

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
August 1, 2018, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

(NEXT RESOLUTION NO. 2074)

- **PRESENTATION TO GARY BREAU (MET) ON THE OCCASION OF HIS RETIREMENT**

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. **DISCUSSION SERIES PART 2 - LOCAL RESOURCES PROGRAM (LRP) NEAR-TERM POLICY DISCUSSION**

Recommendation: Review and discuss the information presented.

3. CALIFORNIA WATERFIX ACTIVITIES UPDATE

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 July 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

August 1, 2018

TO: Board of Directors

FROM: Robert Hunter,
General Manager

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

**SUBJECT: DISCUSSION SERIES PART 2 - LOCAL RESOURCES PROGRAM (LRP)
NEAR-TERM POLICY DISCUSSION**

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss the information presented.

COMMITTEE RECOMMENDATION

This item was not presented to a Committee.

REPORT

Starting last month, MWD OC staff began a discussion series with the Board focusing on Metropolitan's Local Resources Program (LRP). This first installment in the series stepped through the evolution of the program. This month, we will provide a complementary discussion item exploring near-term LRP policy issues. In September, we will continue the discussion by exploring long-term LRP policy issues.

Background

The LRP helps encourage and expedite development of local resources that reduce demand for Metropolitan imported water supplies and increase water supply reliability in the region. The LRP provides funding for the development of water recycling, groundwater recovery, and seawater desalination supplies.

Budgeted (Y/N): N/A	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):			

Metropolitan's role in improving local water supplies has been guided by its Integrated Resources Plan (IRP) and strategic planning efforts to ensure adequate regional water supply through a diverse resource mix to meet the current and future demand while increasing the region's water supply reliability, and is also authorized by legislation such as Senate Bill 60.

The program has the following benefits:

- Demand management programs decrease and avoid operating and capital maintenance and improvement costs, such as costs for repair of and construction of additional or expanded water conveyance, distribution and storage facilities.
- The LRP results in available capacity in Metropolitan's system to convey both Metropolitan water and water from other non-Metropolitan sources.
- Metropolitan's incentives in these areas contribute to savings for all users of the system in terms of lower capital costs that would otherwise have been required to expand and maintain the system.

IRP and LRP Policy Interaction

A key part of the IRP strategy includes regional targets for local resources and conservation development. Successful implementation of the IRP targets will require significant coordination and planning on the part of Metropolitan, its member agencies and local agencies. Policy direction will define Metropolitan's continuing role in the development of local resources and conservation and ensure that Metropolitan participates in an effective manner.

As part of the IRP implementation policy principles adopted by the Metropolitan Board in July 2017, evaluations of regional investments in local resources and conservation should, at a minimum, include consideration of:

- Type and source of water supply
- Measurable water supply yield or demand reduction
- Impacts, positive or negative, to MET system redundancy or emergency risk
- Impacts, positive or negative, to existing MET system investments and developed system capacity
- Total cost elements
- MET financial exposure and revenue recovery

Near-Term LRP Policy Issues

As a result of the impending 2020 IRP update, which will begin during 2019, the LRP policy discussion can be bifurcated into near-term and long-term issues.

Near-term issues relate to the current LRP target. Stemming from recent Metropolitan Board Discussion and agency request, the existing LRP target of 174 TAF may be modified to provide an interim target until the 2020 IRP update is complete. The attached presentation outlines the near-term LRP policy discussion.

Framing questions to generate input and discussion of the MWDOC/MET Joint Board include:

- Should Metropolitan implement an interim LRP target and what should it base the interim target on?

- What is the status with respect to timing of the LRP applications currently in the queue?
 - How will an interim target affect the LRP budget?
- How should Metropolitan define its near-term role in the development of local resources?

In September, we will explore long-term LRP policy issues. This discussion will focus on how Metropolitan should implement the evaluation of LRP projects (as stated above from the 2017 IRP Implementation Policy Principles).

Attachment: Local Resources Program (LRP) Near-Term Policy Discussion Presentation



Agenda



- 💧 **Recap of Last Month's Presentation**
- 💧 **IRP vs. LRP**
- 💧 **Timeline**
- 💧 **Today's Topic**
 - 💧 Near-Term LRP Policy Issues
- 💧 **Next Month's Topic**
 - 💧 Long-Term LRP Policy Issues



Regional Benefits of Local Resources Development

- Improves regional supply reliability
- Reduces demands for imported water supplies
- Decreases the burden on Metropolitan's infrastructure and reduces system costs
- Frees up conveyance capacity to the benefit of all system users
- Helps to meet "20 by 2020" water use efficiency targets
- Helps to meet IRP goals
- Helps to meet legislative requirements



IRP vs. LRP



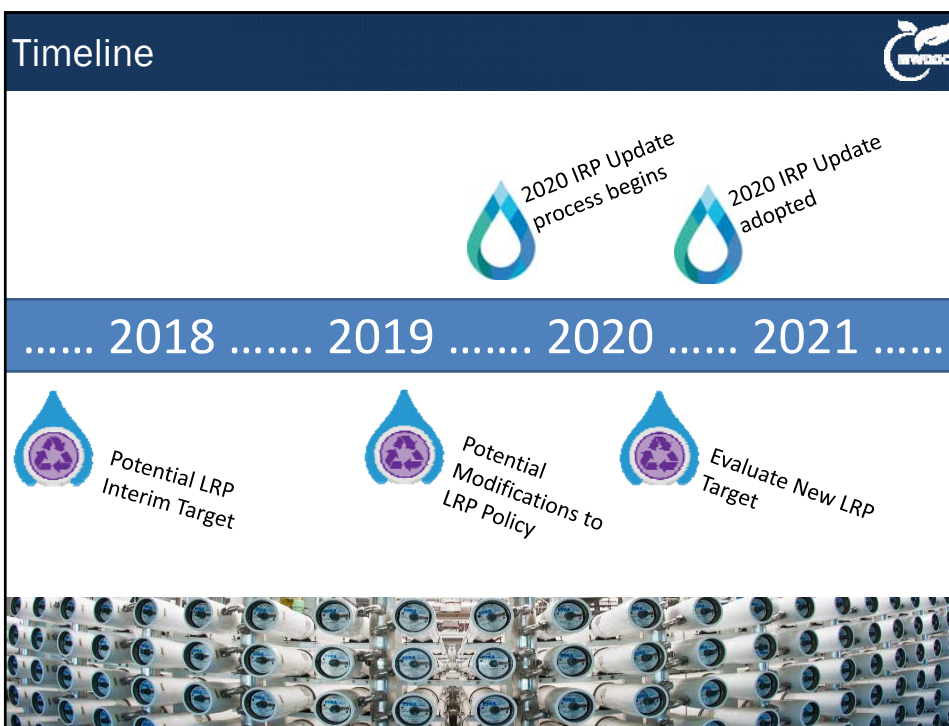
Integrated Resources Plan (IRP)

- Ensure that total local supply production of 2.43 MAF is reached by 2040
- Recognize risk and potentially develop additional supplies
- Dual sided demand management – Conservation and Supply development



Local Resources Plan (LRP)

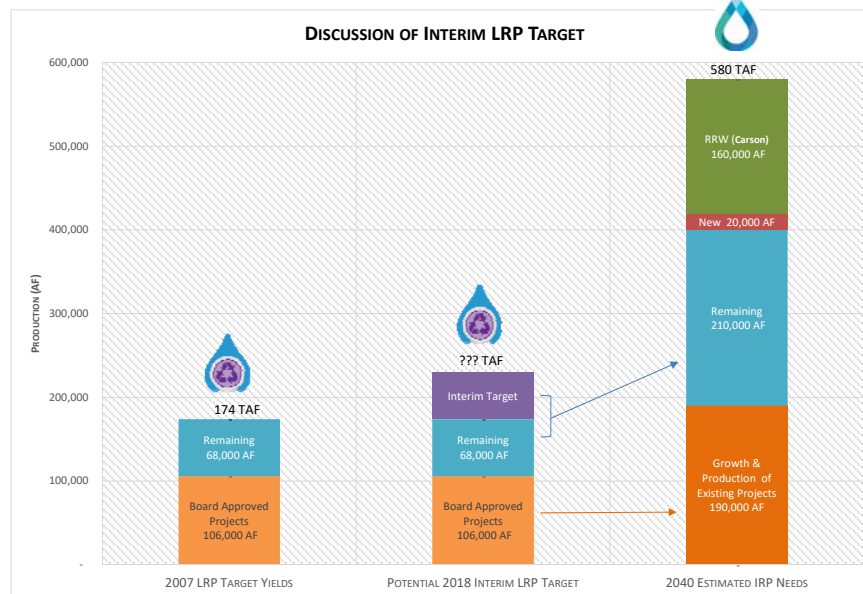
- Helps meet IRP goals
- Replaces demand on MET's imported system through new local supply development
- Current target of 174 TAF with 68 TAF remaining
- Annual budget of \$45 M



Near-Term LRP Policy Discussion

- Should Metropolitan implement an interim LRP target and what should it base the interim target on?
 - What is the status with respect to timing of the LRP applications currently in the queue?
 - How will an interim target affect the LRP budget?

