

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
December 5, 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. 2076)

• **OATHS OF OFFICE**

PRESENTATION/DISCUSSION/INFORMATION ITEMS

1. INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information.

2. WATER SUPPLY CONDITION UPDATE

Recommendation: Review and discuss the information presented.

3. DISCUSSION OF A METROPOLITAN IN-LIEU DELIVERY PROGRAM

Recommendation: Review and discuss the information presented.

4. CALIFORNIA WATERFIX ACTIVITIES UPDATE

Recommendation: Review and discuss the information presented.

5. MET ITEMS CRITICAL TO ORANGE COUNTY (The following items are for informational purposes only – a write up on each item is included in the packet. Discussion is not necessary unless requested by a Director)

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

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

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

- a. Summary regarding November Board Meeting
- b. Review items of significance for MET Board and Committee Agendas

Recommendation: Review and discuss the information presented.

CLOSED SESSION**7. CONFERENCE WITH LABOR NEGOTIATORS**

District Designated Representatives: Joseph Byrne, Legal Counsel
Unrepresented Employee: General Manager

RECONVENE INTO OPEN SESSION**8. CONSIDERATION OF AMENDMENTS TO GENERAL MANAGER CONTRACT**

Recommendation: Discuss the General Manager's Employment Agreement and take action as appropriate.

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.



INFORMATION ITEM

December 5, 2018

TO: Board of Directors

FROM: Robert Hunter, General Manager

Staff Contact: Kevin Hostert

SUBJECT: WATER SUPPLY CONDITION UPDATE

STAFF RECOMMENDATION

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

REPORT

The 2018-19 Water Year officially began October 1, 2018. Thus far, the Northern California accumulated precipitation (8-Station Index) is reporting **5.13 inches or 61% of normal** as of November 26. In the month of November 2018, accumulated precipitation reached 4.1 inches, which is **2.2 inches below normal** compared to the historical average (As of November 25th). Last water year, the Northern Sierra Snowpack peaked at 12.3 inches on April 1st, which was **43% of normal** (California DWR has not updated Snowpack data for WY 2019).

Lake Oroville storage is at 29% of total capacity and 49% of normal. The San Luis Reservoir has a current volume of 58% of the reservoirs total capacity and is 98% of normal.

The Department of Water Resources (DWR) has set the State Water Project (SWP) "Table A" allocation at 35%. This allocation provides Metropolitan with approximately 669,025 AF in SWP deliveries this water year. DWR's approval considered several factors including existing storage in SWP conservation reservoirs, SWP operational regulatory constraints, and the 2018 contractor demands.

On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. As of November 25, 2018, snowpack measured at 107% of normal

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

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.

Attachment: Water Supply Conditions Presentation



Water Supply Conditions

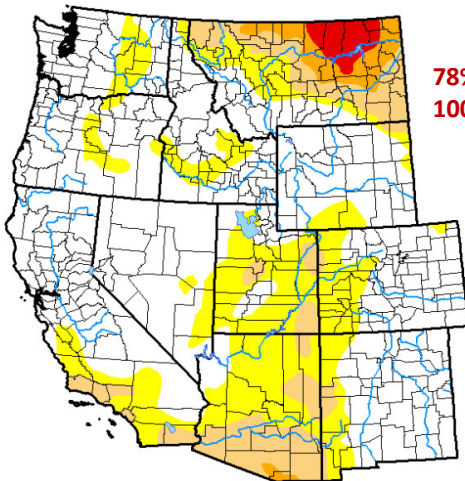
Kevin Hostert, Water Resources Analyst
Municipal Water District of Orange County

December 5th 2018

U.S. Drought Monitor

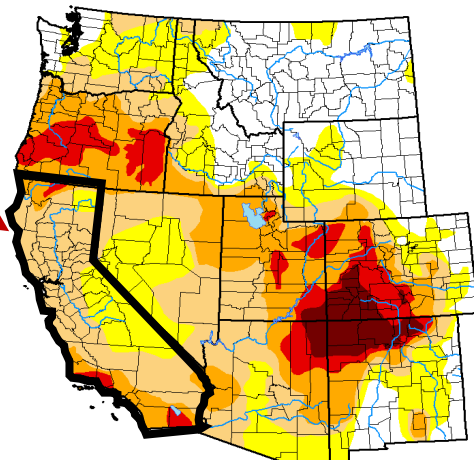


November 21, 2017



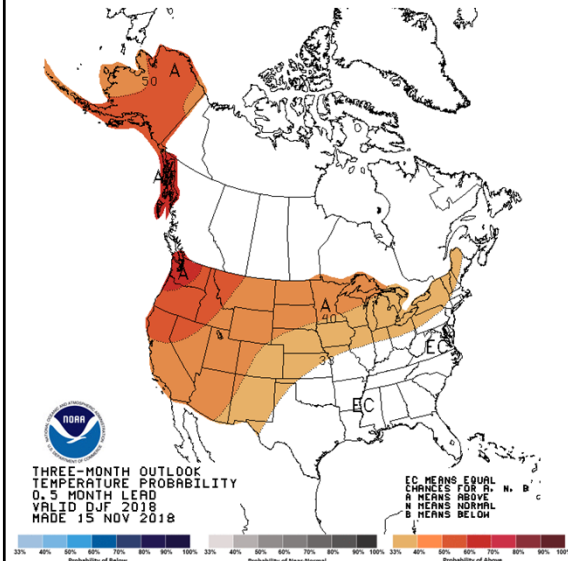
78% of CA is in Drought
100% Abnormally Dry

