

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
October 3, 2018, 8:30 a.m.

Teleconference Site:
Director Yoo Schneider will participate
via teleconference at the following location:
921 Canal St, New Orleans, LA 70112
949.278.5761

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. 2075)

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 3 - LOCAL RESOURCES PROGRAM (LRP) LONG-TERM POLICY DISCUSSION

Recommendation: Receive input and discuss the information.

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

Recommendation: Review and discuss the information presented.

ADJOURNMENT

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



DISCUSSION ITEM

October 3, 2018

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

**SUBJECT: DISCUSSION SERIES PART 3 - LOCAL RESOURCES PROGRAM (LRP)
LONG-TERM POLICY DISCUSSION**

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

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"/>	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

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. Periodically, the Metropolitan Board sets an LRP target to guide in soliciting and presenting eligible projects for Metropolitan Board approval to enter into an LRP contract. Because local project development often requires many years of planning and preliminary studies, the LRP target sends a positive long-term signal to agencies about Metropolitan's willingness to consider funding agreements for their projects. In addition, setting a target helps frame Metropolitan's financial exposure and expected budget forecast to support LRP projects. Regardless of the status of the LRP target, Metropolitan's Board ultimately decides whether to approve a given LRP contract or not.

The Metropolitan Board set the last LRP target in 2007 at 174,000 AFY. Since then, Metropolitan has successfully signed agreements with several projects totaling about 106,000 AFY. As a result, the remaining program capacity is about 68,000 AFY. However, Metropolitan has received applications requesting funding for several additional projects, totaling about 105,000 AFY. (This total only includes applications for projects not already operating.) Member agencies also have indicated that they may submit applications for another 65,000 AFY in the next five years, although many of their projects are not yet well defined. Altogether, member agencies are planning to develop about 170,000 AFY of new local supplies.

An increase in the 2007 LRP target accommodates significant continued and new activity for local supplies. As part of the planned 2020 IRP update, demand and growth projections would be used to update the interim target. In the meantime, an interim LRP target continues the momentum gained by agencies for development of local supplies.

An interim LRP target of up to 170,000 AFY of new local supplies is recommended for the following reasons:

- Additional local supplies are needed to reach IRP targets in 2040.
- The 68,000 AFY of remaining capacity under the 2007 LRP target would not accommodate existing applications expected to be ready for board consideration in the next several years.
- An interim LRP target encourages local agencies to continue developing projects.
- An interim LRP target is complementary to other resource options such as the potential Regional Recycled Water Project which supports the region's groundwater production.

This month we will focus on the long-term LRP policy discussion. Framing questions to generate input and discussion of the MWDOC/MET Joint Board include:

- How the LRP target sends a positive long-term signal to agencies about Metropolitan's willingness to consider funding agreements for their projects.
- How Metropolitan should implement the evaluation of LRP projects (as stated above from the 2017 IRP Implementation Policy Principles).
- How evaluating stormwater and other resources can be included as part of LRP or other programs.
- What other refinements to program criteria are needed for long-term program success.

Next Steps

The Metropolitan Board will take action to establish an interim LRP this month (October 2018). In addition, Metropolitan staff anticipates presenting additional recommendations to the Board in 2019.

Attachment: Local Resources Program (LRP) Long-Term Policy Discussion Presentation (provided under separate cover)



DISCUSSION ITEM

October 3, 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

Committee recommends (To be determined at Committee Meeting)

REPORT

Joint Powers Authorities

The Delta Conveyance Design and Construction Authority (DCA) held meetings on August 16 and September 20. At the August meeting, the DCA Board adopted several resolutions establishing policies for the newly formed agency including, Bylaws, Ethics Policy, Investment Policy, and a Protest Policy for competitive bidding solicitations. At the September meeting, proposed designs for an agency logo were approved. Additionally, the Executive Director was authorized to negotiate and execute a contract to supply a project management information system. Finally, the DCA Board reviewed Conflict of Interest Code.

The Delta Conveyance Finance Authority also met on August 16. At this meeting, actions included approving an operating budget of \$550,000 for the current fiscal year, and approving resolutions adopting a debt management policy and an investment policy.

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):			

The DCA has established a transition staff that will support activities until it completes its effort to recruit a long-term staff, expected by the end of this calendar year. Metropolitan has provided five staff for the transition team supporting the areas of engineering, information technology, environmental, contracting, and real property.

