

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
October 7, 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. 2019)

PRESENTATION/DISCUSSION/INFORMATION ITEMS

1. ORANGE COUNTY'S DROUGHT PERFORMANCE – AUGUST REPORT

Recommendation: Review and discuss the information presented.

2. PRESENTATION BY BRANDON GOSHI OF THE METROPOLITAN WATER DISTRICT REGARDING MET'S INTEGRATED RESOURCE PLAN (IRP)

Recommendation: Review and discuss the information presented.

3. 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
- g. East Orange County Feeder No. 2

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

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

- a. Summary regarding September 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

October 7, 2015

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Harvey De La Torre

**SUBJECT: ORANGE COUNTY'S DROUGHT PERFORMANCE – AUGUST 2015
REPORT**

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

BACKGROUND

Earlier this year Governor Brown issued an Executive Order calling for statewide mandatory water reductions for all urban water retail agencies. The purpose was to reduce water consumption in response to the record-breaking drought throughout the State. Although each Orange County retail agency was assigned a conservation standard by the State Water Resource Control Board (State Board) that ranges between 8% and 36%, the aggregated water savings target among all of the retail agencies in Orange County is approximately 21.73%.

At the same time, the Metropolitan Board implemented its water supply allocation plan at a level 3 to all of its member agencies, effective July 1, 2015. This called for a reduction, no greater than 15%, in imported water usage for a twelve month period (July 2015 to June 2016).

The reports below demonstrates how Orange County has been performing to the State Board's water saving targets and how MWDOC has tracking to its water supply allocation targets. Please note, these targets are calculated differently and based on different factors.

Report

Orange County's Performance under the SWRCB Mandatory Reduction Targets

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):			

Orange County monthly % Savings vs. SWRCB Target

	June	July	August
Orange County SWRCB Savings Target*	21.73%	21.73%	21.73%
Orange County Actual Savings	23.86%	29.16%	25.12%
Savings beyond the Target	2.13%	7.43%	3.39%

For the month of the August Orange County retail water agencies reported a total water saving of 25.12% (note this is compared to August 2013 water usage). This exceed our Orange County month conservation target of 21.73% by 3.39%. The cumulative savings for three months into the State Board regulations total 26.57% for Orange County.

MWDOC's performance under the MET's Water Supply Allocation Plan

MWDOC Actual Imported Water Usage vs. Imported Allocation Target

(As of October 1, 2015)

	July	August	September	Total
Allocation Monthly Target*	22,181 AF	22,478 AF	20,297 AF	64,956 AF
Actual Imported Usage**	15,951 AF	15,791 AF	12,006 AF	43,748 AF

[*] Estimated monthly imported water allocation targets per the MWDOC's WSAP model.

[**] This includes all MWDOC imported water purchases – Full Service Treated and Full Service untreated (Replenishment purchases)

Note: These targets are subject to change based on actual local supply production and WSAP calculations.

As of October 1, the total actual imported water usage for July through September totals 43,748 AF, this is 21,208 AF below our estimated allocation target (this includes the approximately 6,500 AF purchased for OCWD in July and August). ***However, these numbers will change next month. MET has not yet calculated our revised imported allocation with the recent increase in Orange County Water District's Basin Pumping Percentage (BPP) from 70% to 75% for FY 2014-15, which will decrease our imported water allocation because of the additional production of groundwater.***