Current LRP Target and Potential Interim Adjustment



Current LRP Target and Potential Interim Adjustment



Submitted LRP Applications

Project Title	Sponsoring Agency	Submitted Yield (AFY)
La Puente Water Recycling	USGVMWD	60
CBMWD Recycled Water Expansion	CBMWD	500
Santa Margarita River Conjunctive Use	SDCWA	3,100
East County Advanced Water Purification	SDCWA	11,600
San Diego Pure Water Program - North City Phase 1	SDCWA	33,600
Carlsbad Seawater Desalination		
-Carlsbad MWD portion of Carlsbad Seawater Desal.	SDCWA	56,000
-Vallecitos WD portion of Carlsbad Seawater Desal.		
Huntington Beach Seawater Desalination	MWDOC	56,000
TOTAL		160,860

Current LRP Target and Potential Interim Adjustment



LRP Projected Program Funding



Near-Term Policy Discussion



- How should Metropolitan define its near-term role in the development of local resources?



MWDOC Staff Observations



There is Justification in Near-Term Change

- There is merit in establishing an interim LRP target
- The LRP shows a commitment to further develop local supplies and this is in compliment with conservation and imported supply investments (i.e. WaterFix)

Do Changing Conditions Call for Further Program Modifications?

- Are we entering a new phase in the program?
- How can the LRP effectively meet the IRP Gap?
- What type of adjustments should be made to the LRP?

Discussion Series Part 3: LRP Policy – Long-Term Policy Discussion

- September 5, 2018 - Joint Board Workshop





DISCUSSION ITEM

August 1, 2018

TO: Board of Directors

FROM: Robert Hunter, General Manager

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

SUBJECT: CALIFORNIA WATERFIX ACTIVITIES UPDATE

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss the information presented.

COMMITTEE RECOMMENDATION

This item was not presented to a Committee.

REPORT

Metropolitan's Board of Directors voted this week to provide the additional financing needed for the full construction of the California WaterFix project to modernize the state's water delivery system. With the Board's action to authorize \$10.8 billion, Metropolitan is the primary investor for the project.

The Board took a similar vote in April. Following that action, two organizations alleged violations of the Brown Act in connection with that meeting. Metropolitan responded to the notice disagreeing with its legal conclusion and provided documents in response to a related California Public Records Act request. To ensure there is no question concerning the validity of its vote, the Board voted on the matter again.

Delta Conveyance Design and Construction Authority

At the July 19 Delta Conveyance Design and Construction Authority (DCA) meeting, the Fiscal Year 2018/19 budget was approved. The proposed budget totaled \$133.57 million and included a 6-month contingency of \$42.4 million. At this meeting the DCA Board also

Budgeted (Y/N): N/A	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):			

authorized professional services agreement with The Hallmark Group for transition services and authorized delegation of interim contracting authority to the Executive Director.

Finance Joint Powers Authority

The Finance Joint Powers Authority (JPA) for California WaterFix has been set up as a single purpose public entity to secure financing for the conveyance project and to issue, sell, and deliver bonds, refunding bonds, or notes. The agreement will be effective 50 years or until all the bonds have been paid. Within the governance structure of the Finance JPA, there is one Board Director for each member. While administrative matters need only a majority vote, bond issuances will be voted on separately and will require a weighted vote.

Chairman Randy Record will serve as Metropolitan's representative on, and president of, the Finance JPA.

The Finance JPA held its first meeting on July 19. At this meeting, the Finance JPA approved professional service agreement with Michael Bell Management Consulting, Inc., to retain Brian Thomas as Interim Executive Director and authorized the Executive Director to negotiate and execute a services agreement with the Metropolitan Water District to provide treasury/controller and accounting services.

Additionally, the Finance JPA will be submitting a Letter of Interest to the U.S. Environmental Protection Agency for \$1.6 billion for a Water Infrastructure Finance and Innovation Act (WIFIA) program loans to assist in financing the California WaterFix.

Public Water Agency Board Consideration Action

As of July 18, the following Public Water Agencies have voted to support the California WaterFix. Many other State Water Project Contractors are not taking explicit action to their boards, but would anticipate cost responsibility under their existing SWP contract with the state, along with existing opportunities under the contract to manage their supply and costs through water transfers, banking, and exchanges.

California WaterFix Public Water Agency Board Consideration/Action at 67% SWP Participation Level	
Agency	Date
Santa Clara Valley Water District	May 8
San Bernardino Valley Municipal Water District	May 15
Alameda County Water District	May 17
San Geronio Pass Water Agency	May 21
Mojave Water Agency	May 24
Desert Water Agency	Jun 5
Santa Clarita Valley Water Agency	Jun 5
Coachella Valley Water District	Jun 26
Crestline-Lake Arrowhead Water Agency	Jul 5

California WaterFix

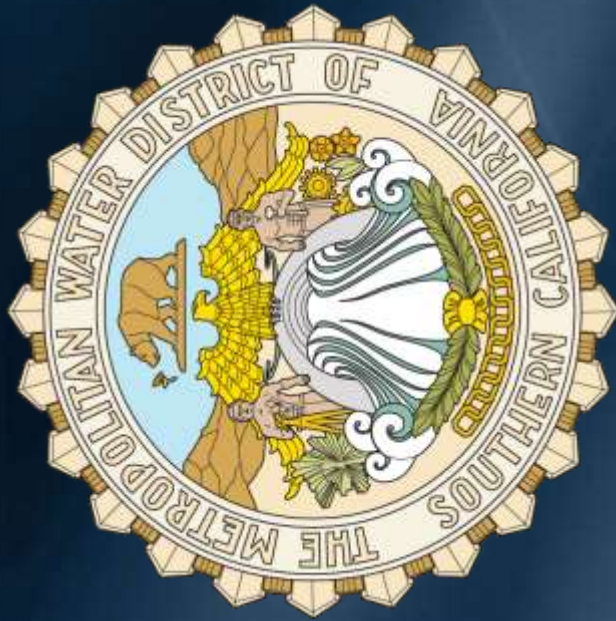
On June 12, the California Department of Water Resources (DWR) and U.S. Bureau of Reclamation (USBR) released the Administrative Draft Supplemental Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the California WaterFix project. The updated environmental document covers the footprint changes resulting from proposed water conveyance facility design modifications that further minimize the impacts of the project on local communities and the environment. DWR and USBR are making the administrative draft available on the California WaterFix website for use by the State Water Resources Control Board (SWRCB) as part of the ongoing California Waterfix proceedings. The public Draft Supplemental EIR/EIS is expected to be released in July 2018 for public review and comment. The Final Supplemental EIR/EIS is planned for fall 2018.

The SWRCB proceedings for the California WaterFix Petition for additional point of diversion are ongoing. The evidentiary portion of Part 2 of the hearings, which consider the effects of the proposed project on fish and wildlife, concluded on April 25, 2018. On June 18, the SWRCB issued a notice regarding the schedule for the Part 2 rebuttal phase. The deadline for parties to submit rebuttal testimony and exhibits is July 10, 2018, and the presentation of rebuttal testimony will commence on August 2, 2018. Metropolitan staff coordinated with other State Water Project contractor agencies to prepare rebuttal testimony and prepare for the hearings.

