

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

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

(NEXT RESOLUTION NO. 2074)

PRESENTATION/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 1 - LOCAL RESOURCES PROGRAM (LRP) EVOLUTION

Recommendation: Review and discuss the information presented.

3. CALIFORNIA WATERFIX ACTIVITIES UPDATE

Recommendation: Review and discuss the information presented.

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

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

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

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

- a. Summary regarding June 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

July 3, 2018

TO: Board of Directors

FROM: Robert Hunter,
General Manager

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

**SUBJECT: DISCUSSION SERIES PART 1 - LOCAL RESOURCES PROGRAM (LRP)
EVOLUTION**

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

MWD OC staff will be providing a discussion series to the Board over the next few months focusing on Metropolitan's Local Resources Program (LRP). This first installment in the series will step through the evolution of the program. In August, we will provide a complementary discussion item exploring LRP policy issues.

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. About half of the total recycled water and groundwater recovery production in the region is achieved through the LRP.

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

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):			

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.

LRP Regional Benefit

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.

LRP History

Since 1982, Metropolitan provided financial incentives for the development of water recycling and groundwater recovery projects through the LRP. Metropolitan staff periodically reviews the LRP criteria and its role in development of local resources including LRP incentive approaches and alternative ways Metropolitan can assist in the development of local resources.

The LRP accelerates the development of local projects to reduce demands for imported water supplies and increase water supply reliability in the region. Consistent with its purpose, the LRP has effectively and efficiently encouraged agencies to develop projects and increased local supply production to achieve water supply reliability in the region. Today, almost one-half of the total recycled water and groundwater recovery production in the region is developed by LRP supported projects.

The LRP was updated several times to reflect the Metropolitan service area's water supply conditions and economics landscape. The LRP evolved throughout the years with regard to project selection and incentive amount. The following timeline provides a brief overview of the evolution of the program financial incentive rates provided by Metropolitan:

- 1982 - Local Projects Program (LPP) provides assistance to develop local supplies with a focus on recycled water projects; the financial incentive was a fixed rate of \$154 per AF of production.
- 1991 - Groundwater Recovery Program (GRP), provides assistance to recovery otherwise unusable groundwater; the financial incentive was based on the project's actual unit production cost that was greater than Metropolitan's treated full service rate, on a sliding scale from \$0 to \$250 per AF.
- 1995 - LPP and GRP were combined into the Local Resources Program (LRP); financial incentives for existing projects either convert to GRP-type terms (sliding scale) or remain with the fixed incentive.

1998 - LRP application process utilized a competitive approach, whereby potential local projects were evaluated by a panel based on criteria adopted by the Metropolitan Board; financial incentive request within a range from \$0 to \$250 per AF with lower requests ranking higher.

2007 - Competitive process application was replaced with updated LRP principles allowing for an open application process and eliminating the competitive process.

2014 - Revisions extended the LRP to include ocean desalination projects as well as recycled water¹ and groundwater recovery projects.

Current - Financial incentives are based on the local agency's choice between three different incentive payment structures:

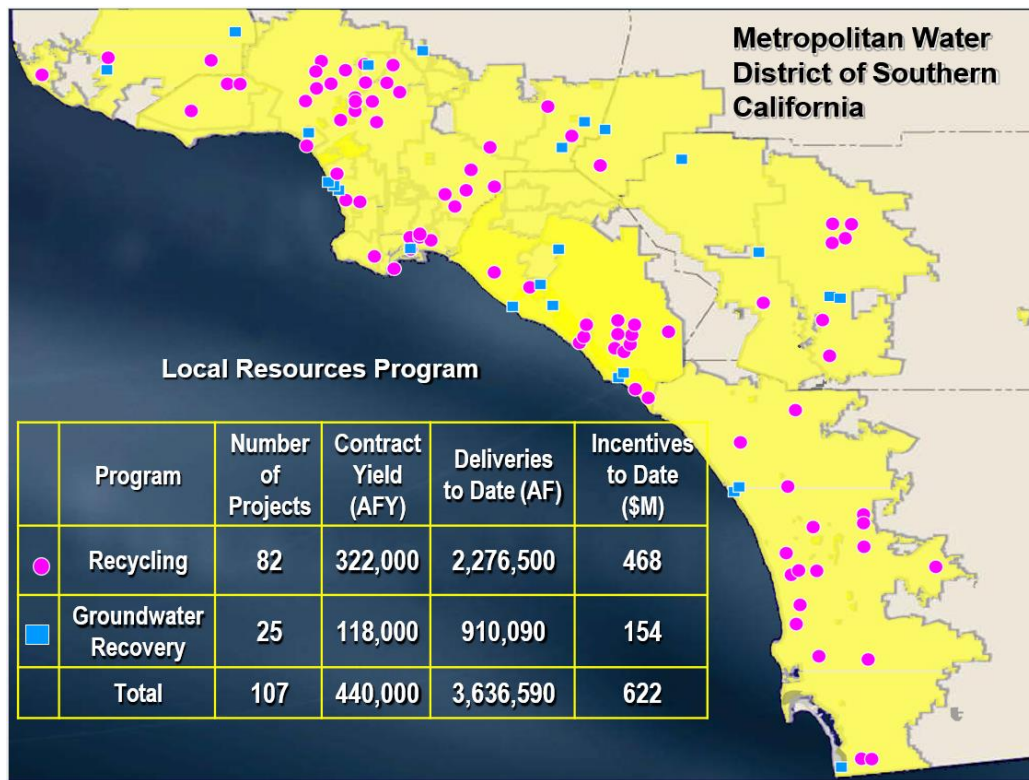
1. Sliding scale from \$0 to \$340 per AF for 25 years
2. Sliding scale from \$0 to \$475 per AF for 15 years (with a 25-year term)
3. Fixed up to \$304 per AF for 25 years

