

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
December 7, 2016, 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>.

- **OATHS OF OFFICE**

(NEXT RESOLUTION NO. 2039)

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. WATER SUPPLY CONDITION UPDATE AND ORANGE COUNTY PERFORMANCE REPORT FOR SEPTEMBER 2016

Recommendation: Review and discuss the information presented.

3. PROPOSED LOWER COLORADO RIVER DROUGHT CONTINGENCY PLAN

Recommendation: Review and discuss the information presented.

ACTION ITEM**4. ADOPT SUPPORT POSITION ON THE CALIFORNIA WATER FIX AND CALIFORNIA ECO RESTORE RES. NO. _____**

Recommendation: Adopt a resolution supporting the California Eco Restore and California Water Fix Preferred Alternative (No.4A) as described in the environmental documents with reasonable adherence to the current, public operating criteria and cost allocation principles and assumptions.

5. 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.

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

- a. Summary regarding November 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

December 7, 2016

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Harvey De La Torre
Kevin Hostert

**SUBJECT: WATER SUPPLY CONDITION UPDATE AND ORANGE COUNTY
PERFORMANCE REPORT FOR SEPTEMBER 2016**

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

DETAILED REPORT

Attached is an update on state and local water supply conditions, including a status report on Orange County's water saving for September 2016.

For the month of September 2016, Orange County saved 16.75% (compare to June 2013 actual water usage), far exceeding the MWDOC Countywide saving goal of 10%. In fact, total water demand for FY2015-16 was the lowest demand since FY1982-83. These saving have resulted in over 165,000 AF of water (compared to 2013 water usage) since the State Control Board's Conservation Targets were put in place- June 2015.

As we started the new water year on October 1, state precipitation is looking good. The Northern California accumulated precipitation (8-Station Index) is reporting 18 inches or 200% of normal as of November 28, for the month of November accumulated precipitation is at 6.1 inches which is just about normal compared to the historical average. In summary, October 2016 was one of the wettest Octobers on record and November finished up around average. However, the water year is still early and most of the state's precipitation is needed in the winter months of December thru February.

Budgeted (Y/N): N	Budgeted amount: None	Core <input checked="" type="checkbox"/>	Choice <input type="checkbox"/>
Action item amount: N/A	Line item:		
Fiscal Impact (explain if unbudgeted):			

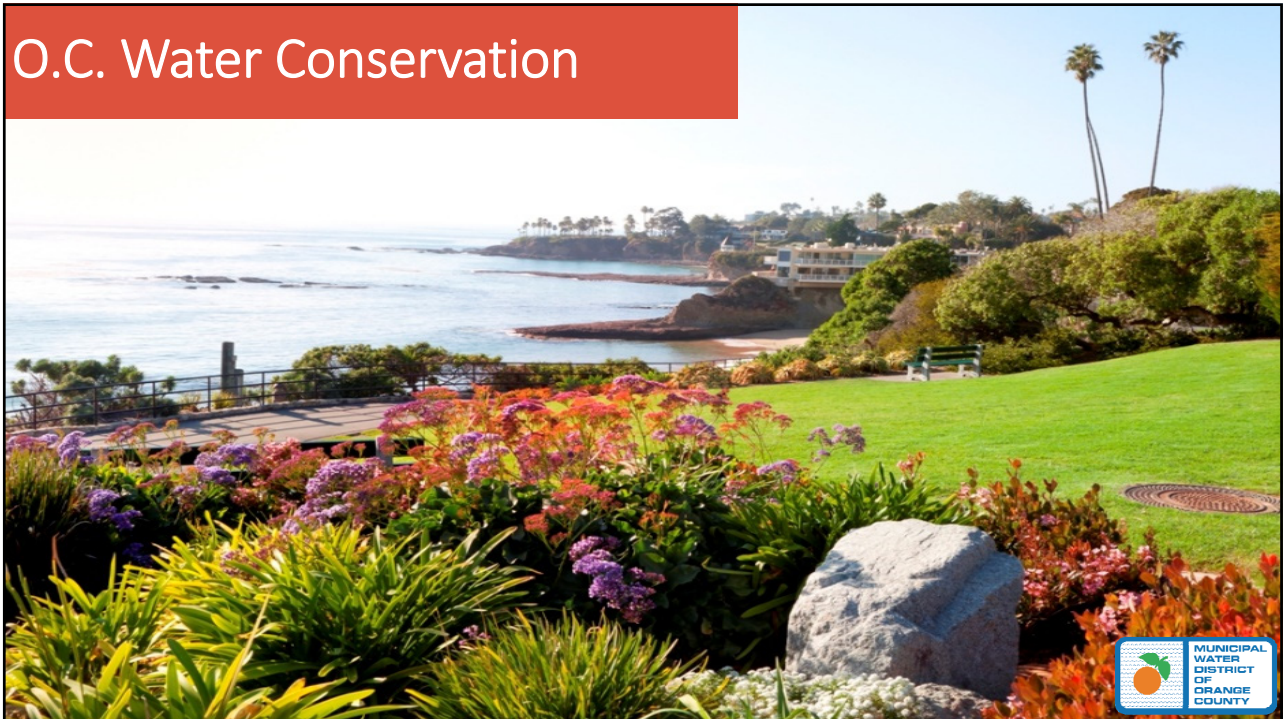


Orange County Drought Performance & Water Supply Report

December 7, 2016

Municipal Water District of Orange County

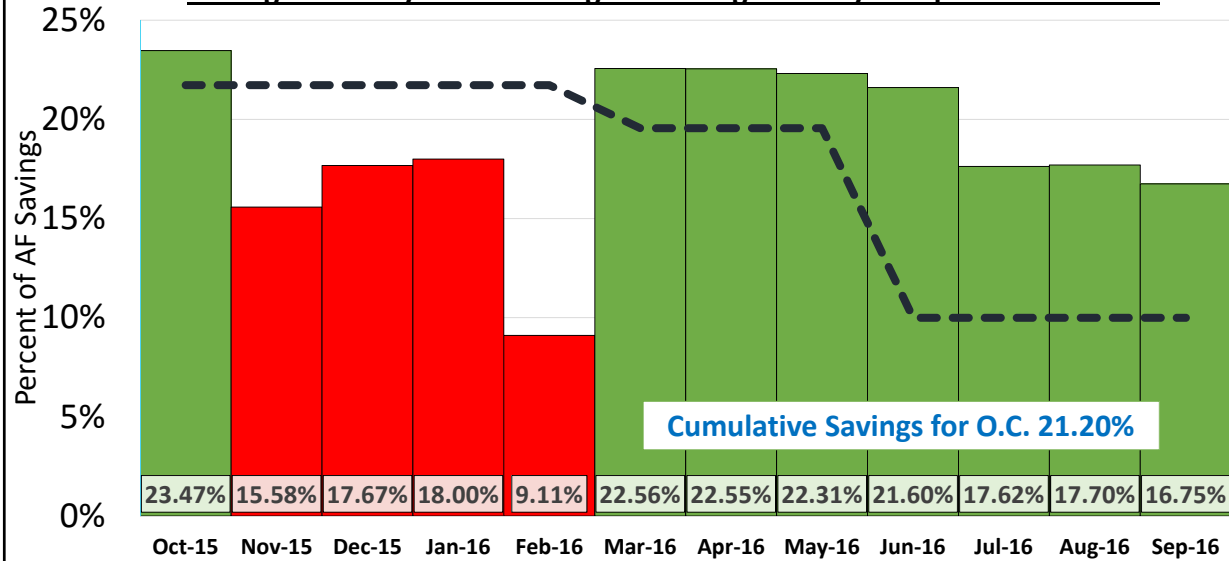
O.C. Water Conservation



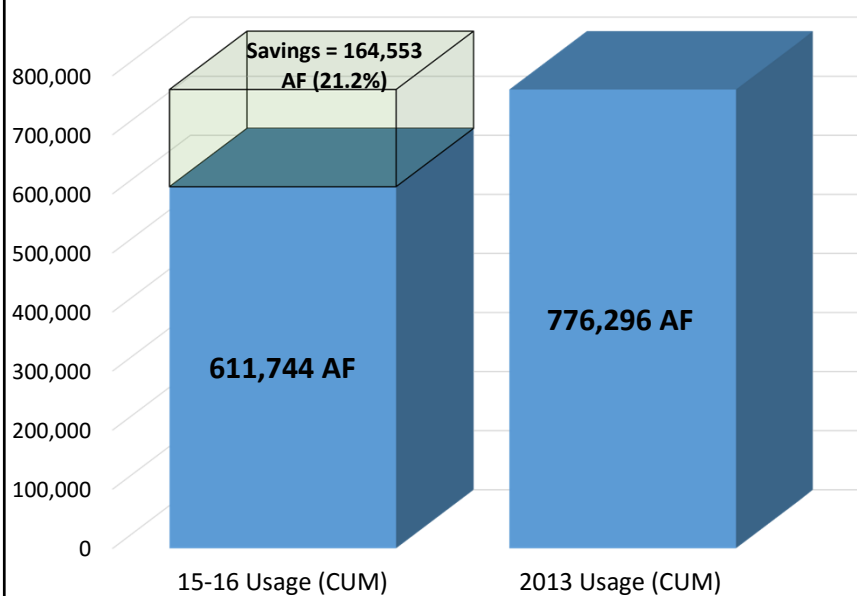
O.C. Water Savings Reported to SWRCB



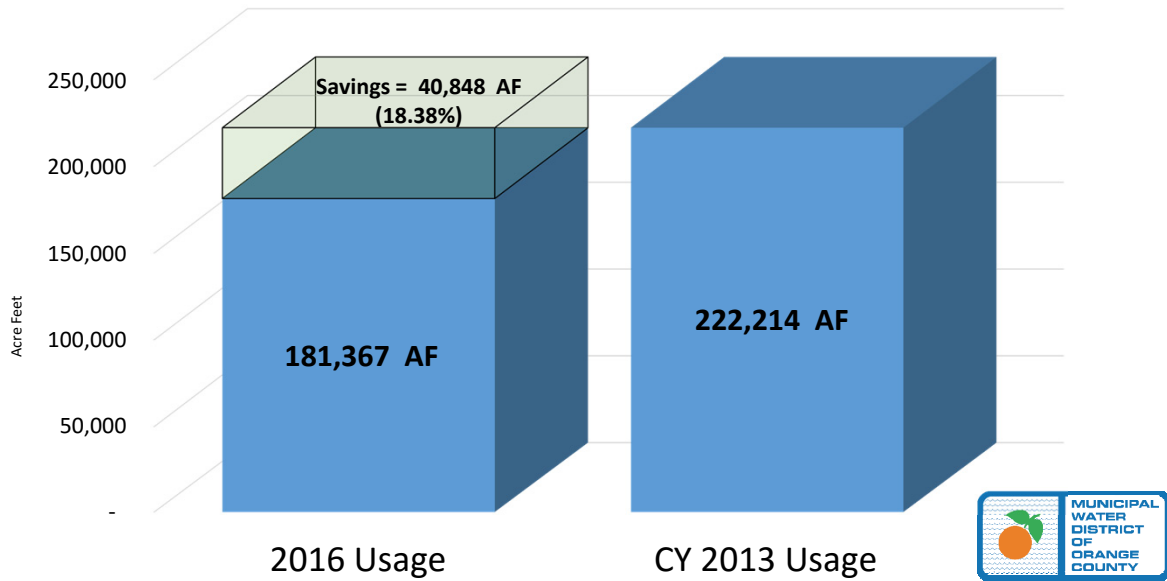
Average Monthly Water Savings for Orange County Compared to CY 2013



