

**REVISED**  
WORKSHOP MEETING OF THE  
BOARD OF DIRECTORS WITH MET DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Board Room, Fountain Valley, California  
July 6, 2016, 8:30 a.m.

Teleconference Site:  
20989 Park Lane  
Rollins, MT 59931  
(406) 844-2282

(Members of the Public may attend and participate in the meeting at both locations.)

## **AGENDA**

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### **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. 20\_\_)

### **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. ORANGE COUNTY'S WATER SUPPLY AND PERFORMANCE REPORT FOR APRIL 2016**

*Recommendation: Review and discuss the information presented.*

**3. PRESENTATION BY BILL HASENCAMP (METROPOLITAN) REGARDING COLORADO RIVER ISSUES AND LOWER BASIN STATE NEGOTIATIONS (Approximate Presentation Time: 20 minutes)**

*Recommendation: Review and discuss the information presented.*

**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 June MET Board Meeting
- b. Review items of significance for MET Board and Committee Agendas

*Recommendation: Review and discuss the information presented.*

**CLOSED SESSION**

**6. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION**  
**Initiation of litigation pursuant to paragraph (4) of subdivision(d) of Section 54956.9 (One case)**

**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.





## Item No. 1

### DISCUSSION ITEM

July 6, 2016

**TO:** Board of Directors

**FROM:** Robert Hunter, General Manager

**SUBJECT: INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION**

### STAFF RECOMMENDATION

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Staff recommends the Board of Directors: Receive input and questions as well as report on MET issues.

### DETAILED REPORT

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Pursuant to discussion with the member agencies, this item is available to the agencies to provide input and ask questions, as well as provide a time for the MWDOC MET Directors to report on MET issues.

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





## DISCUSSION ITEM

July 6, 2016

**TO:** Board of Directors

**FROM:** Robert Hunter  
General Manager

Staff Contact: Kevin Hostert/  
Harvey De La Torre

**SUBJECT: ORANGE COUNTY'S WATER SUPPLY AND PERFORMANCE  
REPORT FOR APRIL 2016**

### STAFF RECOMMENDATION

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Staff recommends the Board of Directors review and discuss this information

### REPORT

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#### Water Supply Conditions

Local precipitation (OCPW Station #121, Santa Ana) for the 2015-16 fiscal year was 8.14 inches, this is 4.76 inches below normal and 0.73 inches below the last year's (2014-15) precipitation total. Orange County has now experienced five consecutive years of below average precipitation. The average daily high temperature in Orange County (NOAA Station #135, Santa Ana fire station) was 78.58 degrees Fahrenheit for the 2015-16 fiscal year, this is approximately 3 degrees above the historical average daily high temperature. ***2015-16 was the second warmest year on record in Orange County, the warmest year on record was 2014-15 with an average daily high temperature of 79.51 degrees Fahrenheit.***

However, conditions in Northern California were average compared to the historical data. The 8-Station Index accumulated precipitation is currently at approximately 57 inches which is 119% of normal for this time of year. Northern Sierra snow water equivalent as of April 1st 2016 (the annual peak of Sierra snowpack) was 97% compared to average conditions. Sacramento River unimpaired runoff is forecasted to be 18.6 million acre feet (102% of normal, based on May 1st DWR report).

On the Colorado River Basin, conditions are slightly below average compared to the historical data. Upper Colorado precipitation to date is 97% of normal. Upper Colorado Basin snow water equivalent as of April 15th (the annual peak of Upper Colorado Basin snowpack) was 90% compared to average conditions. As of May 2016 the level at Lake Mead is approximately 1,073 feet above sea level, this mark the lowest level the reservoir

has seen since it has been filled. Although lake levels are anticipate to rise, the Bureau of Reclamation is forecasting now shortages for calendar year 2017 and calendar year 2018 (these forecast are subject to change).

### **State Control Board's Modified Conservation Standard Reduction Targets**

On May 9, 2016, Governor Brown issued Executive Order B-37-16 "Making Water Conservation a Way of Life" that extends the Emergency Regulation to January 31, 2017. In response to this Executive Order, on May 18 the State Water Resources Control Board (State Board) adopted a localized self-certification approach that replaces the prior state imposed mandatory conservation standard, which ranged from 8% to 36% for each retail agency. This new approach mandates each retail agency to conduct a "stress test," certifying whether they have sufficient available potable supplies for a three-year period under high demand and low precipitation conditions to meet the needs of their customers. They were required to submit the results of this water reliability "stress test" along with supporting information to the State Board by June 22.

As part of this self-certification process, the State Board emergency regulations requires urban water wholesale agencies (i.e. Metropolitan Water District of Southern California and MWDOC) to publicly disclose the amount of regional water supplies they expect to deliver to retail water suppliers for each year over the three-year period. Wholesale agencies were required to post these projections on their websites, and provide to this information to their retail agencies and the State Board by June 15.

MWDOC staff coordinated with its member agencies to meet the requirements of the State Board and to confirm consistency between the data they will be listing on their State Board Certification Form and what MWDOC would be posting on its webpage.

MWDOC wholesaler supply information is located at: <http://www.mwdoc.com/state-regs>

In addition to the providing the MWDOC wholesale supply information demonstrating the availability of imported water over the next three years, the MWDOC Board adopted Resolution 2034 calling for the continued implementation of extraordinary conservation measures during the emergency regulations and encourage retail water agencies to amend their water drought ordinances to incorporate the Governor's new permanent conservation measures.

Furthermore, to continue the significant water savings achieved by Orange County over the past 12 months, and to be cautious for the upcoming water year, the MWDOC Board also called for a **countywide water saving goal of approximately 10% from the average annual demands of calendar years 2013 and 2014.**