SWRCB Hearings

The State Water Resources Control Board (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. The rebuttal phase of the hearing, conducted from August 2 through August 31, includes the presentation of rebuttal testimony and cross examination. Metropolitan staff is coordinating with other State Water Project contractor agencies to prepare rebuttal testimony and participate in the hearings. Bay-Delta Initiatives staff testimony addresses the modeling analyses to support the permit applications and the existing conditions of listed species in the Bay-Delta. The Part 2 sur-rebuttal briefs were due September 21, with the hearing set to commence on September 26 through mid-October.

Supplemental EIR

The draft supplemental EIR/EIS was released on July 18. It analyzed several proposed changes designed to reduce the project's footprint and costs, and minimize impacts. It also proposed modifications that did not change the impact conclusions for any resource areas. The comment period closed on September 17. The next steps in this process include publication and review for NEPA compliance along with the publication of the final supplemental EIR/EIS.

Delta Stewardship Council

DWR submitted a Certification of Consistency with the Delta Plan. Nine appeals by 26 parties were filed by the August 27 deadline. The allegations included the following topics:

- Premature because Supplemental EIR is not final and Delta Plan is invalid
- Inconsistent with coequal goals
- Inconsistent with Delta Plan policies (e.g. reduced reliance and flow criteria)
- Does not protect and enhance the Delta as an evolving place

A public hearing is set for October 24-26, 2018, limited to whether DWR's certification is supported by substantial evidence in DWR's administrative record. Written submissions from parties and public are due October 15, 2018. Opportunity for public comment is set for October 26 at 9:00 a.m. After the hearing, the Council has 60 days to issue a written ruling.

DWR Economic Analysis

On September 20, the DWR released an [Economic Analysis of the California WaterFix: Benefits and Costs to Project Participants](#), detailing the value of the CA WaterFix project to both urban and agricultural contractors who will benefit from investing in the modernization

and upgrade of the state's primary water delivery system. The report was prepared by Dr. David Sunding, Professor, UC Berkeley.

The economic analysis summarized in the report goes beyond what is legally required for WaterFix and is consistent with methods described in the department's "Economic Analysis Guidebook." The monetized benefits include: water supply reliability, water quality, seismic safety reliability, and climate change/sea level resiliency.

The report includes cost-benefit analysis to SWP urban and agricultural agencies, and to CVP south of Delta Federal Water Service Contractors for the approved 9,000 cfs CA WaterFix project. The analysis concludes that the WaterFix benefits to SWP water agencies are substantial. SWP urban agencies could see about \$3.1 billion in net benefits. SWP agricultural agencies could see about \$400 million in net benefits.

Key Findings:

- CA WaterFix benefits exceed costs to SWP urban and agricultural agencies, with or without CVP participation
 - Participating CVP agencies would also show benefits exceeding costs
- CA WaterFix helps to offset impacts from SGMA to agricultural agencies and is complementary to the state's goal of ensuring the sustainability of groundwater reserves
- CA WaterFix helps to offset impacts of climate change/sea level rise
- CA WaterFix cost to urban agencies is significantly less than alternatives such as seawater desalination or recycled water