Orange County's Drought Performance Report

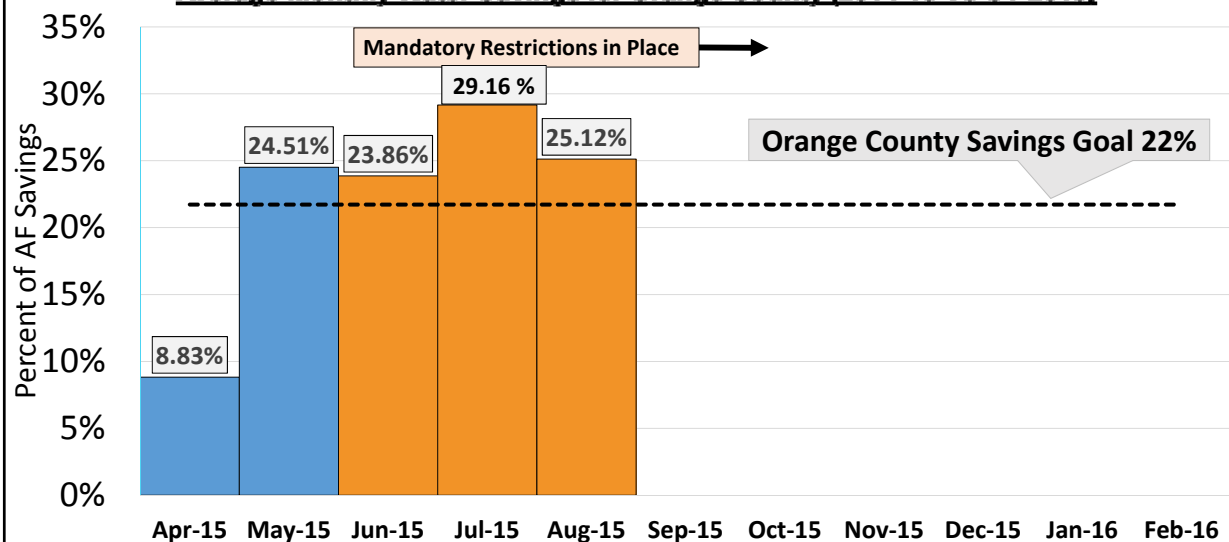
October 7, 2015

Municipal Water District of Orange County

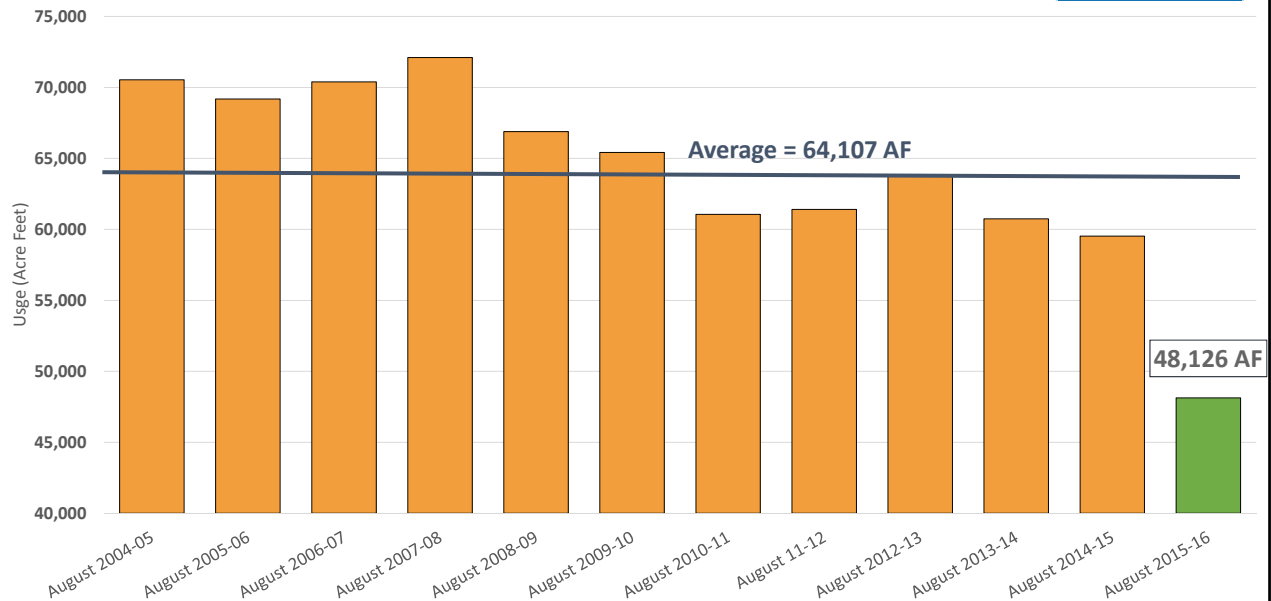