Other Bay-Delta Issues

Additional information on the Bay-Delta Issues can be found in *Issue Brief D - Bay Delta/State Water Project Issues* of Discussion Item #4 regarding Metropolitan Water District items critical to Orange County.

Attachment: California WaterFix Update Presentation



Update on California WaterFix

Special Committee on Bay-Delta
Item 3a
July 24, 2018

Update on California WaterFix

- Public Water Agency Action Update
- Delta Conveyance Design and Construction Authority
- Delta Conveyance Finance Authority
- Status Updates
 - State Board Petition for Additional Point of Diversion Part 2
 - Supplemental EIR/S Update
 - Delta Plan Certification of Consistency
- Metropolitan's continuing efforts

California WaterFix

Public Water Agency Board Consideration/Action
at 67% SWP Participation Level

Agency	Date
Santa Clara Valley Water District	May 8
San Bernardino Valley Municipal Water District	May 15
Alameda County Water District	May 17
San Geronio Pass Water Agency	May 21
Mojave Water Agency	May 24
Desert Water Agency	Jun 5
Santa Clarita Valley Water Agency	Jun 5
Coachella Valley Water District	Jun 26
Crestline-Lake Arrowhead Water Agency	Jul 5

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

As of 7/18/18
July 24, 2018

Delta Conveyance Design and Construction Authority

Delta Conveyance Design and Construction Authority

Board of Directors

MWD	Richard Atwater Steve Blois	Shane Chapman Stephen Arakawa
Kern County	TBD	TBD
Santa Clara	Tony Estremera	Barbara Keegan
SWC At-Large	Sarah Palmer (Zone 7)	Doug Headrick (San Bernardino Valley MWD)

Officers

Estremera, President
Atwater, Vice President
Palmer, Secretary

Delta Conveyance Design and Construction Authority

July 19 Meeting

- Approved 2018/19 budget
- Authorized Executive Director to begin negotiating terms and conditions for leasing office space
- Authorized professional services agreement with The Hallmark Group for transition services
- Authorized delegation of interim contracting authority to the Executive Director
- Authorized document retention policy

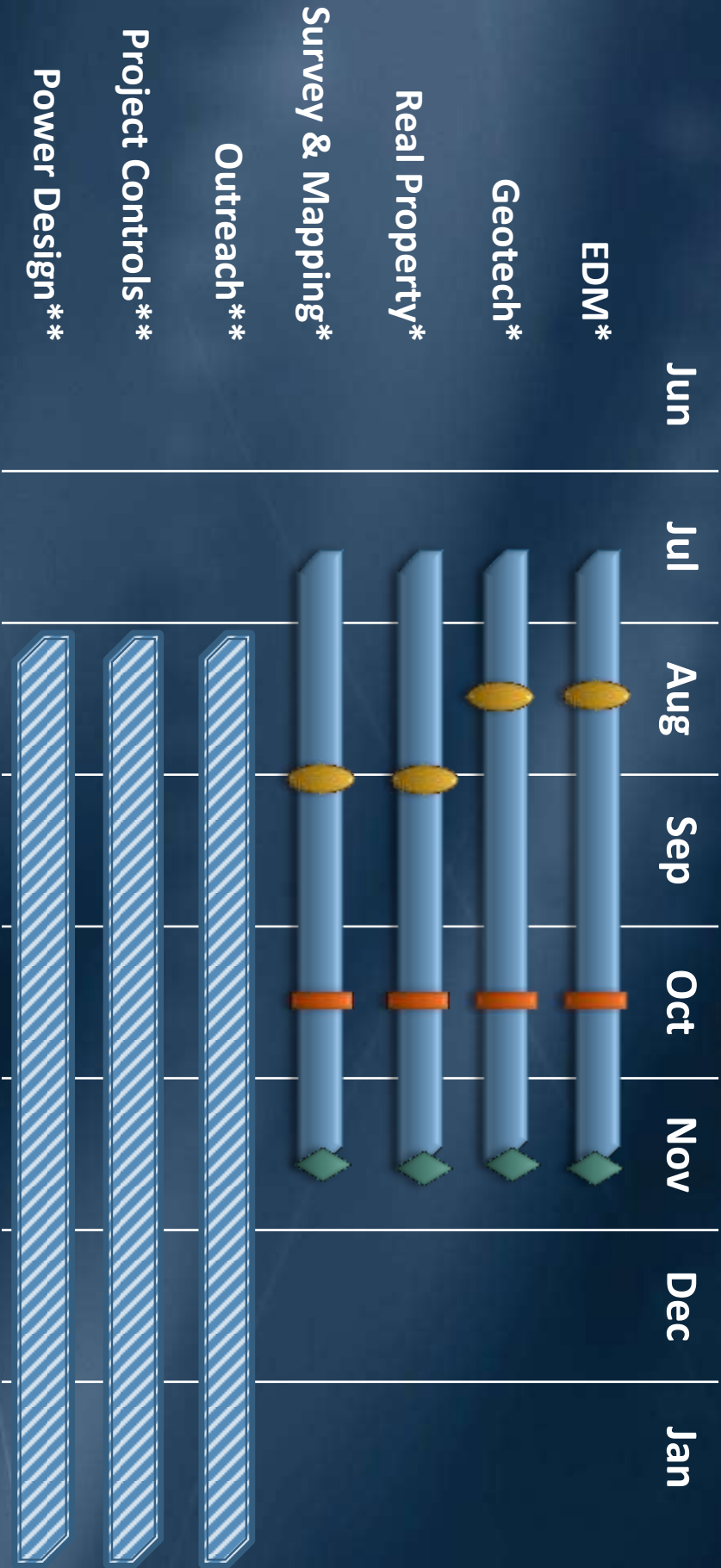
Delta Conveyance Design and Construction Authority

Proposed 2018/2019 Budget

Activity	Cost (Millions \$)
Program Management, Administration & Finance	\$14.52
Environmental	\$6.92
Engineering	\$30.93
Construction	\$15.91
Property Acquisition	\$4.79
Utilities	\$18.11
Subtotal	\$91.17
Contingency (6 month additional funding)	\$42.40
Total	\$133.57

Delta Conveyance Design and Construction Authority

Initial RFQ Timelines (Existing and Proposed)



* Existing RFQs currently under evaluation

** Proposed RFQs for advertisement



Interviews



Board
Award



Notice to
Proceed

Delta Conveyance Finance Authority

Delta Conveyance Finance Authority Agreement

- Basic Provisions
 - Single purpose public entity to secure financing for the conveyance project
 - To issue, sell, and deliver, bonds, refunding bonds, or notes
- Parties
 - Participating Public Water Agencies
- Term
 - Effective for 50 years or until all bonds have been paid
- Governance | Voting | Staff
 - One Board Director for each member
 - Majority vote for administrative matters
 - Weighted vote for separate bond issuances
 - Executive Director and other staff as necessary

Delta Conveyance Finance Authority

- Formed July 3
- First meeting July 19
- Members
 - Alameda County Water District Paul Sethy
 - Alameda County Flood Control/
Water Conservation District Zone 7 Valerie Pryor
 - Metropolitan Water District Randy Record
 - San Geronio Pass Water Agency Jeff Davis
 - Santa Clara Valley Water District Gary Kremen
- Officers
 - President Randy Record
 - Vice President Gary Kremen
 - Secretary Jeff Davis

Delta Conveyance Finance Authority

July 19 Meeting

- Elected Board Officers
- Approved professional service agreement with Michael Bell Management Consulting, Inc., to retain Brian Thomas as Interim Executive Director
- Authorized Executive Director to negotiate and execute a services agreement with the Metropolitan Water District to provide treasury/controller and accounting services
- Authorized sending letter of interest for Water Infrastructure Finance and Innovation Act program assistance

Status Updates

State Board

Petition for Additional Point of Diversion

Part 2

- Effects on the fishery, public interest and “appropriate flows”
- Rebuttal testimony submitted
 - DWR Jul 10
 - All other parties Jul 13
- Rebuttal testimony/cross examination Aug 2
- SWRCB has yet to determine if sur-rebuttal will occur
 - If it does, it will be immediately after rebuttal
- SWRCB has not provided a schedule for the remainder of the process