LRP Status

Water Recycling and Groundwater Recovery - Metropolitan's LRP provided about \$607 million since its inception in 1982, producing about 3.53 MAF of recycled water and recovered groundwater, through financial incentives of up to \$340/AF. During FY 2016/17, Metropolitan provided \$36 million for production of 228,815 AF under the LRP. With respect to the 107 projects under contract (Figure 1), once fully implemented, they are expected to produce approximately 440,000 AF per year.

Seawater Desalination - Since 2001, Metropolitan has maintained agreements with its member agencies to fund three local seawater desalination projects representing 46,000 AFY of potential future supplies. The three projects are currently in the planning stages. During FY 2016/17, Metropolitan supported member agency desalination efforts and continued coordinating regulatory policy for seawater desalination through financial support and participation in CalDesal, a consortium of California water agencies and other stakeholders working to advance seawater and groundwater desalination. Seawater desalination has also been eligible for LRP incentives since 2014.

¹ Recycled water use costs for on-site retrofit now qualify as a project cost to determine an agency's LRP incentive amount.

FIGURE 1: Projects to date within the Local Resources Program

Contract Yield versus Actual Production

Contracts include performance targets that are assessed every year and when targets are not met, reductions to the contract can be made.

It is important to understand that there is a lag between total LRP projects contractual yield and actual production. In general, the lag between the LRP total contract yield and actual production is mainly due to:

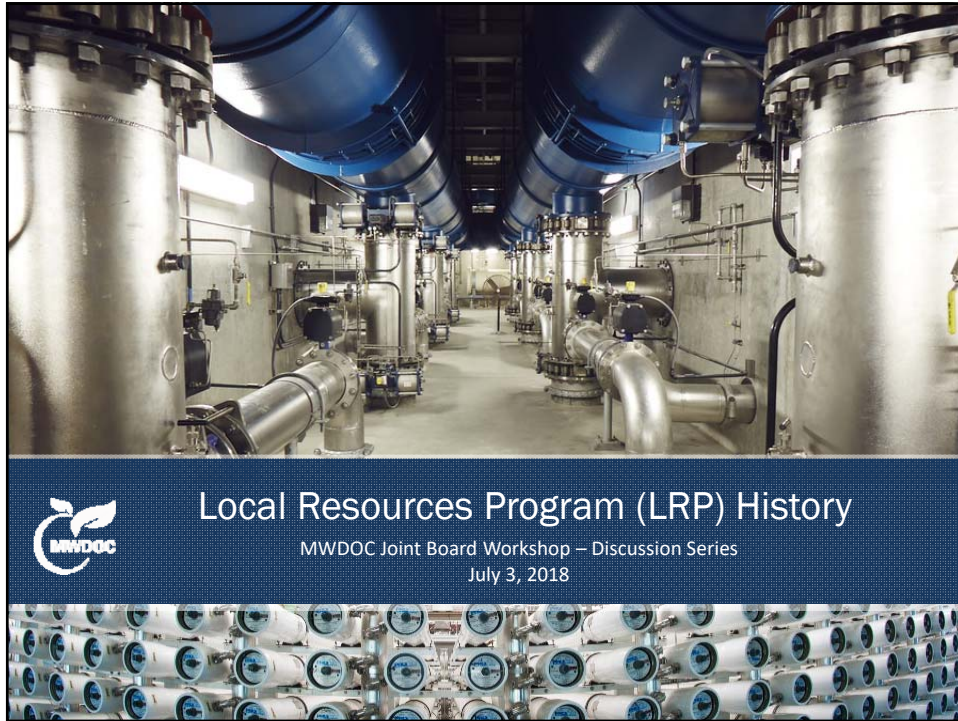
1. Projects being in various stages of development and not all currently in operation or operating to full capacity.
2. A typical recycled water project usually takes about 8 to 10 years to achieve its contractual capacity due to the time required to negotiate and hookup customers along the distribution pipeline.
3. A typical groundwater recovery project takes about two years to achieve its capacity but the production could be restricted by the Groundwater Basin Managers or other issues such as unexpected water quality or well problems.
4. Some projects' scope changes and the local agency may not implement the full capacity identified in the contract.
5. Recycled water projects may require on-site retrofit of potable water system.