November 20, 2018

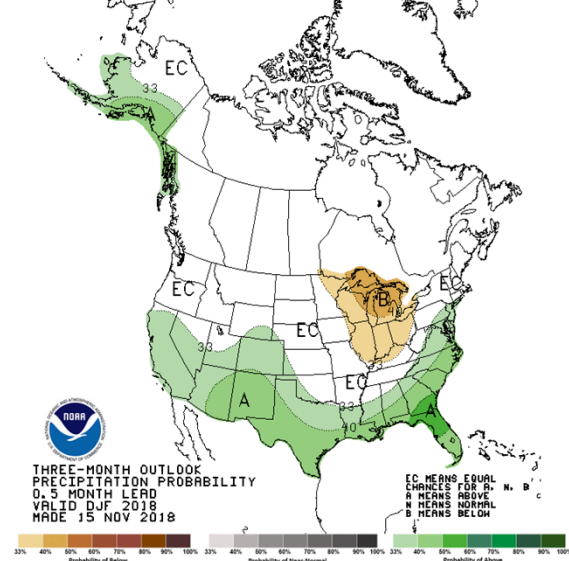


Climate Outlook

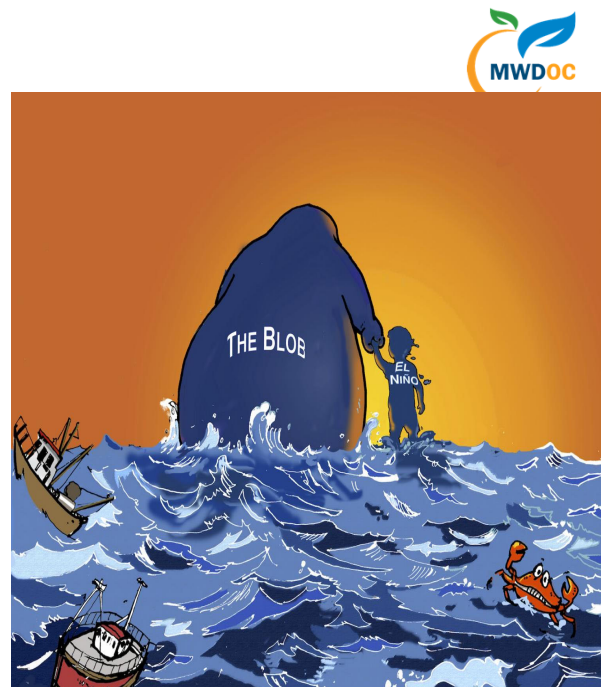
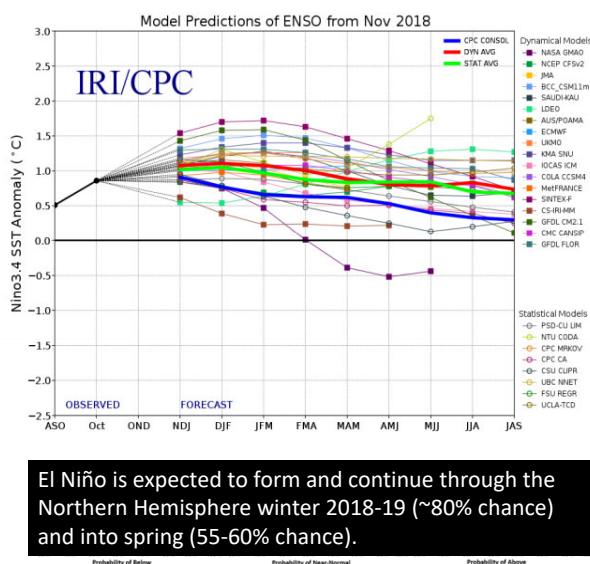
Temperature