California WaterFix

Supplemental EIR/S

● Released

Jul 17

● Deadline for comments

Sep 17

● Proposed design refinements to minimize impacts

- North Delta – Reduces wetland impacts, consolidates reusable tunnel material footprint, and decreases the number of power poles/lines

- Central Delta – Relocates tunnel access shaft to avoid wetlands impacts

- South Delta – Relocation of tunnel shaft outlet to reduce wetlands and salmon & smelt impacts

Delta Stewardship Council Certification of Consistency

- Delta Reform Act (2009)
 - Established Delta Stewardship Council (DSC)
 - Coequal goals for the Delta



More reliable water supply
for California

Protecting, restoring, and enhancing
the Delta ecosystem

- Requires a project proponent to certify through a Consistency Determination that proposed covered actions in the Sacramento-San Joaquin Delta are consistent with the Delta Plan

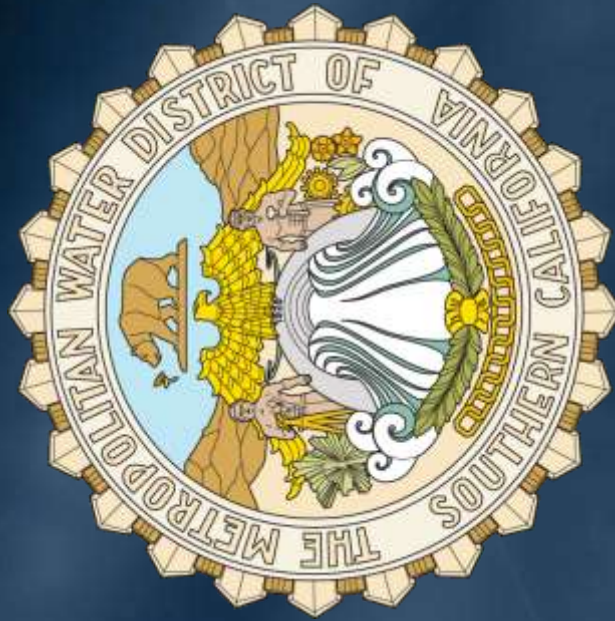
DSC Certification of Consistency

Estimated Timeline

- DWR posted Notice of Intent to submit a Certification of Consistency with the Delta Plan Jul 17
- DWR files Certification of Consistency with the DSC Jul 27
- Thirty-day period for appeals

Metropolitan's Continuing Efforts

- Negotiate and execute Master Agreement with DWR
- Execute Option Agreement with Santa Clara
- Multi-year transfers
- Contract amendment





DISCUSSION ITEM

August 1, 2018

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

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

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

STAFF RECOMMENDATION

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

DETAILED REPORT

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

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

Budgeted (Y/N): NA	Budgeted amount: None	Core <input checked="" type="checkbox"/>	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

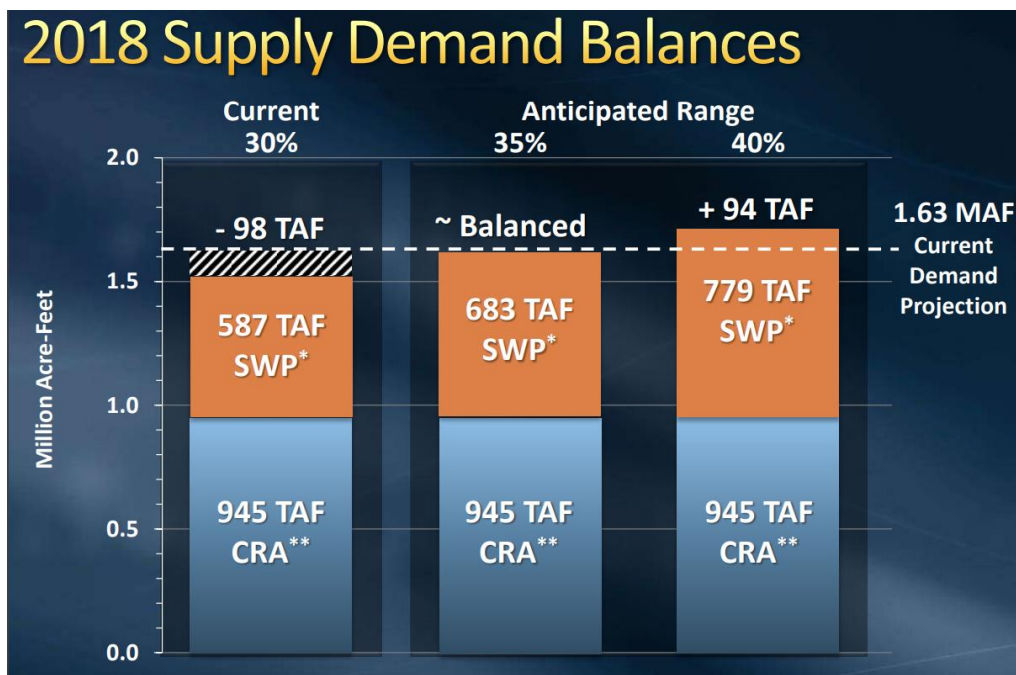
RECENT ACTIVITY

The Northern California accumulated precipitation (8-Station Index) is reporting **40.9 inches or 84% of normal** as of July 23. In the month of July 2018, accumulated precipitation reached 0.1 inches, which is **0.1 inches below normal** compared to the historical average. The Northern Sierra Snowpack peaked at 12.3 inches on April 1st, which is **43% of normal**. Lake Oroville storage is at 57% capacity and 76% percent of normal. The San Luis Reservoir has a current volume of 47% of the reservoirs total capacity.

In May, the Department of Water Resources (DWR) increased the State Water Project (SWP) "Table A" allocation to 35%, giving Metropolitan approximately 683 thousand acre-feet (TAF) in SWP deliveries this water year. Metropolitan staff does not anticipate any further changes to this allocation.

On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. As of April 15, 2018, snowpack measured at 74% of normal for that date. The ongoing decline in the Colorado River watershed has impacted storage levels in Lake Powell and Lake Mead, which in turn affects the likelihood of surplus or shortage conditions in the future. The Bureau of Reclamation is projecting that there is a 0% chance of a shortage on the Colorado River in 2019, increasing to about 52% in 2020.

With estimated total demands and losses of 1.63 million acre-feet (MAF), Metropolitan is projecting that demands will equal supply levels in CY 2018. Based on this, estimated total dry-year storage for Metropolitan at the end of CY 2018 will go down to 2.5 MAF.



ISSUE BRIEF # B

SUBJECT: MET's Finance and Rate Issues

RECENT ACTIVITY

The regularly scheduled meeting of the Finance and Insurance Committee on Monday, July 9, 2018 at 9:30 a.m. was cancelled. The next Finance and Insurance Committee meeting is adjourned to Monday, August 20, 2018.

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

Colorado River Basin States Principals Meetings

Following Bureau of Reclamation Commissioner Brenda Burman's meetings with representatives of both the Upper and Lower Basins in May 2018, the Principals of the seven Colorado River Basin States met in Santa Fe during the week of June 18-21 to discuss steps needed to finalize drought contingency plans and to provide updates on other basin related matters.

On June 18, the Lower Basin Principals met with the Commissioner and staff from Reclamation's Lower Colorado Region to identify steps needed to reach a final Lower Basin Drought Contingency Plan (LBDCP) this year. At this meeting, representatives from the state of Arizona and the Central Arizona Water Conservation District conveyed their willingness to reengage in the LBDCP development discussions with the other states, and to establish a process for developing public involvement and support within Arizona.

At the Basin States Principals meeting on June 19, the representatives of the Upper Basin States, Lower Basin States, and the Bureau of Reclamation all agreed to the goal of reaching final drought contingency plans for both the Upper and Lower Basin by December 12-14, 2018 when the Colorado River Water Users' Association holds its annual conference in Las Vegas. The Principals identified a small group of representatives who are charged with completing the documents necessary to meet this goal. A staff person from Metropolitan was included in this small group and attended meetings of the small group on June 25 and 27. If negotiations are successful, the LBDCP and related agreements would be brought before Metropolitan's Board for consideration in November or December of this year.