In general, actual LRP production can fluctuate based the following factors:

1. Conservation – Recent aggressive conservation measures have not only reduced the amount of water usage by consumers, but also reduced the flows to wastewater treatment plants significantly in some areas.

2. Drought - Prolonged drought reduces natural recharge of the local groundwater basins, which impacts the groundwater production including LRP projects.
3. Shutdowns - Project shutdown could happen either for maintenance and repair purposes or for expansion of the current capacity.

Attachment: Local Resources Program (LRP) History Presentation



What is the Local Resources Program (LRP)?

- Catalyst for development of local projects
 - Provides financial incentives to help offset the costs of local projects beyond Metropolitan's water rate (up to a maximum amount)
 - Helps fund projects that otherwise would not move forward without financial support provided
 - Helps meet the Integrated Resources Plan (IRP) goals and improve regional reliability

2015 IRP Update Targets



State Water Project

- Manage flow and export regulations through collaborative science-based approaches
- Pursue a long-term Delta solution through WaterFix/EcoRestore



Colorado River Aqueduct

- Develop sufficient programs to ensure 900 TAF of diversions
- Maintain flexible programs to ensure access to 1.2 MAF of diversions in dry-years



Conservation

- Pursue savings in outdoor water use (MWELO equivalent)
- Continue device-based approaches in support of target
- Ensure consistency with 20x2020



Local Resources

- Ensure that total local supply production target of 2.43 MAF in 2040 is reached
- Recognize risks and potentially develop additional supplies

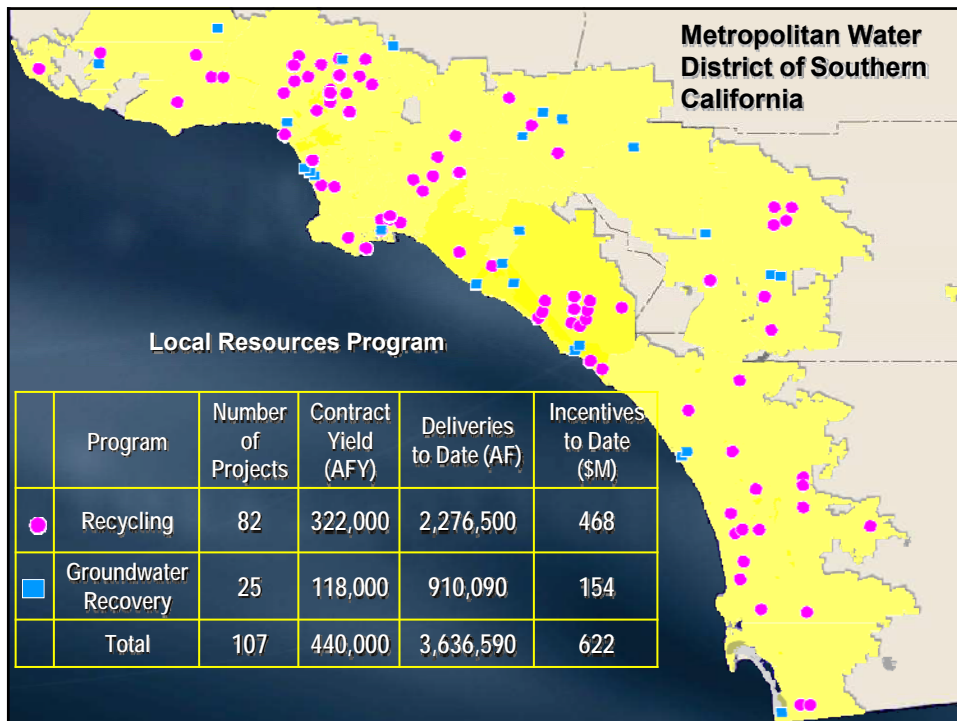
Regional Benefits of Local Resources Development

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



LRP Evolution

- 1981 - Local Projects Program (LPP)
for recycled water
- 1991 – Groundwater Recovery Program (GRP)
for recovered groundwater
- 1998 – Local Resources Program (LRP)
with incentives paid for water produced
- 2001 - Seawater Desalination Program (SDP) introduced
- 2014 – Current Local Resources Program's last review