Additional Information

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



DISCUSSION ITEM

October 3, 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

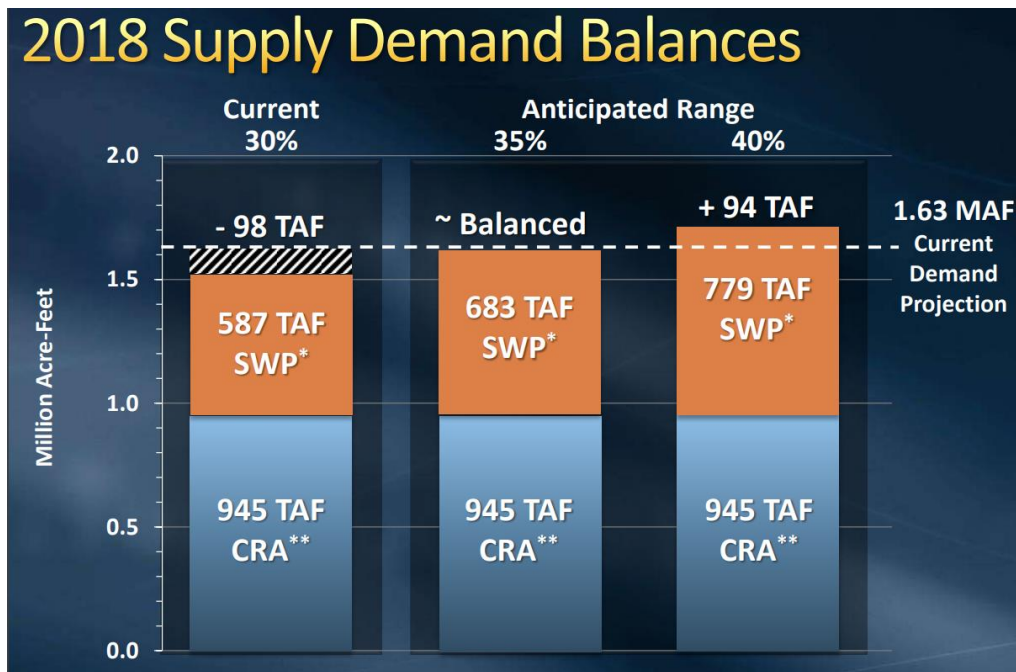
RECENT ACTIVITY

The Northern California accumulated precipitation (8-Station Index) is reporting **40.9 inches or 82% of normal** as of September 27. In the month of September 2018, accumulated precipitation reached 0.0 inches, which is **0.9 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 40% of total capacity and 64% of normal. The San Luis Reservoir has a current volume of 54% of the reservoirs total capacity and is 117% of normal.

In May, the Department of Water Resources (DWR) increased the State Water Project (SWP) "Table A" allocation to 35%, giving Metropolitan approximately 669 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 57% 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**

As of August 31, the short-term portfolio balance is \$549 million and has returned 0.20%, which is a 0.02% out performance of the benchmark. Since inceptions, the short-term portfolio have yielded of total return of 1.86%, which is an out performance of 0.54% compared to the benchmark.

The long-term portfolio balance is \$345.1 million and has returned 0.46%, which is a 0.01% out performance of the benchmark. Since inceptions, the long-term portfolio have yielded of total return of 3.29%, which is an out performance of 0.29% compared to the benchmark. Portfolio returns have been increasing as a result of higher interest rates.

Water transactions through August were 36.5 TAF lower than budget and 34.0 TAF higher than the 5-year average. The under budget performance is due to lower than budget untreated water sales and revenues.

ISSUE BRIEF # C

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Colorado River Board of California Elects New Chairman

At the Colorado River Board of California's (the board) August meeting, the board elected a new Chairman, Peter Nelson of Coachella Valley Water District. This election followed the resignation of Bart Fisher as Chairman in June. Under the state's Water Code the Chairperson of the board presides at board meetings and serves, ex officio, as the "Colorado River Commissioner," the state's principal representative in Colorado River interstate matters. Pursuant to the updated rules and regulations adopted by the board in June, the board will hold an election for Chairperson in January of next year.

Bureau of Reclamation August 24-Month Study

The U.S. Bureau of Reclamation issued the August 24-Month Study, which projects Colorado River reservoir operations for the following two years. Pursuant to the 2007 Guidelines for Coordinated Operations (2007 Guidelines), the August 24-Month Study is used to set the operational tier for the coordinated operation of Lake Powell and Lake Mead. The study projects an 8.23 million acre foot release from Lake Powell in water year 2020 based on the most probable inflow projections in 2019. This amount would be below the release projected in last year's August 24-Month Study in which the most probable inflow projection would have resulted in a 9 million acre foot release. This reduced release from Lake Powell has increased the likelihood to a level above 50% that Lake Mead would fall below the elevation of 1,075 feet at the end of 2019, which would trigger the first ever shortage declaration in the Lower Basin. The first tier of shortage would impact water deliveries to Arizona and Nevada.

Drought Contingency Plan Development

Following the seven Colorado River Basin States (seven Basin States) Principals meeting in Utah last month, the small drafting group tasked with developing six documents necessary for interstate and federal implementation of both the Lower Basin Drought Contingency Plan and the Upper Basin Drought Contingency met in Denver for two days of discussion and drafting. The small drafting group also hosted a webinar to provide an opportunity to review and comment on the current draft documents for technical and legal representatives of the seven Basin States and water agencies. Metropolitan staff is also working to develop the intrastate agreements that would be necessary in order to implement the Lower Basin Drought Contingency Plan within California. The Principals are scheduled to meet to review the draft documents and provide direction to the small drafting group in Las Vegas on September 18. If these negotiations are successful, the Lower Basin Drought Contingency Plan agreement and related intrastate agreements may be brought to Metropolitan's Board for consideration later this year.

