 will be the fourth consecutive year of a drought for California. This is due to below average precipitation and an extremely low snowpack for the State. As of February 26, the accumulated precipitation at the 8-Station (Northern Sierra) index measured 30.3 inches or 89% of normal to date; and the snowpack for the Sierra measured 17% of normal to date. This has caused DWR to keep the 2015 SWP "Table A" allocation at 15% - far below the average of 60%.

This improved precipitation has improved key state reservoirs, such as Lake Oroville and San Luis which are currently at 70% and 74% of normal to date, respectfully. Unfortunately, this multiple year drought has drained local groundwater supplies and regional imported storage that requires several years of above average conditions to refill. In 2014, MWD used over 1.1 million AF of dry-year storage to meet demands.

The National Weather Service projects Northern California will continue to have below average precipitation and above average temperatures over the next three months. This does not appear to improve the snowpack conditions for the Northern Sierra which play a significant part in determining this year's final "Table A" allocation.

As for the Colorado River system, precipitation and snowpack are slightly below average to date. The snowpack is currently at 80% of normal to date, and additional precipitation is expected at the end of February.

Based on these conditions, it appears MET is likely to implement its Water Supply Allocation Plan in April to reduce demands and stretch dry-year storage supplies for the coming year. MET staff plans to provide a recommended Allocation Shortage Level to the Board in April. If the Board approves the implementation of the Allocation Plan, the effective date would be July 1, 2015 to June 30, 2016.

ISSUE BRIEF # B

SUBJECT: MWD's Finance and Rate Issues

RECENT ACTIVITY

MWD Financial Report

At February's Metropolitan (MWD) Finance and Insurance Committee, MWD staff provided a brief financial report. For cumulative water sales through the end of January, MWD is currently 95,700 Acre-Feet (AF) higher than budget and 66,900 AF higher than the five-year average. This is due to increased untreated water sales. Treated water sales, however, are on-track to budget projections. These increase sales will generate approximately \$65.5 million in additional revenue. Expenses are currently \$40 million under budget, due to State Water Contract costs projected to come in below budget as a result of a significantly low "Table A" SWP allocation this year.

ISSUE BRIEF # C

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Discussions of a follow-up Agreement with Mexico

Representatives from agencies within the Colorado River Basin States, including Metropolitan, met with the U.S. Bureau of Reclamation (Reclamation) to begin development of a follow-up agreement with Mexico that would follow Minute 319 to the United States-Mexico International Water Treaty. Minute 319 and the implementing agreements were signed in November 2012 and will remain in place through 2017. The agreements include provisions for Mexico to store water in and recover water from Lake Mead, surplus and shortage sharing, development of environmental projects, and development of a binational water conservation project in Mexico, with the conserved water being made available to funders in the United States initially and then to Mexico. Because of the formal process involved in international negotiations, it is anticipated that the follow-up to Minute 319 will take years to develop, which is why the United States representatives are beginning to formulate their position well in advance of the termination of the current agreements. Concurrent with the development of a new international agreement, Metropolitan continues to work with the other agencies and Mexico to fund the lining of a water supply canal in Mexico, which will provide the funding agencies with a total of 95,000 acre-feet of Intentionally Created Surplus (ICS) storage credits in Lake Mead by 2017.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

Turbidity Forecasting and State Water Project Operations

The U.S. Fish and Wildlife Service (USFWS) recently accepted a proposal by the U.S. Bureau of Reclamation (USBR) to modify the method of calculating the adult Delta smelt cumulative salvage index and incidental take limit (ITL). The determination more than doubles the ITL from 78 to 196 for water year 2015. USFWS evaluated the proposal in light of a report prepared by the Independent Review Panel to the Delta Science Program and concluded that the proposed method, with modification, represents a viable interim approach to addressing incidental take. The increased ITL is based primarily upon a method developed by Bay-Delta Initiatives staff, and it will reduce the frequency with which salvage at the export pumps represents a constraint on operations.