LRP Incentive Payment Options

Payment Structure Options	Maximum * Incentive Amount	Payment Period
1 – Sliding Scale	\$340/AF	25 years
2 – Sliding Scale **	\$475/AF	15 years
3 – Fixed Incentive Rate	\$305/AF	25 years

* Pay for project water used

** Project must produce for 25 years



Program Criteria

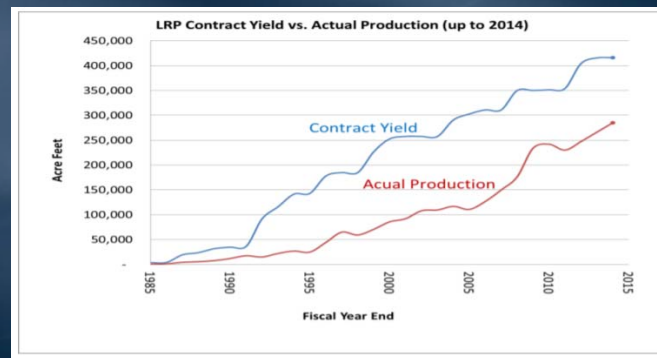
● Project must:

- Be supported by a Metropolitan member agency
- Replace demand on Metropolitan's imported water
- Not be already under construction or producing water
- Include construction of new treatment or distribution facilities
- Comply with CEQA and/or NEPA
- Have obtained all required permits
- Have obtained approval from Metropolitan's Board

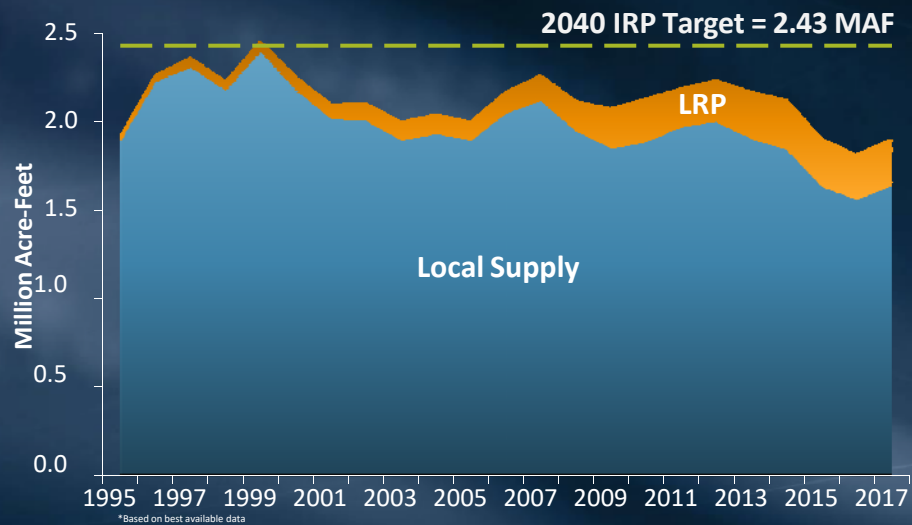
Local Resources Program Status

2007 LRP Target Yield Board	174,000 AFY
Approved Projects* Current	<u>105,910 AFY</u>
Remaining Balance	68,090 AFY

*Adjusted for projects with rescinded/reduced capacity






Local Supply Production vs. IRP Target








LRP Effectiveness

-  The program has shown success in providing a regional benefit
-  The program has helped maintain local supplies
-  Principles of the program still hold true

LRP evolves due to changing conditions

-  Are we are entering a new phase in the program?
-  What is the IRP Gap, is there a shortfall, and how can the LRP help meet it?
-  What type of adjustments should be made to the LRP?

Discussion Series Part 2: LRP Policy

-  August 1, 2018 - Joint Board Workshop





DISCUSSION ITEM

July 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

Following the April 10, 2018 Board of Directors meeting at which the Board approved additional funding for California WaterFix and related actions, two organizations sent a notice alleging violations of the Brown Act in connection with that meeting, as well as a request under the California Public Records Act (CPRA). Metropolitan responded to the notice disagreeing with its legal conclusion and provided documents in response to the CPRA request. To ensure there is no question concerning the validity of the Board's consideration of, and its vote on, whether to authorize increased funding of California WaterFix, the Board will vote on the matter again at its July 10, 2018 meeting. This action is being taken in an abundance of caution and to ensure full public transparency on this matter.

California WaterFix Supplemental EIR/EIS

The California Department of Water Resources and the U.S. Bureau of Reclamation have released an administrative draft of the supplemental Environmental Impact Report (EIR)

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):			

and Environmental Impact Statement (EIS) on newly proposed modifications for California WaterFix. The changes further minimize impacts of the project on the environment and local communities in the Delta.