Meeting with Quechan Tribal Council

On August 15, Chairman Record and Metropolitan staff met with the Quechan Tribal Council at the Tribe's request to discuss the potential for development of a water conservation program on tribal lands. The Quechan Tribe is part of the Yuma Project Reservation Division and observed the development of the Bard pilot seasonal fallowing program on the neighboring lands. The Tribe asked questions of Metropolitan staff and Chairman Record about the potential to expand the seasonal fallowing program onto tribal land, or to develop a new agricultural conservation program. Metropolitan explained that it would be open to a conservation program with the tribe, provided the community is not negatively impacted by the program. The tribal council thanked Metropolitan for participating in the meeting and would meet internally to see what next steps in the development of a potential program are warranted.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

State Water Resources Control Board

The SWRCB held a public meeting on August 21 and 22 to receive oral public comments on proposed amendments to the Bay-Delta Water Quality Control Plan (WQCP) for the Lower San Joaquin River and Southern Delta as part of the Phase 1 process. The draft final proposal would update water flow objectives in the Lower San Joaquin River and its major tributaries, the Stanislaus, Tuolumne, and Merced Rivers, and would amend southern Delta salinity objectives. Metropolitan staff worked with the State Water Contractors (SWC) to develop and submit comments on the proposed WQCP amendments on July 27, 2018. After two full days of public comment, the SWRCB announced it will reconvene on the topic on November 7, 2018. Continuing the meeting and deferring final action on the proposed amendments will provide the SWRCB members with additional time to weigh and consider the information and comments, including the status of efforts to develop settlement agreements.

Science Activities

The experimental operation of the Suisun Marsh Salinity Control Gates, as part of the state's Delta Smelt Resiliency Strategy, started on August 1 and is scheduled to continue through the end of August. The operation is designed to lower salinity in Suisun Marsh in an effort to create more hospitable habitat for Delta smelt. The California Department of Water Resources (DWR) will conduct monitoring to examine Delta smelt distribution, as well as monitor habitat parameters, such as water quality, flow, plankton and clams. The SWC are supplementing DWR's operations and monitoring program with additional monitoring to further evaluate the potential benefits of the project for Delta smelt.

A scientific paper co-authored by Corey Phillis and David Fullerton in collaboration with consultants at ESSA Technologies Ltd. was accepted at the peer-reviewed journal *Limnology & Oceanography*. The manuscript systematically reviews and retests relationships describing how fish populations respond to environmental variables in the Bay Delta, many of which are formerly or currently used to inform regulatory actions and constraints (e.g. Fall X2 requirements in the U.S. Fish and Wildlife Biological Opinion). The study finds that the relationships generally have held up with more years of data, but the amount of variation described by the environmental variables has declined, suggesting the variables have diminishing value as policy tools.

Staff is participating in the Central Valley Salmon Habitat Partnership (CVSHP), a multi-agency group made up of state and federal agencies, water districts, and non-profit organizations working together to advance recovery and maintenance of viable, self-sustaining salmon populations. At the August 2 management board meeting, the group discussed several pilot projects that could be considered, and that they plan to decide which projects to support at the next quarterly board meeting. The CVSHP science committee is developing an implementation plan that will rely on the best available science to identify

priority restoration projects to support a variety of habitats for salmon and steelhead. Staff is providing input to the implementation plan.

Metropolitan staff continued to participate in the National Oceanic and Atmospheric Administration Fisheries process to improve the Winter-run Life Cycle Model (WRLCM), which was used for analyses in the National Marine Fisheries Service Biological Opinion for California WaterFix. The workshops provide stakeholders an opportunity to understand the model, address model structure and capabilities, identify knowledge gaps, and propose improvements. Metropolitan staff participated in the August WRLCM workshops, which addressed changes to the model framework to improve how the model characterizes uncertainty, and addressed the capabilities of the model to evaluate salmon behavior with the enhanced Particle Tracking Model. Understanding how the model functions and the model assumptions enable us to better review the utility of this model to estimate effects of California WaterFix on salmon populations.