Last month, USBR and DWR voluntarily reduced pumping for several days in mid-December in an attempt to avoid establishing a turbidity “bridge” across the Delta. In 2012, it is believed that a similar “first flush” condition allowed Delta smelt to move into the south Delta; their presence resulting in months of pumping restrictions. The expectation was that by disrupting the movement of turbidity into the south Delta, pumping later in the season will be less constrained. In spite of several high wind events that exacerbated turbidity conditions, the voluntary pumping reductions appear to have averted significant Delta smelt salvage and thus averted triggering the USFWS Biological Opinion Reasonable and Prudent Action during the “first flush”. MET staff indicated this voluntary action resulted in a net gain of 67,000 AF for exports

Fish trawling data continue to indicate few Delta smelt in the south Delta. Trawl and turbidity monitoring will continue to be closely watched. The Delta Conditions Team will continue to hold weekly calls and closely monitor trawl and turbidity data and evaluate turbidity forecast information. The water contractors are collaborating to develop an estimate of water savings associated with the preemptive action taken by USBR and DWR. In addition to these already realized savings, the action could potentially stem the loss of a significant amount of water over the coming months if rains continue. State and federal water project operations have been constrained by the National Marine Fisheries Service Biological Opinion’s calendar-based restriction on reverse flows in Old and Middle River since January 1.

Delta Flood Emergency Management Plan

A DWR department-wide exercise will be conducted in April 2015 to evaluate response to Delta levee failures resulting from a major earthquake on the Hayward fault. The exercise will complement recent exercises focusing on flood-initiated emergencies. DWR has advised that interagency review comments to the Delta Flood Emergency Management Plan (DFEMP), along with results of the April 2015 Delta emergency exercises, will be incorporated into the DFEMP by mid-2015.

Later this year, a construction contract will be awarded by DWR at the Stockton storage site to augment rock stockpiles, build all-weather access and a major warehouse, and recondition two existing warehouses. A temporary barge loading and off-loading facility is available at the Stockton storage site, but will be replaced by a permanent facility in 2016. At the Rio Vista storage site, a contract will be awarded in 2015 to augment rock stockpiles, and build loading ramps and all-weather access. Grant programs to local and county emergency response agencies are focusing on emergency planning, communications, and training.

ISSUE BRIEF # E

SUBJECT: MWD's Ocean Desalination Policy and Potential Participation by MWD in the Doheny Desal Project (formerly South Orange Coastal Ocean Desalination Project) and in the Huntington Beach Ocean Desalination Project (Poseidon Desalination Project)

RECENT ACTIVITY

Doheny Desalination Project

On Friday February 13, Karl Seckel, Heather Baez and MWDOC Director Susan Hinman in conjunction with South Coast WD Directors Bill Green and Rick Erkeneff hosted a Doheny Desal Tour. There were a total of 18 attendees, including:

- OC Supervisor Lisa Bartlett
- Victor Cao, staff to Supervisor Bartlett
- Duane Cave, MNWD Director
- Renae Hinchey, GM of LBCWD
- Chris Regan, AGM of LBCWD
- Marvin Johnson, Commissioner for LBCWD
- Debbie Neev, Commissioner for LBCWD
- Christine Kinsman, Commissioner for LBCWD and her son
- Kathy Ward, Councilmember for San Clemente
- Barbara Szemenyer, applicant for SJC Water Commissioner
- Richard Hartl, SJC Water Commissioner
- Dick Dietmeier, South Coast WD Director

Richard Bell participated in the Kick-Off meeting with South Coast WD and the Consultant Team from Chambers and Merkel to begin the baseline environmental monitoring work that will provide the baseline for future CEQA work. This is great news that this work is beginning.

Huntington Beach Ocean Desalination Project (Poseidon Project)

In January, the OCWD Board authorized their staff to enter into negotiations with Poseidon on the terms and conditions for the Huntington Beach Project. One meeting was held so far. Staff is to report back at their March Board meeting. OCWD is also establishing a Citizen's Advisory Committee on the Project.