The California Department of Water Resources (DWR) and U.S. Bureau of Reclamation (Reclamation), as lead agencies for compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) have released the California WaterFix Administrative Draft Supplemental Environmental Impact Report/Environmental Impact Statement (EIR/EIS) to disclose the potential impacts associated with a number of proposed water conveyance facility modifications to the project approved by DWR in the Final EIR/EIS certified on July 17, 2017.

The conveyance facility modifications have been proposed to improve facility design and further reduce impacts of facility construction on the Delta environment. No operational modifications are proposed as part of these facility modifications and, therefore, operation of the conveyance facilities is not addressed in this supplemental document. DWR and Reclamation have decided to make this administrative version of the document available on the California WaterFix website and for use by the State Water Resources Control Board as part of the ongoing California WaterFix Change in Point of Diversion hearings.

Final internal review and approval for meeting the requirements of CEQA and NEPA have not been completed by DWR and Reclamation, and this Administrative Draft Supplemental EIR/EIS is not a public draft. DWR and Reclamation are not requesting public comments and will not respond to comments on this version of the document. The public Draft Supplemental EIR/EIS is expected to be released in July 2018 for public review and receipt of comments.

Public Water Agency Board Consideration Action

At the time this report was written, the following Public Water Agencies have voted to support the California WaterFix. Additional action is expected by the Coachella Valley Irrigation District on June 25, 2018.

California WaterFix (2018) Public Water Agency Board Consideration/Action		
Agency	Date	Voted to Support CWF ¹
Santa Clara Valley Water District	May 8	✓
San Bernardino Valley Municipal Water District	May 15	✓
Alameda County Water District	May 17	✓
San Geronio Pass Water Agency	May 21	✓
Mojave Water Agency	May 24	✓
Desert Water Agency	Jun 5	✓
Santa Clarita Valley Water Agency	Jun 5	✓