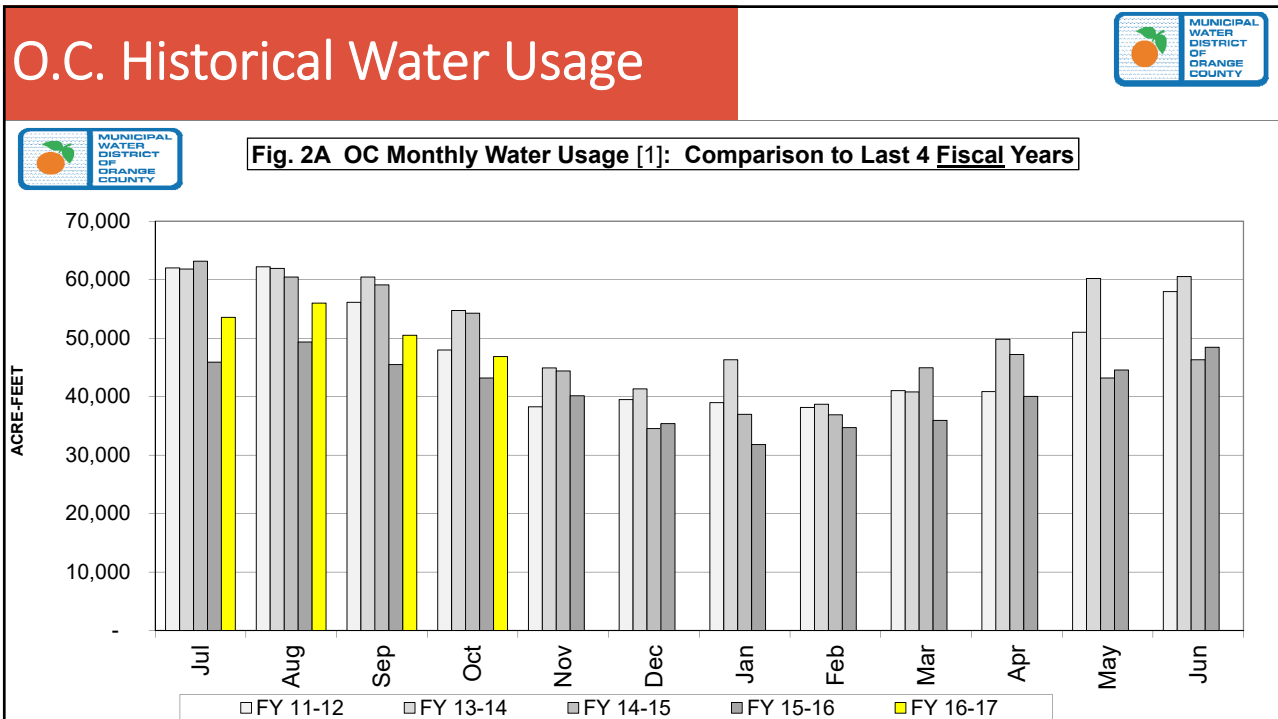
O.C. Water Saving (Cumulative)