O.C. Water Savings Reported to SWRCB



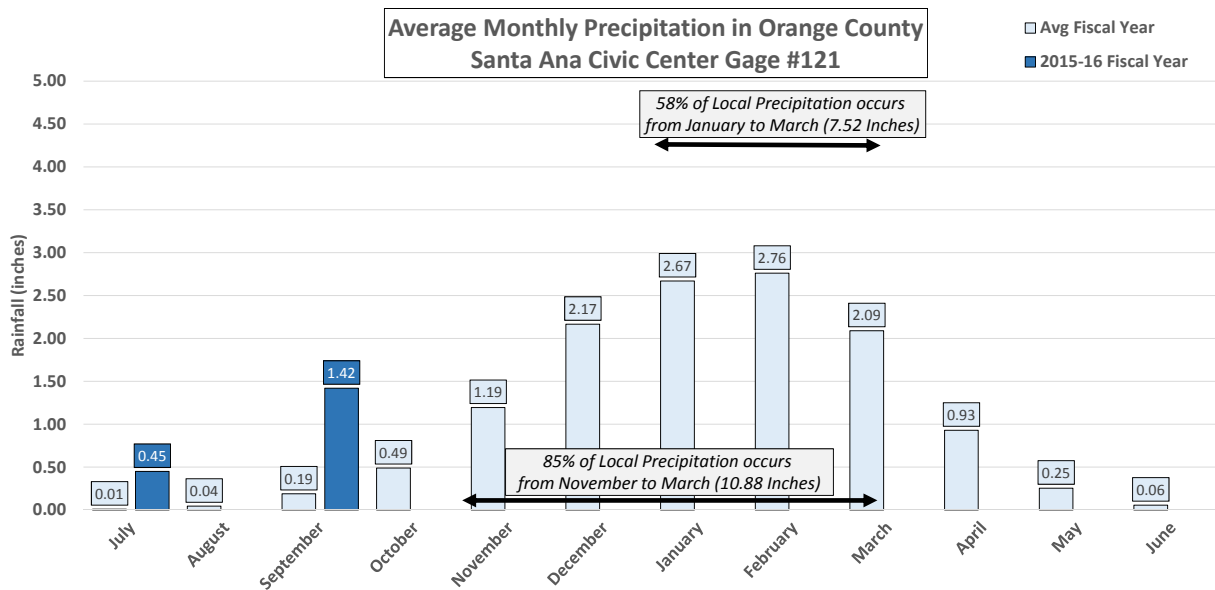
Average Monthly Water Savings for Orange County (2014-15 Vs CY 2013)