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

Special Committee on Bay-Delta Item 3a, Slide 3 June 26, 2018



DISCUSSION ITEM

July 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

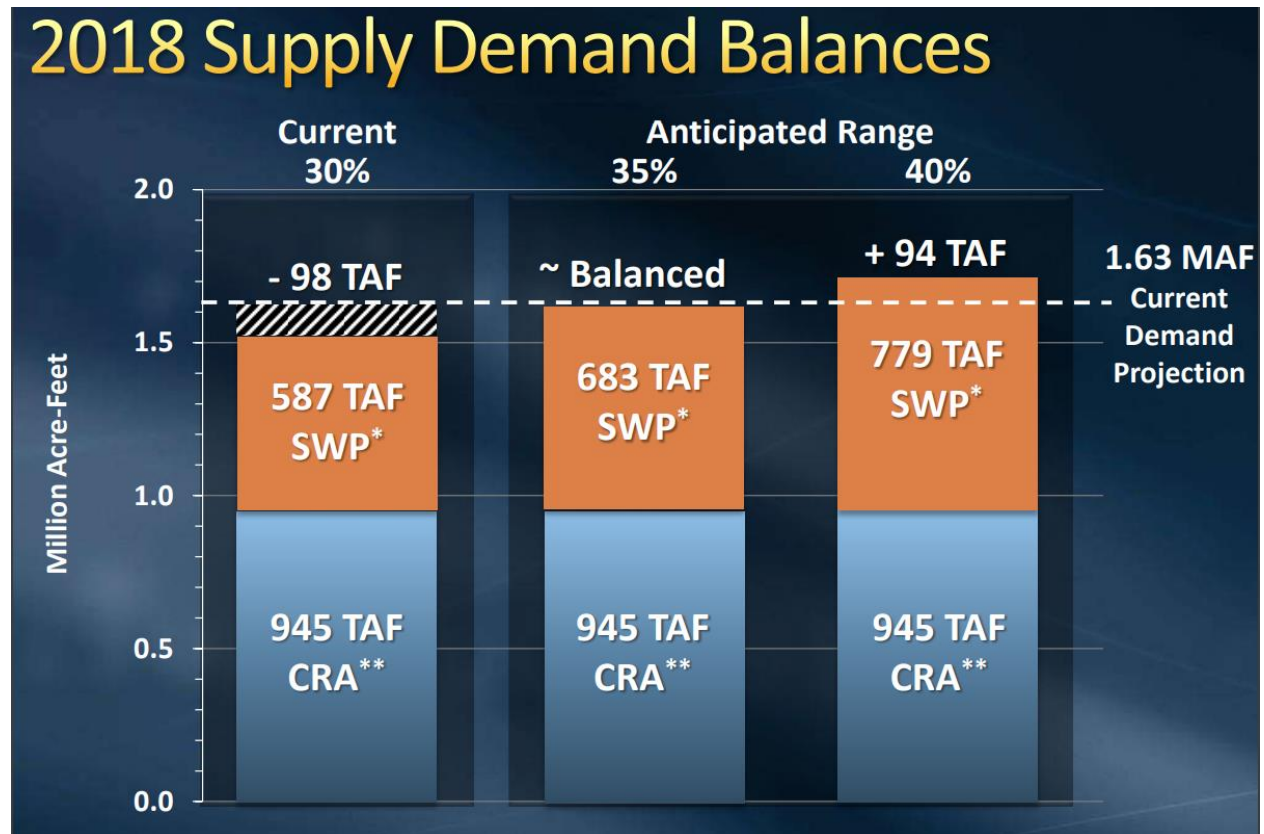
SUBJECT: MET's Water Supply Conditions

RECENT ACTIVITY

2018 Water Supply Balance

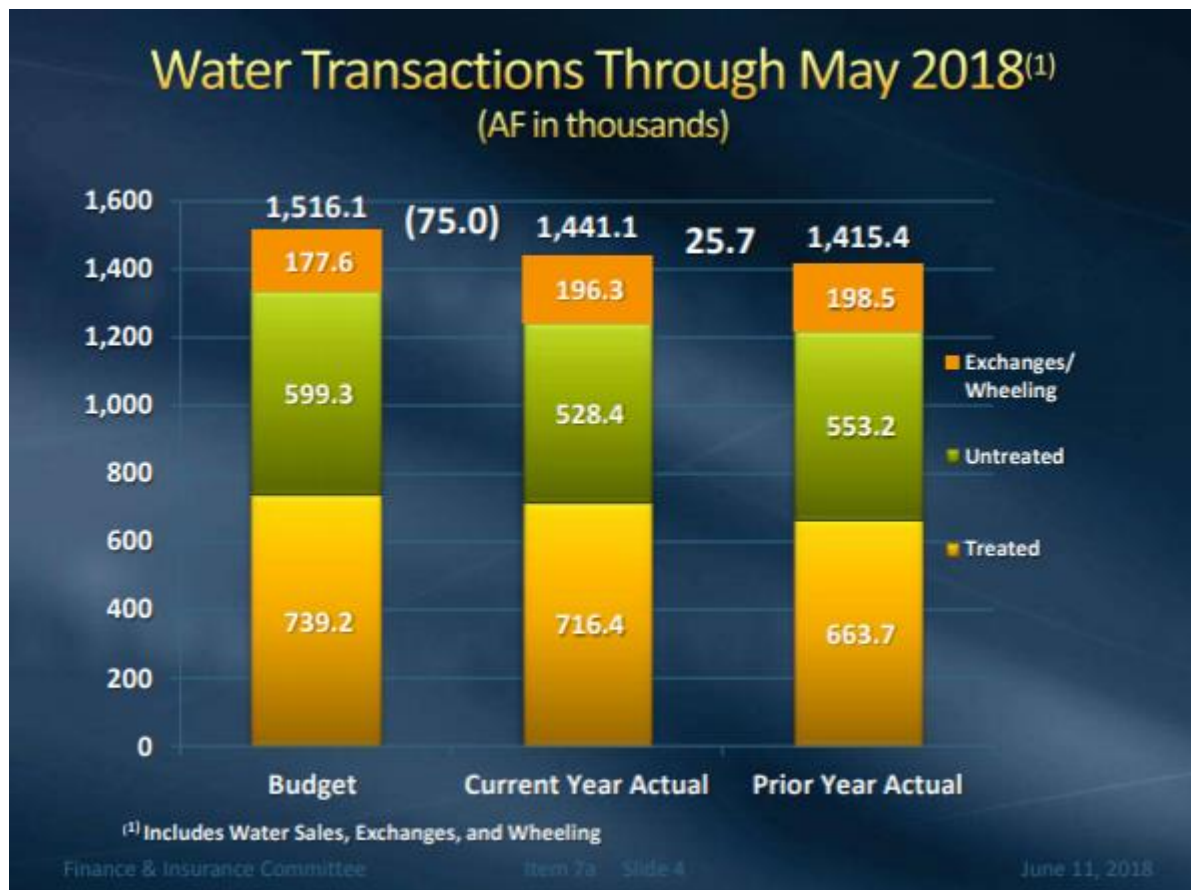
In May, the Department of Water Resources (DWR) increased the State Water Project (SWP) "Table A" allocation to 35%, giving Metropolitan approximately 683 thousand acre-feet (TAF) in SWP deliveries this water year. In addition, on the Colorado River system, Metropolitan estimates a total delivery of 945 TAF.