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). In August, the CSAMP Policy Group developed a set of priorities for 2019-2020 focused on Delta smelt and salmon actions, development of integrated science plans for Delta smelt and salmon and continuing the development of structured decision making tools. The CSAMP Policy Group will consider approving the priorities in September 2018. Metropolitan staff also participated in CAMT and salmon subcommittee discussions on the feedback received at the CAMT Salmon Research Workshop held in June 2018. The feedback is being used to develop recommendations for scientific salmonid studies that CAMT could support.

Metropolitan staff participated in the Sutter Bypass workgroup to discuss the results of juvenile salmon survival from a study conducted this spring and to identify next research projects that are needed to better understand how fish benefit from the Sutter Bypass and Butte Sink habitats. These studies are helping to identify how juvenile salmon use this habitat and what restoration actions are needed to improve salmon use and survival.

Metropolitan staff toured the UC Davis hydraulics lab to learn about the types of experiments that can be conducted to test different diversion screening methods to reduce entrainment and how hydrodynamics affect fish routing and behavior. Metropolitan staff is developing ideas for proposed projects that would use this facility to test methods to reduce entrainment of fish into diversions and to better understand how changes in velocities that may result from water project operations influence fish behavior.

Delta Flood Emergency Management Plan

In August, DWR completed a series of workshops with their executive, engineering and operations Metropolitan staff, to coordinate final input to the Delta Flood Emergency Management Plan (DFEMP). DWR plans to use in-house and consulting staff to incorporate input into a final draft DFEMP in October and a final DFEMP in fall 2018.

DWR also completed analysis in August to determine optimum volume and timing of reservoir releases from Sacramento and San Joaquin River reservoirs to support freshwater pathway development and export resumption. The U.S. Army Corps of Engineers has assigned a new emergency operations manager to participate in Delta flood emergency management and implementation with federal and state agencies.

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

(Nothing new to report) The OCWD Board approved a new non-binding 2018 Water Reliability Agreement (Term Sheet) with Poseidon Resources On July 18, 2018.

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 and comply with new regulations (referred to as the Ocean Plan amendments) which were approved by the State Water Resources Control Board in May 2015. Poseidon expects the SARWQCB to act on its permit in the next 6 months. Assuming success, Poseidon would then seek a permit from the California Coastal Commission in 2019.

ISSUE BRIEF # F

SUBJECT: Orange County Reliability Projects

RECENT ACTIVITY

Orange County Water Reliability Study

Staff and CDM Smith completed the QC (Quality Control) version of the Reliability Study in a format that included an 81 page “Background Report” that does not include evaluations and findings and a 120 page Powerpoint presentation that included a full description of the work completed including the approach, methodology, project evaluations and findings.

The reason this was called a QC draft was to provide the information to our agencies to get their initial reactions and to determine if we had missed anything or mischaracterized any of the project concepts or project evaluations before we complete the report.

The Background Report was sent out ahead of the workshop to give workshop participants information important to the actual workshop. On September 20, a 3½ hour workshop was held on the study that included 26 attendees from among 20 of our agencies.

Staff compiled a summary of the comments collected at the meeting, either via direct discussions or from questions submitted by the agencies during the meeting (we had advised the agencies to take the opportunity while things were fresh to give us direct feedback). Staff also indicated to the workshop participants that we were interested in any other initial comments to be shared with the P&O Committee and that the “comment period” will be open for some time to allow the agencies to fully digest the report and its implications.

Staff will be prepared to discuss the report at the P&O Committee on Oct 1. Staff is also planning a presentation to WACO on October 5.

Next Steps

The next steps include the following:

1. Continue the discussions among our agencies and SOC in particular regarding the recommendations. Staff suggests that the comment period on the study remain open until Friday October 26. This will allow any further comments to be shared at the November 5 P&O Committee.
2. Complete additional work on the Carson Project and its reliability implications in Orange County (includes work between MWDOC and OCWD)
3. Complete additional analysis on the Strand Ranch Integrated Water Banking Program using the results of the study
4. Develop a list of items to advocate for at MET with respect to the next update they do of their IRP based on comments coming out of our study

5. Complete additional work on systems integration for local water in SOC (includes water quality issues, chloramination facilities, reversing flow of systems, building in redundancies, metering of low flow water, base-loading of projects, etc)
6. Integrate the results of the recent workshop regarding integration of local projects into the Orange County water system.
7. Work with OCWD on the SARCCUP Project to determine the potential uses of the extraordinary supplies developed through the project and how they can best be used in Orange County.