ISSUE BRIEF # F

SUBJECT: Orange County Reliability Projects

RECENT ACTIVITY

Central Pool Augmentation Program

There are no updates to report.

Orange County Water Reliability Study

Karl Seckel and Richard Bell hosted the February Workgroup meeting for the OC Water Reliability Study following the Manager's meeting. The bulk of discussions were held regarding proposals obtained by MWDOC to update the Seismic Assessment Mapping and Facility Vulnerability Review. MWDOC was successful in securing proposals from four firms to provide assistance in better understanding the risks to water facilities, particularly wells. Additional work is proposed as part of the OC Water Reliability Study. A report is included in the P&O Packet.

IRWD provided a preliminary review of the economic and reliability issues associated with the Poseidon Project that was beneficial in generating quite a bit of discussion among the workgroup.

MWD Investigations of System Reliability

MWDOC staff has continued to discuss with MET staff this past month on potential seismic impacts to Colorado River Aqueduct and the State Water Project (including the potential impacts to the Bay-Delta area exports) as part of the OC Water Reliability Study efforts.

Conveyance of Water in the EOCF#2 and the South County Pipeline

MWDOC has been asked to help secure MET's concurrence on the quality of water being introduced into the South County Pipeline from the Baker Treatment Plant project. A number of discussions have been held with MET on this issue. MWDOC received a letter from MET dated February 18, 2015 that summarizes MET's position in a number of areas and indicates that MET has "no comments" with respect to the SCP Tie-in. The letter is attached to this report. Karl Seckel and Kevin Hostert participated in a shutdown meeting to plan for the March 2015 connection of the Baker Treatment Plant Pipeline to the South County Pipeline.

MWDOC is working on securing the ability to convey either groundwater or Poseidon water in the EOCF#2. Securing the ability to do so will open up a number of opportunities in OC.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

February 18, 2015

Mr. Robert Hunter
General Manager
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92728

Dear Mr. Hunter:

South County Pipeline Projects

This letter is in reference to the Municipal Water District of Orange County's (MWDOC's) projects on the South County Pipeline. Specifically, the two projects are the Baker Plant Tie-in to the South County Pipeline (SCP Tie-in), and a proposed new service connection referred to as SC-06.

For the SCP Tie-in project, MWDOC submitted plans and specifications as well as a surge analysis report. The Metropolitan Water District of Southern California (Metropolitan) has reviewed the project plans and specifications, and the surge analysis report, and we have no comments. Provided that MWDOC follows the submitted plans and specifications, and complies with the recommendations in the surge analysis report, Metropolitan is satisfied that the SCP Tie-in project will not cause damaging hydraulic transients to our facilities.

To date, MWDOC has submitted funds totaling \$95,200 for the SCP Tie-in project and Metropolitan has expended \$30,200. A shutdown of the South County Pipeline and an outage of Metropolitan's OC-88 and OC-88A service connections will be required when you are ready to make the tie-in. We understand from discussions with your staff that the pipeline shutdown will occur in March 2015, and that the shutdown will last approximately seven days. Metropolitan's only remaining involvement for the SCP Tie-in project will be coordination of activities related to the outage.

For the SC-06 project, Metropolitan requires that a surge analysis be performed to ensure that the new facility does not cause damaging surges to our system. Metropolitan will review the surge analyses on a reimbursable basis. Once the service connection outage and the surge analysis review are completed, Metropolitan will reconcile the costs for both projects and return any remaining funds to MWDOC.

If you have any questions, please contact Ms. Patricia Bonaparte at (213) 217-6661. If Ms. Bonaparte is not available, please call Mr. Cash Spradling at (213) 217-6504.

Mr. Robert Hunter

Page 2

February 18, 2015

Very truly yours,

A handwritten signature in black ink, appearing to read "James F. Green", followed by a long horizontal flourish.