With estimated total demands and losses of 1.63 million acre-feet (MAF), at a 35% SWP allocation, 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**

Water transactions through May were 75.0 TAF or \$53 million lower than budget and 178.6 TAF lower than the 5-year average. Deviation from the budget remain a result of continued low untreated water sales. However, in comparison to the water transactions through May 2017, the current year transactions are 25.6 TAF or \$122.8 million more. It is expected that the annual water transactions will be 1.6 MAF, which is in line with projections.



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

Salinity Control Forum Meeting

The Colorado River Salinity Control Forum (Forum) held its spring meeting on May 16 and 17 in St. George, Utah. Don Barnett, Executive Director of the Forum, announced that the Bureau of Reclamation (Reclamation) was able to add an additional \$2 million to its fiscal year 2017/18 budget, which will be used to put additional salinity control measures in place this summer. The Forum meeting included a tour of Pah Tempe Hot Springs, a natural spring which adds about 100 million tons of salt to the Virgin River and flows into the Colorado River each year. The Forum heard options to capture much of the salt and prevent it from reaching the Colorado River. Additional studies will be done, and if they prove economically feasible, the Forum will consider recommending a project to further reduce the salt load of the Colorado River. One of the challenges facing the Forum is the financial provisions in which the state cost share dollars are provided by a surcharge on Hoover Power generation. Because of long-term drought conditions on the Colorado River, Hoover Power generation has dropped significantly, resulting in substantially fewer cost-share funds being available from the Lower Basin states, and draws from reserves that have been used to fully fund the program. Eventually, the funding provisions would need to be changed through federal legislation, or the salinity control program activities would need to be reduced from current levels.

Drought Contingency Plan Development

Reclamation Commissioner Brenda Burman met in May with representatives of both the Upper Basin and Lower Basin to express support for the states' ongoing efforts to develop drought contingency plans. At these meetings, the Commissioner emphasized the need to finalize drought contingency plans given that expected spring and summer runoff this year will only be 42 percent of the long term average and that the most recent predictions show further declines in reservoir elevations. Following these meetings, Reclamation issued a press release calling on the states to put drought contingency plans into effect before the end of the year. The press release included statements of support from representatives of each of the seven basin states.

ISSUE BRIEF # D

SUBJECT: Bay Delta/State Water Project Issues

RECENT ACTIVITY

California WaterFix

After years of planning and analysis, the California Department of Water Resources (DWR) and participating public water agencies established a formal partnership to Metropolitan staff, design, and construct the California WaterFix project—the Delta Conveyance Design and Construction Joint Powers Authority (DCA). Metropolitan along with Santa Clara Valley Water District, Alameda County Zone 7 Water Agency, and San Bernardino Valley Municipal Water District serve as the founding members of the DCA. At its inaugural meeting on May 17, the DCA signed an agreement with DWR delineating their joint partnership to construct the California WaterFix project. Under this agreement, Metropolitan and other participating water agencies will manage, design, and construct the project through the DCA with DWR providing oversight through a newly established Design Conveyance Office (DCO). Working together, the DCA and DCO will ensure that the California WaterFix is built on time and on budget through a collaborative, transparent process. Updates on the DCA activities can be found at the agency's website at www.dcdca.org.

State Water Resources Control Board

The California WaterFix Petition proceedings before the State Water Resources Control Board (SWRCB) 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 SWRCB is expected to issue a notice soon concerning the rebuttal schedule for Part 2 and the deadline for the submittal and service of the parties' rebuttal evidence and testimony. Metropolitan staff is continuing to review the information presented by hearing participants and is coordinating with other State Water Project contractor agencies to participate in the hearing.

Science Activities

Metropolitan staff is participating on two multi-agency science teams focused on science synthesis for longfin smelt and the effects of fall outflow alteration in a wet year. The Longfin Smelt Management Analysis and Synthesis Team (LFS MAST) is synthesizing monitoring and science studies related to longfin smelt. Metropolitan staff is participating in LFS MAST discussions and helping to develop the overall conceptual model and report describing the biology and ecology of longfin smelt in the San Francisco Estuary. The team is expected to complete a draft report by fall 2018. The Flow Alteration Management Analysis and Synthesis Team (FLOAT MAST) is evaluating how high flow conditions in 2017 affected the physical habitat and food web for Delta smelt. Specifically, the team is integrating and evaluating multiple data streams for water quality, productivity, and fish health data collected during the fall outflow studies in 2017, and comparing conditions to previous wet years. Metropolitan staff is participating on the team and helping with data analysis and development of the overall conceptual model. The draft final report is expected by the end of 2018.

Metropolitan staff worked with researchers at Anchor QEA consulting firm to conduct a modeling study evaluating wind trends in the Bay-Delta estuary and effects on turbidity conditions. A scientific paper presenting the results from the study was recently published in the *Estuaries and Coasts* journal. The results of the study show that wind speeds have dropped in the estuary during the late fall and early winter over the past twenty years.