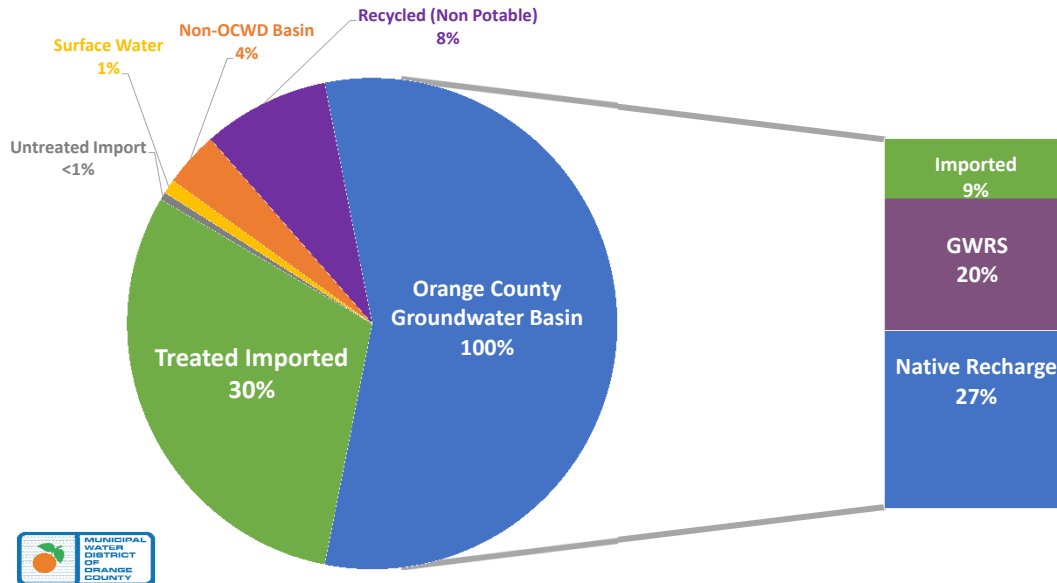
O.C. Water Savings Since June 2016



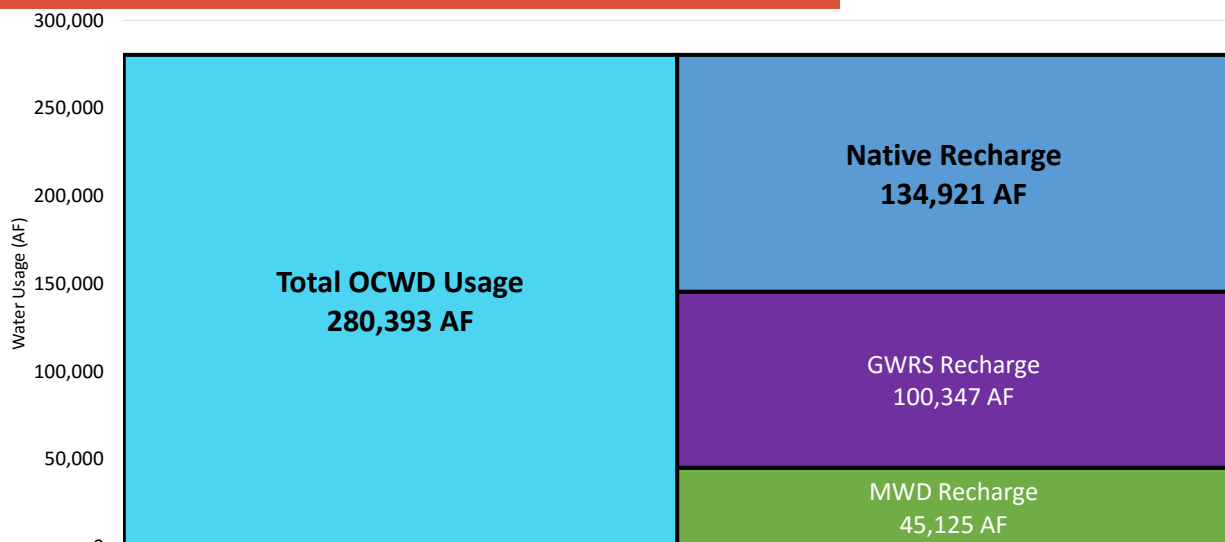
O.C. Historical Water Usage



O.C. 2015-16 Water Usage

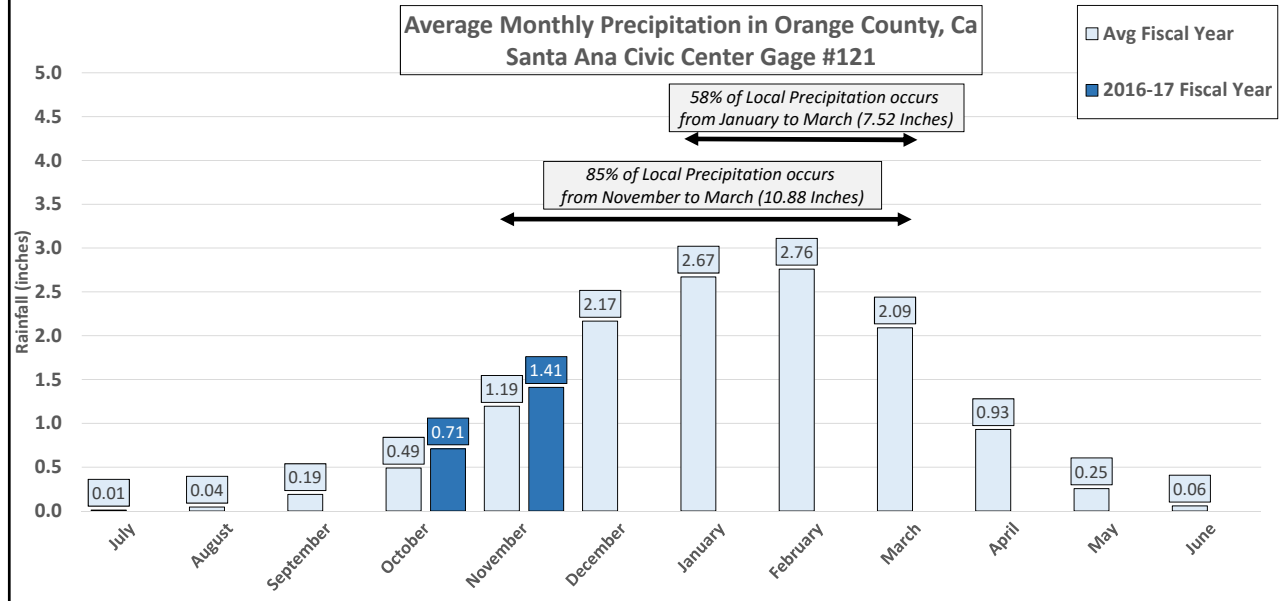


OCWD Groundwater Usage Calculation

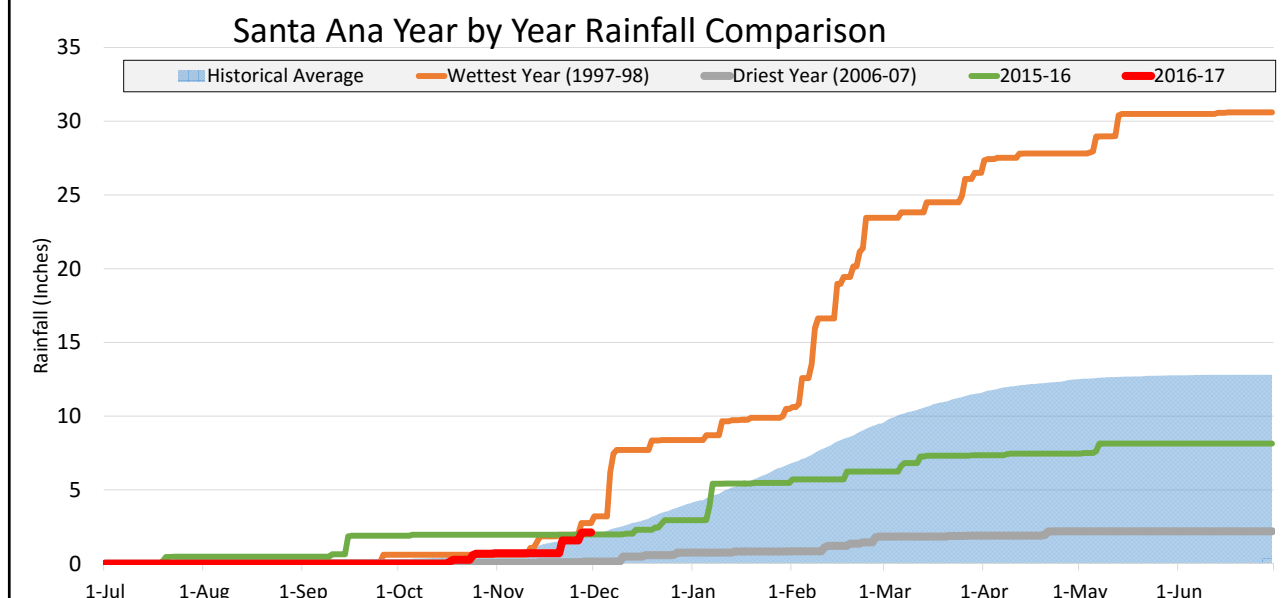


$$\text{Native Recharge} = \text{Total OCWD} - (\text{GWRS} + \text{MWD})$$

Historical Local Precipitation



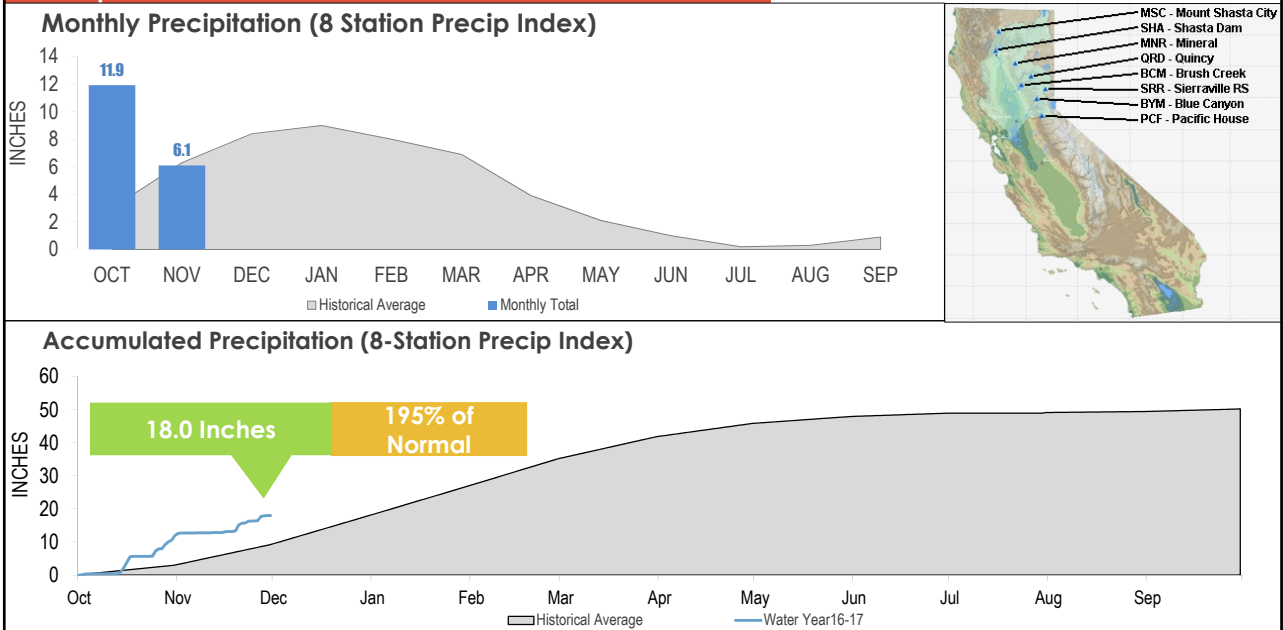
Historical Local Precipitation



Regional Weather and Water Supply Conditions



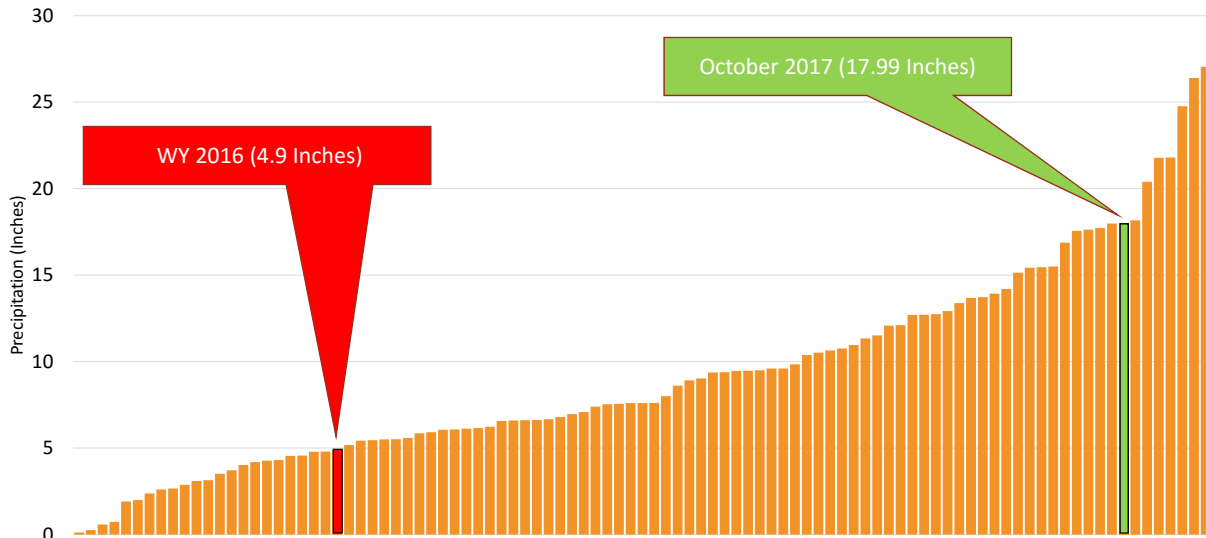
Northern California Accumulated Precipitation



Historical Northern California Accumulated Precipitation



Historical Northern California Precipitation (October + November)

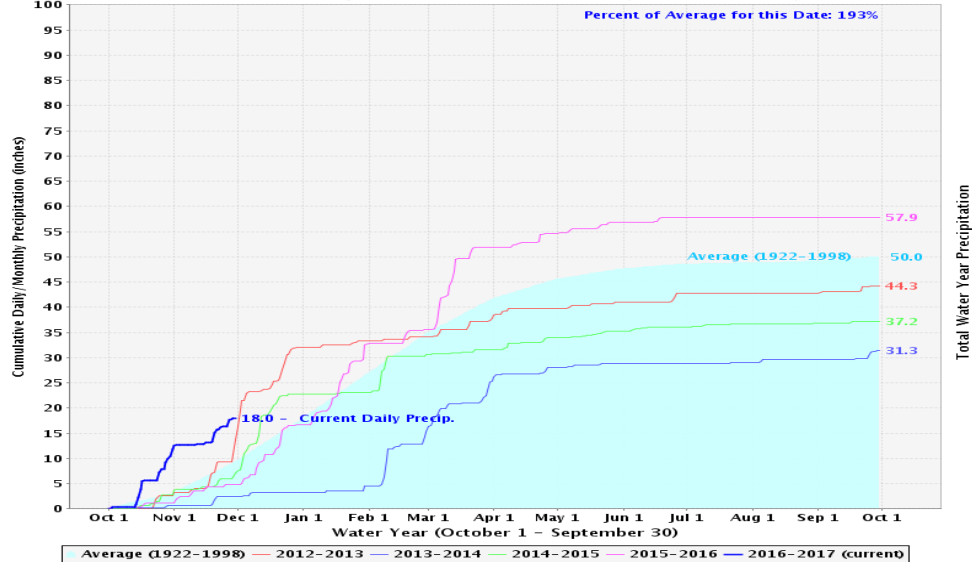


Historical Northern California Accumulated Precipitation

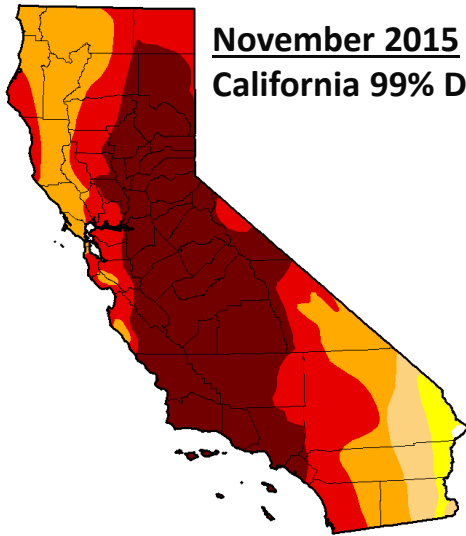


Northern Sierra Precipitation: 8-Station Index, November 30, 2016

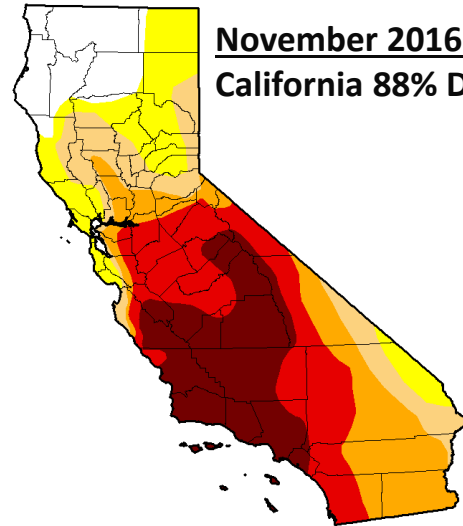
Percent of Average for this Date: 193%



California Drought Monitor (Nov-2015 VS Nov-2016)

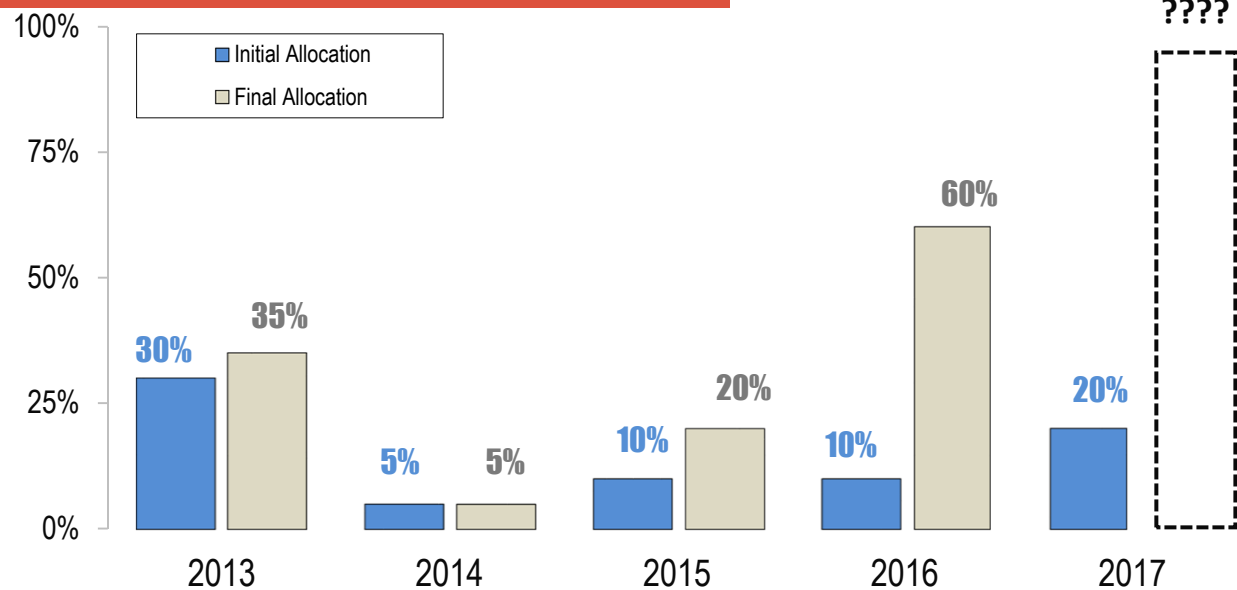


November 2015
California 99% Drought



November 2016
California 88% Drought

2016-17 SWP Table Allocation







DISCUSSION ITEM

December 7, 2016

TO: Board of Directors

FROM: Robert Hunter,
General Manager

Staff Contact: Harvey De La Torre

SUBJECT: Proposed Lower Colorado River Basin Drought Contingency Plan

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss this information

REPORT

This past summer, Lake Mead reached its lowest level since it was initially filled in the 1930s, of 1,075 feet. Although, Lake Mead did not trigger a shortage on the Colorado River recent studies do project an increased risk of Lake Mead falling to critically low, which could put all Colorado River water users in the Lower Basin at risk for water curtailments and supply uncertainty. To address this increased risk, representatives of the U.S. Bureau of Reclamation (Reclamation), Arizona, California, Nevada, and water agencies within those states, including Metropolitan (MET), developed a proposal to reduce the likelihood of Lake Mead falling further in elevation and to develop operational tools to provide greater flexibility to meet water supply needs.

The proposed Lower Colorado River Basin Drought Contingency Plan (DCP) includes increasing, but manageable, reductions in water deliveries to each state within the Lower Basin in the event that Lake Mead continues to decline. It also includes provisions to help MET fill its Colorado River Aqueduct when needed to meet demands in its service area.

Implementation of the proposed DCP would significantly reduce the risk of Lake Mead reaching critically low levels within the next 10 years, which would reduce the risk of potential water curtailments to California water agencies, including Metropolitan, providing stability on the Colorado River for continued implementation of water management programs to meet Metropolitan's needs. The DCP would also confirm that Metropolitan has the ability to:

- Store and take delivery of Intentionally Created Surplus (ICS)

Budgeted (Y/N): N	Budgeted amount: N/A	Core <input checked="" type="checkbox"/> X <input type="checkbox"/>	Choice <input type="checkbox"/>
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

- Bank water from Nevada
- Explore binational opportunities to augment its water supplies

These programs have provided significant benefit to Metropolitan during California's ongoing drought, and lay the framework for Metropolitan to meet its Board-adopted policy principle maintaining a full Colorado River Aqueduct as needed to meet its service area's water demands.