James F. Green

Manager, Water System Operations

PLB/

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cc: Mr. Karl Seckel
kseckel@mwdoc.com

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
February 10, 2015**

INDUCTION OF DIRECTORS

Induction of Director Leticia Vasquez, representing the Central Basin Municipal Water District. Director Vasquez was assigned to the Organization, Personnel and Technology Committee and the Communications and Legislation Committee. **(Agenda Item 5E)**

COMMITTEE ASSIGNMENTS

Approved committee appointments and waiver of Administrative Code Section 2401(b) relating to Directors serving for more than two 2-year terms as Chairman of standing committees (as voted on at the Executive Committee meeting of January 27, 2015). **(Agenda Item 5I)**

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to enter into a two-year agreement with the California Department of Water Resources to pay up to \$46 million for State Water Project supplies under the Multi-Year Water Pool Demonstration Program to help improve dry-year water supplies in 2015 and 2016. **(Agenda Item 8-1)**

ENGINEERING & OPERATIONS COMMITTEE

Appropriated \$13.5 million; and awarded \$9.31 million contract to C. W. Roen Construction Co. for upgrades to the east filters at the Robert B. Diemer Water Treatment Plant (Approp. 15436). **(Agenda Item 8-2)**

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to express opposition to SB 143 (Stone, R-Indio) - Diamond Valley Reservoir: Recreational Use. **(Agenda Item 8-3)**

CONSENT CALENDAR

In other action, the Board:

Appropriated \$450,000; and authorized construction to replace protection relays at Intake and Gene Pumping Plants. **(Agenda Item 7-1)**

Appropriated \$1.35 million; and authorized final design to rehabilitate the discharge structures at Copper Basin and Gene Wash Reservoirs. **(Agenda Item 7-2)**

OTHER MATTERS:

In other action, the Board:

Reappointment of Director John Murray, Jr., representing the City of Los Angeles.
(Agenda Item 5C)

Reappointment of Director Glen Dake, representing the City of Los Angeles. **(Agenda Item 5D)**

Presentation of five-year service pin to Director Laura Friedman, representing City of Glendale.
(Agenda Item 5F)

Presentation of ten-year service pin to Director Daniel Griset, representing City of Santa Ana.
(Agenda Item 5G)

Approved Commendatory Resolution for Director Glenn Brown, representing City of Burbank.
(Agenda Item 5H)

Nomination and election of Directors Michael Camacho and Michael Hogan as nonofficer members of the Executive Committee for two-year term effective February 10, 2015. **(Agenda Item 5J)**

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>.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

Regular Board Meeting

March 10, 2015

12:00 p.m. – Board Room

Tuesday, March 10, 2015 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:30 a.m.	Rm. 2-456	RP&AM
12:00 p.m.	Board Room	Board Meeting

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

1. Call to Order

- (a) Invocation: Ricardo Duarte, Senior Designer, Engineering Services
- (b) Pledge of Allegiance: Director Marsha Ramos

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 10, 2015. (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 Michele Martinez, from City of Santa Ana
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath
- D. Presentation of twenty-five-year service pin to Board Secretary John Morris, representing City of San Marino
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of Metropolitan's activities for the month of 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** Appropriate \$1.07 million; and authorize replacement of flow meters on the Casa Loma and San Diego Canals (Approp. 15480). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$1.07 million; and**
- b. Authorize replacement of flow meters on the Casa Loma and San Diego Canals.**

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1** Approve and authorize execution and distribution of Remarketing Statements in connection with the remarketing of the Water Revenue Refunding Bonds (Index Mode), 2011 Series A2 and A4 and 2012 Series B-1 and B-2. (F&I)

Recommendation:

Option #1:

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

- a. Approve the draft Remarketing Statements in the form attached to the board letter;**
- b. Authorize the General Manager to finalize, with changes approved by the General Manager and General Counsel, and execute the Remarketing Statements; and**
- c. Authorize distribution of the Remarketing Statements in connection with remarketing of the related Bonds.**

- 8-2** Authorize entering into an agreement with Arvin Edison Water Storage District to pay up to \$3 million from the Water Management Fund for improvement of the return capacity of the Arvin Edison/Metropolitan Water Management Program. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is categorically exempt and is not subject to CEQA, and authorize the General Manager to enter into an agreement with Arvin-Edison Water Storage District consistent with the terms outlined in the board letter and in a form approved by the General Counsel.