Colorado River Board of California Rules Changes

At its June 13 meeting, the Colorado River Board of California (CRB) voted 6 – 3 in favor of making changes to the CRB's Rules and Regulations. The changes included a provision establishing the election of the Chairperson of the CRB every four years, beginning January 2019, as well as other minor and technical updates. Pursuant to state statute, the Chairperson of the CRB serves as the Colorado River Commissioner for the state of California.

On June 14, the then-current Chairperson of the CRB, Bart Fischer (representing Palo Verde Irrigation District) announced that he would be stepping down as Chairperson of the CRB effective the following week. The CRB may vote for a new Chairperson at its next meeting on July 11, 2018 in Ontario.

State of the Science Report-Hydrology and Climate Information in the Colorado River Basin

Metropolitan, Southern Nevada Water Authority, Central Arizona Water Conservation District, Denver Water, and the State of Colorado have agreed to fund development of a State of the Science Report which is planned to address:

- The state of knowledge regarding the climatic and hydrologic processes and variables that drive stream-flow outcomes in the Colorado River Basin, including an assessment of the magnitude of effect attributed to each climatic and hydrologic variable;
- Scientific advances in hydrologic forecasts, climate and hydrology projections, and climate downscaling techniques and approaches, including an assessment of innovative or novel approaches that would add value;
- Scientific advances in observation techniques and observing systems necessary for hydrologic forecasts and climate and hydrology projections in the Colorado River Basin; and
- An evaluation of the level of certainty of the state of knowledge, including the identification of crucial gaps and weaknesses in the state of knowledge.

The development of the report is intended to be a collaborative undertaking among the parties and other Colorado River stakeholders. Metropolitan will contribute \$50,000 to develop the report, which is expected to be completed in one year. Metropolitan staff will inform the Board when the report is completed.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

State Water Resources Control Board

Metropolitan staff is participating in the Sutter Bypass workgroup, which is identifying research needs in the Sutter Bypass to better understand benefits of this habitat to juvenile salmonids. In June, the workgroup met to discuss initial results of a pilot study conducted this year studying fish growth and food availability in the Sutter Bypass. Results of the pilot study highlighted the different ways in which water moves through the bypass during flood and non-flood events. Even during non-flood events (when the weirs are not overtopped) backwater from the Feather and Sacramento Rivers results in flooding of the lower bypass, which may have benefits for food production and fish growth. The group is seeking funding to implement the full study next year.

Metropolitan staff met with USBR, National Oceanic and Atmospheric Administration and the State Water Contractors to demonstrate a salmon entrainment model that ICF consultants developed that can be used to evaluate loss and salvage at the export facilities under different environmental and operational scenarios. The model predicts weekly salvage of salmonids based on a suite of variables that can be forecasted one month into the future. All agencies see value in using this as an additional tool in the decision making process to inform water project export operations throughout the year.

Metropolitan staff is participating in the Structured Decision Making for Scientific Management in the Bay-Delta (Delta SDM) process, sponsored by USBR and the Delta Science Program, to provide technical input. The process is facilitated by Dr. James Peterson of Oregon State University. The purpose of the Delta SDM process is to generate stakeholder decision support models for salmon and Delta Smelt that can be used to identify priorities for implementation.

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). On May 22, Metropolitan staff participated in the CAMT Delta Salmonid Research Workshop. The workshop provided an opportunity for researchers and managers working in the Delta to interact, discuss needs and challenges, and explore opportunities for addressing those needs and challenges together. The workshop was specifically designed to promote dialog between scientists doing research on salmonids in the Delta, and managers that use that science to make decisions and direct funding. The workshop revolved around a set of management questions that reflect management needs for information. Metropolitan staff is participating in the CAMT salmon subcommittee, which is currently summarizing information learned at the workshop to present to CAMT and CSAMP. Outcomes from the workshop will be used to prioritize future funding investments in salmon studies and actions.

Delta Flood Emergency Management Plan

DWR continues to develop and refine the Emergency Response Tool (ERT), which is a modeling tool to analyze proposed emergency response actions to respond to catastrophic levee failures in the Delta. The ERT now includes a water quality component, which is

integral to determining water quality conditions for export resumption following levee failure emergencies. The ERT has the capability to evaluate freshwater conveyance independent of other levee repairs in the Delta. The ERT analysis shows that short term Sacramento River and San Joaquin River reservoir releases in conjunction with emergency freshwater pathway development and channel diversions provide limited but early export resumption and increased exports associated with pathway restoration.

ISSUE BRIEF # E

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

RECENT ACTIVITY

Doheny Desal

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

Poseidon Huntington Beach

On July 18, 2018 the OCWD Board approved a new non-binding 2018 Water Reliability Agreement (Term Sheet) with Poseidon Resources. The major changes in the new Term Sheet include:

1. The rate OCWD pays Poseidon Resources for water is no longer indexed to the MWD water supply rate. OCWD would pay Poseidon's documented cost of service along with an agreed to return on equity. This approach is modeled after the San Diego County Water Authority and Poseidon Resources agreement for the Carlsbad Ocean Desalination Facility.
2. The agreement term has been revised from 50 years to a 30 or 35-year contractual partnership. The exact length of the contract would be negotiated with the final Water Purchase Contract. A longer contract duration allows for the project capital cost to be amortized over a longer time period resulting in a lower project unit cost; however, the total payments made to Poseidon are greater.
3. OCWD would assume the risk for electricity rate increases. Under the 2015 Term Sheet, Poseidon was taking on this risk. This represents a philosophical change in how to deal with future electricity rate increases for the following reasons:
 - a. Allocating this risk onto Poseidon was not free. Poseidon would have had to charge OCWD a higher rate due to this cost exposure.
 - b. With OCWD agreeing to pay the actual cost of electricity, OCWD should be able to negotiate a slightly lower overall rate for the water.
 - c. If future electricity prices do increase excessively, it will impact the entire water industry and many water supply sources.
 - d. Electricity costs have remained flat or even decreased in recent years. Under the 2015 Term Sheet, this scenario would have resulted in additional profit for Poseidon. This is consistent with the 2018 Term Sheet approach of paying for Poseidon's actual cost.

Average Southern California Edison electricity cost is currently estimated at \$.086/kwh and is assumed to escalate at 2.5% annually for financial modeling purposes.

4. OCWD would retain the lead role in developing all aspects of the distribution plan. However, there is now an option to have Poseidon Resources take responsibility for

financing and constructing facilities distributing potable water to OCWD, Producers and other retail water agencies.

With this option, Poseidon would coordinate the timing of constructing the treatment plant with constructing the distribution facilities to serve potable water to customers.

Key Issues	2015 Term Sheet	2018 Term Sheet
Treatment Plant	Poseidon responsible to develop	Poseidon responsible to develop
Distribution System	OCWD responsible to develop	OCWD to oversee development of distribution system. Includes option to have Poseidon responsible to construct/finance distribution system that serves potable water to participating retail agencies. OCWD can purchase distribution system constructed by Poseidon in future.
Contract Duration	50 years	30 or 35 Years
Price OCWD Pays for Water	Initially a rate of up to 20% above MWD rate for first ten years. Up to 15% above the MWD rate for the second ten year period, and so forth. Negotiate a minimum annually rate increase. Compare rate against Poseidon's actual cost in future years and adjust the rate if necessary.	Pay Poseidon's actual cost plus a negotiated return on equity
SCE Electricity Rate Increases	Poseidon responsibility	OCWD responsibility
End of Contract	Project becomes property of OCWD	Project becomes property of OCWD
Water Quality	Must meet all legal standards and be mutually agreeable to all parties	Must meet all legal standards and be mutually agreeable to all parties
Delivery of Water	OCWD initially responsible to take 56,000 acre-feet per year	OCWD initially responsible to take 56,000 acre-feet per year

Development of a Distribution Plan

OCWD staff has been working on several conceptual distribution options to deliver the 50 million gallons per day (56,000 acre-feet per year) of Poseidon water. Each of the options have potential institutional, operational, legal, and cost concerns. OCWD held three workshops in 2016 to review the distribution options and the unit cost of the distribution

options range from approximately \$200 to \$500/Acre-Foot. A definitive distribution plan is not expected to be developed until the desalination plant is fully permitted.