OC Historical August Water Usage



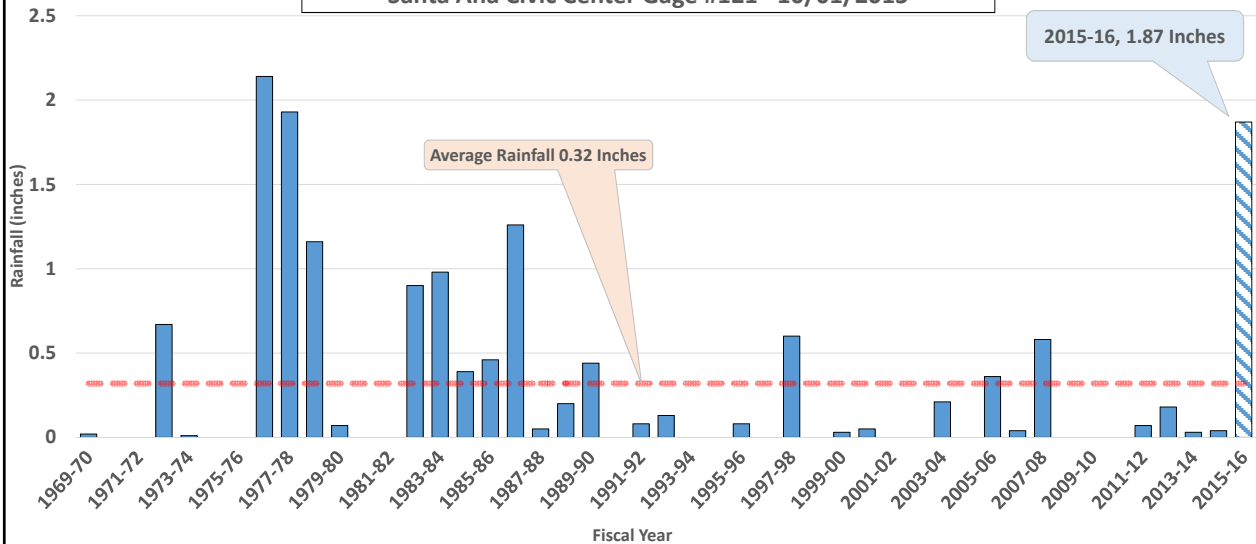
2015-16 FY Rainfall



FY to Date Rainfall Compared to Past



Fiscal Year to Date Rainfall in Orange County Vs Previous Years
Santa Ana Civic Center Gage #121 *10/01/2015



FY Annual Precipitation (Santa Ana)



Cumulative Year-to-Date

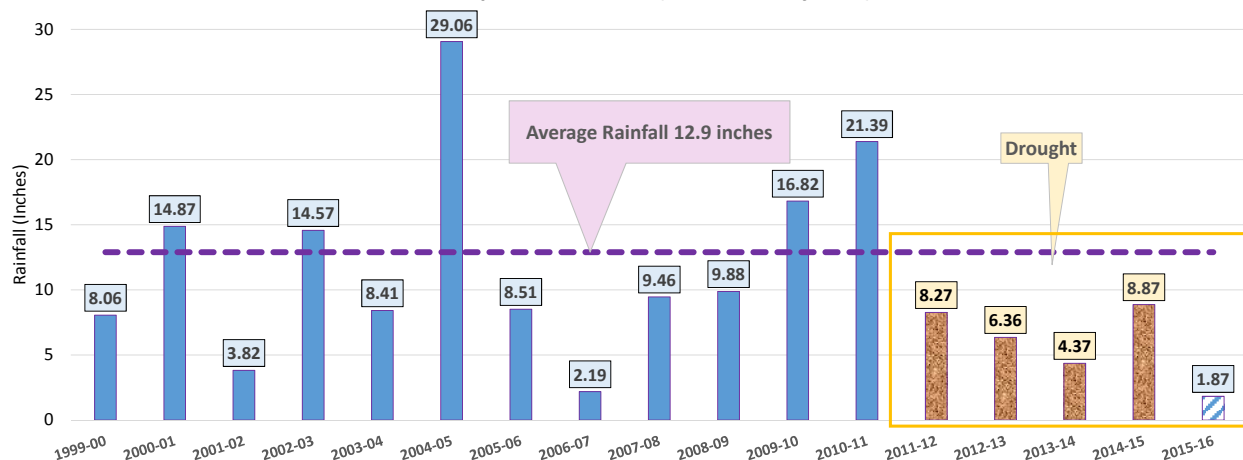
Average: 0.11"

2015-16: 1.87"

Average Annual Rainfall: 12.9"

4-Year Deficit: 23.3" (2011-12 to Present)

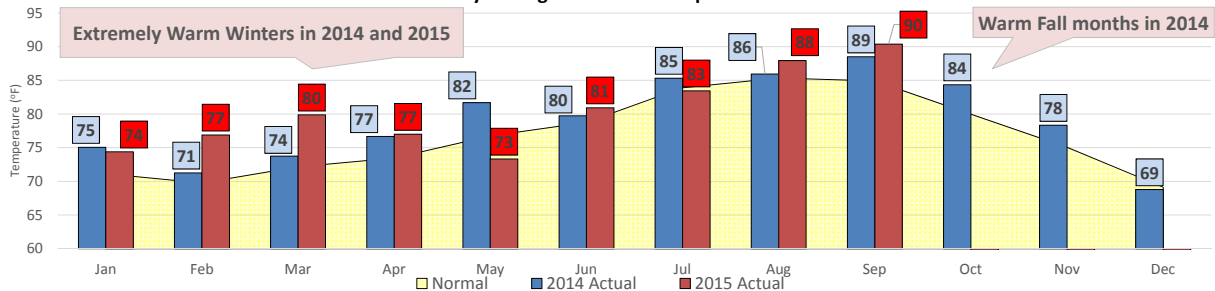
Santa Ana Annual Precipitation Statistics (Fiscal Year July-June)