- 8-3** Authorize entering into an agreement with Kern-Delta Water District to pay up to \$2.5 million from the Water Management Fund for improvement of the return reliability of the Kern-Delta Water District Water Management Program. (WP&S)

Recommendation:

Option #1:

Review and consider information provided in the adopted 2007 MND and MMRP and adopt the Lead Agency's findings, and authorize entering into an agreement with Kern-Delta Water District consistent with the terms outlined in the board letter and in a form approved by the General Counsel.

- 8-4** Appropriate \$3.96 million; award \$996,600 contract to Environmental Construction, Inc. for revegetation at the Robert B. Diemer Water Treatment Plant; and authorize: (1) completion activities for the Diemer Oxidation Retrofit Project; and (2) increase of \$76,000 to an agreement with Helix Environmental Planning, Inc. for a new not-to-exceed total of \$386,000 (Approp. 15389). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed projects are exempt from CEQA, and

- a. Appropriate \$3.96 million;**
- b. Award \$996,600 contract to Environmental Construction, Inc. for revegetation at the Diemer plant;**
- c. Authorize Metropolitan force completion activities for the Diemer Oxidation Retrofit Project; and**
- d. Authorize increase of \$76,000 to an agreement with Helix Environmental Planning, Inc. for a new not-to-exceed total of \$386,000.**

- 8-5** Appropriate \$3.56 million; award \$2.09 million contract to Lasater Construction Company, Inc. to replace wastewater systems at the Julian Hinds and Eagle Mountain Pumping Plants; and authorize increase of \$110,000 to an agreement with MWH Americas for a new not-to-exceed total of \$1.01 million (Approp. 15385). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$3.56 million;**
- b. Award \$2.09 million contract to Lasater Construction Company, Inc. to replace the wastewater systems at Julian Hinds and Eagle Mountain Pumping Plants; and**
- c. Authorize increase of \$110,000 to an agreement with MWH Americas for a new not-to-exceed total of \$1.01 million.**

- 8-6** Authorize execution of a purchase contract with Pacific Air Center in the amount of \$2,179,128 for the purchase of a 2015 Model 208 Cessna Caravan aircraft complete with all specified equipment and avionics. (E&O)

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 execution of a purchase contract with Pacific air Center in the mount of \$2,179,128 for the purchase of a 2015 Model 208 Cessna Caravan aircraft complete with all specified equipment and avionics.

- 8-7** Authorize increase in maximum amount payable under contract with Van Ness Feldman LLP for legal services related to preparation of the Bay Delta Conservation Plan by \$150,000 to an amount not to exceed \$250,000. (L&C)

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 the General Counsel to amend the existing agreement with Van Ness Feldman LLP to increase the maximum amount payable by \$150,000 to \$250,000.

- 8-8** Report on water diversions in the Bay-Delta; and authorize an increase in the amount payable under contract with Duane Morris LLP by \$500,000 to an amount not to exceed \$600,000 in connection with the filing of an administrative claim with the State Water Resources Control Board or other legal action related to water diversions in the Bay-Delta. (L&C)
[Conference with legal counsel—initiation of litigation (potential case); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(4)]
(To be mailed separately)

- 8-9** Authorize entering into a contract with Quigley-Simpson & Heppelwhite, Inc. for advertising and community outreach services related to water conservation and other key water issues not to exceed \$5.5 million.
(C&L) (To be mailed separately)

- 8-10** Authorize the General Manager to: (1) secure one-year water transfers with various Sacramento Valley water districts for up to 100,000 acre-feet of additional supplies; (2) secure storage and conveyance agreements with Department of Water Resource and various Sacramento Valley water districts to facilitate these transfers; and (3) pay up to \$71 million from the Water Management Fund for such transfers; grant final decision-making authority to the General Manager subject to the terms set forth in this letter (WP&S)
(To be mailed separately)

9. BOARD INFORMATION ITEMS

None

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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

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

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

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