Poseidon water will meet all state and federal drinking water regulations. However, the desalinated water will have a different water chemistry compared to existing groundwater and imported water supply sources. Once a final distribution plan is determined, potential issues and concerns with the water may need to be reviewed, modeled and addressed. Water quality requirements by end users would then be incorporated into the project. OCWD staff previously presented a report to the OCWD Board on June 1, 2016 regarding water quality considerations.

Updated Estimated Project Unit Cost

The current estimated project unit cost from Poseidon Resources is shown in the following table. The unit cost is inflated to the year 2022 which is Poseidon's earliest estimate for when the project would be completed and on-line. The primary assumptions in the estimated unit cost include:

1. A 30-year contract with Poseidon; an alternative 35-year contract is also being considered. A 35-year contract provides a lower unit cost as the project debt is spread over additional years; however, the total payments to Poseidon over the life of the contract are greater.
2. Treatment Plant capital cost estimate of \$622 million
3. 4.5% long-term debt cost
4. Poseidon Plant Project financing – 82% debt and 18% equity
5. \$.086/kwh average power cost in 2018 escalated at 2.5% annually
6. The MWD Local Resources Program (LRP) subsidy is obtained
7. Production of 56,000 acre-feet per year
8. A project distribution plan has not been determined. A "place holder" estimate of \$350/af (in 2022 dollars) is currently being used in financial models

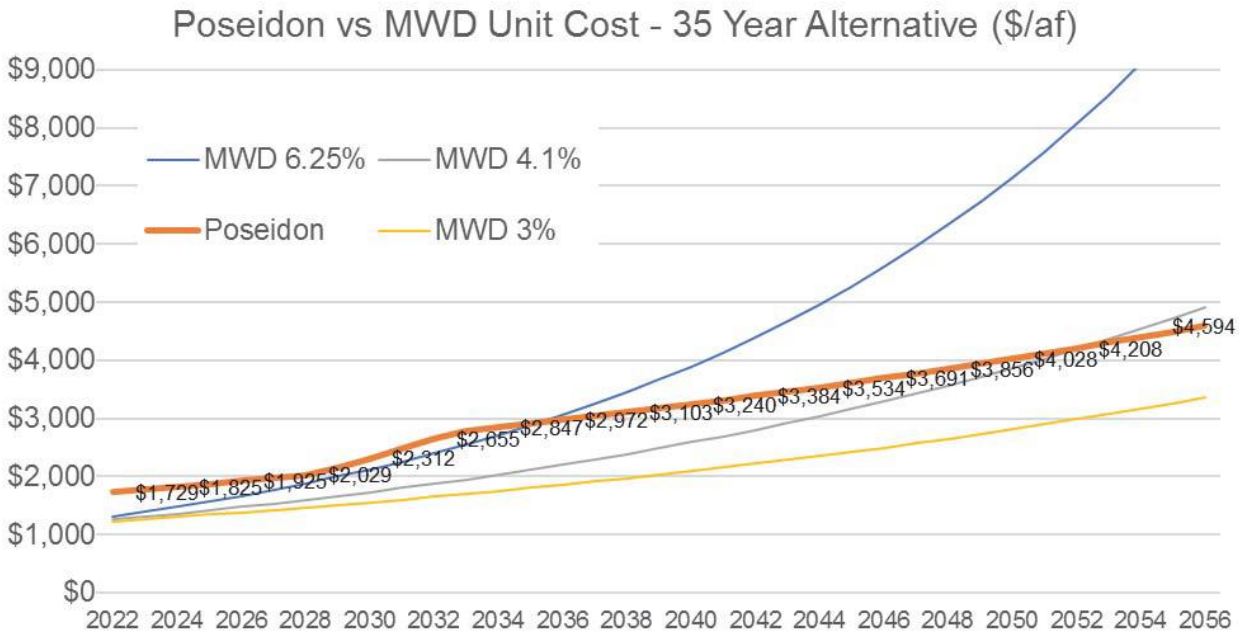
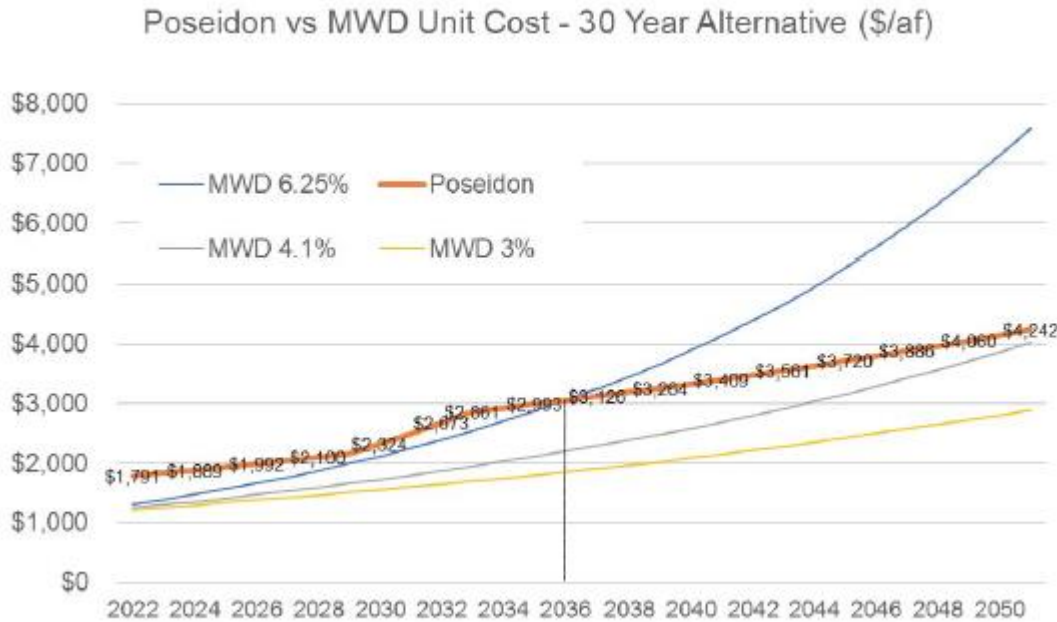
Item	Unit Cost (30 Year Option)	Unit Cost (35 Year Option)
Estimated Year 2022 Treatment Plant Unit Cost	\$1,916/AF	\$1,854/AF
Estimate (Placeholder) for Distribution System Cost	\$350/ AF	\$350/ AF
MWD LRP subsidy	(\$475/AF)	(\$475/AF)
Total Project Unit Cost	\$1,791/ AF	\$1,729/AF
Estimated 2022 MWD Rate (assuming 4.1% annual increase – includes \$80/AF for RTS & Capacity Charge)	\$1,255/AF	\$1,255/AF
Difference	\$536/AF	\$481/AF

**Table from OCWD "Proposed Poseidon Resources Huntington Beach Ocean Desalination Project – New 2018 Term Sheet" Memo from June 6, 2018 Board Meeting*

The charts below provide estimated future total project water unit costs compared with projected MWD Full Service Treated Tier 1 water rates. The first chart assumes a 30-year deal is approved with Poseidon. The second chart is based upon a 35-year deal.

The charts include MWD's current rate projections for the next ten years, which incorporate 4.1% annual increases under the assumption that the California Water Fix - twin tunnel project moves forward. A 6.25% MET rate increase projection (representing MET historical rate increases over the past 50 years) and a 3% annual MET rate increase projection

(representing the California Water Fix - one tunnel option occurs or that no project occurs and MWD develops additional local supplies) are also shown on the charts.



Permitting Update

Poseidon continues working with the Santa Ana Regional Water Quality Control Board (SARWQCB) to renew and update its existing National Pollution Discharge Elimination System permit. Poseidon needs to comply with new regulations (referred to as the Ocean Plan amendments) which were approved by the State Water Resources Control Board in May 2015. As this is the first project that is being permitted under the new amendments, the additional work is causing permitting delays. Poseidon expects the SARWQCB to act on its

permit in the next 6 to 9 months. Assuming success, Poseidon would then seek a permit from the California Coastal Commission in 2019.

Other General Financial Impacts

OCWD staff has estimated that the OCWD Replenishment Assessment may need to increase approximately \$100 to \$250/Acre-Foot depending upon the final distribution plan. Such an increase would occur over several years. The Basin Production Percentage could remain the same or increase again depending upon the distribution plan that is developed.