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

MWDOC will be setting meetings with MET staff to discuss various aspects of using the EOCF#2 to convey other sources of local water. This concept can include ocean desalination projects, other local project or projects such as the pump-in to the EOCF#2.

ISSUE BRIEF # H

SUBJECT: South Orange County Projects

RECENT ACTIVITY

UPDATED - Doheny Desal Project

South Coast WD submitted a grant application for up to \$20 million for project construction through Bureau of Reclamation 'Water SMART: Desalination Construction Projects under the WIIN Act'. Applications are currently being reviewed. MWDOC participated in a phone conference call with South Coast Water District to provide a briefing to the Deputy Commissioner Harrison and to make her aware of the grant application.

South Coast staff and consultants are in the process of responding to comments submitted regarding the EIR for the project. They anticipate adopting the response to comments in December 2018.

SMWD Trampas Canyon Recycled Water Reservoir

This project involves the construction of a 5,000-acre-foot recycled water storage reservoir and the various complementary facilities to support this reservoir. The construction of the Trampas Canyon Recycled Water Seasonal Storage Reservoir consists of three main components:

- 1) Trampas Canyon Dam (Dam)
- 2) Conveyance facilities to transport recycled water into and out of the Reservoir (Pipelines)
- 3) Trampas Canyon Pump Station (Pump Station)

The construction of the facilities is being completed in three phases:

- 1) Preconstruction/Site Preparation for the Dam and Pump Station Construction
- 2) Dam and Pipelines
- 3) Pump Station

PROJECT STATUS

Preconstruction/Site Preparation

The work to relocate various facilities integral to the existing mining operation was completed in December 2017. The relocation of the high-tension power lines that feed an existing major communication facility was completed in April 2018. The final relocation of AT&T facilities was completed in May 2018, which was the final remaining activity for this phase.

Dam and Pipelines

The \$81M Construction Contract was awarded in December 2017 and is approximately 25% complete.

Pump Station

The preliminary design of this facility has been completed. Final design began on May 30, 2018 when the final hydraulic requirements for this facility were finalized. AECOM has recently provided a 30% design package and the District has provided review comments. The design process is likely to continue thru the end of this year, and the project will likely be available to start the construction bidding process in January 2019. Completion of the construction is expected to be in January 2020, about 3 months ahead of the Reservoir and Dam completion

San Juan Watershed Project

The Draft Environmental Impact Report (DEIR) public review period was closed for comments on February 23, 2018. Ultimately twenty-one comment letters were received with the major topics of concern being characterized as relating to:

- Steelhead trout migration including the provisions of fish passages
- Impacts on San Juan Creek Lagoon
- Aesthetics and impacts of the various structures that may be required as part of the project on the surrounding neighborhoods
- Sediment transport

Legal review of the draft document has been completed. An approach for addressing the comments was developed amongst the team members with a new schedule also being developed. The additional technical studies of the issues listed above are being performed. The results will be incorporated into the Responses to Comments and brought to the Board for consideration of adopting the EIR

Other Information on South County Projects:

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
September 11, 2018**

COMMITTEE ASSIGNMENTS

Director Smith was appointed to the Legal and Claims Committee, Audit and Ethics Committee and the Real Property and Asset Management Committee. **(Agenda Item 5C)**

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated \$6.68 million; authorized design and construction to rehabilitate Red Mountain Power Plant; authorized final design and procurement to rehabilitate Foothill Power Plant; and authorized completion activities for the modification of Yorba Linda Power Plant.
(Appropriation No. 15458) **(Agenda Item 8-1)**

Appropriated \$2.78 million; and awarded \$866,600 contract to J. F. Shea Construction, Inc. to replace valves for Service Connections CB-12 and CB-16 on the Rialto Pipeline.
(Appropriation No. 15480) **(Agenda Item 8-2)**

BOARD (FACILITIES NAMING COMMITTEE)

Adopted the proposed Metropolitan Facilities Naming Policy Principle as a Board-Adopted Policy Principle.
(Agenda Item 8-3)

AUDIT AND ETHICS COMMITTEE

Directed that the reporting relationship of the Ethics Office to the Board prospectively shall be done through the Audit and Ethics Committee and that the Audit and Ethics Committee shall be a standing committee of the Board. **(Agenda Item 8-4)**

Approved the job description for the Ethics Officer in Attachment 1 of Item 8-5 as modified by the committee in the redlined version of the job description, and approved the hiring process described in the Board letter.
(Agenda Item 8-5)