While the main component of the draft DCP has been proposed by the agencies, there still remains several "side agreements", such as agreements among the California agencies that would needed to be establish before implementation. Below is a description of the Lower Basin States' DCP's key elements as well as proposed elements among California's water agencies:

Key Elements of the Lower Basin States' Proposed Drought Contingency Plan

- Each State would agree to water-use reductions at Lake Mead elevations as shown in the table below:

Lake Mead Elevation (feet)	2007 Interim Guidelines Delivery Reductions from Normal Conditions (acre-feet)		Drought Contingency Plan Contributions (acre-feet)			Combined Volumes (acre-feet)			Lower Division States Total (acre-feet)
	Arizona	Nevada	Arizona	Nevada	California	Arizona	Nevada	California	
At or below 1,090	0	0	192,000	8,000	0	192,000	8,000	0	200,000
At or below 1,075	320,000	13,000	192,000	8,000	0	512,000	21,000	0	533,000
Below 1,050	400,000	17,000	192,000	8,000	0	592,000	25,000	0	617,000
At or below 1,045	400,000	17,000	240,000	10,000	200,000	640,000	27,000	200,000	867,000
At or below 1,040	400,000	17,000	240,000	10,000	250,000	640,000	27,000	250,000	917,000
At or below 1,035	400,000	17,000	240,000	10,000	300,000	640,000	27,000	300,000	967,000
At or below 1,030	400,000	17,000	240,000	10,000	350,000	640,000	27,000	350,000	1,017,000
Below 1,025	480,000	20,000	240,000	10,000	350,000	720,000	30,000	350,000	1,100,000

- A cumulative cap on delivery reductions is under discussion, which if reached during the term of the DCP, would trigger consultation among the parties to discuss what other actions would be necessary to prevent the further decline of Lake Mead.
- Water reductions would be accounted for as DCP storage amounts in Lake Mead.

- An agency could temporarily access DCP storage amounts but must return water to the DCP account within a year.
- Water reductions would be fully recoverable when Lake Mead elevation increases to 1,110 feet.
- If Lake Mead reaches 1,075 feet, water reductions would be fully recoverable if returned within 5 years, or if not returned within 5 years, DCP storage amounts would be recoverable subject to a 20 percent system assessment.
- ICS could be recovered above Lake Mead elevation 1,025 feet.
- Interstate banking could occur above Lake Mead elevation 1,045 feet.
- Binational exchanges could occur above Lake Mead elevation 1,025 feet.

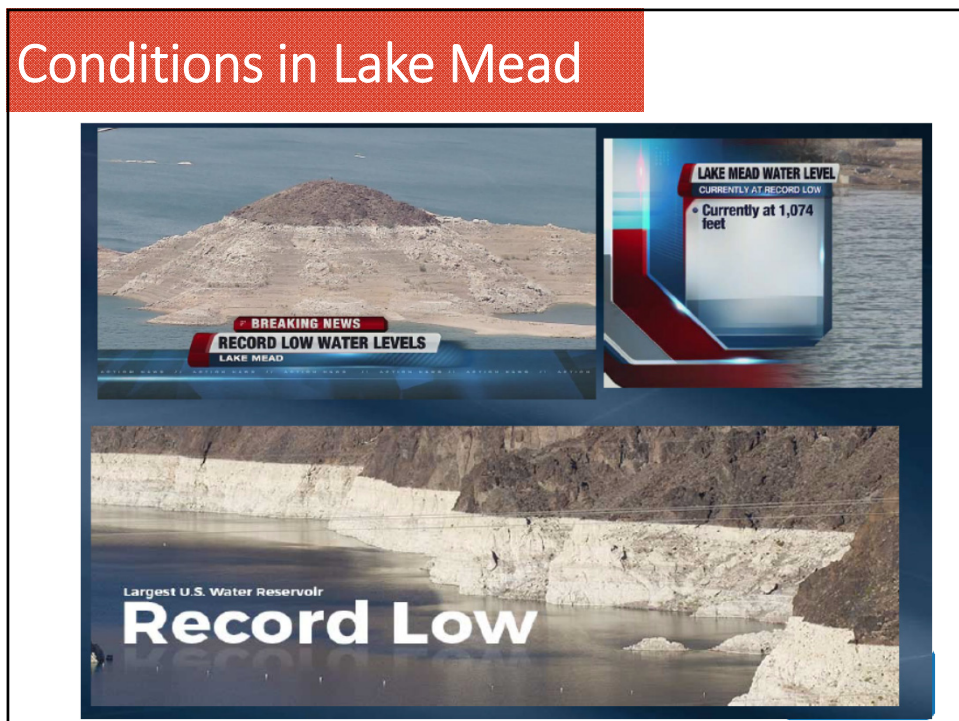
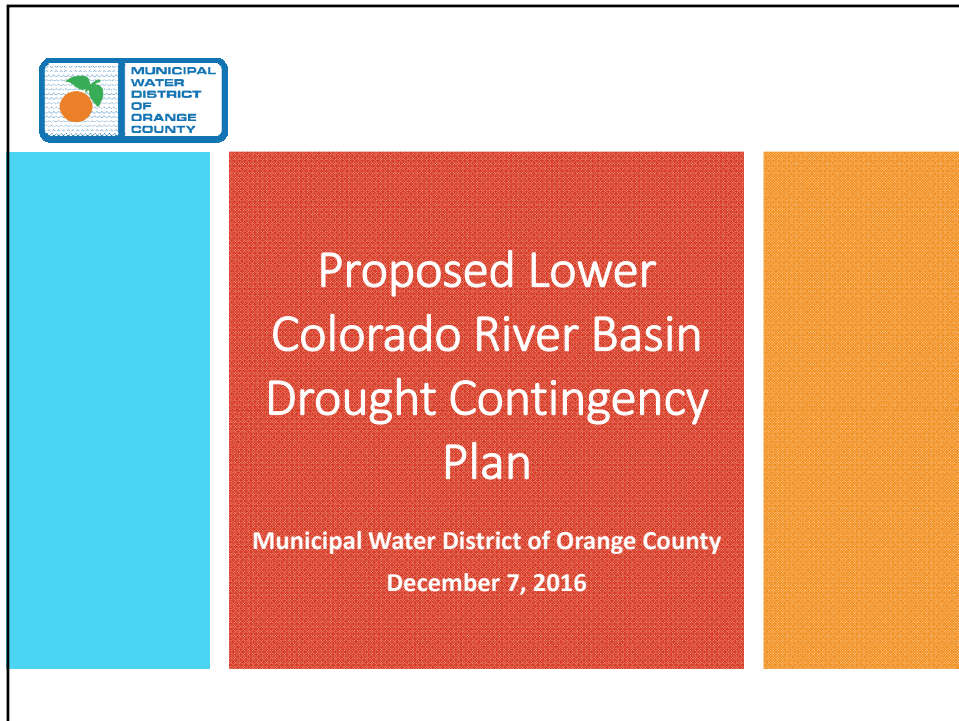
Key Elements among the California Water Agencies

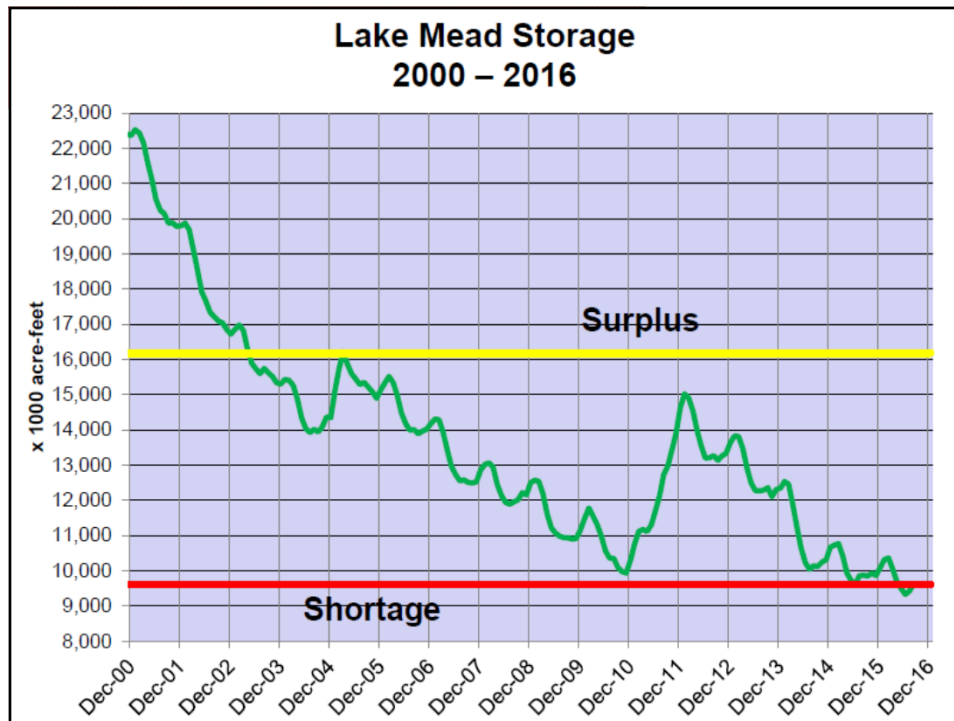
- The DCP delivery reductions would be allocated among the following California water agencies as follows:

○ Palo Verde Irrigation District (PVID)	8%
○ Imperial Irrigation District (IID)	60%
○ Coachella Valley Water District (CVWD)	7%
○ Metropolitan	25%
- Reductions could only be made by implementing extraordinary conservation activities (unused water is not eligible).
- PVID would agree to fallow land to meet its delivery reduction. Metropolitan would reimburse PVID for the reduction at the then-current fallowing rate. The delivery reduction would accrue to Metropolitan's DCP account and would potentially be recoverable by Metropolitan.
- CVWD would agree to reduce its call on the CVWD-MWD 35,000 acre-foot exchange agreement by the amount of the delivery reduction for that year.
- IID's Lake Mead ICS annual and accumulated ICS account limits would be increased. All IID conservation programs would be subject to approval by a verification committee.
- IID would agree to implement additional water conservation measures to meet its delivery reduction amount. Metropolitan would have the option to participate on an equal cost-share basis with IID in mutually agreed to conservation programs to assist in generating the conserved water, which would accumulate in IID's ICS account until it is needed to meet IID's delivery reduction, if any. Metropolitan would have temporary access to IID's ICS account. IID would be responsible for any environmental mitigation required to implement the conservation programs.

The purpose of this DCP is to reduce the risk of Lake Mead falling below 1,020 feet within the next 10 years, prevent potential water curtailments to California water agencies, and provide stability on the Colorado River, nonetheless, the benefit to Metropolitan's support for the DCP lies in the water management flexibility. The continue ability to store and take delivery of ICS water, bank water from Nevada, and continue to identify further binational

water supply opportunities provides Metropolitan with a reassurance that they will have access to a full Colorado River aqueduct during critical years to meet its service area's water needs.