**For the month April Orange County Savings total 23.06% compare to historical average of April 2014 and 2013.**

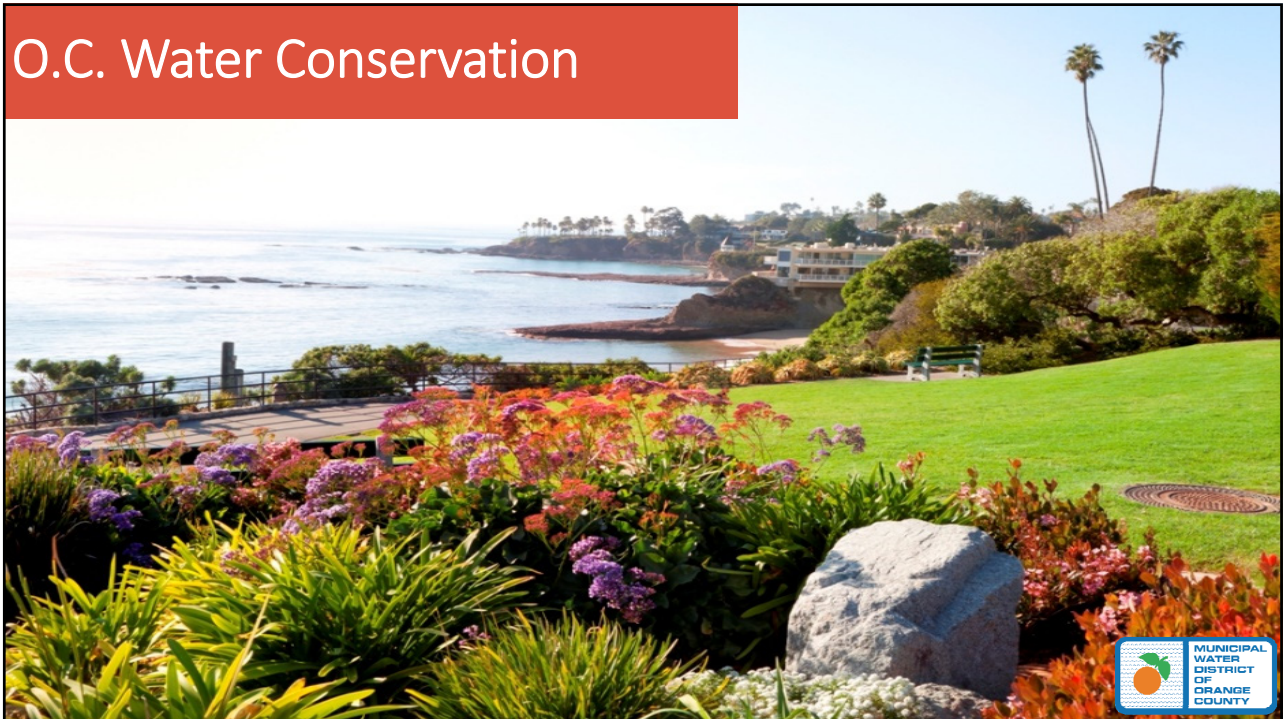


# Orange County Drought Performance & Water Supply Report

July 6, 2016

Municipal Water District of Orange County

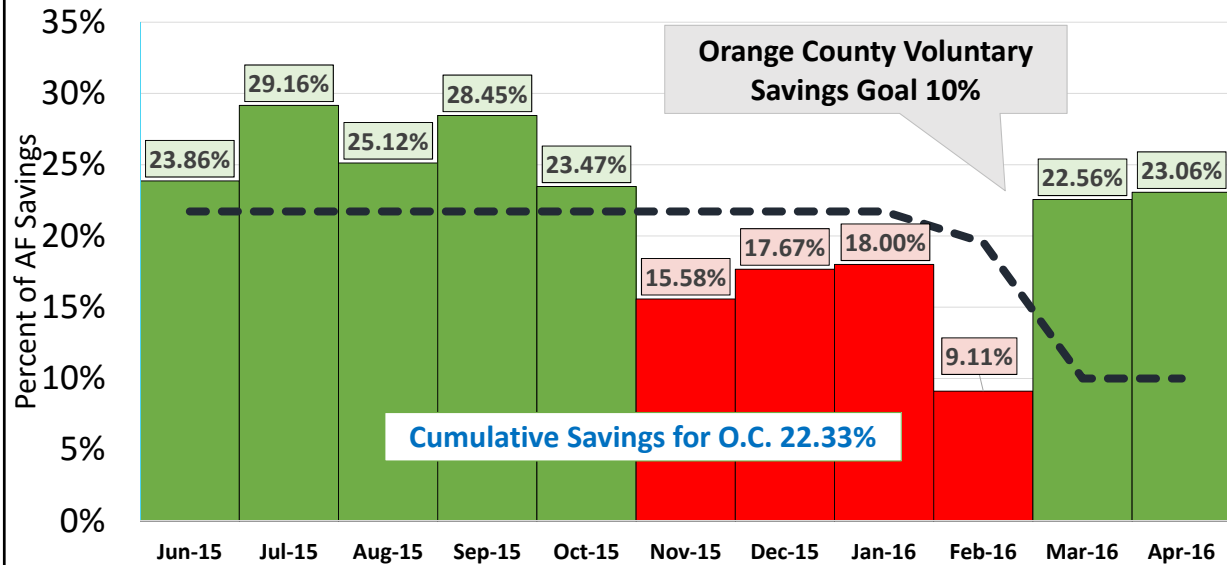
## O.C. Water Conservation



## O.C. Water Savings Reported to SWRCB

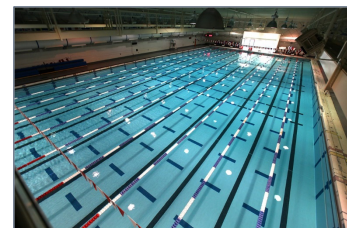
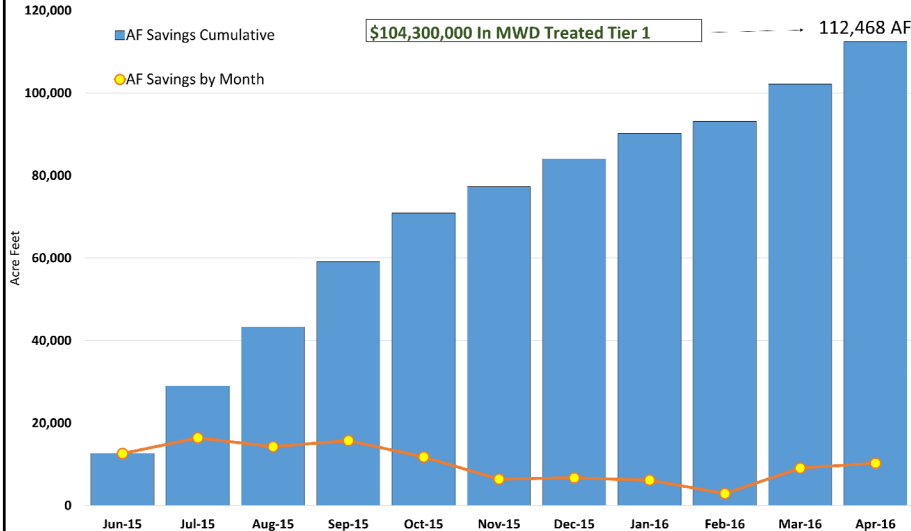


**Average Monthly Water Savings for Orange County (2014-15 Vs CY 2013)**



## O.C. Water Saving (Cumulative)

**Orange County's Total Water Savings Compared to CY 2013**

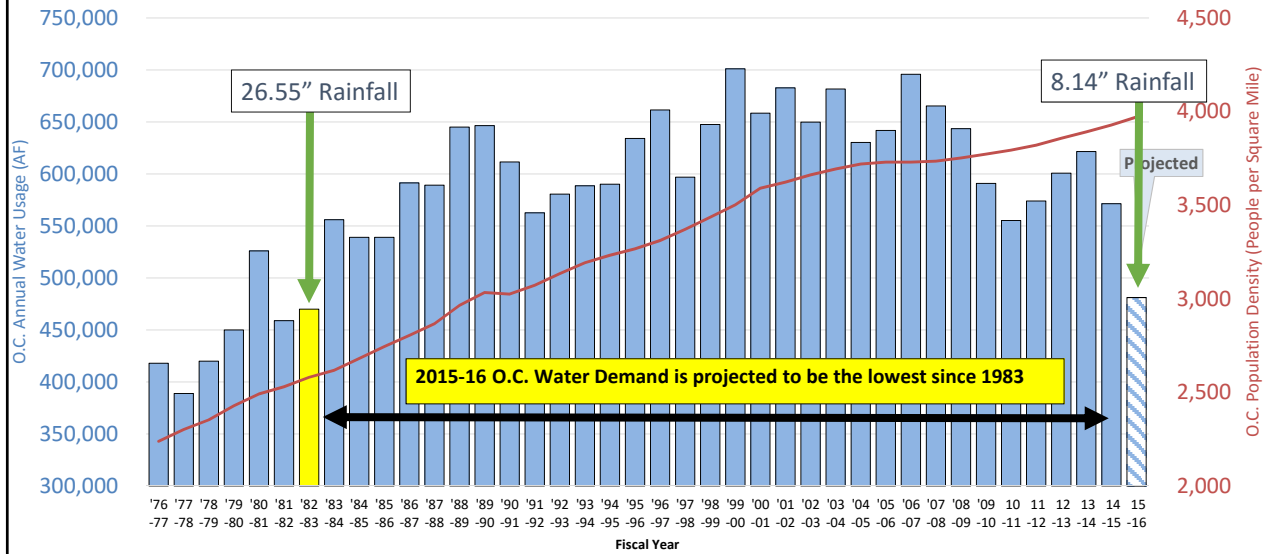


**= 55,512 Olympic Swimming pools**

**= \$104 Million MWD Treated Imported**



## O.C. Historical Water Usage



## Local Weather Conditions



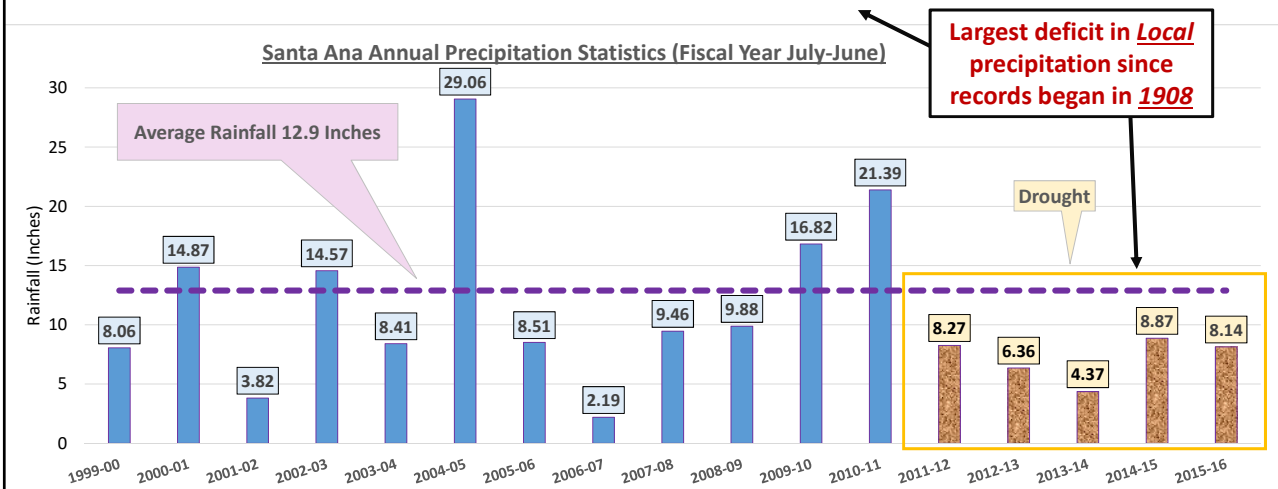
## FY Annual Precipitation (Santa Ana)