CONSENT CALENDAR

In other actions, the Board:

Appropriated \$970,000; authorized preliminary investigations to remediate slopes at the Diemer plant; authorized agreement with GEI Consultants in an amount not to exceed \$485,000 to provide geotechnical support. (Appropriation No. 15478) **(Agenda Item 7-1)**

Appropriated \$870,000; and awarded \$619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant. (Appropriation No. 15495) **(Agenda Item 7-2)**

Appropriated \$970,000; and awarded \$556,000 contract to American Construction and Supply, Inc. to install cathodic protection on the Orange County Feeder. (Appropriation No. 15441) **(Agenda Item 7-3)**

Awarded \$420,000 contract to Southern Contracting Company for replacement of circuit breakers at Hiram W. Wadsworth Pumping Plant. (Appropriation No. 15467) **(Agenda Item 7-4)**

Adopted resolution requiring Metropolitan to base its maximum medical contributions on the highest cost HMO plan between Los Angeles and Other Southern California regions, Anthem Traditional HMO, Los Angeles Region, for employees and annuitants under Government Code Section 22892(a). **(Agenda Item 7-5)**

Authorized the General Counsel to increase the amount payable under its agreement with Hanson Bridgett LLP by \$100,000 to an amount not to exceed \$200,000. **(Agenda Item 7-6)**

Authorized granting a lease extension on a year-to-year basis through 2023 to Greenland Farm Inc., for farming purposes. **(Agenda Item 7-7)**

Authorized granting a year-to-year lease extension through the year 2048 to the City of Los Alamitos for a public park. **(Agenda Item 7-8)**

Authorized granting a permanent easement to Caltrans to facilitate widening State Route 62 across one of the siphons along the Colorado River Aqueduct. **(Agenda Item 7-9)**

OTHER MATTERS

The Board:

Presented 5-year Service Pin to Director Russell Lefevre. **(Agenda Item 5E)**

Discussed Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations. **(Agenda Item 10-1)**

Brown Act Training. **(Agenda Item 11)**

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>



Board Meeting

October 9, 2018

12:00 p.m. – Boardroom

Telephone Participation:

Shearaton Miramar Hotel & Convention Center

Avenida La Marina 15

Vina Del Mar

ValParaiso, Chile

Phone: +52 32 238 8600

October 9, 2018 Meeting Schedule		
9:00 a.m.	L&C	Rm. 2-145
10:00 a.m.	C&LR	Rm. 2-456
12:00 p.m.	Board Meeting	Boardroom

MWD Headquarters Building

•

700 N. Alameda Street

•

Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: To be announced
- (b) Pledge of Allegiance: Director Fern Steiner,
San Diego County Water Authority

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 September 11, 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 September 2018
- C. Approve committee assignments
- D. Chairman's Monthly Activity Report

- E. Report from Executive Committee on nominations for Board Chairman
- F. Nomination and Election for Board Chairman for two-year term effective January 1, 2019

6. DEPARTMENT HEADS' REPORTS

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

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Adopt CEQA determination and authorize: (1) preparation of a Climate Action Plan; and (2) agreement with Rincon Consultants, Inc., in an amount not to exceed \$815,000, to assist staff with preparation of the CAP and CEQA documentation. (E&O)

Recommendation:

Option #1:

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

- a. Authorize preparation of a Climate Action Plan; and**
- b. Authorize agreement with Rincon Consultants, Inc.**

- 7-2** Adopt CEQA determination and appropriate \$1.15 million; and authorize: (1) design to upgrade audiovisual systems at Metropolitan's Headquarters Building; and (2) increase of \$610,000 to agreement with IBI Group, for a new not-to-exceed total of \$1.5 million for design services (Appropriation No. 15487). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination the proposed action is not defined as a project and is exempt, and

- a. Appropriate \$1.15 million;**
- b. Authorize design to upgrade the audiovisual systems in the board and committee rooms at Metropolitan's Headquarters Building; and**
- c. Authorize increase of \$610,000 to an agreement with IBI Group, for a new not-to-exceed total of \$1.5 million, for specialized design services.**

- 7-3** Adopt CEQA determination and appropriate \$1.5 million; and authorize design of three distribution system rehabilitation projects (Appropriation No. 15503). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$1.5 million;**
- b. Authorize design to replace sodium hypochlorite tanks at Lake Mathews;**
- c. Authorize preliminary design to rehabilitate the interconnection between the Sepulveda Feeder and the West Basin Feeder; and**
- d. Authorize design of electrical upgrades at the interconnection between the Sepulveda Feeder and the East Valley Feeder.**