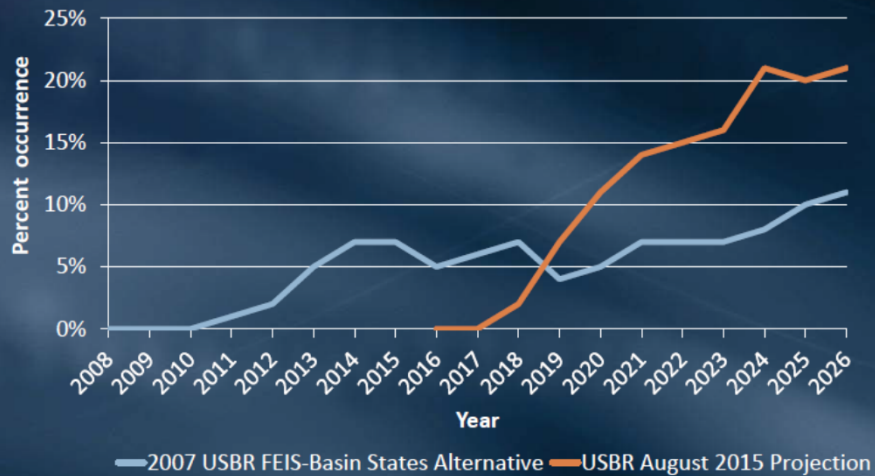
Lake Mead Normal Water Budget

Lake Mead Imbalance	
Upper Basin Compact Release	8.25 MAF
Tributary Flows	2.75 MAF
Total Inflow	11.0 MAF
Lower Basin Water Use	-9.5 MAF
Mexico Delivery	-1.5 MAF
Lake Mead Evap/River Losses	-1.2 MAF
Total Outflow	-12.2 MAF
Imbalance	-1.2 MAF

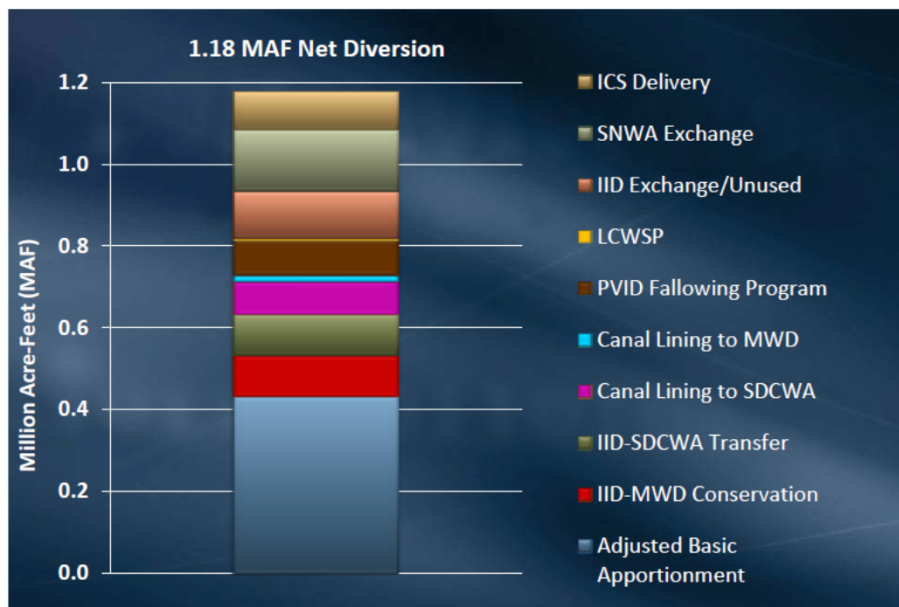


Probability of Lake Mead Elevation

Less than 1,020 ft in any month



MET CR Programs

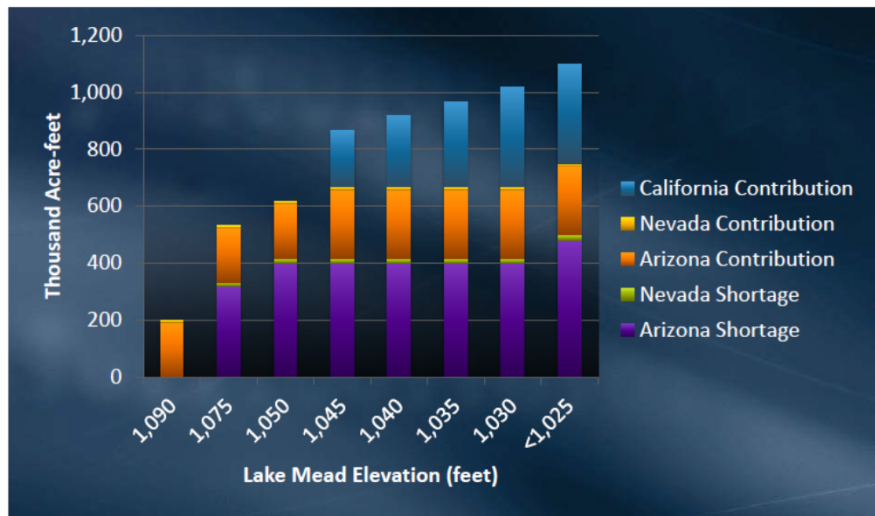


Proposed Drought Contingency Plan

- 💧 Continue cooperative collaboration on River
- 💧 Reduce risk of Lake Mead falling to 1,020'
- 💧 Resolve ICS delivery dispute as well as other programs
- 💧 Plan calls for:
 - 💧 Water use reductions triggers for each state (In addition to existing shortage amounts)
 - 💧 Cumulative cap on delivery reductions
 - 💧 Delivery reduction amounts conditionally recoverable

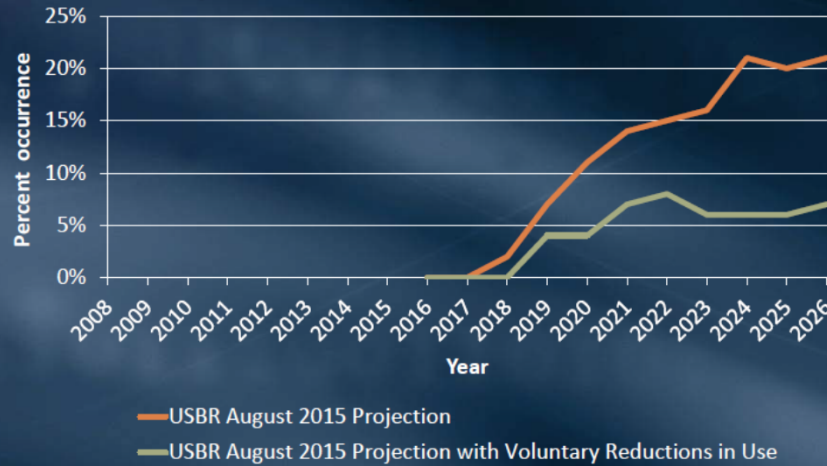


Proposed Water Use Reductions



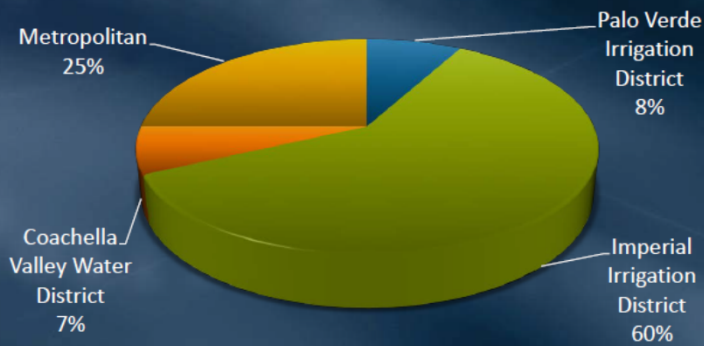
Probability of Lake Mead Elevation

Less than 1,020 ft in any month



California Proposed Distribution

Delivery reductions* allocated:



*Reductions made by extraordinary conservation activities

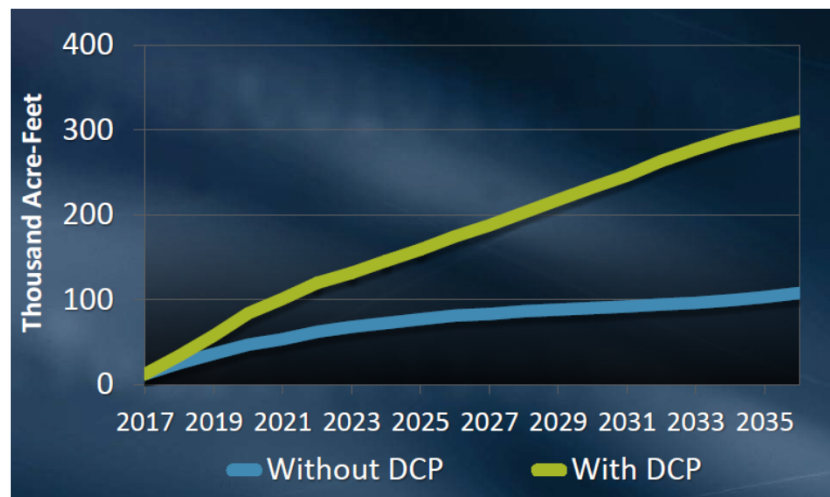


Benefits to Metropolitan

- 💧 ICS recoverable when Lake Mead above 1,025'
- 💧 Interstate banking/exchanges permitted when Lake Mead above 1,045'
- 💧 Binational exchanges permitted when Lake Mead above 1,025'



MET Cumulative take on ICS





Questions





ACTION ITEM
December 7, 2016

TO: Board of Directors

FROM: Public Affairs & Legislation Committee
(Directors Tamaribuchi, Barbre, and prior Director Hinman)

Robert Hunter
General Manager

Staff Contact: Karl Seckel/ Harvey De La Torre

SUBJECT: ADOPT SUPPORT POSITION ON THE CALIFORNIA WATER FIX AND CALIFORNIA ECO RESTORE

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt a resolution supporting the California Eco Restore and California Water Fix Preferred Alternative (No.4A) as described in the environmental documents with reasonable adherence to the current, public operating criteria and cost allocation principles and assumptions.

COMMITTEE RECOMMENDATION

Committee review the staff's proposed resolution and ultimately approving adoption with minor edits and additional language as shown in Attached A.

REPORT

At last month's Public Affairs & Legislation Committee, the MWDOC Board held a discussion as whether to take a formal position on the California WaterFix. The reason the Board is considering a position now is that the California WaterFix is approaching the final stages for its permits as well as finalizing its environmental documents (EIR/EIS and Record of Decision). Southern California agencies need to raise the profile and level of support for these two programs. Just as important, it's an opportunity to convey the Board's official position on a critical source of our supplies – the State Water Project (SWP) - during a time when a new federal administration will begin and Governor's Brown administration is entering its final two years.

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

During the intensive environmental review process, much as been discussed and detailed about the construction and design of the three new water intakes north of the Delta and the two 32-mile 9,000 cfs underground tunnels as part of the California Water Fix that will provide operational pumping flexibility and protect against water supply disruption. However, much remains to be determined, especially with respect to the financing, regulatory certainty, and operating criteria for the project.

Based on the modeling study from our recent Orange County Water Reliability Study, the California WaterFix, as currently proposed, represents the most cost-effective large-scale reliability solution to improving regional water supply reliability, and hence the reliability for Orange County, over the next twenty-five years. The supply analyses therein assumed that the California WaterFix results in “recovery” (i.e., prevents the future loss) of historical supplies in the amount of 440,000 acre-feet per year on average.

By preventing the loss of these SWP supplies, we can increase regional storage reserve levels, especially during wet years, which can be used to protect the region from the devastating effects of drought and other emergencies. Moreover, SWP supplies can enhance water quality in local supplies, such as blending impaired local supplies, maximize recycled water opportunities, and increase groundwater replenishment and recovery deliveries with lower salinity water.

However besides the water management and quality benefits, there is a large and growing consensus that the Delta is in an unsustainable position and needs to be “fixed” to deal with the many competing interests for the future, especially with regard to ensuring the area is a sustainable ecosystem. The status quo is yielding a continuing degradation of the Delta systems, levee integrity and water supply reliability. The companion initiative to the California WaterFix is the Eco Restore, which seeks to achieve the State’s co-equal goal of habitat restoration and reliability of supplies. Eco Restore is initially charged with 30,000 acres of restoration efforts under an accelerated effort by 2020 to improved habitat conditions for fisheries migration, restore tidal and non-tidal wetland habitat for native wildlife, and improve connectivity among existing grassland and other natural habitats.

While the Bay Delta Conservation Program (BDCP) has been split into two separate programs, the California Water Fix and Eco Restore, success in the Delta continues to rely on the implementation of both programs to achieve the co-equal goals. The ecological health of the Delta and fish species are fundamentally linked to the reasonable use and export of water supplies.

Although total restoration of the Delta to the historical past is not possible, there can be significant improvements in how best to approach the management of the Delta’s combined water and land resources in a manner that will realistically achieve improvements in both water supply reliability and ecosystem protection of the Delta’s endangered or threatened aquatic species.

Based on these proposed improvements in system conveyance and habitat restoration, staff recommends the Board of Directors adopt a support position for the California Eco Restore and California Water Fix Preferred Alternative (No.4A) as described in the environmental documents with reasonable adherence to the current, public operating criteria and cost allocation principles and assumptions.

MWDOC California Water Fix Outreach Program

Following the Board's adoption of a position, MWDOC staff proposes to implement a California Water Fix Outreach program complementary to Metropolitan's California Water Fix Communication Plan. The MWDOC program will sequentially target key organizations to formally adopt support positions for the CA Water Fix, escalate public support and ensure priority support and action by the OC delegation in Sacramento and Washington, DC. These organizations will include MWDOC Member Agencies, other utilities, city and county officials, private and public organizations ((e.g. OCBC, ACC-OC, BIA, Chambers of Commerce, environmental organizations, political and tax organizations, etc.).