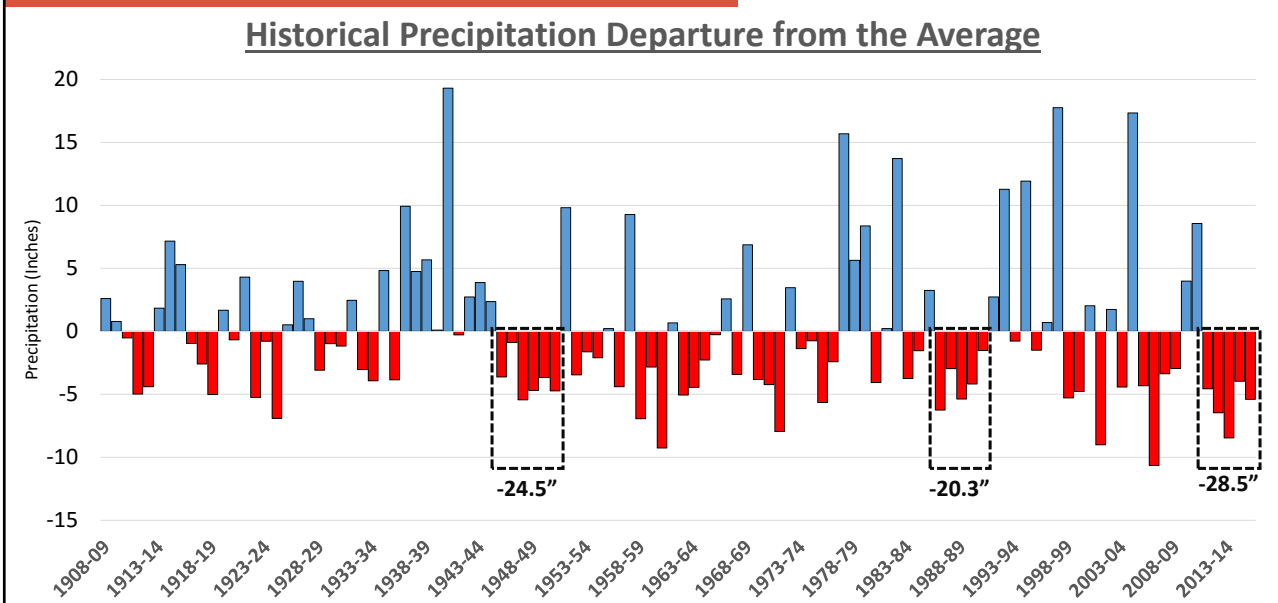
### Cumulative Year-to-Date

Average Rainfall to Date: **12.90"**

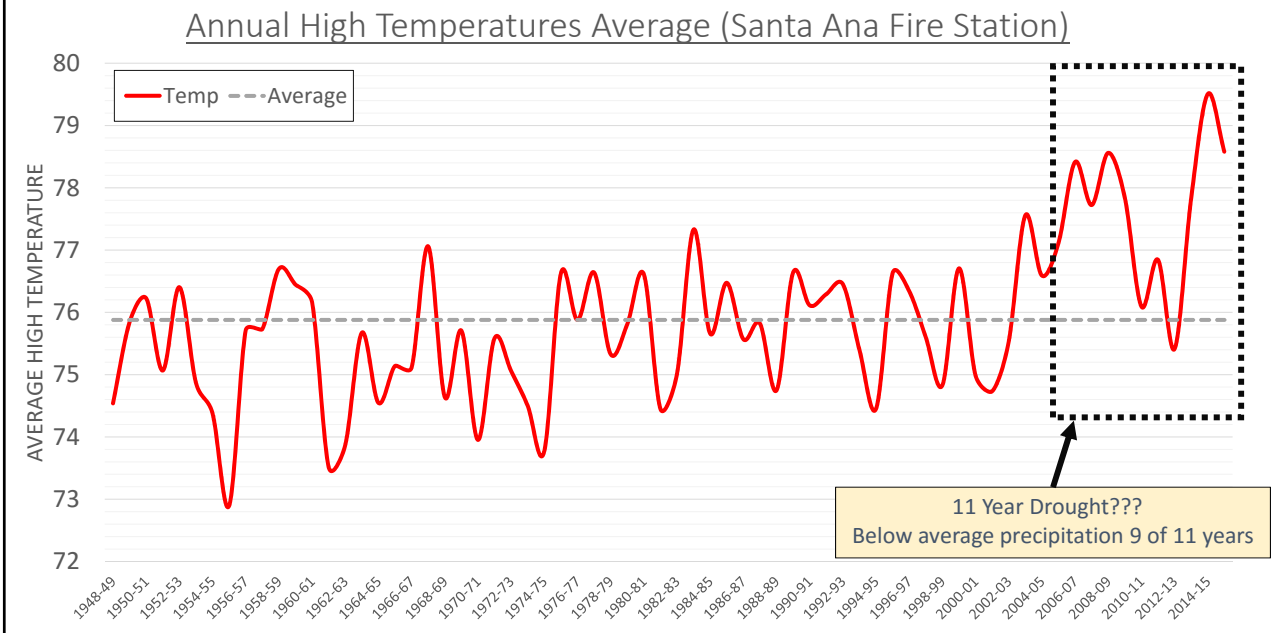
2015-16 Rainfall to Date: **8.14"** **5-Year Deficit: 28.47" (2011-12 to Present)**



## Historical Local Precipitation



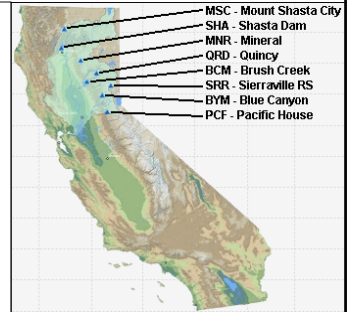
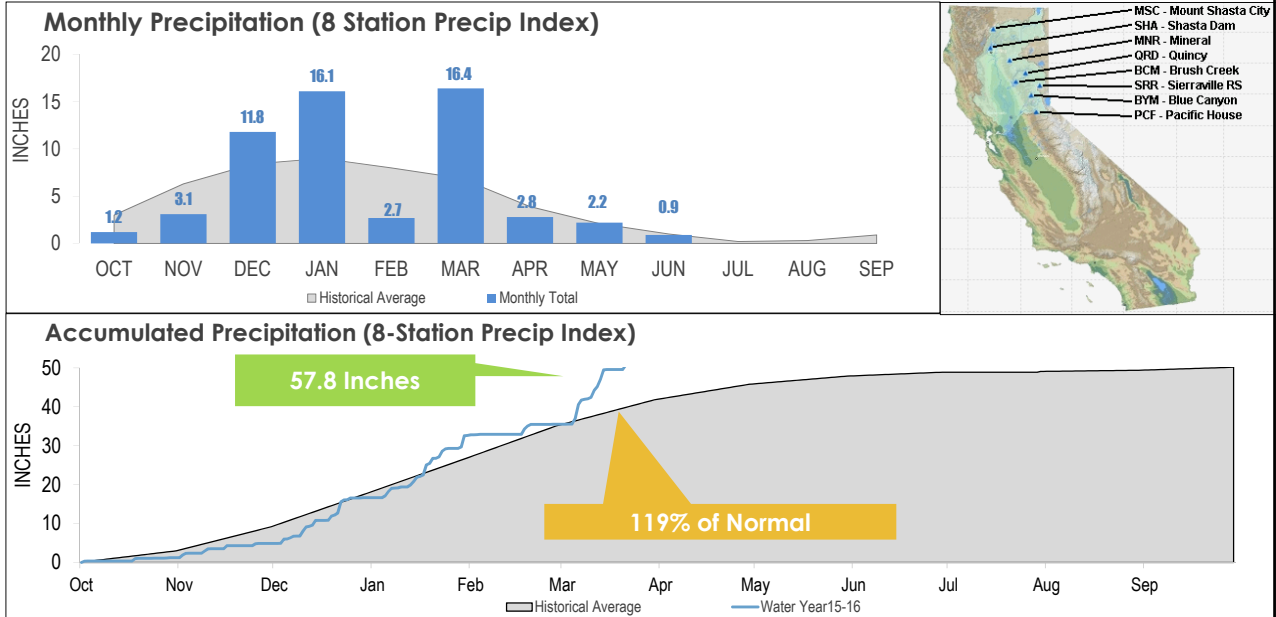
## Santa Ana Historical High Temperature



## Regional Weather and Water Supply Conditions



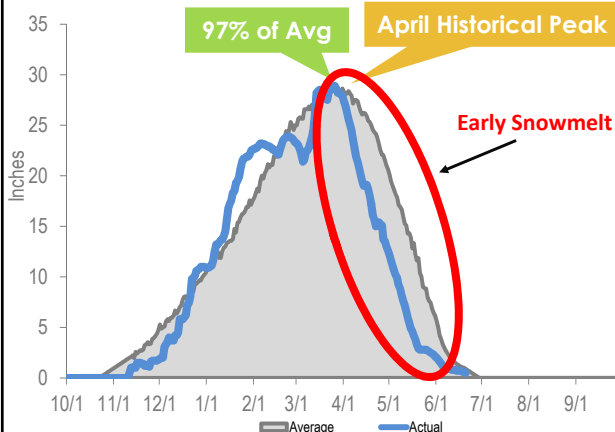
## Northern California Accumulated Precipitation



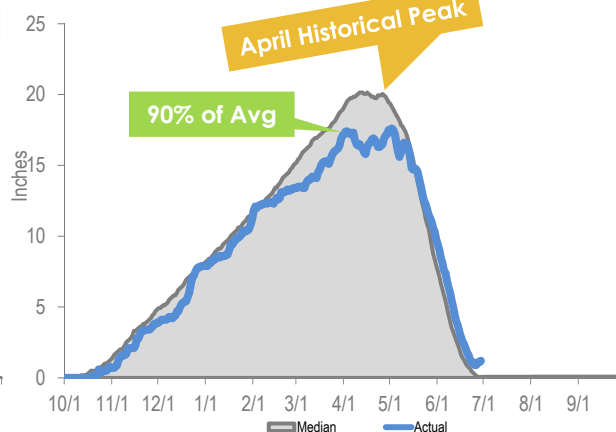
## Snowpack



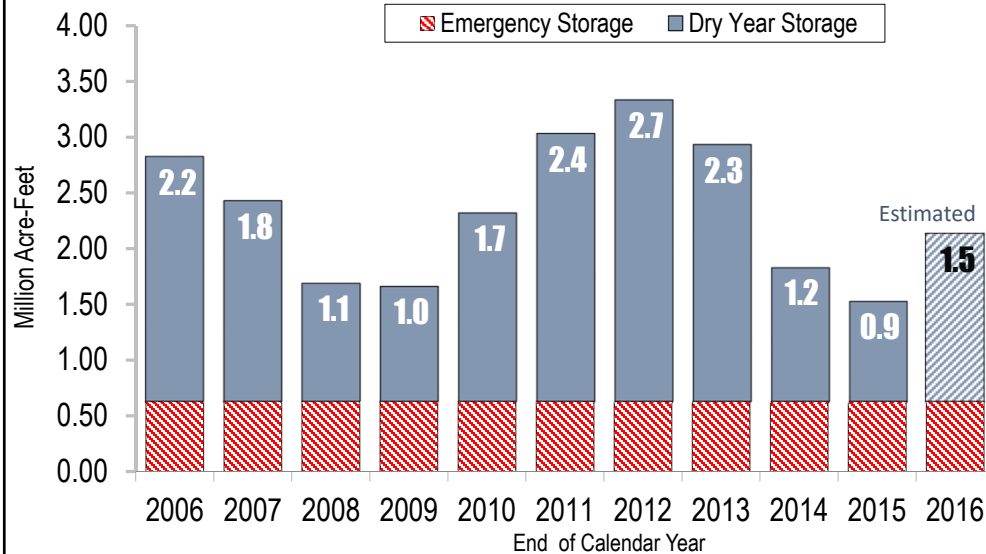
**Northern Sierra Snowpack Water Equivalent**