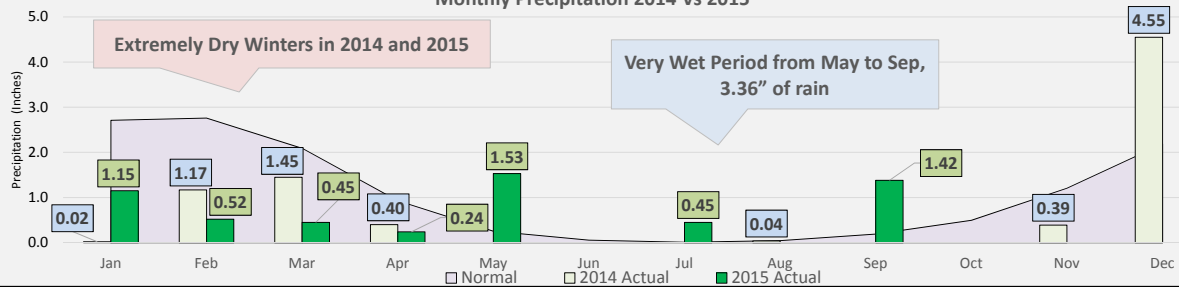
2015 vs. 2014 Weather

- January-April 2015 were very warm and dry.
- May-July 2015 have been wet and slightly cooler than normal.
- ~May 2015 has so far been the coolest month.

Monthly Average Maximum Temperatures



Monthly Precipitation 2014 Vs 2015





DISCUSSION ITEM

October 7, 2015

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Harvey De La Torre

**SUBJECT: Presentation by Brandon Goshi of the Metropolitan Water District
Regarding MET's Integrated Resource Plan (IRP)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

REPORT

MWDOC staff has invited Brandon Goshi to provide an update on MET's Integrated Water Resource Plan (IRP) process and progress. Some of the topics we plan to discuss are:

- Status of where we are at with the 2015 IRP process
- What is our current outlook of supplies and demands
- What has changed since the 2010 IRP
- Do we need to make changes to our current IRP targets
- What potential risks are we evaluating in our planning targets
- What are the potential strategies we are look at to mitigate these risks
- Next steps in the IRP process

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):			



Item No. 3

DISCUSSION ITEM

October 7, 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
- g) East Orange County Feeder No. 2

ISSUE BRIEF # A

SUBJECT: MWD's Water Supply Conditions

RECENT ACTIVITY

For the month of September, precipitation totaled 1.42 inches in Orange County (at Santa Ana Civic Center Gage #11), which is unusually high compared to the average of 0.19 inches. In fact, the recent storms in the month of September brought in more rain than the winter months of January and February 2014 combined. This may be an indicator of a strong El Niño occurring this year. According to historical temperature records, 2015 is trending very close to the 1997 El Niño year (known as a very strong El Niño that brought record rainfall to California). The National Weather Service is also showing their three month outlook that project above average precipitation for Southern and parts of Central California.

This unusual wet summer is providing a benefit to Southern California by slowing down the draw on local and regional storage. MET projects that if demands continue to be low, storage could end the year slightly below a 1.0 million AF (Note: MET storage levels were at 1.2 MAF Jan. 1 2015).

ISSUE BRIEF # B

SUBJECT: MWD's Finance and Rate Issues

RECENT ACTIVITY

MWD Financial Report

At Metropolitan's (MWD) September Finance and Insurance Committee, MWD staff report that water sales for the first two months of the fiscal year ending in August totaled 308,200 Acre-Feet (AF); or 98,300 AF (24%) lower than budget estimates. It is estimated that it will lower projected sale revenues by as much as \$77 million. These lower water sales are a result of the Governor's mandatory conservation targets. MET estimates that by the end of September water sales will be 150,000 AF less than budget, which could bring water sales to 1.6 million AF for the year. MET has not seen water sales drop to 1.6 MAF since the wet year of 2011.