The first objective of the outreach program will be to build awareness and understanding of the CA Water Fix and its critical nature to Orange County, Southern California and the California economy. That heightened awareness will be used to build momentum among supporters of the project and to encourage others take a support position. This would lead to the goal of building a strong coalition to engage with state and federal elected officials so they will understand the importance of this project and the priority it is for California. In order for this outreach program to be a success, the level of interest and strength of support in the implementation of the California Water Fix must be as strong in Southern California as the vocal opposition is in the Delta political community. The implementation of the California Water Fix must not only become a priority for our delegations but must become a topic that they constantly and consistently hear as a concern and issue from their constituents. Our "Ask" of these organizations would be:

- Adopt a resolution or sign on a letter indicating your support for the project. MWDOC's resolution can be used as a model; and
- Actively engage with your follow State and Federal elected officials to make this project a priority for California and push for a solution; and
- Oppose any legislation that impedes or delays the advancement of completing the project.

Attachment A – Redline copy of MWDOC Board Resolution ____

Attachment B – Clean copy of MWDOC Board Resolution ____

EXHIBIT A

RESOLUTION NO. _____ MUNICIPAL WATER DISTRICT OF ORANGE COUNTY SUPPORT FOR THE CALIFORNIA WATER FIX AND CALIFORNIA ECO RESTORE

WHEREAS, the Delta, formed by the confluence of the Sacramento and San Joaquin Rivers as they come together and flow into San Francisco Bay, is a major water hub for California's water supply system for the majority of the State, including 30% of the supplies for Southern California, and therefore underpins the overall economy of California, which stands equivalent to the 6th largest Country in the world; and,

WHEREAS, the Delta historically was a complex and dynamic natural system driven by tidal fluctuations and natural marsh flooding that has been highly altered over the last 100 years, with many of the levees and islands reclaimed from former marshlands for development or farming. The scientific consensus is that the Delta is not sustainable as it exists today and that changes must be made in order to stabilize conditions; and,

WHEREAS, from a fisheries, farming and water management perspective, the Delta will continue to worsen and decline, at an ever increasing rate as sea levels rise and continuing subsidence caused by farming result in salinity intrusion, artesian conditions and levee related failures, which will become more frequent and more expensive to mitigate or repair as time passes; and,

WHEREAS, 25 million residents in California rely on water from the Delta, and local conservation efforts will not be able to replace the water that the Delta has historically supplied to Southern California even though the amount exported is only 4% of the overall Delta average annual flows supplies; and,

WHEREAS, there is no practicable and economically efficient way to construct, heighten and reinforce the existing levees to keep pace with sea level rise or prevent the levees from collapsing during a large seismic earthquake. The consequences to the Bay Delta ecosystem, the water supply, and the California economy would be immediate, severe and negative if these events occur; and,

WHEREAS, it has been about 55 years since voter approval of the State Water Project (SWP), which was never completed as originally envisioned to include an independent conveyance facility which would allow increased capture and storage of water during periods of high flows and would also minimize conflicts with fisheries, and that has resulted in a system currently inefficient and inadequate to capture and store storm water when it's available. Therefore, preventing the capture and productive use of thousands of acre-feet of fresh water during periods of high flow; and,

WHEREAS, as the result of federal court decisions, U.S. Fish & Wildlife Service and National Marine Fisheries Service Biological Opinions, as well as other regulatory constraints to protect native species in the Delta, the SWP has not been able to collect, store, and deliver an estimated volume of 3.6 million acre-feet of water since 2008; and,

WHEREAS, although total restoration of the Delta to the conditions of the historical past is not possible, much has been learned through science studies about what is needed to improve the management and utilization of the Delta that can enhance fish, wildlife and water management for the future; and,

WHEREAS, Governor Brown's California Water Fix and California Eco Restore proposal provide a framework of how best to approach the management of the Delta's combined water and land resources in a manner that will realistically achieve improvements in both water supply reliability and ecosystem protection for the Delta as an evolving place by balancing the many competing demands; and,

WHEREAS, the California WaterFix and Eco-Restore proposal will help with water supply reliability by ~~maintaining~~ improving essential ecosystem functions so that populations of endangered or threatened aquatic species will ~~be strengthened~~ recover to sustainable levels and other native species will continue to thrive; and,

WHEREAS, the California Eco Restore will pursue more than 30,000 acres of critical Delta restoration over the next 5 years, including the improvements of habitat conditions for fisheries migration, restoring tidal and non-tidal wetland habitat for native wildlife, and improving connectivity among existing grassland and other natural habitats; and,

WHEREAS, the California Water Fix includes the construction of three intakes north of the Delta, two 35-mile 9,000 cfs underground tunnels, and modification of Clifton Court forebay that will provide operational pumping flexibility and protect against water supply disruption due to sea-level rise, earthquakes and flood events; and,

WHEREAS, the three new intakes north of the Delta will improve existing environmental conditions in the Delta by reducing the current reverse flow conditions, minimizing the trapping of migrating fish and reducing diversions during critical fish migration periods, which will provide for more operational flexibility to enhance water deliveries, especially during wet periods; and,

WHEREAS, ~~SWP water is a critical source of low salinity water supplies that are needed to enhance water quality in local supplies, such as blending impaired local supplies, maximizing recycled water opportunities, and increasing groundwater replenishment and local yield enhancements~~ the California Water Fix conveyance project includes proposed operations to meet the State Water Control Board's Bay-Delta Water Quality Control Plan regulatory requirements for "in-Delta" water quality to protect the designated beneficial uses. The new conveyance operations would also provide water moving through the south Delta channels to reduce salinity levels; and,

WHEREAS, improving the SWP system can increase regional storage reserve levels. These storage reserves are used to protect the region from devastating effects of drought and other emergencies. The California WaterFix will help ensure that Orange County will have sufficient supplies at critical times when we need them; and,

WHEREAS, the 2016 Orange County Water Reliability Study revealed a number of important findings with implications for Orange County's water reliability, including that without new supply and system investments made by MET, MET's member agencies and

Orange County, projected water shortages would be too frequent and overall reliability would not be sustainable by as early as 2030; and,

WHEREAS, Orange County should continue to support and strongly advocate for the implementation of the California Water Fix and Eco Restore proposal, as it represents the most cost-effective large-scale reliability solution to improving regional water supply reliability for Southern California and hence the reliability for Orange County. The Orange County water reliability supply analyses assumed that the California Water Fix results in “recovery” of historical supplies in the amount of approximately 440,000 acre-feet per year on average and noted that changes in the project costs or supply development could result in changes to this recommendation; and,

WHEREAS, Orange County ratepayers have already invested millions of dollars over the years to build and maintain the State Water Project system in Northern California as well as portions of Metropolitan’s regional storage, distribution, and treatment systems that take delivery of SWP supplies. Modernizing the system through the California WaterFix will help protect this investment for decades to come; and,

WHEREAS, moving forward with the California Water Fix will not be an inexpensive endeavor; however, it is the most cost-effective investment of the ratepayers’ dollars to maintain and continue our economic vitality for the region. Furthermore, all of the costs for California Water Fix will be paid for exclusively by water agencies benefiting from the project; and,

WHEREAS, to do nothing in the Delta is far costlier to the businesses, residents, and economy in the State of California and Orange County than investing in the California Water Fix and California Eco Restore; and

NOW THEREFORE BE IT RESOLVED THAT the Municipal Water District of Orange County does hereby support the California Eco Restore and California Water Fix Preferred Alternative (No.4A) as described in the environmental documents with reasonable adherence to the current, public operating criteria and cost allocation principles and assumptions.

Said Resolution was adopted this 7th day of December 2016 by the following roll call vote.

AYES:

NOES:

ABSENT:

ABSTAIN:

I HERBY CERTIFY the foregoing is a full, true and correct copy of Resolution No.____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on December 7, 2016.

Maribeth Goldsby, Secretary
Municipal Water District of Orange County

EXHIBIT A

RESOLUTION NO. _____ MUNICIPAL WATER DISTRICT OF ORANGE COUNTY SUPPORT FOR THE CALIFORNIA WATER FIX AND CALIFORNIA ECO RESTORE

WHEREAS, the Delta, formed by the confluence of the Sacramento and San Joaquin Rivers as they come together and flow into San Francisco Bay, is a major water hub for California's water supply system for the majority of the State, including 30% of the supplies for Southern California, and therefore underpins the overall economy of California, which stands equivalent to the 6th largest Country in the world; and,

WHEREAS, the Delta historically was a complex and dynamic natural system driven by tidal fluctuations and natural marsh flooding that has been highly altered over the last 100 years, with many of the levees and islands reclaimed from former marshlands for development or farming. The scientific consensus is that the Delta is not sustainable as it exists today and that changes must be made in order to stabilize conditions; and,

WHEREAS, from a fisheries, farming and water management perspective, the Delta will continue to worsen and decline, at an ever increasing rate as sea levels rise and continuing subsidence caused by farming result in salinity intrusion, artesian conditions and levee related failures, which will become more frequent and more expensive to mitigate or repair as time passes; and,

WHEREAS, 25 million residents in California rely on water from the Delta, and local conservation efforts will not be able to replace the water that the Delta has historically supplied to Southern California even though the amount exported is only 4% of the overall Delta average annual flows; and,

WHEREAS, there is no practicable and economically efficient way to construct, heighten and reinforce the existing levees to keep pace with sea level rise or prevent the levees from collapsing during a large seismic earthquake. The consequences to the Bay Delta ecosystem, the water supply, and the California economy would be immediate, severe and negative if these events occur; and,

WHEREAS, it has been about 55 years since voter approval of the State Water Project (SWP), which was never completed as originally envisioned to include an independent conveyance facility which would allow increased capture and storage of water during periods of high flows and would also minimize conflicts with fisheries; and,

WHEREAS, as the result of federal court decisions, U.S. Fish & Wildlife Service and National Marine Fisheries Service Biological Opinions, as well as other regulatory constraints to protect native species in the Delta, the SWP has not been able to collect, store, and deliver an estimated volume of 3.6 million acre-feet of water since 2008; and,

WHEREAS, although total restoration of the Delta to the conditions of the historical past is not possible, much has been learned through science studies about what is needed

to improve the management and utilization of the Delta that can enhance fish, wildlife and water management for the future; and,

WHEREAS, Governor Brown's California Water Fix and California Eco Restore proposal provide a framework of how best to approach the management of the Delta's combined water and land resources in a manner that will realistically achieve improvements in both water supply reliability and ecosystem protection for the Delta as an evolving place by balancing the many competing demands; and,

WHEREAS, the California WaterFix and Eco-Restore proposal will help with water supply reliability by improving essential ecosystem functions so that populations of endangered or threatened aquatic species will be strengthened; and,

WHEREAS, the California Eco Restore will pursue more than 30,000 acres of critical Delta restoration over the next 5 years, including the improvements of habitat conditions for fisheries migration, restoring tidal and non-tidal wetland habitat for native wildlife, and improving connectivity among existing grassland and other natural habitats; and,

WHEREAS, the California Water Fix includes the construction of three intakes north of the Delta, two 35-mile 9,000 cfs underground tunnels, and modification of Clifton Court forebay that will provide operational pumping flexibility and protect against water supply disruption due to sea-level rise, earthquakes and flood events; and,

WHEREAS, the three new intakes north of the Delta will improve existing environmental conditions in the Delta by reducing the current reverse flow conditions, minimizing the trapping of migrating fish and reducing diversions during critical fish migration periods, which will provide for more operational flexibility to enhance water deliveries, especially during wet periods; and,

WHEREAS, the California Water Fix conveyance project includes proposed operations to meet the State Water Control Board's Bay-Delta Water Quality Control Plan regulatory requirements for "in-Delta" water quality to protect the designated beneficial uses. The new conveyance operations would also provide water moving through the south Delta channels to reduce salinity levels; and,

WHEREAS, improving the SWP system can increase regional storage reserve levels. These storage reserves are used to protect the region from devastating effects of drought and other emergencies. The California WaterFix will help ensure that Orange County will have sufficient supplies at critical times when we need them; and,

WHEREAS, the 2016 Orange County Water Reliability Study revealed a number of important findings with implications for Orange County's water reliability, including that without new supply and system investments made by MET, MET's member agencies and Orange County, projected water shortages would be too frequent and overall reliability would not be sustainable by as early as 2030; and,

WHEREAS, Orange County should continue to support and strongly advocate for the implementation of the California Water Fix and Eco Restore proposal, as it represents the most cost-effective large-scale reliability solution to improving regional water supply

reliability for Southern California and hence the reliability for Orange County. The Orange County water reliability supply analyses assumed that the California Water Fix results in “recovery” of historical supplies in the amount of approximately 440,000 acre-feet per year on average and noted that changes in the project costs or supply development could result in changes to this recommendation; and,

WHEREAS, Orange County ratepayers have already invested millions of dollars over the years to build and maintain the State Water Project system in Northern California as well as portions of Metropolitan’s regional storage, distribution, and treatment systems that take delivery of SWP supplies. Modernizing the system through the California WaterFix will help protect this investment for decades to come; and,

WHEREAS, moving forward with the California Water Fix will not be an inexpensive endeavor; however, it is the most cost-effective investment of the ratepayers’ dollars to maintain and continue our economic vitality for the region. Furthermore, all of the costs for California Water Fix will be paid for exclusively by water agencies benefiting from the project; and,

WHEREAS, to do nothing in the Delta is far costlier to the businesses, residents, and economy in the State of California and Orange County than investing in the California Water Fix and California Eco Restore; and

NOW THEREFORE BE IT RESOLVED THAT the Municipal Water District of Orange County does hereby support the California Eco Restore and California Water Fix Preferred Alternative (No.4A) as described in the environmental documents with reasonable adherence to the current, public operating criteria and cost allocation principles and assumptions.