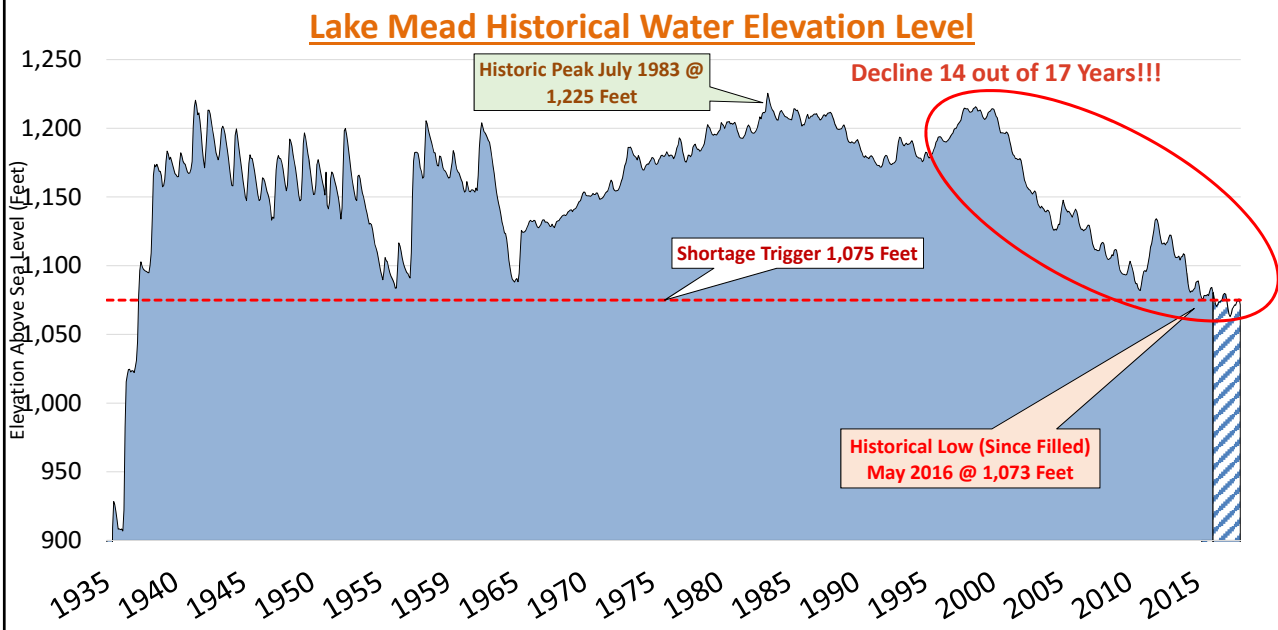
**Colorado River Basin Snowpack Water Equivalent**



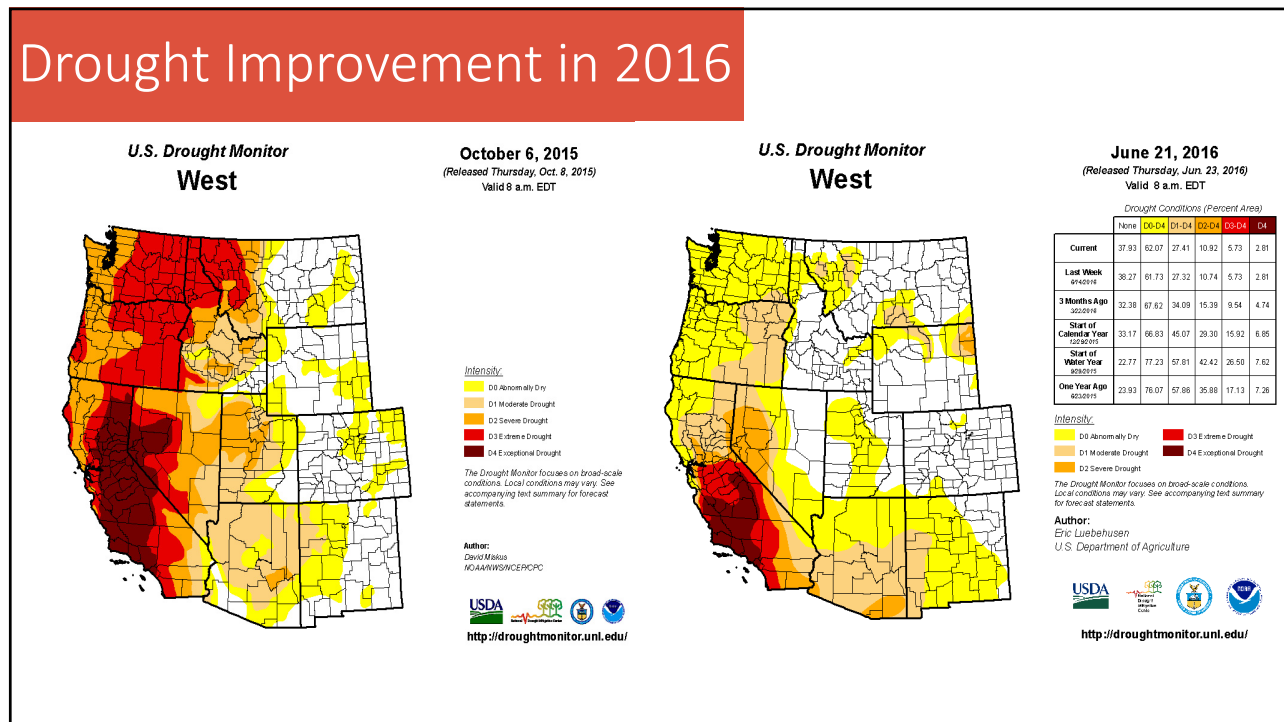
## MWD Projected End of Year Storage



## CRA Storage



## Drought Improvement in 2016



## Water Supply Conclusions

- 💧 Water Supply Conditions are normal to slightly above normal in Northern California resulting large increase in reservoirs storage.
- 💧 Water Supply conditions in Southern California are below normal for the **5<sup>th</sup>** straight year.
- 💧 Table A allocation is now at **60 %**, which is about **1.2 MAF** of water to MWD. With the large amount of storage it is anticipated that the initial Table A allocation for 2017 will be favorable.
- 💧 MWD is projecting a supply of **2.2 MAF** resulting in **0.5 MAF** being put into storage. Allocations have been lifted for 2016-17.
- 💧 The Colorado River system continues to be in decline and there is a possibility of a shortage in CY 2018.
- 💧 **The entire state of California is still in a drought** and these conditions will continue until next winter (Hopefully it is wet next year).





Questions





## DISCUSSION ITEM

July 6, 2016

**TO:** Board of Directors

**FROM:** Robert Hunter  
General Manager

Staff Contact: Harvey De La Torre

**SUBJECT: PRESENTATION BY BILL HASENCAMP (METROPOLITAN) REGARDING  
COLORADO RIVER ISSUES AND LOWER BASIN STATES DISCUSSIONS**

### STAFF RECOMMENDATION

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Staff recommends the Board of Directors review and discuss this information

### REPORT

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The U.S. Bureau of Reclamation reported that Lake Mead and Lake Powell are both at critically low levels. In fact, Lake Mead is currently below its shortage trigger level of 1,075 feet, but is expected to increase before the end of 2016. However, this has caused concern among the Lower Basin States and started discussions to figure ways to decrease the decline of Lake Mead. California, Nevada, and Arizona are working together on developing drought contingency plans to stabilize the Colorado River.

To further explain the current issues and challenges we are facing on the Colorado River, MWDOC has invited Bill Hasencamp of MWD to this month's Board Workshop.

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





**DISCUSSION ITEM**

July 6, 2016

**TO:** Board of Directors & MET Directors

**FROM:** Robert J. Hunter  
General Manager

Staff Contact: Harvey De La Torre

**SUBJECT: Metropolitan Water District (MET) Items Critical To Orange County**

**STAFF RECOMMENDATION**

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

**SUMMARY**

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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

## ISSUE BRIEF # A

**SUBJECT: MET's Water Supply Conditions**

### **RECENT ACTIVITY**

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Local precipitation (OCPW Station #121, Santa Ana) for the 2015-16 fiscal year was 8.14 inches, this is 4.76 inches below normal and 0.73 inches below the last year's (2014-15) precipitation total. Orange County has now experienced five consecutive years of below average precipitation. The average daily high temperature in Orange County (NOAA Station #135, Santa Ana fire station) was 78.58 degrees Fahrenheit for the 2015-16 fiscal year, this is approximately 3 degrees above the historical average daily high temperature. ***2015-16 was the second warmest year on record in Orange County, the warmest year on record was 2014-15 with an average daily high temperature of 79.51 degrees Fahrenheit.***

However, conditions in Northern California were average compared to the historical data. The 8-Station Index accumulated precipitation is currently at approximately 57 inches which is 119% of normal for this time of year. Northern Sierra snow water equivalent as of April 1st 2016 (the annual peak of Sierra snowpack) was 97% compared to average conditions. Sacramento River unimpaired runoff is forecasted to be 18.6 million acre feet (102% of normal, based on May 1st DWR report).

On the Colorado River Basin, conditions are slightly below average compared to the historical data. Upper Colorado precipitation to date is 97% of normal. Upper Colorado Basin snow water equivalent as of April 15th (the annual peak of Upper Colorado Basin snowpack) was 90% compared to average conditions. As of May 2016 the level at Lake Mead is approximately 1,073 feet above sea level, this mark the lowest level the reservoir has seen since it has been filled. Although lake levels are anticipate to rise, the Bureau of Reclamation is forecasting now shortages for calendar year 2017 and calendar year 2018 (these forecast are subject to change).