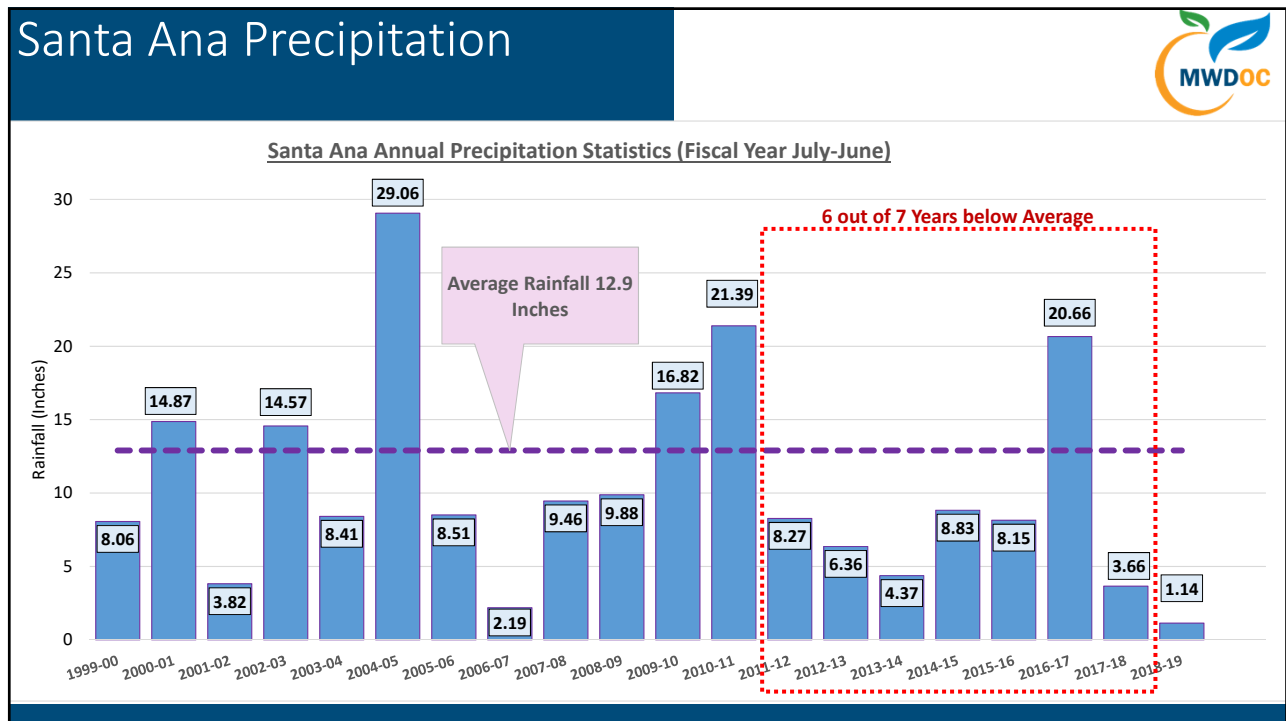


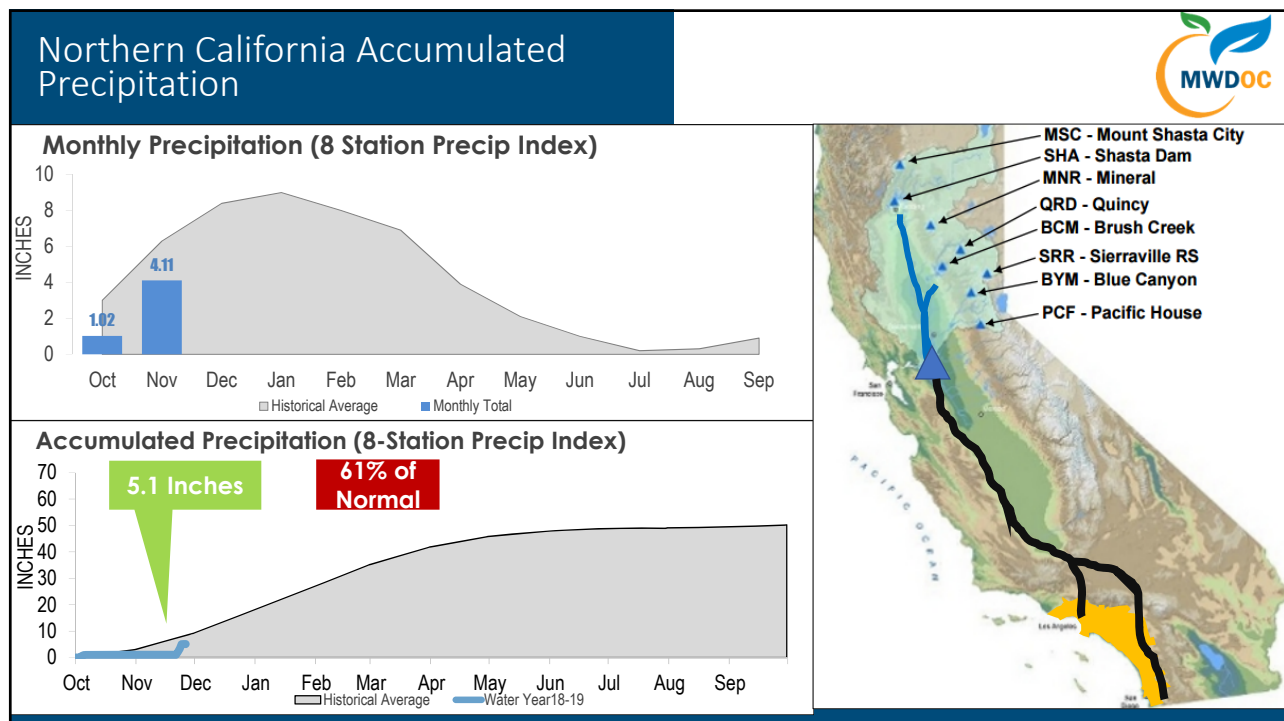
Precipitation

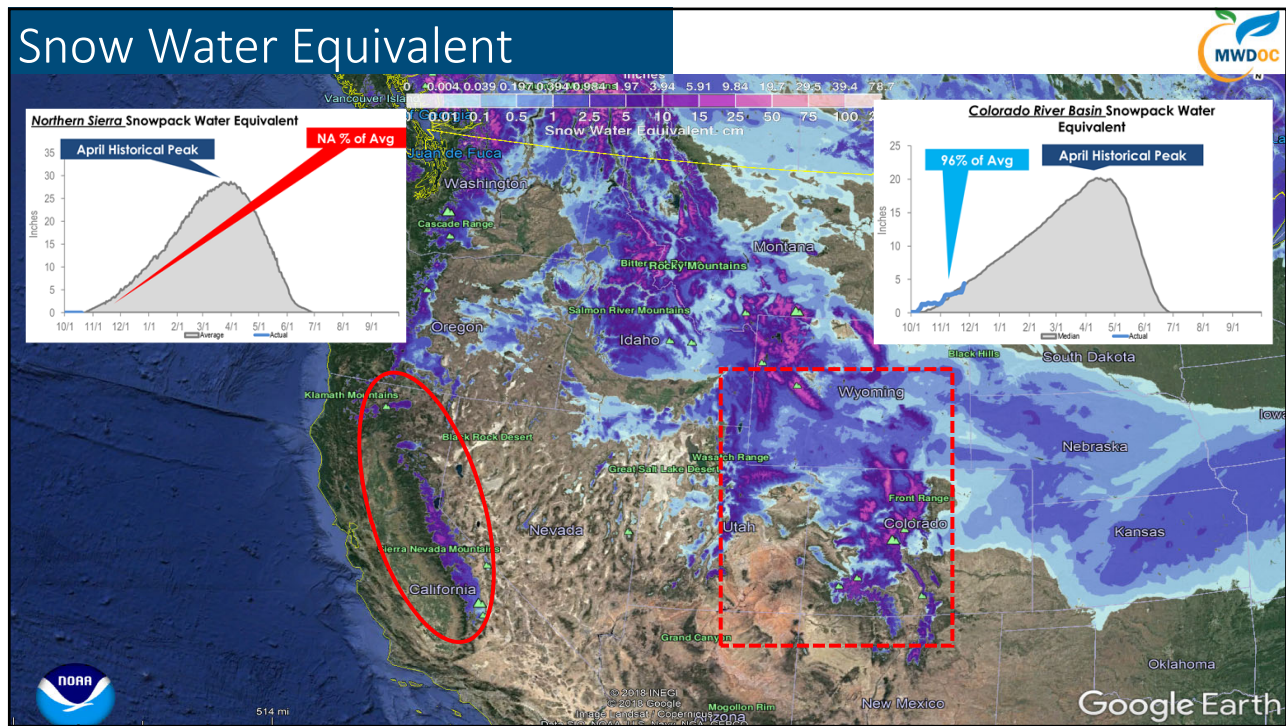


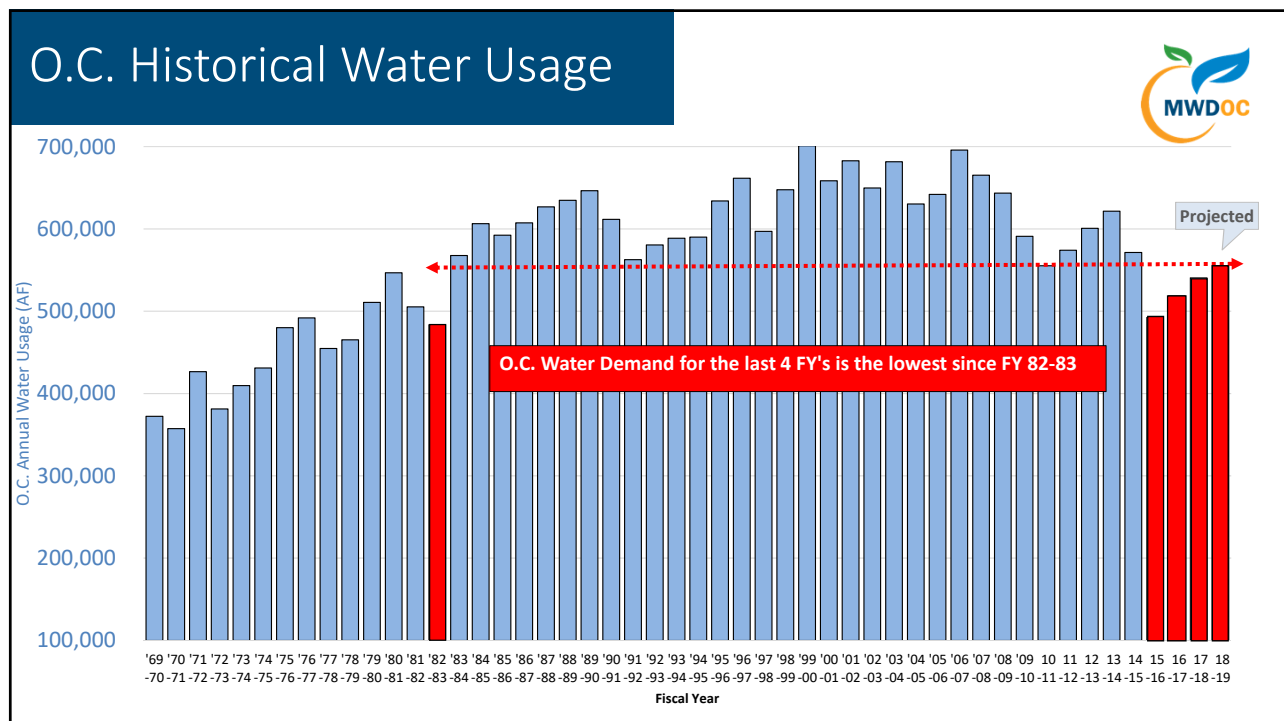
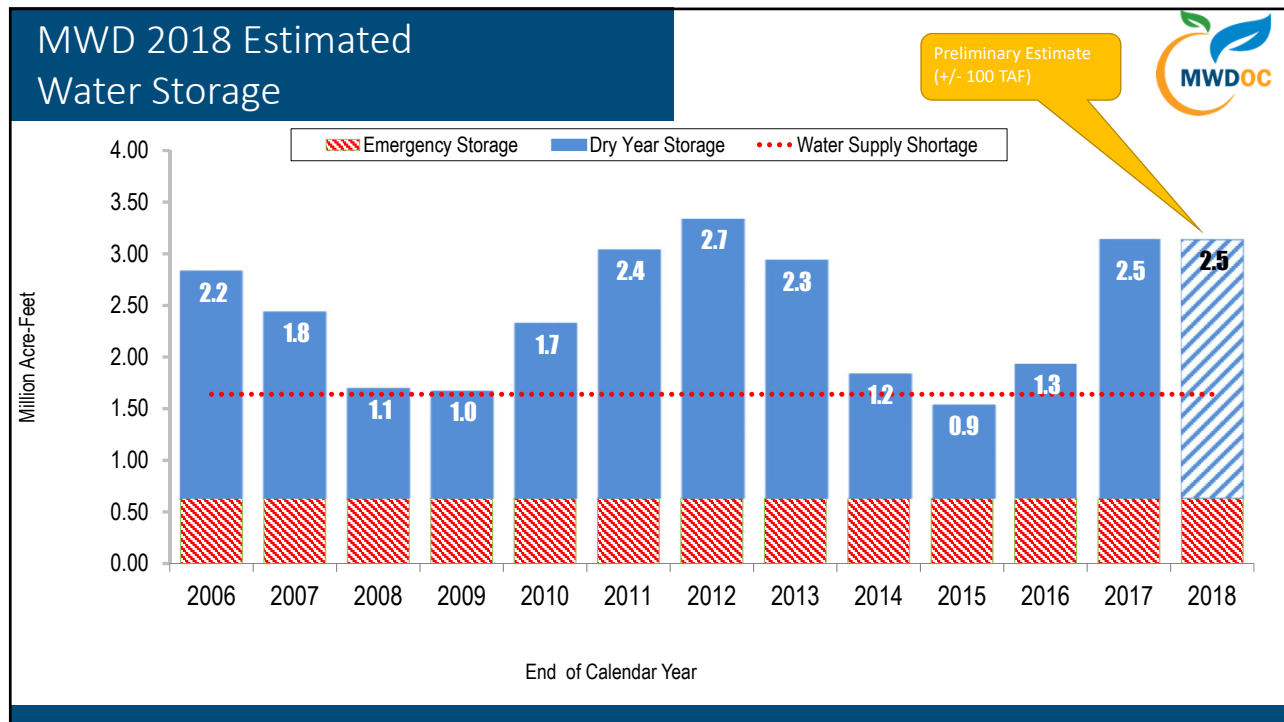
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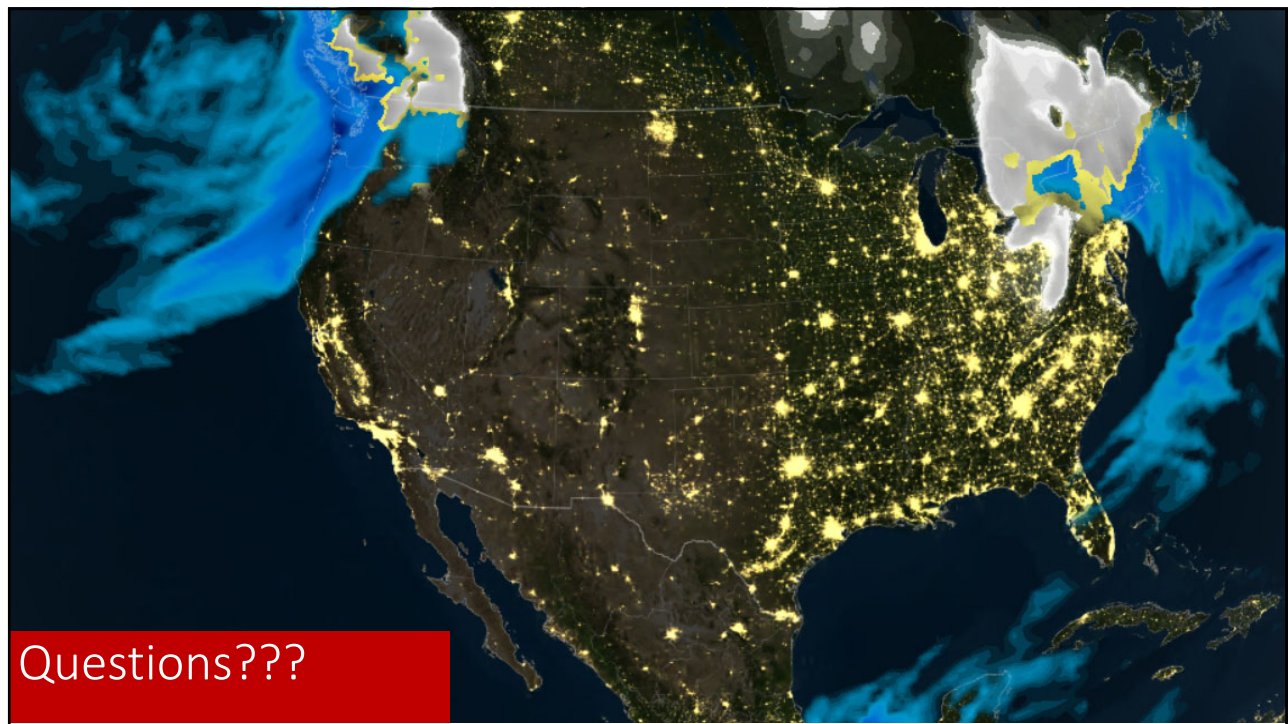