ISSUE BRIEF # F

SUBJECT: Orange County Reliability Projects

RECENT ACTIVITY

Orange County Water Reliability Study

Staff and CDM Smith are working diligently to complete the 2018 Orange County Water Reliability Study Update by the end of August 2018.

ISSUE BRIEF # G**SUBJECT: East Orange County Feeder No. 2****RECENT ACTIVITY**

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

(Nothing New to Report) MWDOC has been discussing concepts for pumping groundwater into the EOCF No. 2 for conveyance to SOC during an emergency event. MWDOC staff had a preliminary discussion with MET senior staff at a February 8, 2018 meeting. A follow-up meeting was held on June 18, 2018 to continue working on these concepts. MET has assigned a senior staff member (Mickey Chaudhuri – MET Assistant Chief of Operations) to be the MET lead for this effort. MWDOC staff will continue to pursue these concepts and will facilitate meetings between MWDOC and MET's legal counsels as necessary.

ISSUE BRIEF # H

SUBJECT: South Orange County Projects

RECENT ACTIVITY

UPDATED - Doheny Desal Project

South Coast WD released the Doheny Ocean Desalination Project Draft Environmental Impact Report (EIR) on May 17, 2018. A Public Meeting for the EIR was held on June 26, 2018, and the EIR public comment period will close on August 6, 2018.

A Request for Qualifications (RFQ) for a 3rd party legal firm to assist with Design-Build-Operate (DBO) contract development was released and 5 proposals were received. The proposals are being reviewed and it is anticipated that the South Coast WD Board will consider awarding a contract in August or September 2018.

South Coast WD staff are working to meet a July 27, 2018 application deadline for an \$18 million grant for project construction through Bureau of Reclamation 'Water SMART: Desalination Construction Projects under the WIIN Act'.

SMWD Trampas Canyon Recycled Water Reservoir

The project is designed to create 5,000 acre-feet of recycled water storage capacity and will be the largest surface water reservoir in South Orange County.

The Notice to Proceed was issued January 30, 2018 and the project is currently projected to conclude on or before mid-March 2020.



**Compaction Work at Trampas Canyon Main Dam Embankment
Butler June 2018 Construction Progress Report**

San Juan Watershed Project

(Nothing New to Report) Santa Margarita Water District (SMWD) continues working on the San Juan Watershed Project. Phase 1 is designed to capture 30 - 2,000 AFY (average of 700 AFY) of wet and dry weather urban runoff through the installation of rubber dams along the lower portion of San Juan Creek. Subsequent project phases are planned to introduce recycled water into San Juan Creek for infiltration into the groundwater basin.

The Draft Program Environmental Impact Report (Draft PEIR) was circulated for a 65-day public review period, which ended February 23, 2017. The PEIR was originally scheduled for adoption in March 2018. Due to the complexity of some of the issues associated with the steelhead trout which were raised during the public comment period, additional environmental studies are required. SMWD Board adoption of the PEIR has been postponed until the required studies are completed.

Other Information on South County Projects:

Expansion of the South County Interconnection Project

(Nothing New to Report)

An agreement completed in 2006 resulted in an investment by South Orange County (SOC) agencies in the Irvine Ranch Water District (IRWD) system to allow exchanges of water to be delivered by IRWD into SOC under emergency situations. Project capacity was committed by IRWD to move up to 30 cfs of emergency supplies whereas the agreement allows moving up to 50 cfs, not to exceed 3,000 AF per emergency event. In accordance with the Agreement with IRWD, the monthly emergency capacity committed to the SOC agencies declines over time with zero capacity available in the months of July through September beginning in 2020 and goes to zero in all months by 2030. Under all circumstances IRWD will provide best efforts to help with emergency supplies.

The Board awarded a contract to Dudek on April 18, 2018 to study the ability/constraints of IRWD's system to move water through their system to SOC agencies into the future. A kick-off meeting with IRWD staff, MWDOC staff, and Dudek was held May 14, 2018, and a draft report is anticipated in September 2018.

MWDOC is also continuing to work on other options with OCWD and MET to move groundwater via the EOCF#2 to SOC during emergency events. Meetings with MET senior staff were held in February and June 2018 (see above). MET has assigned a senior staff member as the MET lead for this effort. MWDOC staff will continue to pursue these options.

Laguna Beach County Water District Groundwater Project with Newport Beach

MWDOC, MET, Laguna Beach County Water District and the City of Newport Beach have been working to activate Laguna Beach County's access to 2,025 AF of groundwater from within the Orange County Water District Basin. Deliveries began in September 2016. MWDOC staff met individually with Laguna Beach County and Newport Beach in August 2017 to discuss possible future facility and operational modifications to the MET system as LBCWD now sources some of its supplies from the basin.

Meetings were held on February 8th and June 18, 2018 between MWDOC staff and senior MET staff to discuss a series of alternatives for CM-1; and the concurrent ability to deliver

MET water and groundwater to LBCWD through Newport Beach's water system. MET has indicated that it would prefer to leave the CM-1 facility 'as-is' due to the cost of the alternatives. Current operations allows water to become stagnant at the end of the pipeline between CM-8 and CM-1. Under current procedures MET needs about a week to drain, refill, and confirm bacteria tests before they can serve water through CM-1. MWDOC staff is meeting with member agencies to discuss next steps.

Camp Pendleton Seawater Desalination Project

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

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
July 10, 2018**

COMMITTEE ASSIGNMENTS

Director Phillip D. Hawkins was appointed to the Engineering and Operations Committee, Real Property and Asset Management Committee, and the Legal and Claims Committee. **(Agenda Item 5C)**

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated \$2.3 million; authorized final design to replace the domestic water treatment systems at the CRA pumping plants; and authorized final design to replace roadway pavement in the pumping plant villages. (Appropriation No. 15483) **(Agenda Item 8-1)**

Reviewed and considered the information contained in Addendum No. 3 of the Board letter to the MND for the project, adopted Addendum No. 3; and appropriated \$3.06 million; authorized design and construction of dewatering and monitoring upgrades at Palos Verdes Reservoir; and authorized design of a drainage system for the reservoir site. (Appropriation No. 15417) **(Agenda Item 8-2)**

COMMUNICATIONS AND LEGISLATION COMMITTEE

Authorized the General Manager to express Metropolitan's support for the Water Supply and Water Quality Act of 2018. **(Agenda Item 8-3)**

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to make payment of \$3.63 million to the State Water Contractors; and authorized the General Manager to make payment up to \$0.85 million to the State Water Project Contractors Authority. **(Agenda Item 8-4)**

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Authorized amendments to Palo Verde Valley farming leases in the Counties of Riverside and Imperial for Cox and Wegis Land Company, LLC, Joseph Albert Deconinck, Hayday Farms Venture, LLC, and River Valley Ranches. **(Agenda Item 8-5; heard in closed session)**

BOARD

Adopted CEQA determinations that (1) rescinding the Board action taken on April 10, 2018 approving Board Item 8-7 is statutorily exempt from CEQA; (2) no further CEQA action is required to proceed with full implementation of California WaterFix, alter the governance structure of the Design-Construction and Financing JPAs, adopt revised and additional financing resolutions, or provide gap funding of pre-construction activities; and (3) authorizing the General Manager to negotiate one or more multi-year water transfers is not defined as a project under CEQA; and:

- Rescinded the Board action taken on April 10, 2018 approving Board Item 8-7 (which authorized Metropolitan to, among other things, fund up to 64.6% of the total project costs of California WaterFix);
- Adopted Resolutions authorizing the General Manager to participate, support and fund additional financing and funding arrangements for California WaterFix up to 64.6% of total project costs;
- Amended the General Manager's existing authorization to execute Joint Powers Agreements forming the Construction and Financing JPAs to allow for governance structures commensurate with member participation;
- Authorized funding of up to \$86 million for further contributions for study, review, planning, engineering, design, and other preconstruction capital costs for the California WaterFix subject to a reimbursement agreement with DWR acceptable to the General Manager and General Counsel that provides for repayment upon DWR's first bond issuance; and
- Authorized the General Manager to negotiate draft terms and conditions for one or more multi-year transfers of SWP water supplies subject to Board approval. **(Agenda Item 8-6)**