## **ISSUE BRIEF # B**

**SUBJECT: MET's Finance and Rate Issues**

### **RECENT ACTIVITY**

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#### **MET Financial Report**

At the June MET Finance and Insurance Committee, MET staff reported that water sales through May were 118.8 TAF less than budget, resulting in \$121.7 million less revenue. Based on these lower water sales, MET is trending toward selling 1.6 MAF by the end of the fiscal year.

#### **Proposed Treatment Fixed Charge**

As part of the adopted of the Budget and Rate for FY 2016/17 and 2017/18, the Board asked MET staff to form a workgroup to further analyze alternatives on a treatment fixed charges, and provide a recommendation for Board adoption in 2017. In response to this request, at last month's Executive Committee, MET staff outlined the following scheduled of the workgroup:

- July/August 2016- Workgroup formed (member agency managers)
- Bi-monthly or Monthly workgroup meetings
- Provide regular updates to F&I Committee and Member Agency Managers
- March 2017- F&I Committee receives recommendations from workgroup
- June 2017- Workgroup revises proposals per direction from F&I Committee
- July 2017- F&I Committee makes recommendation to Board
- Decision by Board implemented on January 1, 2018 or as part of next biennial budget for implementation January 2019

## **ISSUE BRIEF # C**

**SUBJECT: Colorado River Issues**

### **RECENT ACTIVITY**

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#### **Lake Mead Reaches Historic Low Level**

Last month, Lake Mead fell to its lowest level since the reservoir was initially filled in the 1930s, and by the end of May reached an all-time low elevation of 1,073.9 feet above sea level (37 percent full). It is anticipated that Lake Mead will reach this year's low point in early summer, and then slowly rebound and finish the year above 1,075 feet – the elevation that would trigger a first-ever shortage declaration. If the storage levels end up as projected, 2017 will not be a shortage year because of the actions taken by Lower Basin entities to reduce water diversions. Central Arizona Project (CAP), Southern Nevada Water Authority (SNWA), Imperial Irrigation District, and Metropolitan have all added water to Lake Mead through the Intentionally Created Surplus (ICS) Program. Additionally, several urban agencies and the Bureau of Reclamation (Reclamation) have funded conservation projects that have added system water to Lake Mead. They are also looking at additional actions to forestall the decline of Lake Mead.

#### **Six Agency Committee Approves Funding for System Conservation Projects**

On May 11 the Six Agency Committee, which supports the Colorado River Board of California, approved the contribution of up to \$500,000 to fund Lower Colorado River Basin projects being considered for selection as system conservation pilot projects. The pilot projects provide compensation for voluntary reductions in water use to benefit the Colorado River system, increasing the amount of water in storage in Lake Mead in the Lower Basin. Reclamation, Metropolitan, CAP, Denver Water, and the SNWA are evaluating proposals received in response to Reclamation's second request for proposals. The Six Agency Committee will provide funding equal to Metropolitan's additional contributions, which limits the amount of additional funding provided by Metropolitan to \$500,000.

## **ISSUE BRIEF # D**

**SUBJECT: Bay Delta/State Water Project Issues**

### **RECENT ACTIVITY**

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#### **State Water Resources Control Board (SWRCB)**

The State Water Resources Control Board (SWRCB) will hold a public hearing to receive evidence relevant to the joint petition filed by the Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (USBR) requesting changes in water rights for the new points of diversion for the California WaterFix Project. The first portion of the hearing (Part 1A) concerning potential injury to other legal water right holders is scheduled to commence on July 26, 2016 and will be dedicated to the petitioners' case and cross-examination of petitioners' witnesses. DWR and USBR submitted extensive testimony to the SWRCB on May 31, 2016. The second portion of the hearing (Part 1B) will be comprised of testimony from other parties and is scheduled to commence at the end of the year. Part II of the hearing will address effects on aquatic resources and will commence after certification of the Environmental Impact Report for the California WaterFix project. Metropolitan is a party in the proceedings, and in collaboration with other public water agency participants, is preparing to participate.

#### **Bay-Delta Habitat Restoration Activity**

The State and Federal Contractors Water Agency (SFCWA), of which Metropolitan is a member, has been pursuing opportunities for habitat restoration in the Suisun Marsh to comply with the biological opinion for Delta smelt issued in 2008 by the U. S. Fish and Wildlife Service (USFWS). This biological opinion requires that 8,000 acres of intertidal and associated subtidal habitat be developed in the Delta and Suisun Marsh. SFCWA is working cooperatively with DWR to achieve this result in a timely and cost effective manner. Towards this end, SFCWA has contracted with Westervelt Ecological Services to develop the Tule Red duck club property in Suisun Marsh. Metropolitan, Westlands Water District and the Santa Clara Valley Water District jointly funded acquisition of the property in 2011, which the Metropolitan Board approved. The property is expected to generate over 420 acres of new tidal habitat. SFCWA has been working with Westervelt over the last four years to perform site reconnaissance and obtain required permits. Other significant actions have included preparing the Delta Stewardship Council Consistency Determination document, final design, plans and specifications, hydraulic modeling, habitat crediting prospectus and credit purchase agreement. The project has been cleared by the Council to proceed. Currently, the project managers are working to complete the construction contractor bidding process and move the project toward initial construction.

#### **Delta Flood Emergency Management Plan**

The California Office of Emergency Services (Cal OES) is planning to issue a draft Northern California Catastrophic Flood Response Plan in late August for public review.

The plan describes broader initiatives of Cal OES and the Federal Emergency Management Agency (FEMA) to meet citizen needs in major emergencies, and interfaces with operational plans of DWR and the U.S. Army Corps of Engineers who are responsible for repair of levee failures.

The U.S. Army Corps of Engineers has indicated a commitment to maintain on call contracts for timely response to large-scale emergency operations in the Delta region. DWR's emergency operations contracting is governed by the California Water Code wherein broad authority is provided to enable emergency services on a timely basis for repair of critical water facilities, including levees.

The revised DWR Emergency Response Tool (ERT) to assess real time levee repair times and resources in emergencies has reached the testing phase. DWR flood management and operations staffs are performing drills to work through internal operational strategies. Initial runs to assess time and resources to implement the emergency freshwater pathway will be performed in July 2016.

## **ISSUE BRIEF # E**

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

### **RECENT ACTIVITY**

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MET is working on the Phase 2 of its Integrated Resources Plan for 2015; part of that work will consider changes in MET's Local Resources Plan (LRP) under which MET provides financial incentives to local agencies that develop new supplies that cost more than the cost of MET water. MET is open to considering alternative ways of participating in local projects, including ocean desalination projects.

#### **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 OCWD Board and staff will continue their discussions regarding integration of the Poseidon Project into the local water supplies from the OCWD Groundwater basin at their upcoming meeting on July 6. Poseidon is continuing to work on the NPDES permit from the Santa Ana Regional Water Quality Control Board (operating permit) and their construction permit from the California Coastal Commission (anticipated September 2016 meeting).

## **ISSUE BRIEF # F**

**SUBJECT: Orange County Reliability Projects**

### **RECENT ACTIVITY**

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#### **Central Pool Augmentation Program**

There are no updates to report.

#### **Orange County Water Reliability Study**

On June 28, MWDOC provided a DRAFT copy of Technical Memorandum #4 to the member agencies for review and comments. The draft will circulate for about a month before comments will be incorporated and it will be finalized. The DRAFT conclusions and recommendations sections are provided below:

#### **Conclusions**

A number of conclusions can be drawn from both Phase 1 and Phase 2 of the OC Study, these being:

- Projected water supply shortages, both in terms of likelihood and size, are too great to sustain for the MET region and Orange County without NEW investments in water supply over today's existing supply levels. Without NEW investments, water shortages in Orange County are anticipated to occur in 8 of 10 years by year 2040.
- The cost of water will continue to increase over time, and at higher rates than the cost of inflation to deal with these reliability issues.
- Water supply and system reliability in Orange County is dependent on both investments made by others (MET and MET member agencies) AND investments made locally within Orange County. Further, water supply reliability is not entirely under Orange County's total control. This is because all of Southern California falls under MET's IRP and Orange County's water costs and reliability are dependent on the collective response within that regional plan.
- A Recommended Planning Scenario (MET Portfolio B) was developed to guide the Orange County water investment strategy towards resolving shortages projected for 2030 initially. Based on "high impact" issues that will be resolved in the next several years, changes in the investment strategy may be necessary (Adaptive Management). The "high impact" issues include the following:

1. California WaterFix/Governor Brown's Term – some have indicated it is imperative that the California WaterFix construction be initiated while the state has a supportive Governor in office; if this does not occur, the likelihood of success for the project could suffer substantially.
  2. MET's Carson IPR Project, Go/No go – MET's Carson IPR project is a regional project that would tap and develop significant local wastewater resources for replenishing groundwater basins in Southern California. MET's plans are to complete a feasibility and cost study by early 2017; if the project proceeds, operations could start as early as 2023.
  3. MET Member Agency Projects, Go/No go – there are a myriad of significant local projects and the success of these projects coming to fruition will have a direct impact on the regional reliability of supplies within the MET IRP.
  4. What happens if/when we reach the Lake Mead Trigger Elevation? Lake Mead is projected to reach this level within the next 2 years; conventional thinking is that the primary shortage impacts on the Colorado River will fall to Arizona and Nevada before California, but politically, other arrangements could prevail that result in impacts to California's and MET's water resources.
  5. Policy issues at MET (water rates, LRP funding, groundwater replenishment) – the Phase 2 of MET's 2015 IRP will consider a number of issues that could improve regional reliability; until those issues are teed up and acted upon, uncertainty exists.
- Although the California WaterFix is the lowest-cost solution to improving regional supply reliability, there are multiple other paths to achieve reliability if this project is not implemented as planned.
  - Under an assumed MET Portfolio B (developed by the OC Workgroup) in which the California WaterFix is not implemented, but in its place MET develops the Carson IPR project and additional water transfers, as well as supports the development of more member agency local projects, supply reliability is greatly improved in Orange County. However, some water shortages still exist under this planning scenario, with shortages for Orange County as a whole occurring roughly 1 in 4 years (25 percent of the time).
  - For the Brea/La Habra and Orange County Basin areas of the county, implementation of MET Portfolio B would result in shortages that are fairly manageable in size by a combination of mandatory water demand curtailments in extreme droughts, additional groundwater management, and some increases in long-term water use efficiency.