- 7-4** Adopt CEQA determination and appropriate \$200,000; and authorize preliminary design to improve hazardous waste storage at the La Verne site (Appropriation No. 15505). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$200,000; and**
- b. Authorize preliminary design to improve hazardous waste storage at the La Verne site.**

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination and approve amendments to the Metropolitan Water District Administrative Code Section 5109 to provide capital financing flexibility. (F&I)

Recommendation:

Option #1:

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

Approve amendments to the Administrative Code set forth in Attachment 2 of the board letter to reflect the changes recommended by this letter.

- 8-2** Adopt CEQA determination and (1) appropriate a total of \$290 million for projects identified in the Capital Investment Plan (CIP) for Fiscal Years (FYs) 2018/19 and 2019/20; (2) authorize the General Manager to initiate or proceed with work on all capital projects identified in the CIP for FYs 2018/19 and 2019/20 subject to any limits on the General Manager's authority and CEQA requirements; and (3) amend the Administrative Code to (a) allow for a biennial appropriation of the total amount of planned CIP expenditures following the approval of the biennial budget and authorize work on all capital projects identified in the CIP subject to the requirements of CEQA and limits on the General Manager's authority; and (b) delegate responsibility to the General Manager to determine whether a project is exempt from CEQA (Appropriation No. 15509). (E&O) **(To be mailed separately)**

- 8-3** Adopt CEQA determination and appropriate \$56.4 million; award \$38,539,196 contract to Environmental Construction, Inc. for rehabilitation of the west treatment basins and filter building at the Robert B. Diemer Water Treatment Plant; award \$3,532,700 contract to Flowserve Corporation to refurbish filter valve actuators; and authorize: (1) construction of water sampling system improvements at the Diemer plant; and (2) increase of \$300,000 to agreement with Ninyo & Moore, for a new not-to-exceed total of \$736,000, to provide environmental support (Appropriations Nos. 15380 and 15436). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determinations that the proposed actions are categorically exempt from CEQA, and

- a. Appropriate \$56.4 million;**
- b. Award \$38,539,196 contract to Environmental Construction, Inc. to rehabilitate the west treatment basins and filter building at the Diemer plant;**
- c. Award \$3,532,700 contract to Flowserve Corporation to refurbish filter valve actuators;**
- d. Authorize construction of water sampling system improvements at the Diemer plant; and**
- e. Authorize increase of \$300,000 to an agreement with Ninyo & Moore, for a new not-to-exceed total of \$736,000, to provide environmental support.**

- 8-4** Adopt CEQA determination and appropriate \$6.5 million; and award \$4,674,444 contract to Bosco Constructors, Inc. to replace concrete panels at Iron Mountain Reservoir and along the Colorado River Aqueduct (Appropriation No. 15483). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$6.5 million; and**
- b. Award \$4,674,444 million contract to Bosco Constructors, Inc. to replace concrete panels along the Colorado River Aqueduct and at Iron Mountain Reservoir.**

- 8-5** Adopt CEQA determination and approve an interim Local Resources Program target. (WP&S) **(To be mailed separately)**

- 8-6** Adopt CEQA determination and authorize increase of \$100,000 to a maximum amount payable of \$200,000 for existing General Counsel contract with Ryan Associates to provide legal advice and representation in the termination of the Desert Milling, Inc. agricultural lease in the Palo Verde Valley and collection of amounts due to Metropolitan in the *Metropolitan Water District of Southern California v. Desert Milling, Inc., John Frederick Benson, et al.*, Case No. BC687102 (LASC, Central District, filed December 15, 2017). (L&C) **(To be mailed separately)**
[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

9. BOARD INFORMATION ITEMS

- 9-1** Update on Conservation Program

- 9-2** Compliance with Fund Requirements and Bond Indenture Provisions. (F&I)

10. OTHER MATTERS

- 10-1** Department Head Performance Evaluations
[Public Employees' performance evaluations; General Manager, General Counsel, and General Auditor; to be heard in closed session pursuant to Gov. Code 54957(b).]

- 10-2** Report on Department Head 2018 Salary Survey

- 10-3** Discuss and Approve Compensation Recommendations for General Manager, General Counsel, and General Auditor

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.