DISCUSSION ITEM

December 5, 2018

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

SUBJECT: DISCUSSION OF A METROPOLITAN IN-LIEU DELIVERY PROGRAM

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

On July 11, 2017, as a result of an extremely wet winter, the Metropolitan Board offered a one-time limited-term opportunity to delivery surplus imported water to its member agency's Cyclic Storage Agreements through the method of "In-Lieu" deliveries. This In-Lieu program indirectly stored water into a groundwater basin by allowing groundwater producers to take additional Metropolitan treated imported water at a cost-neutral price "In-Lieu" of pumping groundwater. It is an effectively means for groundwater agencies to maximize their ability to store excess imported water supplies. Metropolitan's In-Lieu deliveries in 2017 totaled 65,000 AF.

Due to the success of this program and the operational flexibility it provides to enhance local storage, Metropolitan staff is proposing an In-Lieu Delivery Program under the Cyclic Storage agreements that can be implemented during limited conditions at the General Manager's discretion. Such a program would occur during anomalous supply conditions such as:

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):			

- High SWP “Table A” Allocation
- Available Article 21 supplies
- Conditions where Metropolitan could potentially lose water
- Metropolitan or other system constraints

Upon Metropolitan Board approval, an In-Lieu Delivery Program would utilize the General Manager authority to enter into agreements under the aforementioned limited conditions for member agencies to accept these supplies in addition to their base deliveries. Such member agencies would then have the ability to purchase these supplies within five years at the full service untreated rate with an agreed upon schedule. Pre-authorization of this program would provide a faster response by retail and groundwater agencies to start receiving such deliveries of water that otherwise could be lost within the system.

A certification and reconciliations would be performed at the end of the fiscal year to verify the In-Lieu deliveries versus normal deliveries.

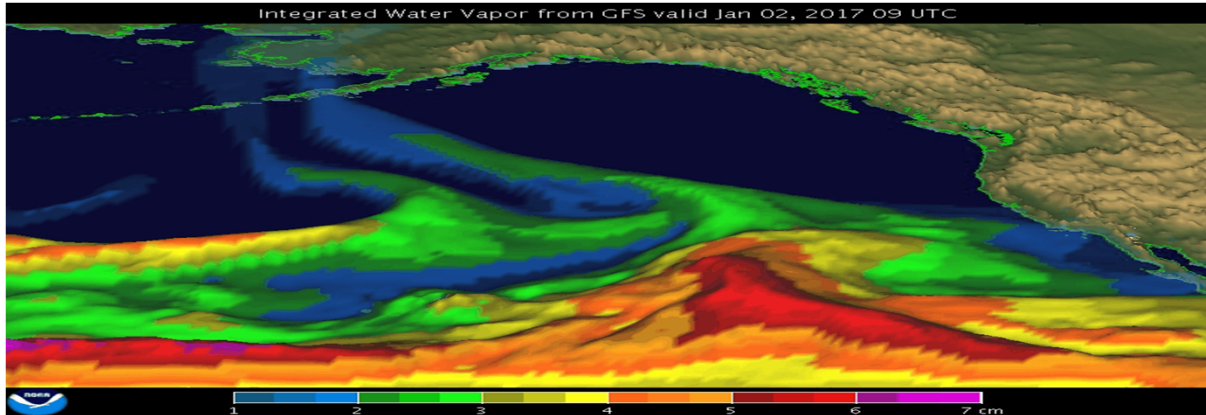
To ensure In-lieu deliveries are cost neutral, Metropolitan proposes financial terms that would include a performance-based credit up to \$225 per acre-foot with a to-be-determined index in future years. Upon delivery of treated water, the member agency will be billed the treatment surcharge. The credit is meant to offset additional member agency costs to take such water and will be applied on a Metropolitan invoice, subject to reconciliation. Upon final purchase of the water, the member agency pays the full service rate on a defined schedule based on the agreement terms.

The benefits of an In-Lieu Delivery Program include the following:

- Increases delivery of additional water to the region that may have otherwise been lost
- Helps improve local groundwater basin conditions
- Allows Metropolitan to respond quickly to anomalous supply conditions
- Improves local reliability in case of droughts or local emergencies
- Cost competitive with other storage programs

Metropolitan staff is planning to bring this item to the Metropolitan Board as an Information Item on January 2019, with action anticipated in February 2019.