LEGAL AND CLAIMS COMMITTEE

Authorized an increase in maximum amount payable under contract with Miller Barondess, LLP by \$250,000 to an amount not to exceed \$350,000. **(Agenda Item 8-7; heard in closed session)**

CONSENT CALENDAR

In other actions, the Board:

Appropriated \$800,000; and authorized installation of internal seals in San Diego Pipeline No. 1. (Appropriation No. 15503) **(Agenda Item 7-1)**

Authorized granting a lease to the Western Science Center for construction, operation, and maintenance of a new double-faced illuminated sign at the southwest corner of Domenigoni Parkway and Searl Parkway in the city of Hemet. **(Agenda Item 7-2)**

OTHER MATTERS

The Board:

Adopted motion to adjourn to a Special Board Meeting to be held jointly with the Finance and Insurance Committee on August 20, 2018 to establish tax rate; and adjourned the Regular August Board Meeting to August 21, 2018. (Committees to meet on August 20 and 21, 2018)
(Agenda Item 5E)

Inducted new Director Phillip D. Hawkins representing Central Basin Municipal Water District.
(Agenda Item 5F)

Approved Commendatory Resolution for Director William C. Gedney representing Central Basin Municipal Water District. **(Agenda Item 5G)**

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser
<http://edmsidm.mwdh2o.com/idmweb/home.asp>

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



DRAFT AGENDA

Adjourned Board Meeting

August 21, 2018

12:00 p.m. – Boardroom

August 21, 2018 Adjourned Meeting Schedule		
9:00 a.m.	Adj. L&C	Rm. 2-145
10:00 a.m.	C&LR	Rm. 2-456
11:00 a.m.	Adj. OP&T	Rm. 2-145
12:00 p.m.	Adj. Board Mtg	Boardroom

MWD Headquarters Building

•

700 N. Alameda Street

•

Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: TBD
- (b) Pledge of Allegiance: TBD

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 July 10, 2018
(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 July 2018
- C. Approve committee assignments
- D. Chairman's Monthly Activity Report

- E. Induction of new Director Jerry Butkiewicz from San Diego County Water Authority
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath
- F. Induction of new Director Tim Smith from San Diego County Water Authority
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath
- G. Approve Commendatory Resolutions for Directors Keith Lewinger and Elsa Saxod both representing San Diego County Water Authority
- H. Presentation of 5-year Service Pin to Director Michael T. Hogan
- I. Presentation of 15-year Service Pin to Director Larry D. Dick

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of activities for the month of July 2018
- B. General Counsel's summary of activities for the month of July 2018
- C. General Auditor's summary of activities for the month of July 2018
- D. Interim Ethics Officer's summary of activities for the month of July 2018

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Adopt CEQA determination and appropriate \$XXX,000; and authorize: (1) preliminary investigations to minimize erosion and strengthen the slopes at the Robert B. Diemer Water Treatment Plant; (2) agreement with GEI Consultants in an amount not to exceed \$XX0,000 to provide geotechnical support; (3) agreement with Bloom Biological, Inc. in an amount not to exceed \$XX0,000 to provide specialized environmental support (Appropriation No. 15478). (E&O)

Recommendation:

Option #1:

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

- 7-2** Adopt CEQA determination and appropriate \$XXX,XXX; and authorize final design of Stage 3 improvements for West Valley Feeder No. 1 (Appropriation No. 15377). (E&O)

Recommendation:

Option #1:

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

- 7-3** Adopt CEQA determination and appropriate \$XXX,000; and authorize relocation of equipment for Service Connections WB-2A and WB-2B on the West Basin Feeder (Appropriation No. 15503). (E&O)

Recommendation:

Option #1:

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

- 7-4** Adopt CEQA determination and appropriate \$XXX,XXX; and authorize the purchase and implementation of an infrastructure upgrade for Metropolitan's Geographic Information System (GIS) software and hardware environment (Appropriation No. 15501). (OP&T)

Recommendation:

Option #1:

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

- 7-5** Adopt CEQA determination and authorize increase of \$100,000, to a maximum amount payable of \$200,000, for existing General Counsel contract with Olson Hagel Fishburn LLP to provide general government law advice related to the Political Reform Act (PRA), the Fair Political Practices Commission (FPPC) regulations, conflict of interest law and other legislative matters. (L&C)

Recommendation:

Option #1:

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

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination and authorize the General Manager to enter into an Agreement for Water Services to the Sycuan Band of the Kumeyaay Nation with the Sycuan Band, San Diego County Water Authority, and Padre Dam Municipal Water District. (F&I)

Recommendation:

Option #1:

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

- 8-2** Adopt CEQA determination and appropriate \$X.X million; and authorize upgrades at three hydroelectric plants (Appropriations Nos. 15458 and 15446). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-3** Adopt CEQA determination and authorize agreements with AECOM Technical Services, Inc., Kennedy/Jenks Consultants, Lee & Ro, Inc., and Stantec Consulting Services, Inc., for engineering services to support board-authorized Capital Investment Plan projects. (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-4** Adopt CEQA determination and appropriate \$X.X million; and award \$XX contract to TBD to repair the internal lining within yard piping at Hiram W. Wadsworth Pumping Plant (Appropriation No. 15480). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-5** Adopt CEQA determination and appropriate \$x.xx million; award \$x,xxx,xxx procurement contract to TBD to furnish a vertical machining center; and authorize increase of \$xxx,000 to agreement with Richard Brady & Associates, Inc., for a new not-to-exceed total of \$xxx,000, to provide design services (Appropriation No. 15395). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-6** Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282, CPF-16-515391 and CGC-17-563350; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266 and California Supreme Court Case No. S243500; the petition for extraordinary writ in the second 2016 action, Court of Appeal for the First Appellate District Case No. A154325; and Los Angeles County Superior Court Case No. BS173868; and adopt CEQA determination and authorize increase in maximum amount payable under contract for legal services with Horvitz & Levy, LLP in the amount of \$_____ for a total amount not to exceed \$_____. (L&C)
[Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

9. BOARD INFORMATION ITEMS

- 9-1** Update on Conservation Program

10. OTHER MATTERS

- 10-1** Discussion of Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations [Public employee's performance evaluations; General Manager, General Counsel, and General Auditor, to be heard in closed session pursuant to Gov. Code 54957(b)]

11. FOLLOW-UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: 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.



Updates to August 20 & 21, 2018 Draft Agendas

BL No.	Committee	Reason for Change	Subject
6b	E&O	Addition	Update on Desert Housing Renovation Program
7-1	E&O	Subject Updated	Adopt CEQA determination and appropriate \$XXX,000 <u>\$970,000</u> ; and authorize: (1) preliminary investigations to minimize erosion and strengthen the slopes at the Robert B. Diemer Water Treatment Plant; and (2) agreement with the GEI Consultants in an amount not to exceed <u>\$485,000</u> to provide geotechnical support; (3) agreement with Bloom Biological, Inc. in an amount not to exceed \$XX0,000 to provide specialized environmental support (Appropriation No. 15478)
8-3	E&O	Subject Updated	Adopt CEQA determination and authorize: <u>(1) agreements with AECOM Technical Services, Inc., Kennedy/Jenks Consultants, in amounts not to exceed \$2 million per year each; and (2) agreements with Lee & Ro, Inc., and Stantec Consulting Services, Inc., in amount not to exceed \$1 million per year each</u> for engineering services to support board-authorized Capital Investment Plan projects.
8-4	E&O	Subject Updated	Adopt CEQA determination and appropriate <u>\$7 million</u> ; and award <u>\$5,416,000</u> contract to <u>Kiewit Infrastructure West Company</u> to repair the internal lining within yard piping at Hiram W. Wadsworth Pumping Plant (Appropriation No. 15480)
8-5	E&O	Subject Updated	Adopt CEQA determination and appropriate <u>\$2.81 million</u> ; award <u>\$2,169,716.24</u> procurement contract to <u>Gosiger West</u> to furnish a vertical machining center; and authorize increase of <u>\$200,000</u> to agreement with Richard Brady & Associates, Inc., for a new not-to-exceed total of <u>\$646,000</u> , to provide design services (Appropriation No. 15395). (E&O)

7/24/2018