Said Resolution was adopted this 7th day of December 2016 by the following roll call vote.

AYES:
NOES:
ABSENT:
ABSTAIN:

I HERBY CERTIFY the foregoing is a full, true and correct copy of Resolution No.____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on December 7, 2016.

Maribeth Goldsby, Secretary
Municipal Water District of Orange County



Item No. 5

DISCUSSION ITEM

December 7, 2016

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Harvey De La Torre
Karl Seckel

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

STAFF RECOMMENDATION

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

DETAILED REPORT

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

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

Budgeted (Y/N): N	Budgeted amount: None	Core <input checked="" type="checkbox"/> _X_	Choice <input type="checkbox"/>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

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

October 1, 2016 marked the beginning of the Water Year 2017, and as of November 28, 2016, the 2017 Water Year has begun with 18 inches of accumulated precipitation at the 8-station index, resulting in 200% of normal. Reservoir levels resulted in increased storage, with Lake Shasta at 64% capacity, which is 107% of normal, and Lake Orville at 42% capacity, which is 70% of normal; San Luis Reservoir has also increased to 41% of capacity.

Along the Colorado River Basin, as of October 31, 2016, the water level at Lake Mead was at 1,076 feet with 9.70 million acre-feet of storage, or 37% of capacity. The water level at Lake Powell was at 3,609 feet with 12.68 million acre-feet of storage, or 52% of capacity. As of October 30, 2016, the total system storage was 29.87 million acre-feet, or 50% of capacity, which is about 315,000 acre-feet less than where system storage was at this time last year.

With expected State Water Project and Colorado River deliveries reaching 2.11 Million AF for 2016 and MET demands totaling 1.75 MAF, MET anticipates it will increase its dry-year storage from 900 TAF to 1.3 MAF.

ISSUE BRIEF # B

SUBJECT: MET's Finance and Rate Issues

RECENT ACTIVITY

MET Financial Report

At the November MET Finance and Insurance Committee, MET staff presented its financial review for the first four months of FY2016-17. Through October 31, 2016, the cumulative water sales were 76.1 thousand acre-feet (TAF) (10%) lower than budget and 65.4 TAF (7%) lower than the five year average.

While the monthly sales are tracking under budget, they are higher than this point last year due to full service groundwater replenishment deliveries. Metropolitan staff anticipates sales to be closer to the budget by the end of the year.

ISSUE BRIEF # C

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Metropolitan Completes Delivery of 35,000 Acre-feet to Coachella

During October, in response to Coachella Valley Water District's (Coachella) request to take delivery of 35,000 acre-feet of State Water Project (SWP) water at the Whitewater River connection, Metropolitan completed delivering the exchange water to Coachella. The exchange agreement was one of a suite of agreements related to the Quantification Settlement Agreement, which was executed in 2003. Under the terms of the exchange agreement, Coachella may take delivery of up to 35,000 acre-feet of SWP water exchanged with Metropolitan at either the Coachella Canal turnouts or, if capacity is available, off of the Colorado River Aqueduct at the Whitewater River. This is the first year since 2011 that Metropolitan has had sufficient capacity in its aqueduct to make the full delivery to the Whitewater River.

Salinity Control Forum Views Options to Replace Paradox Well

On October 25, the Colorado River Salinity Control Forum, including representatives from Metropolitan, attended an event hosted by the U.S. Bureau of Reclamation (USBR) recognizing the 20-year anniversary of the Paradox Valley Unit, which includes a well that captures brine water and injects it more than 10,000 feet below the surface. The aging well is nearing the end of its useful life, but has been one of the most successful of the salinity control projects, preventing 110,000 tons of salt from reaching the Colorado River each year. The event included viewing a potential site for an evaporation pond or an alternative well. USBR is nearing completion of a draft EIS that will analyze the options available to replace the existing well, which is estimated to have no more than five more years of operation. Three options include: 1) a new well, 2) evaporation ponds, and 3) a brine crystallization project.

Colorado River System Conservation Agreement

In October, Metropolitan approved two additional agreements to conserve water in the Lower Basin: one with Southern Nevada Water Authority and one with the Gila River Indian Tribe. The agreements are part of the larger System Conservation Agreement, in which Denver Water, Southern Nevada Water Authority, Central Arizona Project, the Colorado River Board of California, Reclamation, and Metropolitan fund water conservation projects throughout the Colorado River basin to add water to Lake Powell and Lake Mead.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

California WaterFix Petition Hearings

In October, the California Water Fix Petition hearings before the State Water Resources Control Board (SWRCB) continued. Part 1 of the hearings addresses the effects of the project on legal users of water. The first segment (Part 1A), which includes the presentation of the project by DWR and the U.S. Bureau of Reclamation (USBR), finished early in the month. The second segment (Part 1B), which began on October 20, 2016, includes the presentation of evidence by all opponents where they describe their potential alleged injury resulting from the proposed project. DWR and USBR will have the opportunity to cross-examine the evidence presented by the project opponents. Metropolitan is participating in the hearings in collaboration with the State Water Contractors.

The Biological Opinions will not be complete this calendar year as expected and Part 2 of the State Board hearings is set to now begin in early 2017. However, good progress is being made on the Environmental Impact Report/Statement (EIR/EIS). Part 2 of the hearings will consider the effects of the project on fish and wildlife and review “appropriate flow” criteria.

Metropolitan staff continues to review environmental documents released last month by the SWRCB pertaining to Phase 1 of the Bay-Delta Water Quality Control Plan (WQCP) update process. Written comments on the Phase 1 document are due in mid-January 2017. On October 19, the SWRCB released the Working Draft Scientific Basis Report Supporting Potential Changes to the Bay-Delta Plan pertaining to Phase 2 of the WQCP update process. Written comments on the report are due to the SWRCB on December 16, 2016, and a public workshop is scheduled for December 7, 2016.

Near-Term Delta Actions: Science Activities

Metropolitan staff is managing and obtaining permits and access for a Salmon Predation study. The study is proposed to be conducted at Little Holland Tract, a site currently managed by the U.S. Army Corps of Engineers. Access is currently being obtained and a pilot study which commenced implementation in November 2016.

Metropolitan staff continues to participate in the Collaborative Science and Adaptive Management Program, providing input to the salmon and Delta smelt studies that are underway. Efforts in October focused on developing recommendations for near-term salmon actions and studies based on information developed in a salmon gap analysis report, and developing data sets to be tested in the Delta smelt fall outflow modeling studies.

ISSUE BRIEF # E

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

RECENT ACTIVITY

MET is working on the Phase 2 of its Integrated Resources Plan for 2015. MET is open to considering alternative ways of participating in local projects, including ocean desalination projects, as part of the on-going discussions.

Doheny Desal

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

Poseidon Huntington Beach

MWDOC will have a full status report included in its December 5 P&O Committee.

Orange County Water District (OCWD) is currently working on preparation of the CEQA documentation for the Poseidon Project integration work. Work continues on the project integration into the water supplies for OC. Poseidon is working with the State Lands Commission, the Santa Ana Regional Water Quality Control Board and then the California Coastal Commission on their permitting process, in that order. They believe it will take about a year to get through all of the permitting processes.

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

CDM-Smith and MWDOC staff are working on the final publishing of the report. A draft of the High Level Executive Summary will be included in the MWDOC P&O Packet for the December 5 meeting.

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

(Nothing NEW to Report)

ISSUE BRIEF # H

SUBJECT: South Orange County Projects

RECENT ACTIVITY

Doheny Desal Project

South Coast Water District is continuing to move the project forward and to look for potential partners and grant funding as they initiate the CEQA process.

MWDOC is proposing to award a construction contract for the decommissioning and removal of the test facilities at Doheny State Park. A complete report will be included in MWDOC's P&O packet for the December 5 meeting.

MWDOC is awaiting NWRI to schedule the Science Advisory Panel to review both the SJBA and the South Coast Water District Foundational Action Program Studies.

Other NEW Information on South County Projects as of August 2016:

- **San Juan Basin Optimization Project** – Santa Margarita Water District (SMWD) is proceeding along with the preliminary design for the project; they have hired a CEQA firm to begin preparation of the environmental documents. They have also asked neighboring agencies about potential interest in the project and recently held a workshop discussion hosted by the South Coast Water District Board. Agencies were asked to respond by September 15 regarding interest in the Project – South Coast and San Juan Capistrano responded in the affirmative. SMWD also developed and released an RFP to solicit proposals from engineering firms interested in providing technical support for the project. SMWD awarded a \$565,745 contract to AECOM for Pre-Design, Final Design and EIR Support Engineering services for Phase 1 of the San Juan Watershed Optimization Project.
- **Trampas Recycled Water Reservoir** – SMWD is continuing to work on the design for this 5,000 AF recycled reservoir project that will allow for expansion of recycled water distribution to SMWD and neighboring agencies.
 - SMWD has finished its review of the 90% design and is conferring with the designer (URS) to incorporate the comments. The design will continue to evolve until it is ready to for bidding by construction contractors in December.
 - The applications for regulatory permits from the Regional Board, Army Corps of Engineers, and Department of Fish and Wildlife were submitted during the week of July 11, 2016; the District plans to resubmit to the regulatory agencies this month for approval. District planning is predicated on the ultimate delivery of permits not to extend beyond January 2017. If permits are not available in the desired timeframe, plans to begin construction in the spring of 2017 could be potentially delayed.
 - The SRF grant and loan applications are still being processed; the environmental review has been completed and the majority of the contract terms are being finalized; the District has received proposals from four major

construction management firms to provide services on this project and is currently conducting interviews.

- **Advanced Purified Water (APW) Facility at Lake Mission Viejo** – SMWD has proceeded with construction of a recycled water treatment facility to provide additional treatment for the SMWD’s disinfected, tertiary effluent and produce advanced purified water to maintain water levels in Lake Mission Viejo. The APW will incorporate a collection of treatment processes including ultrafiltration, chemical conditioning, reverse osmosis, and UV disinfection. Effluent will be discharged into Lake Mission Viejo with the remaining effluent distributed in the SMWD’s existing recycled water system through additional piping connections. Production capacity of the APW facility is expected to be 600 AFY. The estimated operational date is this fall.
- **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 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 the Doheny Desal Participants are working to lease the Doheny Mobile Test Facility to Michael Baker International for use at the SDCWA intake study testing site.
- **Expansion of the Irvine Interconnection Project to South Orange County** - An agreement completed in 2006 resulted in an investment by South Orange County (SOC) agencies in the Irvine Ranch Water District (IRWD) system to allow exchanges of water to be delivered by IRWD into SOC under emergency situations. Project capacity was committed by IRWD to move up to 30 cfs of emergency supplies whereas the agreement allows moving up to 50 cfs, not to exceed 3,000 AF per emergency event. In accordance with the Agreement with IRWD, the emergency capacity committed to the SOC agencies declines over time and goes to zero by 2030. IRWD is examining their ability to increase the exchange and conveyance of water under this arrangement or extend to extend the end date of the agreement and the capacity thereunder. MWDOC is working on other options with OCWD and MET to move groundwater via the EOCF#2 to SOC during emergency events.
- **Baker Water Treatment Plant** - The Baker Water Treatment Plant is a joint regional project by five SOC 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 is nearing completion. 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 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. Plans are underway for the start of operation in November 2016; MWDOC, IRWD, SMWD and the Project Participants are working on the meter reading and water invoicing as part of the water will be pumped into the South County Pipeline.