Attachment: Presentation for Discussion of a Metropolitan In-Lieu Delivery Program.



DISCUSSION OF A METROPOLITAN IN-LIEU DELIVERY PROGRAM



Harvey De La Torre, Associate General Manager
Municipal Water District of Orange County

Joint Board Workshop
December 5, 2018

Background

- 🔥 Seeking operational flexibility to maximize storage during surplus conditions
- 🔥 Opportunities to enhance groundwater basins level
- 🔥 Multiple Metropolitan storage programs
 - 🌱 Conjunctive Use Program
 - 🌱 Supplemental Storage Program
 - 🌱 Cyclic Storage Program



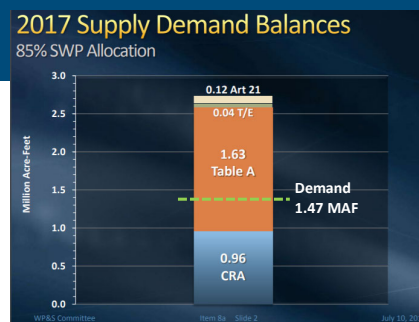
Cyclic Storage Program

- 🔥 Delivery to surface reservoir or groundwater basin
- 🔥 Subject to approval of managing agency
- 🔥 Delivery by direct recharge or in-lieu
- 🔥 Mutually agreed payment schedule








2017 Water Year

- 💧 Surplus Supply
- 💧 Challenges of Delivery
- 💧 Financial Barriers



2017-18 Limited-Term In-Lieu Program

-  **Metropolitan Member Agency Role**
 -  Accepted supplies in Fiscal Year 2017/2018 Accepted supplies in addition to base deliveries
 -  Has a cyclic agreement
 -  Agreed to purchase supplies within five years at full service untreated rate on agreed schedule
-  **Certification and reconciliations**



Cyclic Program: 2017-18 Summary of Deliveries

Member Agency	Cyclic Storage Agreement (AF)	In-Lieu Delivery ² (AF)	Direct Delivery ² (AF)	Total Stored (AF)
Burbank	35,000	N/A	6,000	6,000
Calleguas MWD	5,000	N/A	0	0
Eastern MWD	30,000	N/A	1,000	1,000
MWD of Orange County	100,000 ¹	50,000	4,000	54,000
City of Anaheim		11,000	N/A	11,000
City of Fullerton		1,000	N/A	1,000
City of Santa Ana		3,000	N/A	3,000
Upper San Gabriel Valley MWD*	100,000	N/A	42,000	42,000
Three Valleys MWD*	50,000	N/A	2,000	2,000
Total	320,000	65,000	55,000	120,000



¹Deliveries to Anaheim, Fullerton, and Santa Ana were stored in the MWDOC Cyclic Account

²Deliveries as of December 31, 2017

*Agreement was reviewed/signed prior to 2017

Record Single-Year Delivery to Cyclic Storage



Proposed Metropolitan In-Lieu Delivery Program

7

Proposed In-Lieu Program

- ◆ General Manager authority to enter into agreements
- ◆ Member Agency would accept supplies in addition to base deliveries
- ◆ Purchase supplies within five years at full service untreated rate on agreed schedule
- ◆ Certification and reconciliations



Proposed In-Lieu Program (cont.)

- 💧 Need for in-lieu deliveries at General Manager's discretion
- 💧 General Manager Authority to execute agreements under limited conditions
 - 🔥 Supplies Increasing
 - 🔥 High SWP Allocation
 - 🔥 Article 21 Supplies
 - 🔥 Metropolitan or other system constraints
- 💧 Faster Response ability to execute agreements and start deliveries
- 💧 Ability to capture water that otherwise could be lost

Certification & Reconciliations

- 💧 Historical baseline operation – increase deliveries
- 💧 Monitor groundwater – decrease in production
- 💧 Monthly certification
- 💧 Annual reconciliation
- 💧 Similar to in-lieu deliveries to regional conjunctive-use programs



Proposed Financial Terms

- 💧 Credit up to \$225/AF
 - 💧 Indexed in future years (index TBD)
 - 💧 Performance based
 - 💧 Offset additional member agency costs
- 💧 Upon delivery of treated water, member agency will be billed the treatment surcharge
- 💧 Credit will be applied on a Metropolitan invoice, subject to reconciliation
- 💧 Member agency pays full service rate on a defined schedule

Summary of Benefits

- 💧 Helps improve local groundwater basin conditions
- 💧 Increases delivery of additional water to the region that may have been lost
- 💧 Allows Metropolitan to respond quickly to extraordinary supply conditions
- 💧 Improves local reliability in case of a local emergency
- 💧 Cost competitive with other storage programs



Next Steps

- 💧 Seeking input from MWDOC Board and Member Agencies
- 💧 MET Board Information Item in January 2019
- 💧 MET Board Action Item in February 2019





DISCUSSION ITEM
December 5, 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) and Delta Conveyance Finance Authority meetings were held on November 15. At the DCA, after completing a competitive solicitation via a request for qualifications and evaluation process, the DCA Board authorized the Executive Director to negotiate and execute a professional services agreement with CH2M HILL Engineers, Inc., to provide Engineering Design Management Services for Phase 2 work for a term of five years in a not-to-exceed amount of \$110 million (\$93 million plus a contingency of \$17million), with spending to be managed via the issuance of Task Orders consistent with DCA board-adopted budgets. At the Delta Conveyance Finance Authority, the bylaws and Conflict of Interest Code was introduced.

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 next meeting of the Delta Conveyance Finance Authority Board of Directors will be held on Thursday, December 20, 2018.

State Water Resources Control Board

After considering a request received on November 6 from Governor Edmund G. Brown Jr. and Lieutenant Governor Gavin Newsom, the State Water Resources Control Board voted to postpone further consideration of updated flow requirements for the Lower San Joaquin River from November 7 until December 11 in order to allow voluntary agreement talks to yield results.

The short continuance follows testimony today by the Department of Water Resources, Department of Fish and Wildlife, and water districts about progress made on settlement discussions. In their November 6 letter (attached), Governor Brown and Lieutenant Governor Newsom pledged to “actively and meaningfully engage to bring this vital matter to a successful closure.” The Board has repeatedly emphasized that voluntary agreements can provide a faster, more durable solution to reasonably protect beneficial uses in the Lower San Joaquin River and its tributaries, while also recognizing the necessity of taking timely action.

The State Water Board’s primary role and authority under state law is to balance competing beneficial uses of water including agriculture, municipal use, recreation, fish and wildlife.

Delta Stewardship Council

On November 15 and 16, the Delta Stewardship Council (Council) held a public workshop to discuss the Delta Stewardship Council staff’s draft determination. The Department of Water Resources filed a consistency determination with the Delta Stewardship Council that the California WaterFix project was consistent with the Delta Plan. That consistency determination was then appealed by nine parties. In October, a public hearing was held where evidence was presented by both sides; subsequent to that, the Delta Stewardship Council staff issued a draft determination that not enough evidence existed in the record to support DWR’s determination that the California WaterFix was consistent with the Delta Plan, and staff recommends the Council remand the matter back to the Department of Water Resources.

The Council staff found that the Department fails to demonstrate consistency with aspects of Delta Plan policies with respect to using Best Available Science, reducing reliance on the Delta, Delta flow objectives, respecting local land use when siting facilities or restoration, and in the detailed findings of overall consistency. At the conclusion of the workshop, Chair Randy Fiorini and Council member Frank Damrell strongly encouraged the Department to consider withdrawing the certification of consistency.

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.