- For the South Orange County area, remaining water shortages with MET Portfolio B are too great to be managed without new supply investments, especially when coupled with emergency system needs under MET treated imported water disruptions.
  - For South Orange County, there are multiple paths (supply portfolios) to achieving full supply and system reliability, even without a California WaterFix, and the cost-effectiveness of these multiple paths is very similar—even under a wide range of financial assumptions. In fact, there is little downside risk of making local supply/system reliability investments even if they are made and MET becomes fully reliable with the implementation of the California WaterFix.
  - Investment decisions should be tested against changes that would result in “over-investing” or “under-performing” (Adaptive Management) to fully understand potential implications. Illustrative examples were presented for the South Orange County area to demonstrate this.

### **Recommendations**

While the overall purpose of the OC Study was not to make specific recommendations as to which local water supply project should be implemented by which local water agency, there are a number of recommendations that can be made to advance reliability for the region and county as a whole. These recommendations are as follows:

#### **Statewide Level:**

1. Orange County should continue to support and strongly advocate for the implementation of the California WaterFix, as it represents the most cost-effective large-scale reliability solution to improving regional water supply reliability and hence the reliability for Orange County.
2. Orange County should advocate for leaving mandatory water use restrictions up to regional and local decision-makers, but if the state is to enforce mandatory demand restrictions during severe droughts again it should account for local investments made in conservation and alternative water supplies (e.g., recycled water and desalination).

#### **Regional Level:**

1. Orange County should advocate for MET to refill regional storage and increase its water banking accounts in the interim until the California WaterFix is operational or not implemented at all, as this has the benefit of increasing near-term reliability in the most cost-effective manner.

2. Orange County should support MET and other water agencies in evaluating alternative water supply projects, such as the Carson IPR project, if they are cost-effective and provide regional benefits.
3. Orange County should continue to work with MET to develop fair and effective programs that aid in long-term replenishment of groundwater using MET regional water supplies.
4. Orange County should continue to advocate for fair and effective LRP funding of local water supply projects that produce regional benefits.
5. Orange County should continue to advocate for MET funding of cost-effective water conservation programs.
6. Orange County should work with MET and its member agencies to address how new local projects are accounted for in MET's Water Supply Allocation Plan (WSAP), specifically addressing the equity issues of making substantial investments while only getting a fraction of supply benefits from a MET imported water allocation.
7. Orange County should work with MET and its member agencies to ensure that MET's fixed expenditures are covered by appropriate revenue mechanisms, as it is important to the region that MET is financially healthy.
8. Orange County should work with MET and DWR, as well as other interested member agencies, to evaluate MET's emergency water storage reserves to deal with a catastrophic outage in the Delta; or a concurrent outage of the Edmonston Pump Station, East Branch of the SWP, and Colorado River Aqueduct.

Local Level:

1. OCWD, MWDOC, and South Orange County water agencies should work to expand an emergency supply program that would allow pre-delivered imported water stored in the OC Basin to be used by South County during emergencies such as a system outage of MET treated imported water.
2. Orange County should closely monitor the progress of the California WaterFix and MET's Carson IPR project, as they would have significant impacts to Orange County reliability if implemented.
3. Orange County would benefit from an adaptive management approach to supply reliability, with periodic re-assessment of water demands and supplies at the regional and local levels.
4. Follow-up work in OC Study should involve:

- a. MWDOC work with SOC and MET regarding investigating a water banking arrangement with Semitropic Water Storage Bank, if the SOC agencies are interested. This follow-up work would deal with pricing and MET wheeling.
- b. Work on moving groundwater and/or Poseidon water through the EOCF#2 or other avenues for reliability in South County.
- c. MWDOC's WUE Department to prioritize future WUE investments in Orange County, based on remaining conservation potential.

Additional work with OCWD on groundwater basin management including opportunities to develop an extraordinary water supply within the OC Basin and to expand the use of the MET Conjunctive Use Storage account.

## **ISSUE BRIEF # G**

**SUBJECT: East Orange County Feeder No. 2**

### **RECENT ACTIVITY**

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#### **Use of East Orange County Feeder No. 2 for Conveyance of Groundwater and Poseidon Water**

MWDOC awarded an engineering contract to Black & Veatch (B&V) Engineers pursuant to an **Invitation to Submit an SOQ and Input on Engineering and Operations of Pipelines in Orange County**. The purpose of the award is utilize the expertise of B&V Engineers with respect to MET's large diameter pipeline design (30" to 78" in diameter, mostly steel), and MET's pipeline specifications, operations, water quality issues, maintenance issues and hydraulic control and hydraulic transients control.

Overall, this work would help with the following projects:

1. Integration of the Poseidon Water using the EOCF#2
2. Use of the EOCF#2 to move Groundwater in Orange County
3. Use of other pipelines to move Groundwater in Orange County (West Orange County Wellfield Project water conveyance)
4. Expansion of the Emergency Services Project to move emergency water to South Orange County

MWDOC and B&V held their first meeting to exchange information and background materials. An upcoming meeting with B&V will be held to discuss moving forward on the options noted above.

## **ISSUE BRIEF # H**

**SUBJECT: South Orange County Projects**

### **RECENT ACTIVITY**

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#### **NEW INFORMATION – UPDATE ON DOHENY WORKSHOP BY SOUTH COAST WATER DISTRICT**

On June 22, South Coast Water District held a Workshop on the Doheny Ocean Desalination Project where they discussed the project delivery options and their consulting team from GHD presented their current cost estimate for three variations of the project. The Workshop was well attended and besides Karl Seckel and Director Susan Hinman from MWDOC, included representatives from MNWD, SMWD, San Juan and San Clemente. GHD provided input to the Board on delivery of the project with information they had gotten from contractors, DBO teams and financial consultants. They also provided the initial updated cost estimate (the full details are still being evaluated) and they considered many financial issues with respect to the cost of the project. They did not get into what would consist of the justification for the project other than to compare the cost of the project to the cost of MET water. For their base financial analysis:

- They assumed 2% financing via SRF funding
- For the 15 mgd project, when accounting for their suggested financing terms and the updated MET incentive (up to \$450 per AF) the GHD “NET project costs” were very similar, but slightly higher (about \$100 per AF or so) compared to what MWDOC had previously developed. They have initially assumed they would need permanent Fe and Mn treatment facilities whereas our final plan was to pump out and dispose of the water containing large amounts of Fe and Mn.

They outlined three projects:

1. 5 mgd with infrastructure expandable to 15 mgd
2. 15 mgd project
3. 4 mgd project not as expandable, more just for South Coast only

One of the interesting pieces of input they got from their survey work is that the DBO teams were not keen on taking on the risk of the slantwell water production and water quality. The perception out there is that this is NEW technology and so the risk should remain with the agency. It was recognized that the work proceeding in Monterey may eliminate this perception as it proceeds along.

The GHD team did a good job of running through the slides to help the board understand the various financial issues. They asked the Board to weigh in on the myriad of variables to help focus GHD’s upcoming efforts since there are so many variables in the financial equation. The Board will provide input at a subsequent meeting.

## **NO NEW INFORMATION BELOW – THIS IS A REPEAT FROM LAST MONTH**

The purpose of this issue brief is to list and highlight activities towards completion of projects providing new supplies or improving system reliability for South Orange County (SOC). The following projects are highlighted:

### **Expansion of Water Recycling in South Orange County**

The table below provides projections on an agency by agency basis for purple pipe recycling. Indirect Potable Reuse (IPR) and Direct Potable Reuse (DPR) projects will be discussed separately. Virtually every agency in SOC is looking at opportunities for expansions to their recycled water systems.

<b>Purple Pipe Recycling Water Projections for SOC (acre-feet per year)</b>		
	Current	Future
SMWD	5,600	13,400
Trabuco	800	1,000
San Clemente	500	1,500
San Juan Capistrano	700	2,500
South Coast	1,000	2,000
MNWD	7,000	9,500
ETWD	500	1,700
Total Purple Pipe Recycling	16,100	31,600

### **Trampas Recycled Reservoir Project**

Seasonal storage capacity to capture recycled water in the winter when it is available to carry it over into the summer is typically a limiting factor when looking at expansions to existing recycled water systems. The Trampas project, spearheaded by SMWD will add much needed regional recycled water storage capacity in SOC.

The Trampas reservoir is an existing reservoir constructed between 1973 and 1975 and is an earth fill dam. The reservoir is located south of Ortega Highway off of Cristianitos Road and has been used as a tailing retention facility for a quarry. SMWD is preparing plans to rebuild the dam and increase the reservoir capacity to 5,000 AF (Santa Margarita Water District, Final Initial Study and Mitigated Negative Declaration for Califia Recycled Water Project, June 2015). The reservoir will be used to store recycled water from the Chiquita Water Reclamation Plant approximately 1.5 miles north of the reservoir site and will allow for expansion of the SMWD recycled water system as well as potential expansion of other local recycled water systems (San Juan Capistrano, Moulton Niguel Water District, City of San Clemente). The design of the dam will be completed later in 2016.

### **SMWD Lake Mission Viejo Advanced Purified Water (APW) Project**

The Santa Margarita Water District (SMWD) is proposing to construct a recycled water treatment facility that would intake SMWD disinfected tertiary effluent and produce an advanced purified effluent for direct discharge and use in Lake Mission Viejo (LMV), in addition to other existing uses within SMWD's existing service area.