- **Laguna Beach County Water District Groundwater Project with Newport Beach**
– MWDOC, MET, Laguna Beach County Water District and Newport Beach have been working to activate Laguna Beach County's access to 2,025 AF of groundwater from within the Orange County Water District Basin. Deliveries began in September 2016.

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

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
November 8, 2016**

COMMITTEE ASSIGNMENTS

Director Saxod was assigned to the Communications and Legislations Committee and the Finance and Insurance Committee. (**Agenda Item 5C**)

ENGINEERING AND OPERATIONS COMMITTEE

Approved the Designation of Applicant's Agent Resolution for Non-State Agencies. (**Agenda Item 8-1**)

Appropriated \$13.8 million; and awarded \$9,595,000 contract to McMillen LLC (dba McMillen Jacobs Associates) for seismic upgrades to the 6.9 kV switch houses at the Colorado River Aqueduct pumping plants. (Approp. 15438) (**Agenda Item 8-2**)

Appropriated \$7.8 million; and awarded \$4.58 million contract to Spiniello Companies for Stage 2 lining repairs on the Orange County Feeder. (Approp. 15377) (**Agenda Item 8-3**)

Appropriated \$8.1 million; and awarded \$4,426,000 contract to Woodcliff Corporation for seismic upgrades to the Administration Building at the Diemer plant. (Approp. 15436) (**Agenda Item 8-4**)

Authorized the General Manager to approve amending the Power Purchase and Sale Agreement between Southern California Public Power Authority and Metropolitan Water District of Southern California, MWD Agreement Number AR1095, as described in the Board letter. (**Agenda Item 8-5**)

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Authorized an amendment to an existing office lease in Sacramento between SFI 1121L Street, LLC and Metropolitan to expand the space by 768 rentable square feet and extend the term for ten years. (**Agenda Item 8-6 heard in closed session**)

LEGAL AND CLAIMS COMMITTEE

Authorized an increase in maximum amount payable under contracts for legal services with Manatt, Phelps & Phillips, LLP in the amount of \$300,000 for a total amount not to exceed \$400,000, for the San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., cases. (**Agenda Item 8-10 heard in closed session**)

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

The following matter was DEFERRED -- Appropriate \$2.16 million; and award \$1.571 million procurement contract to OPT Tech Corp. for EMC Corp. data storage equipment. (Approp. 15487) (**Agenda Item 8-7**)

Approved Metropolitan Water District of Southern California's Salary Schedule Pursuant to CalPERS Regulations. (**Agenda Item 8-8**)

The following matter was DEFERRED -- Appropriate \$1.54 million and authorize implementation of Information Technology Cyber Security Upgrades. (Approp. 15378) (**Agenda Item 8-9**)

CONSENT CALENDAR

In other action, the Board:

Authorized the General Manager to enter into a Local Resources Program agreement with Los Angeles Department of Water and Power for the North Hollywood Area Water Recycling Project for up to 300 AFY of recycled water under terms included in the Board letter. (**Agenda Item 7-2**)

Authorized the General Manager to enter into a Local Resources Program agreement with Los Angeles Department of Water and Power for the Sepulveda Basin Sports Complex Water Recycling Project for up to 350 AFY of recycled water under terms included in the Board letter. (**Agenda Item 7-3**)

Authorized the General Manager to enter into a Local Resources Program agreement with Eastern Municipal Water District for the Perris II Brackish Groundwater Desalter for up to 5,500 acre-feet per year of recovered groundwater under terms included in the Board letter. (**Agenda Item 7-4**)

Authorized the General Manager to enter into a Local Resources Program agreement with the City of Torrance and the Water Replenishment District of Southern California for the GRIP Recycled Water Project for up to 10,000 AFY of advanced treated recycled water under the terms included in the Board letter. (**Agenda Item 7-5**)

Authorized entering into a Water Savings Incentive Program agreement with Tri-Star Dyeing and Finishing, Inc. (**Agenda Item 7-6**)

Authorized the General Manager to execute the Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States for five years, subject to the proposed agreement being in a form approved by the General Counsel and further providing that the proposed agreement will become effective only upon approval and execution by the parties of Minute 32X to the Treaty and adoption of the joint engineering report that are both consistent with the terms of the proposed agreement. (**Agenda Item 7-7**)

OTHER MATTERS:

In other action, the Board:

Elected Director Blois for Board Secretary for a two-year term effective January 1, 2017.
(**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>.



DRAFT AGENDA

Regular Board Meeting

December 13, 2016

12:00 p.m. – Board Room

Tuesday, December 13, 2016 Meeting Schedule		
8:30 a.m.	Rm. 2-145	L&C
9:30 a.m.	Rm. 2-456	RP&AM
10:30 a.m.	Rm. 2-145	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: _____
- (b) Pledge of Allegiance: Director _____

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 November 8, 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 November
- C. Approve committee assignments
- D. Chairman's Monthly Activity Report

- E. Nomination and Election for nonofficer members of the Executive Committee for two-year term effective January 1, 2017

6. DEPARTMENT HEADS' REPORTS

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

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Adopt CEQA determination and appropriate \$1.65 million; award \$_____ contract to _____ for seismic upgrades to structures on the Allen-McColloch Pipeline; and authorize seismic upgrades at Carbon Creek Pressure Control Structure (Approps. 15441 and 15458). (E&O)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

- 7-2 Adopt CEQA determination and appropriate \$1.57 million; award \$599,730 procurement contract to Integrated 8(a) Solutions, Inc. for two fixed cone valves; and authorize preliminary design to improve access at Copper Basin and Gene Wash Reservoirs (Approp.15373). (E&O)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

- 7-3** Adopt CEQA determination and appropriate \$250,000; and authorize preliminary design of upgrades to the Lake Mathews Disaster Recovery Facility (Approp. 15376). (E&O)

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

- 7-4** Adopt CEQA determination and authorize entering into a Local Resources Program agreement with Los Angeles Department of Water and Power for the Westside Area Water Recycling Project. (WP&S)

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

- 7-5** Adopt CEQA determination and authorize entering into a Local Resources Program agreement with Los Angeles Department of Water and Power for the Terminal Island Recycled Water Expansion Project. (WP&S)

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

- 7-6** Adopt CEQA determination and authorize entering into a Local Resources Program agreement with the Municipal Water District of Orange County and the El Toro Water District for El Toro Recycled Water System Expansion Phase II Project. (WP&S)

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

- 7-7** Adopt CEQA determination and authorize entering into a Local Resources Program agreement with the Municipal Water District of Orange County and the Santa Margarita Water District for Lake Mission Viejo Advanced Purification Water Treatment Facilities. (WP&S)

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination and appropriate \$2.16 million; award \$1.496 million procurement contract to EMC Corp. for data storage equipment; and authorize a storage system upgrade for Metropolitan's datacenter (Approp. 15487). (OP&T)

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

- 8-2** Adopt CEQA determination, appropriate \$1.54 million and authorize implementation of Information Technology Cyber Security Upgrades (Approp. 15378). (OP&T)
[Any discussions of threats to public services or facilities to be heard in closed session pursuant to Gov. Code Section 54957(a). Consultation with Metropolitan's security operations manager]

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

- 8-3** Adopt CEQA determination and appropriate \$6.2 million; award \$594,384 procurement contract to Royal Wholesale Electric; and authorize: (1) completion activities for the Oxidation Retrofit Program at the Weymouth plant; (2) upgrade of the ozone control system at the Jensen plant; and (3) increase of \$788,000 to an agreement with Suez Treatment Solutions, for a new not-to-exceed total of \$1,695,000 (Approps. 15392 and 15486). (E&O)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

- 8-4** Adopt CEQA determination and authorize the execution of the Operation, Maintenance, Replacement, Ownership and Interconnections at Mead Substation Agreement between the Western Area Power Administration and Metropolitan for a term of 50 years. (E&O)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

- 8-5** Adopt CEQA determination and authorize (1) renewal of the Municipal Water Quality Investigations Agreement between Department of Water Resources, the State Water Project Contractors Authority and participating urban State Water Project Contractors; and (2) renewal of the Municipal Water Quality Investigations Program Specific Project Agreement between members of the State Water Project Contractors Authority. (WP&S)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

- 8-6** Adopt CEQA determination and adopt Second Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to \$175 million of Subordinate Water Revenue Bonds, 2016 Authorization, and provide for transaction documents. (F&I)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

- 8-7** Adopt CEQA determination and adopt Legislative Priorities for 2017/18.
(C&L)

Recommendation:

Option #:

**Adopt the CEQA determination _____, and
_____.**

8-8 Adopt CEQA determination and authorize leases for Cox and Wegis, Desert Milling, Inc., HayDay Farms, Inc., and Joey Deconinck Farms. (RP&AM)

[Conference with real property negotiators; agency negotiators: Karen Donovan and Tim Blair; negotiating party: Cox and Wegis, for the real property identified as Riverside County Assessor's Parcel Nos. 821100018, 821100019, 821150018, 821160012, 821160013, 824200009, 824200014, 824200016, 824200020, 863140001, 863140002, 863140004, 863150001, 863170005, 863170006, 863180003, 863180004, 863180005, 863220005, 866040004, 866080001, 866080002, 866080003, 866080005, 866080012, 866090002, 866090009, 866090010, 866090013, 866090014, 872150005, 872160006, 872160007, 872160008, 872160009, 872180009, 878020004, 878030009, 878030016, 878091001, 878091005, 878091006, 878091011, 878091014; Desert Milling, Inc., for the real property identified as Riverside County Assessor's Parcel Nos. 815302008, 815310013, 815320007, 827190003, 827190004, 827190010, 833030012, 833050007, 833050008, 833050010, 833050012, 833050014, 833060001, 833060004, 833060018, 833060024, 833060025, 833060026, 833060027, 833100005, 833100007, 833100011, 833100012, 833100016, 833100017, 815190007, 815190012, 815190014, 815200007, 815200011, 827061004, 827061005, 827062006, 827062007, 827062008, 827062016, 827062017, 827071002, 827080004, 827080008, 827080027, 827080028, 830210009, 830210010, 830230006, 833140005, 833200006, 833210013, 833210017, 833220002, 833220003, 833220004, 833230001, 833230002, 833270003, 833280002; HayDay Farms, Inc., for the real property identified as Riverside County Assessor's Parcel Nos. 866130001, 866130002, 866130003, 866130004, 866240004, 866240009, 866250008, 866250009, 866250011, 869130001, 869270006, 869270010, 869291002, 869291003, 869291005, 869291009, 869292001, 869292002, 869292003, 875021001, 875021002, 875021006, 875021007, 875021008, 875021013, 875021014, 875022003, 875022004, 875022005, 875022006, 875022012, 875030012, 875030014, 875030027, 875030028, 875040006, 875071001, 875071002, 875071003, 875071004, 875071005, 875071006, 875071007, 875071012, 875071013, 875071014, 875071015, 866210006, 866210010, 872080006, 872080007, 872080008, 872090005, 872090006, 872090007, 872090008, 872100001, 872100002, 872100003, 872100005, 872100007, 872100009, 872100013, 872340014, 872340018, 872352003, 872352010, 872352017, 872360001, 872360003, 872370002, 872370008, 872370013, 872370014, 872370016, 872370018, 875131009, 875131010, 875171001, 875171002, 878060002, 878070001, 875250010, 878040008, 878050003, 878050004, 878050005, 878050006, 878050010, 878050011, 878050012, 878050013, 878092003, 878092016, 878092017, 878092018, 878101004, 878101005, 878151004, 878151005, 878152003, 878152031, 878202003, 878202005, 878240009, 878240010, 878240011, 878240012; and Joey Deconinck Farms, for the real property identified as Riverside County Assessor's Parcel Nos. 833210006, 833210012, 833260001, 833260003, 833260004, 833260005, 833270004, 833270005; under negotiation: price and terms of payment; to be heard in closed session pursuant to Gov. Code Section 54956.8]

Recommendation:

Option #:

Adopt the CEQA determination _____, and
_____.

9. BOARD INFORMATION ITEMS

None

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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

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

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

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