Attachment: Brown Newsom Letter 11-6-2018



EDMUND G. BROWN JR.
GOVERNOR



GAVIN NEWSOM
LIEUTENANT GOVERNOR

Chairwoman Felicia Marcus
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

November 6, 2018

Dear Chairwoman Marcus:

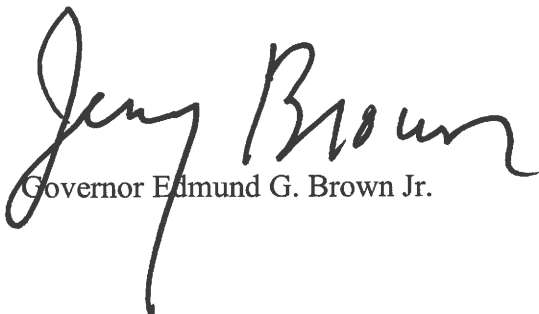
The Board is scheduled to take action tomorrow on a proposal to amend the Bay Delta Water Quality Control Plan, including changes to the minimum flow standards for the Lower San Joaquin River.

We respectfully request a postponement of this item until December 12, 2018.

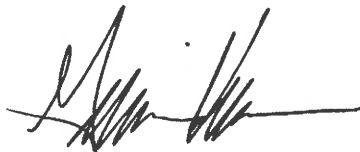
For many months, state agencies, water districts and others have been working hard to achieve voluntary agreements that would meet the requirements of the amendment set for adoption. Significantly, these agreements would obligate water rights holders to improve stream flows and restore habitat.

A short extension will allow these negotiations to progress and could result in a faster, less contentious and more durable outcome. Voluntary agreements are preferable to a lengthy administrative process and the inevitable ensuing lawsuits. During this time, we pledge to actively and meaningfully engage to bring this vital matter to a successful closure.

We agree that the need to improve our aquatic ecosystems is urgent. A lasting and well-thought-out solution will benefit all Californians and our environment.



Governor Edmund G. Brown Jr.



Lieutenant Governor Gavin Newsom

cc: Vice Chair Steven Moore, Board Member Tam M. Doduc, Board Member Dorene D'Adamo and Board Member Joaquin Esquivel



DISCUSSION ITEM
December 5, 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):			

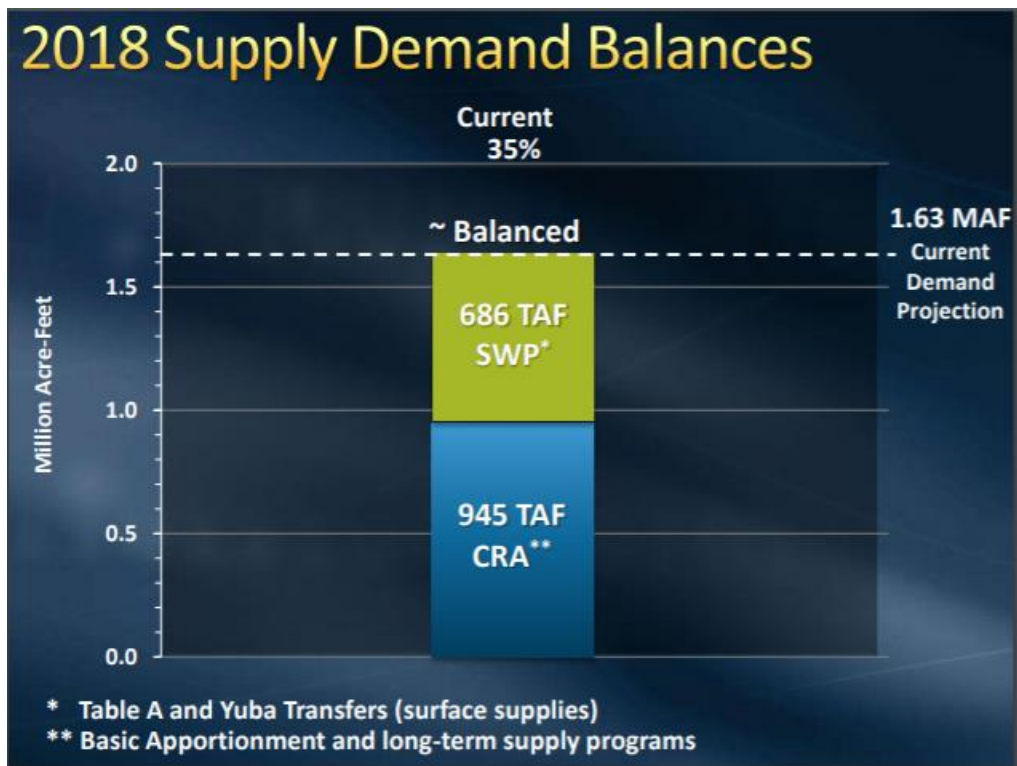
ISSUE BRIEF # A**SUBJECT: MET's Water Supply Conditions****RECENT ACTIVITY**

The Northern California accumulated precipitation (8-Station Index) is reporting **5.13 inches or 61% of normal** as of November 26. In the month of November 2018, accumulated precipitation reached 4.1 inches, which is **2.2 inches below normal** compared to the historical average (As of November 25th). The Northern Sierra Snowpack peaked at 12.3 inches on April 1st, which is **43% of normal** (California DWR has not updated Snowpack data for WY 2019). Lake Oroville storage is at 29% of total capacity and 49% of normal. The San Luis Reservoir has a current volume of 58% of the reservoirs total capacity and is 98% 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 November 25, 2018, snowpack measured at 107% 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 September 30, the short-term portfolio balance is \$618.6 million and has returned 0.15%, which is equal to the benchmark. Since inception, 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 \$346.8 million, a \$1.1 million decline from last month, and thus returned -0.22%, however, approximately equal the benchmark. Since inception, the long-term portfolio have yielded of total return of 3.26%, which is an out performance of 0.29% compared to the benchmark.

Water transactions through September were 62.5 TAF (12%) lower than budget and 46.7 TAF (11%) higher than the 5-year average. At this early point in the year, Metropolitan is planning to end the year on budget.

ISSUE BRIEF # C

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Drought Contingency Plan Development

On October 10, the Bureau of Reclamation (Reclamation) posted a draft set of interstate Drought Contingency Plan (DCP) agreements that would implement DCPs in the Upper and Lower Basins. The agreements include both an Upper Basin DCP and a Lower Basin DCP. Reclamation's notice explains that the Upper Basin DCP is designed to protect critical reservoir elevations at Lake Powell and help assure continued compliance with the Colorado River Compact, and authorize storage of conserved water in the Upper Basin that could help establish the foundation of a demand management program in the future. The Lower Basin DCP would require Arizona, California and Nevada to contribute additional water to Lake Mead storage at predetermined elevations and create additional flexibility to incentivize additional voluntary conservation of water to be stored in Lake Mead.

Throughout October, representatives of the seven Basin States and contractors like Metropolitan have been meeting with boards and stakeholders to review the draft set of DCP agreements and receive input. At their meeting in September 2018, the seven Basin States Principals tentatively discussed offering the DCP package for their respective entities' approval during November and early December of this year.

Palo Verde Irrigation District Property Utilization Committee Meeting

Following the October Palo Verde Irrigation District (PVID) Board meeting, Metropolitan Board Members and staff participated in a Property Utilization Committee meeting with PVID Board representatives to develop recommendations for managing Metropolitan's lands. The discussions included potential refinements to lease terms, temporary management of Metropolitan's lands until the leases are final, and the process of converting Metropolitan land into habitat for the Colorado River Multispecies Conservation Program. Metropolitan staff will consider the recommendations from the Committee when it makes future decisions about managing the lands it owns in Palo Verde Valley.