To evaluate the potential impact of decrease water sales and its impact to unrestricted reserve, MET staff put together the following financial table:

Projected Unrestricted Reserve Balance Scenarios for FY 2015/16				
Water Sales	1.75 MAF (millions)	1.65 MAF (millions)	1.55 MAF (millions)	1.4 MAF (millions)
Beginning Unrestricted Reserves	\$476	\$476	\$476	\$476
Portion of \$260M PVID Land Purchase Funded from Unrestricted Reserves	(\$100)	(\$100)	(\$100)	(\$100)
Proposed Water Transfers	(\$44)	(\$44)	(\$44)	(\$44)
<i>Subtotal</i>	\$332	\$332	\$332	\$332
Impact of Sales lower than 1.75 MAF	\$0	(\$80)	(\$160)	(\$280)
Reduce Expenditures in Current Year	\$30	\$30	\$30	\$30
<i>Subtotal</i>	\$362	\$282	\$202	\$82
Debt Fund Capital Program	\$125	\$205	\$246	\$246
Projected Ending Unrestricted Reserves	\$487	\$487	\$448	\$328

ISSUE BRIEF # C

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Improved Water Supply Conditions on the Colorado River

Following a wet spring and summer in the Colorado River Basin, the likelihood of a first-ever shortage declaration has been significantly reduced for the next few years. In early May, before the heavy rains in the Colorado Basin began, the Bureau of Reclamation (Reclamation) forecasted about a 50 percent chance of a shortage on the Colorado River in 2016, increasing to around a 75 percent chance in 2017. In August, Reclamation updated those projections following three wet months, and the outlook for a shortage in 2016 is now 0 percent and in 2017 is approximately 18 percent. The much lower numbers provide increased opportunities to Metropolitan, because as long as the Colorado River Basin stays out of shortages, Metropolitan is able to develop and potentially implement interstate and even international water management programs to help fill the Colorado River Aqueduct.

Interstate Agreement with Southern Nevada Water Authority

In September, the Metropolitan (MET) Board authorized an amendment to the operational agreement with Southern Nevada Water Authority (SNWA) to allow MET access to additional Colorado River water during 2015. The agreement allows MET to pay SNWA \$44.375 million for 150,000 acre-feet (AF) of water apportioned that is currently not being used by SNWA. Upon SNWA's request, MET would return up to a total of 125,000 AF to SNWA in future years and SNWA would reimburse MET annually for an equivalent proportion of the amount paid by MET based on the amount of water returned and escalated to account for inflation.

This increase in supply will allow MET to deliver a full Colorado River Aqueduct this year, the most in more than 10 years. And it comes at a critical time when MET needs to replenish its water storage reserves.

Bard Water District Discusses Potential Pilot Fallowing Program

On August 24, Bard Water District held a meeting with local farmers in the area to discuss potential interest in a pilot fallowing program that could be implemented as early as next spring. The program being discussed is a one-or two-year seasonal fallowing program, where farmers would be compensated on a voluntary basis to not grow crops during the late-spring through early-fall period, when water use is highest and crop yields are lowest. The farmers asked many questions about a potential program, and if there is sufficient interest, Metropolitan will begin to negotiate an agreement with Bard Water District, with the goal of the agencies' respective boards considering the program later this year. Bard Water District is part of the Yuma Project Reservation Division, which has a priority 2 water right on the Colorado River. Under the terms of the Quantification Settlement Agreement, any

reduction in use by Palo Verde Irrigation District (PVID) or Bard Water District would accrue directly to Metropolitan.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

Bay Delta Conservation Plan/California WaterFix

Two public meetings were held in late July 2015 to provide more information on the Bay Delta Conservation Plan/California WaterFix Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement and to accept public comments. The meetings held on July 28, 2015 in Sacramento and July 29, 2015 in Walnut Grove were organized using the same open house format as used in previous public meetings during public review periods. Informational exhibits and project team members were available throughout the meeting for one-on-one discussions to answer questions and provide the public with an opportunity for more in-depth understanding of the proposed project modifications, new alternatives, and environmental analysis. For those wishing to provide comments, a court reporter was available to capture verbal comments and written comments were accepted. The public comment period concludes on October 30, 2015. Metropolitan staff is continuing its review of the revised environmental documents for consistency with adopted Metropolitan Board Policies and is working jointly with other State Water Project/Central Valley Project public water agencies to prepare comments. Staff's comments will focus on the following areas:

- **Policy** – consistency with Board principles & program goals
- **Technical** – appropriate analysis for environmental resources
- **Legal** – Recirculated EIR/S consistency with CEQA/NEPA requirements; does it address legal concerns in Public Draft
- **Record** – providing evidentiary support to increase legal defensibility & ensure consideration of best available science

State Water Resources Control Board

As reported previously, the State Water Resources Control Board (SWRCB) issued several curtailment notices directing water diverters in the Delta watershed to cease diversions. Multiple senior water right holders challenged the curtailment notices raising issues that include proper due process, SWRCB jurisdiction, and water availability. The state Attorney General has requested consolidation or coordination of the cases and the judicial council is considering the request.

ISSUE BRIEF # E

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

RECENT ACTIVITY

Doheny Desalination Project

Groundwater modeling efforts under the Doheny Desal Foundational Action Program and under the San Juan Basin Foundational Action Program are beginning to roll out. With the results starting to develop, MWDOC is now working with NWRI, South Coast and SJBA to convene a Science Advisory Panel to review and comment on both the work being done by SJBA as well as the work being done by South Coast Water District and Laguna Beach County Water District. The panel is expected to convene in November or December and complete their report by the end of the year. In discussions with NWRI and the agencies, it was noted that two panels may be used for this effort.

Huntington Beach Ocean Desalination Project (Poseidon Project)

OCWD has continued work on evaluating where the product water produced from the Poseidon Project would be utilized, either for the seawater barrier operations, injection or replenishment in the groundwater basin, for direct delivery to other agencies or some combination thereof. OCWD called a meeting with MWDOC and the South County Agencies to discuss potential delivery amounts from the Poseidon 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

At the September meeting of the Workgroup, the topic centered on OC Water Demands. A detailed report is included in the P&O Packet. Meetings are coming up on Oct 1, Oct 15 and Nov 5 to try to close out the Phase 1 Project.

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 Poseidon Water

Several discussions were held with MET, however, no NEW information came out of those discussions.

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
September 22, 2015**

COMMITTEE ASSIGNMENTS

Director Galleano was assigned to the Agriculture and Industry Relations Committee. Director Beard was assigned to the Real Property and Asset Management Committee. **(Agenda Item 5C)**

WATER PLANNING & STEWARDSHIP COMMITTEE

Authorized the General Manager to enter into an amendment to the Operational Agreement with Southern Nevada Water Authority (SNWA) and Colorado River Commission of Nevada consistent with the terms outlined and in a form approved by the General Counsel; and approved payment of \$44.375 million for funding the storage of water for SNWA in 2015. **(Agenda Item 8-1)**

ENGINEERING AND OPERATIONS COMMITTEE

Authorized entering into an agreement with Securitas to provide security services for a one-year contract renewable for four additional years, with the first year's cost not to exceed \$7.1 million and with each subsequent year to be negotiated, for a maximum payable total of \$38.1 million. **(Agenda Item 8-2)**

Appropriated \$19.8 million; and awarded \$16.64 million contract to Kiewit Infrastructure West Co. for canal improvements on the Colorado River Aqueduct. (Approp. 15438) **(Agenda Item 8-3)**

LEGAL AND CLAIMS COMMITTEE

In connection with the lawsuits entitled *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, and CPF-14-514004, authorized an increase in maximum amount payable under contract for legal services with Miller Barondess, LLP by \$350,000 to an amount not to exceed \$600,000. **(Agenda Item 8-4)**

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to express a support position for, and seek amendments to S. 1894 (Feinstein, D-CA) – California Emergency Drought Relief Act of 2015. **(Agenda Item 8-5)**

FINANCE AND INSURANCE COMMITTEE

Approved the introduction, by title only, of an Ordinance Of The Board of Directors Of The Metropolitan Water District Of Southern California Determining That The Interests of The District Require The Use Of Revenue Bonds In The Aggregate Principal Amount of \$500,000,000 To Fund A Portion Of Projected CIP Expenditures. **(Agenda Item 8-6)**

CONSENT CALENDAR

In other action, the Board:

Authorized the General Manager to execute an exhibit to the December 13, 2007 Forbearance Agreement allowing Central Arizona Water Conservation District to add intentionally created surplus to Lake Mead consistent with the terms outlined in the Board memorandum and in a form approved by the General Counsel. **(Agenda Item 7-1)**

OTHER MATTERS:

In other action, the Board:

Discussed Department Head Salary Survey. **(Agenda Item 10-1)**

Discussed and approved compensation for General Manager, General Counsel, General Auditor, and Ethics Officer. **(Agenda Item 10-2)**

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>.