The project site is located within the northern portion of the City of Mission Viejo, approximately 0.10 mile south of LMV and directly southeast of the intersection of Alicia Parkway and Marguerite Parkway. The proposed project involves construction and operation of a recycled water treatment facility that would intake SMWD recycled water tertiary effluent and produce a purified effluent for direct discharge and use in LMV, in addition to providing for other existing uses within SMWD's service area. The APW facility would consist of a variety of interconnected treatment processes located within a single-story, prefabricated metal structure to be constructed immediately adjacent to the existing Finisterra Pump Station. This structure, which would encompass approximately 5,000 square feet, would house the APW treatment processes, consisting of micro- or ultra- filtration, reverse osmosis, and ultraviolet light disinfection of recycled water influent provided by SMWD from its existing recycled water system. The project is being submitted to MET under the LRP program to seek financing assistance.

#### **Lower San Juan Creek Groundwater Management**

The project would involve construction of rubber dams on San Juan Creek to capture additional stormflow for percolation into the groundwater basin. A second phase would involve streamflow recharge with polished tertiary treated recycled water into the San Juan Creek for capture and percolation into the groundwater basin for replenishment purposes (this is considered to be Indirect Potable Reuse (IPR)). The water would blend and commingle with native groundwater and then be fully treated by RO and Advanced Oxidation Processes (AOP) when it is pumped out for beneficial uses; the project will likely be implemented in phases with a potential of up to 7,000 AF of increased supply, in addition to the natural yield of the basin (ranges between 4,000 and 10,000 AF per year based on hydrology). The feasibility study for these efforts was just recently completed. SMWD has begun the preliminary design and CEQA work and is seeking participation from SOC agencies.

The Project includes the following primary elements:

- Design and build rubber dams - approximately \$33.6 million, which includes dams plus wells and treatment when water is pumped from the groundwater basin; with an anticipated yield of 1,120 AF per year. (Note, for this purpose yield is defined as water recharged, pumped out, treated and delivered for potable consumption, so it has treatment recovery losses included of about 20%; this statement applies to components below as well). The treatment capacity already exists for this level of production out of the groundwater basin, although some AOP elements may need to be added).
- Instream recharge of recycled water Phase 1 - approximately \$119.1 million; increases yield by 3,800 AF per year; this includes additional wells and treatment (existing treatment plus new treatment facilities).

- Instream recharge of recycled water Phase 2 - approximately \$160.9 million; increases yield by another 2,440 AF per year; this includes additional wells and treatment.

### **Production in San Mateo Groundwater Basin**

Currently, the City of San Clemente pumps between 500 and 1000 AF from this source. Issues with wells and high chloride levels have hampered additional production. A project was considered in the 1990's that would have required a joint venture with the Marine Corps Base Camp Pendleton; the 1990's project anticipated a potential groundwater basin yield of about 2,000 AF  $\pm$  and also considered storage of imported water for use for emergency purposes in an arrangement with the Marine Base. No current discussions or contacts have been made with the Marine Base involving this expanded opportunity. Environmentalists consider this the last pristine basin in or nearby to OC and want to protect it from outside influences.

### **Other Water Banking Projects (e.g., Semi-Tropic)**

Semi-Tropic Water Storage District has several rate schedules for storing and retrieving water from their Groundwater Storage Bank in the Central Valley, when needed. Their rate schedules do not include the actual cost of water, which needs to be secured independent from the Banking operations. Semi-Tropic has both a program with a capital payment and another program without a capital payment. Without any costs included for the cost of water in the Central Valley, the program cost for storing and retrieving water runs about on the order of \$600 to \$800 per AF; the water must then be wheeled to get it into the MET service area. Considering the cost of central valley water at \$350 per AF, the all in costs of this source for dry year supply from this source to Southern California is about \$1700 to \$1800 per AF for years in which drought protection would be needed.

### **South Coast WD Capistrano Beach Groundwater Recovery Facility Expansion**

South Coast WD constructed a 1 MGD Groundwater Recovery Facility (GRF) that came online in FY 2007-08 in Dana Point. SCWD plans to expand the GRF with the addition of new wells. Treatment will be provided up to 1,300 AFY which will require expansion of the GRF and agreement with SJBA or confirmation of water rights from the SWRCB. The expansion of this facility may not be possible, depending on the approach and size of the Doheny Ocean Desalination facility being pursued by South Coast.

### **San Juan Desalter Groundwater Recovery Plant Expansion**

The City of San Juan Capistrano has operated the GWRP since about 2005. Shortly thereafter, a number of issues impacted the reliability of production from the facility including iron bacteria in the wells, the discovery of a plume of Methyl Tert-Butyl Ether (MTBE) that required a reduction in production in half to about 2 MGD or less since the spring of 2008 until the responsible party contributed to provide Granular Activated Carbon Filter (GAC) for removal of the MTBE to allow increased production. The city then expanded other elements of the project to improve the production capacity up to 4 or 5 mgd. The drought then struck, reducing the amount of water that could be pumped from the San Juan groundwater basin, requiring a large reduction in production in 2015

and now in 2016. The treatment capacity of this plant is being considered for treating water captured and percolated into the groundwater basin from the rubber dams project.

### **Doheny Desalination Project**

The South Coast Water District Board approved the Final Doheny Desal Foundational Action Report in March 2016. This culminates two years of additional study effort on the project and paves the way for preparation of the CEQA documents and the preliminary design, which are both underway.

The main tasks detailed in the documents include a number of important elements, including:

- Advancement of Slant Well Technology
- Geologic, Seismic and Ocean Risk Analysis for Siting Slant Wells
- Prediction of Coastal/Ocean Groundwater Flow and Water Quality
- Modeling of Slant Well Feed Water Supply, Impacts and Mitigation Approaches
- Coastal Environmental Drawdown Issues and Regulatory Strategies

The report recommends a phased approach for the Doheny Ocean Desalination Project. The feedwater supply for Phase I Doheny Ocean Desalination Project should be 8.6 MGD (i.e., Scenario 2a), which includes the drilling of three slant wells (two operating wells and one standby well) and would result in a production of potable water in the amount of 4.3 MGD. The project would be operated to collect data on the performance before being expanded to as much as 15 MGD.

South Coast Water District has provided a Notice of Preparation (NOP) and completed a scoping meeting. They are continuing work on:

- A preliminary design report
- An updated cost estimate
- Offshore geophysical mapping
- Evaluating project delivery and financing options
- Looking for participation from other local agencies, possibly up to the capacity of the 15 mgd project

### **Camp Pendleton Seawater Desalination Project**

San Diego County Water Authority (SDCWA) is studying a desalination project to be located at the southwest corner of Camp Pendleton Marine Corps Base adjacent to the Santa Margarita River. The initial project would be a 50 (56,000 AFY) or 100 (112,100) MGD plant with expansions in 50 MGD increments to a maximum capacity of 150 MGD (168,100 AFY), making this the largest proposed desalination plant in the US. Work on various types of intake facilities is still being studied. Work completed in 2009 indicated the cost of water at \$1,400 to \$1,500 per AF at that time. MWDOC staff estimated an additional cost of about \$500 per AF to get the water integrated into SOC.

The project is currently 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. MWDOC and south Orange County agencies are maintaining a general interest in the project.

#### **Santa Margarita Water District Cadiz Water Storage Project**

SMWD has actively pursued additional water supply reliability through water transfers. They are currently involved in the analysis and evaluation of the Cadiz water storage project. The Cadiz Project includes a total yield of 50,000 AF per year that could be produced and mined from the Fenner Valley groundwater basin. The water would require treatment for Chromium VI and would be conveyed via a pump station and pipeline about 40 miles to MET's Colorado River Aqueduct. SMWD has an option for 5,000 AF per year, expandable to 15,000 AF per year; OCWD is considering the water supply. Work is underway to develop the terms and conditions for conveying the water via the Colorado River Aqueduct into Southern California. The cost of water at the Aqueduct is \$960 per AF. The water would have to be wheeled through the Metropolitan system. This appears to be a project obstacle at this time with MET planning on using the full capability of the system, thus being unable to commit to unused capacity on an on-going basis to fulfill the needs of the project.

#### **System Reliability Only Projects (to improve emergency response efforts)**

System reliability projects do not necessarily produce any NEW water but help to meet demands during emergency outages due to earthquakes or other risks. Projects that are being discussed at this time include:

#### **Addition of Generators & Back-up Power**

This program would involve working with various retail agencies around the county to improve emergency power to local production facilities for emergency events.

#### **Expansion of the Irvine Interconnection Project to SOC**

An agreement completed in 2006 resulted in an investment by SOC agencies in the IRWD system to allow exchanges of water to be delivered by IRWD into SOC under emergency situations. Capacity was provided to move up to 30 cfs; the agreement allows moving up to 50 cfs, not to exceed 3,000 AF per emergency event. The ability of IRWD was projected to decline over time and go 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. Other options could also be implemented if arrangements can be worked out with OCWD and the groundwater producers.

### **Additional Reservoir Projects in SOC**

SMWD led an effort to construct Upper Chiquita Reservoir at a capacity of 750 AF at a cost of \$50 million in 2008 to provide emergency storage water in SOC. Other reservoir sites in SOC offer the ability to expand storage by an additional 1,000 to 4,000 AF. Another project that could be considered is to increase the storage capacity at Irvine Lake to allow more storage for emergency purposes. None of these projects are in the active development phase at this time.