Minute 323 Binational Work Group Meeting

Following the adoption of Minute No. 323 to the United State International Water Treaty with Mexico, a number of workgroups were formed to assist in implementing the Minute's provisions. The Binational Hydrology Work Group met on October 16. This Work Group is made up of representatives of the International Boundary and Water Commission (United States and Mexico, Reclamation, Comisión Nacional del Agua, the Upper Colorado River Commission), as well as representatives of various state entities and water providers, including Metropolitan. At this meeting, the draft Annual Report, describing 2018 activities including meetings held and information shared between the United States and Mexico, as well as next steps including recommendations for future activities were reviewed. The Work

Group also reviewed the draft Communications Plan, which will help inform stakeholders about implementation activities. The Work Group expects to finalize its draft Annual Report in November 2018. The Work Group also reviewed proposed research and investigations to meet commitments in Minute No. 323.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

Science Activities

A scientific paper authored by Dr. James Peterson, of Oregon State University, was accepted for publication in the December issue of the San Francisco Estuary & Watershed Science journal. The article, entitled “An.

Evaluation of Three Fish Surveys in the Bay-Delta 1995 – 2015”, evaluates the potential bias in three fish surveys. The key finding of the scientific work is that a number of species in the Bay Delta system, including Delta Smelt and Longfin Smelt are not being detected by fish sampling gear as the water becomes clearer. This has likely led to significant distortions in past evaluations of fish abundance and distribution.

Metropolitan staff is participating in the Central Valley Salmon Habitat Partnership, 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 most recent science meeting the group discussed the habitat criteria for juvenile salmon that will be included in the Implementation Plan. The Implementation Plan will rely on the best available science to identify priority restoration projects to support a variety of habitats for salmon and steelhead. The science group reviewed and discussed a draft proposal for the Delta Science Program proposal solicitation to support efforts to identify additional habitat restoration that could be implemented in the upper watershed to support juvenile and adult salmon. The Implementation Plan will help prioritize project implementation.

Metropolitan staff met with the Centerville Schoolhouse Workgroup, a diverse group of stakeholders that are committed to ensuring the future of Butte Creek’s population of spring-run Chinook salmon, to discuss four scenarios that could occur if PG&E sells the DeSabra-Centerville Hydroelectric Project and the infrastructure, regulatory process, and economics that would be associated with each scenario. These scenarios range from keeping the project as-is to decommissioning options and will guide what may be needed once a decision on the project is made by PG&E. The group discussed how to best approach potential buyers of the facility, to share information and ideas on what could be done to support spring run under the different scenarios, and formed a subgroup to discuss what science studies are needed to better understand restoration actions that are most beneficial to supporting this population of salmon.

Metropolitan staff is participating on the Interagency Ecological Program (IEP) annual workshop planning committee to identify what research should be presented at the 2019 Annual Workshop and to plan a session focused on predation on native species.

Metropolitan staff met with DWR staff to share ideas for future science studies and discuss what scientific directed studies should be included in the IEP 2020 workplan. As the year progresses, Metropolitan staff will work closely with DWR to develop these studies.

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive

Management Team (CAMT). In October, CAMT agreed on a process and participants to scope the development of a salmon science plan and develop a list of recommended salmon actions for CSAMP engagement. CAMT also reviewed and commented on a draft summary of the CAMT study evaluating factors that may affect catchability for Delta smelt surveys. On October 16, CAMT and CSAMP Policy Group members participated in a workshop facilitated by Compass consultants to identify key decisions related to Delta smelt that could be informed by a structured decision-making process.

Delta Flood Emergency Management Plan

A review of the Delta Flood Emergency Management Plan (DFEMP) was conducted in early October in preparation for publishing the final document. The DFEMP includes benefits of developing the Emergency Freshwater Pathway following a major earthquake event and flooding of multiple Delta islands, including significantly shorter export outage periods and export shortages than would be experienced without its development.

The DFEMP includes an initial prioritization and deployment of resources for pathway development, and considers unique circumstances brought about by the emergency event and potential interim use of south of Delta storage. The DFEMP indicates state interest in the repair of levee breaches along the Emergency Freshwater Pathway route, including Middle River and Victoria Canal, as well as south Delta levees along Old River.

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

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 Amendment) which were approved by the State Water Resources Control Board in May 2015.

On October 1, 2018 SARWQCB notified Poseidon that their application for the revised ocean discharge diffuser design, which was required by the Ocean Plan Amendment, was complete. The Permit Streamlining Act (PSA) requires a responsible agency to approve or disapprove of an application within 180 days. Poseidon maintains that their application is subject to the PSA, while SARWQCB contends that this application is not subject to the PSA.

Poseidon expects the SARWQCB to act on its permit in the next four to six months. Assuming approval, 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

MWDOC staff and CDM Smith are working on the final draft of the 2018 OC Water Reliability Study which is anticipated to be provided to the Board for a 'receive and file' action on December 19th. All letters and comments on the report have been received and summarized.

Next Steps

The next steps include the following:

1. Complete additional work on the Carson Project and its reliability implications in Orange County (includes work between MWDOC and OCWD)
2. Complete additional analysis on the Strand Ranch Integrated Water Banking Program using the results of the study
3. Develop a list of items to advocate for at MET with respect to the next MET IRP update based on comments coming out of our study
4. 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.)
5. Integrate the results of the recent workshop regarding integration of local projects into the Orange County water system.
6. 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

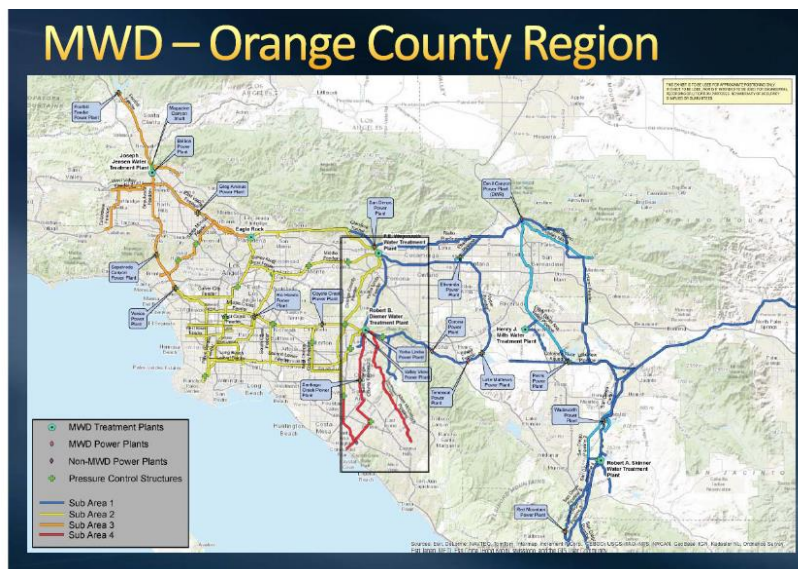
RECENT ACTIVITY

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

MWDOC has been meeting 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, and/or other local projects such as the groundwater pump-in to the EOCF#2.

On August 31, 2018, MWDOC hosted a Water System Operations and Integration Workshop attended by technical staff from: MET's Water Quality team, MWDOC member agencies, and consultants. The workshop focused on the possible integration of multiple treated water sources into the OC water distribution system; particularly in the lower reaches of EOCF#2. The collaborative discussion identified a number of potential issues for follow-up. Staff and our consultant, Ed Means, are working through the workshop recommendations to develop a plan to address these issues.

On October 17, 2018 MWDOC staff met with members of MET's Facilities Planning team to discuss the capabilities of and experiences with MET's water distribution system model (which is principally a hydraulic model). MWDOC staff began a discussion about the possibilities of leveraging the existing MET model data for inclusion into an OC water distribution model. The OC model concept is envisioned to include distribution pipelines in OC such as EOCF#2, AMP, Joint Regional Water Supply System (JWRSS), and South County Pipeline. The OC model concept would also include a water quality module to assist with the development of solutions to the issues identified during the Water Systems Operations and Integration Workshop. MET staff was generally favorable to the idea of sharing information, and are currently evaluating a number of possible alternatives that will be discussed with MET executive management.