Regular Board Meeting

October 13, 2015

12:00 p.m. – Board Room

Tuesday, October 13, 2015 Meeting Schedule		
7:00-8:00 a.m.	Rm. 1-101	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	OP&T
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: Dean Rutzen, Human Resources Assistant III, Human Resources Group
- (b) Pledge of Allegiance: Director Richard W. Atwater

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 Meetings for September 8 and 22, 2015.
(Copies have been mailed to each Director)
Any additions, corrections, or omissions
- B. Report on Directors' events attended at Metropolitan expense for month of September

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

6. DEPARTMENT HEADS' REPORTS

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

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Authorize granting a permanent easement to the city of Temecula on Metropolitan-owned property located in the county of Riverside. (RP&AM)

Recommendation:

Option #1:

Adopt the CEQA determination that the project is categorically exempt, and authorize the General Manager to grant a permanent easement to the city of Temecula.

- 7-2** Authorize increase of \$200,000 to an existing agreement with Application Software Technology Corporation, for a new not-to-exceed total of \$2,355,000, for the Oracle R12 Upgrade Project (Approp. 15484). (OP&T)

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 increase of \$200,000 to the agreement with Application Software Technology Corporation for a new not-to-exceed total of \$2,355,000, for the Oracle R12 Upgrade Project.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt Ordinance No. 149 determining that the interests of Metropolitan require the use of Revenue Bonds in the aggregate principal amount of \$500 million. (F&I)
(To be mailed separately)
- 8-2** Approve and authorize the execution and distribution of Remarketing Statements in connection with the remarketing of the Water Revenue Refunding Bonds, 2011 Series A1 and A3 and 2009 Series A2. (F&I)
(To be mailed separately)
- 8-3** Appropriate \$12.5 million; and award \$9,777,000 contract to Myers and Sons Construction, LP to rehabilitate sand traps along the Colorado River Aqueduct (Approp. 15373). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$12.5 million; and**
- b. Award \$9,777,000 contract to Myers and Sons Construction, LP to rehabilitate sand traps on the Colorado River Aqueduct.**

- 8-4** Authorize increase to the contract authority of the five-year agreement with Electric and Gas Industries Association for Metropolitan's regional conservation rebate program. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorize the General Manager to amend Agreement No. 129415 with EGIA to increase the maximum amount payable under the contract from \$290 million to \$620 million to allow for administration of the increased activity in Metropolitan's regional rebate program.

- 8-5** Approve payment of increased dues for membership with Los Angeles Economic Development Corporation. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and authorize the General Manager to change Metropolitan's membership level in the LAEDC and pay the additional membership dues at a total rate of \$12,500 per year.

- 8-6** 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 project is not defined as a project under CEQA, and approve the salary schedule attached to the board letter.

- 8-7** Report on existing litigation; *Cora Constructors, Inc. v. The Metropolitan Water District of Southern California*, San Bernardino Superior Court Case No. CIVDS 1411824; authorize increase in maximum amount payable under contract with Musick Peeler & Garrett for legal services by \$250,000 to a new total amount not to exceed \$350,000 (Approp. 15373). (L&C)
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]
(To be mailed separately)

- 8-8 Authorize renewal of Metropolitan's office lease in Washington D.C. (RP&AM)
[Conference with real property negotiators; agency negotiators: John Clairday and Bryan Otake; negotiating party: National Association of Realtors (Landlord); under negotiation: price and terms of payment; to be heard in closed session pursuant to Gov. Code Section 54956.8]

9. BOARD INFORMATION ITEMS

- 9-1 Compliance with Fund Requirements and Bond Indenture Provisions. (F&I)
- 9-2 Storage and Exchange Programs with Antelope Valley-East Kern Water Agency. (WP&S)
(No letter)

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.