### **Baker Water Treatment Plant**

The Baker Water Treatment Plant is a joint regional project by five South Orange County water districts to build a 28.1 million gallon per day (mgd) [43.5 cubic feet per second (cfs)] drinking water treatment plant at the site of the former Baker Filtration Plant in the City of Lake Forest. The project will provide increased water supply reliability to South Orange County by increasing local treatment capability from multiple water supply sources, including imported untreated water from the Metropolitan Water District of Southern California (MET) through the Santiago Lateral and local surface water from Irvine Lake. The project will provide a reliable local drinking water supply during emergencies or extended facility shutdowns on the MET delivery system. It will also increase operational flexibility by creating redundancy within the water conveyance system. The advanced treatment processes - microfiltration treatment and ultraviolet disinfection technologies – will produce water that meets standards stricter than current regulatory requirements, resulting in a consistent, high quality source of drinking water for South Orange County. The project is expected to start up in October 2016.

### **Direct Potable Reuse (DPR) in South Orange County**

Agencies in SOC are awaiting regulations to be put forth by the State in September of 2016 pertaining to future DPR Projects. For example, it is conceivable that over the next 10 years or so, work in the San Juan Basin result in DPR projects, treatment of recycled water at Trampas Reservoir for introduction into the drinking water systems or DPR associated with the Doheny project may make sense. The regulatory and treatment barriers will need to be developed to allow these type of projects to move forward.



**Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
June 14, 2016**

**COMMITTEE ASSIGNMENTS**

None (**Agenda Item 5C**)

**FINANCE AND INSURANCE COMMITTEE**

Approved Metropolitan's Statement of Investment Policy; and delegated authority to invest to the Treasurer for fiscal year 2016/2017. (**Agenda Item 8-1**)

Approved the draft of Appendix A to Metropolitan's bond offering statements for future financings; authorized the General Manager, or other designee of the Ad Hoc Committee organized pursuant to the bond resolution, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and authorized distribution of Appendix A in connection with the sale or remarketing of bonds. (**Agenda Item 8-2**)

**(WITHDRAWN - Agenda Item 8-3)**

**ENGINEERING AND OPERATIONS COMMITTEE**

Appropriated \$10 million for capital projects costing less than \$250,000 for fiscal years 2016/17 and 2017/18; authorized the General Manager to initiate capital projects costing less than \$250,000 and perform all required work including the preparation of necessary environmental documentation; and designated the General Manager as the decision-making body for purposes of reviewing, approving, and certifying any environmental documentation which may be required for such projects. (Approp. 15498) (**Agenda Item 8-4**)

Appropriated \$2.7 million; and awarded \$1,885,150 contract to Abhe & Svoboda, Inc. to replace the fish screens on the Inlet/Outlet Tower at Diamond Valley Lake. (Approp. 15441) (**Agenda Item 8-5**)

**WATER PLANNING AND STEWARDSHIP COMMITTEE**

Authorized the General Manager to make payment of up to \$620,598 for the Colorado River Board, Six Agency Committee, and Colorado River Authority for FY 2016/17. (**Agenda Item 8-6**)

**COMMUNICATIONS AND LEGISLATION COMMITTEE**

Adopted Policy Principles on Annexation, Service Area Consolidation, or Extension of Water Service by Contract. (**Agenda Item 8-7**)

Authorized the General Manager to take a watch position on AB 2348 related to infrastructure investments by CalPERS. (**Agenda Item 8-8**)

Authorized the General Manager to express opposition, unless amended, to SB 163, related to wastewater treatment and use of recycled water. (**Agenda Item 8-9**)

### **CONSENT CALENDAR**

In other action, the Board:

Approved up to \$1.153 million to renew all the expiring excess liability and specialty insurance policies, and maintain the same retentions and coverage limits. (**Agenda Item 7-1**)

Appropriated \$310,000; and authorized design and valve procurement to relocate piping for Service Connection OC-76 on the Allen-McColloch Pipeline. (Approp. 15480) (**Agenda Item 7-2**)

Appropriated \$700,000; and awarded \$343,625 contract to Environmental Construction, Inc. to replace blow-off valves on the Middle Feeder. (Approp. 15480) (**Agenda Item 7-3**)

Approved amendments to the Metropolitan Water District Administrative Code to conform to current laws, practices and regulations. (**Agenda Item 7-4**)

### **OTHER MATTERS:**

In other action, the Board:

Approved 30-day leave of absence for Director Robert Apodaca commencing June 9, 2016. (**Agenda Item 5E**)

### **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**

**July 12, 2016**

Tuesday, July 12, 2016 Meeting Schedule		
9:00 a.m.	Rm. 2-145	L&C
11:00 a.m.	Rm. 2-145	RP&AM
12:00 p.m.	Board Room	Board Meeting

**12:00 p.m. – Board Room**

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MWD Headquarters Building

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700 N. Alameda Street

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Los Angeles, CA 90012

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**1. Call to Order**

- (a) Invocation: Carlos A. Carrillo, Assistant Resource Specialist, Water Resource Management Group
- (b) Pledge of Allegiance: Director Peter Beard

**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 June 14, 2016. (A copy has been mailed to each Director)  
Any additions, corrections, or omissions
- B. Report on Directors' events attended at Metropolitan expense for month of June

- C. Presentation of 20-year service pin to Director Judy Abdo, effective June 20, 2016
- D. Approve 30-day leave of absence for Director Linda Ackerman, effective July 7, 2016
- E. Adopt motion to adjourn the August Board Meeting to August 16, 2016, to establish tax rate. (Committees to meet on August 15 and 16, 2016)
- F. Approve committee assignments
- G. Chairman's Monthly Activity Report

## **6. DEPARTMENT HEADS' REPORTS**

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

## **7. CONSENT CALENDAR ITEMS — ACTION**

- 7-1** Appropriate \$800,000 for completion of the industrial wastewater handling system at the Henry J. Mills Water Treatment Plant (Approp. 15452). (E&O)

### **Recommendation:**

#### **Option #1:**

**Adopt the CEQA determination that the proposed action has been previously addressed in the 2009 categorical exemptions, and**

**Appropriate \$800,000 to complete the Mills industrial wastewater handling system improvements.**

- 7-2** Appropriate \$950,000; and authorize design and installation of Stage 1 upgrades to the dam monitoring system at Diamond Valley Lake (Approp. 15419). (E&O)

**Recommendation:**

**Option #1:**

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

- a. Appropriate \$950,000; and**
- b. Authorize design and installation of Stage 1 upgrades to the dam monitoring system at Diamond Valley Lake.**

**(END OF CONSENT CALENDAR)**

**8. OTHER BOARD ITEMS — ACTION**

- 8-1** Appropriate \$2.7 million; and award \$1,422,082 contract to PCL Construction, Inc. to replace valves on the Palos Verdes Feeder (Approp. 15441). (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action was previously determined to be categorically exempt, and**

- a. Appropriate \$2.7 million; and**
- b. Award \$1,422,082 contract to PCL Construction, Inc. to replace valves on the Palos Verdes Feeder.**

- 8-2** Appropriate \$1.83 million; and authorize increase in change order authority for urgent prestressed concrete cylinder pipe repairs on the Sepulveda Feeder (Approp. 15496). (E&O) **(To be mailed separately)**

- 8-3** Authorize 50-year agreements with the Western Area Power Administration and the Bureau of Reclamation for the purchase and delivery of energy and capacity from the Hoover Power Plant. (E&O)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is statutorily and categorically exempt, and is not subject to CEQA, and**

**Authorize the General Manager to execute the Hoover Electric Service Contract with the Western Area Power Administration and the Implementation Agreement with the Western Area Power Administration and the Bureau of Reclamation.**

- 8-4** Authorize payments of up to \$3.73 million for participation in the State Water Contractors, Inc. and the State Water Project Contractors Authority for fiscal year 2016/17. (WP&S) **(Two-thirds vote required)**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed actions are not defined as a project and are not subject to CEQA and, by two-thirds vote,**

- a. Authorize the General Manager to make payment of \$2.68 million to the State Water Contractors; and**
- b. Authorize the General Manager to make payment up to \$1.05 million to the State Water Project Contractors Authority.**

- 8-5** Approval of Modifications and Additions to the Conservation Programs. (WP&S)

**Recommendation:**

**Option #1:**

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

**Authorize implementation of new conservation program initiatives effective August 2, 2016, with the exception of the change in rain barrel incentive to be effective January 1, 2017.**

- 8-6** Affirm the General Manager's determination that one parcel consisting of 2.75 acres identified as a portion of Metropolitan Water District of Southern California Parcel No. INFED1-27-900 (APN 1210-381-19, is surplus to Metropolitan's needs and can be sold to San Bernardino Valley Municipal Water District. (RP&AM)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt from CEQA, and**

- a. **Affirm the General Manager's determination that the subject property comprised of 2.75 acres in the city of Highland, San Bernardino County, California is surplus and carry out disposition of the property with a reserved easement; and**
- b. **Authorize sale of the fee interest in the 2.75-acre parcel to SBVMWD, subject to the reserved easement, for not less than its appraised value in a form approved by the General Counsel.**

- 8-7** Report on existing and potential litigation challenging the purchase of property from Delta Wetlands Properties in Contra Costa, San Joaquin, and Solano 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 the appeal of this action, Court of Appeal for the Third Appellate District Case No. C082154; *North Coast Rivers Alliance v. Metropolitan Water District of Southern California, et al.*, Contra Costa County Superior Court Case No. MSN16-0629; *Pacific Coast Federation of Fishermen's Associations v. Metropolitan Water District of Southern California, et al.*, Solano County Superior Court Case No. FCS046934; 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 \$300,000 to a maximum amount payable of \$400,000. [Conference with legal counsel—existing and anticipated litigation; to be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) & (d)(2)]  
**(To be mailed separately)**

## **9. BOARD INFORMATION ITEMS**

- 9-1** Discussion of Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations  
[Public employees' performance evaluations--General Manager, General Counsel, General Auditor, and Ethics Officer; to be heard in closed session pursuant to Gov. Code Section 54957]

## **10. FOLLOW-UP ITEMS**

## **11. FUTURE AGENDA ITEMS**

## **12. 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.