ISSUE BRIEF # H

SUBJECT: South Orange County Projects

RECENT ACTIVITY

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. South Coast WD anticipates adopting the response to comments by the end of 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 32% 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 which the District reviewed. The design process is likely to continue thru the end of this year and we anticipate starting the construction bidding process in January 2019. Completion of the construction is expected to be in February 2020, about 2 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
November 6, 2018**

COMMITTEE ASSIGNMENTS

Director Emrani was appointed to the Communications and Legislation Committee, the Organization, Personnel and Technology Committee, the Facilities Naming Committee, and the Audit and Ethics Committee. **(Agenda Item 5C)**

FINANCE AND INSURANCE COMMITTEE

Approved and authorized the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. **(Agenda Item 8-1)**

ENGINEERING AND OPERATIONS COMMITTEE

Awarded \$43,998,000 contract to Bernards Bros., Inc. for seismic upgrades and building improvements for Metropolitan's Headquarters Building; awarded \$620,713 contract to R&F Rolapp Enterprises, Inc. for staff relocation services; and authorized: (1) agreement with Lee & Ro, Inc. for a not-to-exceed amount of \$2.5 million, for specialized inspection support; (2) increased of \$3.98 million to an agreement with ABS Consulting, Inc., for a new not-to-exceed total of \$11.58 million for technical support; and (3) increased of \$245,000 to an agreement with IBI Group, for a new not-to-exceed total of \$1,135,000, for technical support. **(Agenda Item 8-2)**

Reviewed and considered Addendum No. 2 to the 2017 Program Environmental Impact Report, and award \$14,536,130 contract to J. F. Shea Construction, Inc. to rehabilitate a portion of the Second Lower Feeder. **(Agenda Item 8-3)**

Reviewed and considered Addendum No. 2 to the 2014 Mitigated Negative Declaration, and award \$6,967,500 contract to Michels Pipeline Construction to replace the lining in a portion of the Orange County Feeder. **(Agenda Item 8-4)**

Adopted CEQA determination that the proposed action was previously addressed in the certified Program Environmental Impact Report and award \$2,606,700 contract to Minako America Corporation for electrical upgrades at 15 structures; and authorized an agreement with Kennedy/Jenks Consultants, Inc., with a not-to-exceed amount of \$2,037,000, for technical support of electrical upgrades at 290 structures within the Orange County operating region. **(Agenda Item 8-5)**

WATER PLANNING AND STEWARDSHIP COMMITTEE

Approved amendments to the Water Use Efficiency Guidelines for proposed annexations in Metropolitan's Administrative Code Sections 3107 and 2700 with discretion to staff to adjust the grammar as needed. **(Agenda Item 8-6)**

AUDIT AND ETHICS COMMITTEE

Approved amendments to the Administrative Code to clarify the Ethics Officer Reporting Structure and Duties and to establish the Audit and Ethics Committee as a Standing Committee of the Board with additional duties, and as modified, to increase the Ethics Officer's contract authority to \$50,000 and to make the Ethics Officer's review process consistent with the review process for the Auditor. **(Agenda Item 8-7)**

CONSENT CALENDAR

In other actions, the Board:

Approved The Metropolitan Water District of Southern California's salary schedules pursuant to CalPERS regulations. **(Agenda Item 7-1)**

Reviewed and considered the Lead Agency's adopted Mitigated Negative Declaration and adopt the Lead Agency's findings, and adopted resolution for Eastern 109th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. **(Agenda Item 7-2)**

Adopted Resolution for Eastern 110th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. **(Agenda Item 7-3)**

OTHER MATTERS

Inducted new Director Yazden Emrani representing the City of San Fernando.
(Agenda Item 5E)

Approved Commendatory Resolution for Director Sylvia Ballin representing the City of San Fernando. **(Agenda Item 5F)**

Authorized preparation of Commendatory Resolution for Association of California Water Agencies Executive Director Tim Quinn for his service to the water community.
(Agenda Item 5G)

Director Leticia Vazquez-Wilson was nominated and elected as the Board Secretary for two-year term effective January 1, 2019. **(Agenda Item 5I)**

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>



Regular Board Meeting

December 11, 2018

12:00 p.m. – Boardroom

MWD Headquarters Building

•

700 N. Alameda Street

•

Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Geraldine J. Walters, Senior Board Specialist,
Office of the Chief Administrative Officer
- (b) Pledge of Allegiance: Director Leticia Vasquez-Wilson

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 Adjourned Meeting for November 6, 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 November 2018
- C. Chair and Vice Chair of standing committee appointments for the term commencing on January 1, 2019
- D. Approve committee assignments
- E. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

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

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Award \$1,200,000 contract to J.F. Shea Construction, Inc. for urgent relining of prestressed concrete cylinder pipe on the Sepulveda Feeder; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
- 7-2** Adopt and rename the Metropolitan Water District 457(b) and 401(k) employee deferred compensation and savings plans and approve amendments to the Metropolitan Water District Administrative Code Section 6780-6792 and 6800-6831 to facilitate administrative compliance of these plans; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (OP&T)
- 7-3** Approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices and regulations; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C) **[Posting separately]**

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1 Adopt State Legislative Priorities and Principles for 2019; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L) **[Posting separately]**
- 8-2 Adopt Federal Legislative Priorities and Principles for 2019; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (C&L) **[Posting separately]**
- 8-3 Consider nominations to name Metropolitan facilities after Carl Boronkay and Lois B. Krieger; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (FNA)
- 8-4 Adopt CEQA determination that the proposed action was previously addressed in the certified Programmatic Environmental Impact Report and related CEQA actions, and award a \$23,750,060 procurement contract to Ebara Corporation to provide conical plug isolation valves for the Second Lower Feeder. (E&O) **[Posting separately]**
- 8-5 Adopt CEQA determination that the proposed action was previously addressed in the certified 2015 Environmental Impact Report, and award \$8,487,170 contract to J. F. Shea Construction, Inc. for chlorination system upgrades at the F. E. Weymouth Water Treatment Plant. Authorize an increase of \$520,000 to agreement with La Cañada Design Group, Inc., for a new not-to-exceed total of \$1.47 million for design services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
- 8-6 Award \$26,900,000 contract to Michels Pipeline Construction to rehabilitate the circulating water and sump discharge piping systems at each Colorado River Aqueduct pumping plant; and authorize agreement with Marrs Services, Inc. for a not-to-exceed amount of \$5.4 million for specialized construction management and inspection support; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (E&O)

- 8-7** Approve Resolution to hire retired annuitant and waive 180-day waiting period; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (OP&T)
- 8-8** Review and consider the Department of Water Resource's certified Final Environmental Impact Report and Approve the State Water Project Contract Extension Amendment. (WP&S) **[Posting separately]**
- 8-9** Approve Program for Increasing Conservation in Disadvantaged Communities; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (WP&S)
- 8-10** Authorize staff to enter into funding agreements for Future Supply Actions Funding Program proposals; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (WP&S)
- 8-11** Authorize entering into seven agreements that would implement the Lower Basin Drought Contingency Plan (Lower Basin DCP); the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. (WP&S) **[Posting separately]**
- 8-12** Authorize increase of \$100,000, to an amount not-to-exceed \$200,000, for existing General Counsel contract with Olson Hagel & Fishburn LLP to make recommendations to modify the Ethics Office policies, procedures, guidelines and applicable provisions of Metropolitan's Administrative Code; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C) **[Posting separately]**

9. BOARD INFORMATION ITEMS

- 9-1** Update on Conservation Program

10. FOLLOW-UP ITEMS

11. FUTURE AGENDA ITEMS

12. 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.