Hydrodynamic modeling demonstrated that these reductions in wind speed would have reduced turbidity in the system significantly. Since the catch of Delta smelt and longfin smelt is positively related to turbidity, the reduced wind may explain at least a part of the reduction in fish caught in surveys. Metropolitan funded the study and Bay-Delta Initiatives staff person David Fullerton is a coauthor on the paper.

The second year of field studies for the Salmon Predation study at Bouldin Island was completed in May. This study was funded by a California Department of Fish and Wildlife grant, with matching funds from Metropolitan. The study examines how the number of predators and how the interaction between habitat features and predators impact juvenile salmon survival. A preliminary report of findings will be available in July 2018 and a complete report available in December 2018.

On May 18, Metropolitan staff participated in a Delta Science Program science workshop on development of a conceptual model for changing nutrient loads to the Bay-Delta Estuary as a result of the Sacramento Regional County Sanitation District wastewater treatment plant upgrade. The Delta Science Program is funding several studies this year, called Operation Baseline, to pilot test monitoring and research strategies to develop a baseline of information before the plant upgrade occurs in 2021. The state and federal water contractors are funding complementary pieces to those studies. The focus of the workshop was to discuss a draft conceptual model for potential chemical and biological responses to reduced nutrient loading and identify opportunities to monitor those responses. The Delta Science Program is planning to hold a workshop later this year to present results from the Operation Baseline studies.

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). Metropolitan staff worked with the CAMT Salmon Subcommittee to plan and participate in a CAMT Delta Salmonid Research Workshop on May 22. The workshop provided an opportunity for researchers and managers to discuss ongoing salmon research efforts and identify future research directions to fill science gaps and address key management questions. Metropolitan staff also participated in the Delta Smelt Scoping Team (DSST) to review preliminary findings from the Delta smelt Entrainment Study (Entrainment Study) and Fall Outflow Study (Outflow Study). The Outflow Study is underway, and is evaluating environmental factors that are associated with survival of Delta smelt in the fall. The study is evaluating factors such as Delta outflow, salinity, turbidity, water temperature and amount of tidal marsh habitat. On May 23, Metropolitan staff participated in the CSAMP Policy Group meeting and coordinated with other water contractor representatives to provide input on Delta smelt and salmon science initiatives.

Metropolitan staff also continued participating in Interagency Ecological Program (IEP) Project work teams (PWTs) to collaborate on current studies and provide input to workplans for future studies. Metropolitan staff participated in an IEP Spring-Run project work team

meeting that focused on the San Joaquin River Restoration efforts to reintroduce spring-run into the San Joaquin River. Metropolitan staff learned about efforts to expand rearing and spawning habitat and toured many facilities that are being modified along the San Joaquin River to more efficiently allow salmon to pass both upstream and downstream, along with the monitoring programs in place to measure success of restoration efforts.

Delta Flood Emergency Management Plan

DWR staff developed a schedule for completion of the Delta Flood Emergency Management Plan (DFEMP), and briefed DWR management. The DFEMP includes implementation authorities for emergency response, operational plans for various scale flood fight emergencies, analytical tools to assess and develop response plans, interagency support plans, stockpiling of emergency response materials, plans for integrated agency communications, environmental requirements, and key staff roles.

The DWR/U.S. Army Corps of Engineers (USACE) Delta Emergency Operations Integration Plan (Plan) has been finalized and submitted to the USACE. The Plan aligns and integrates personnel and resources to respond to large Delta flood emergencies, but it is also applicable statewide. It provides a common operating picture through shared information, communications, reference documents, and authorities under specific conditions.

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

(Edited from the OCWD June 6, 2018 Board Agenda Item)

On June 6, 2018 OCWD's Board considered approval of a new 2018 Term Sheet with Poseidon Resources. Consideration was delayed to July 18, 2018 to allow everyone more time to review the new Term Sheet. The major proposed changes in the new 2018 Term Sheet include:

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

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

4. OCWD would retain the lead role in developing all aspects of the distribution plan. However, there is now an option to have Poseidon Resources take responsibility for financing and constructing facilities distributing potable water to OCWD, Producers and other retail water agencies.

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

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

Development of a Distribution Plan

OCWD staff has been working on several conceptual distribution options to deliver the 50 million gallons per day (56,000 acre-feet per year) of Poseidon water. Each of the options have potential institutional, operational, legal, and cost concerns. OCWD held three workshops in 2016 to review the distribution options and the unit cost of the distribution options range from approximately \$200 to \$500/Acre-Foot. A definitive distribution plan is not expected to be developed until the desalination plant is fully permitted.

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

Updated Estimated Project Unit Cost

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

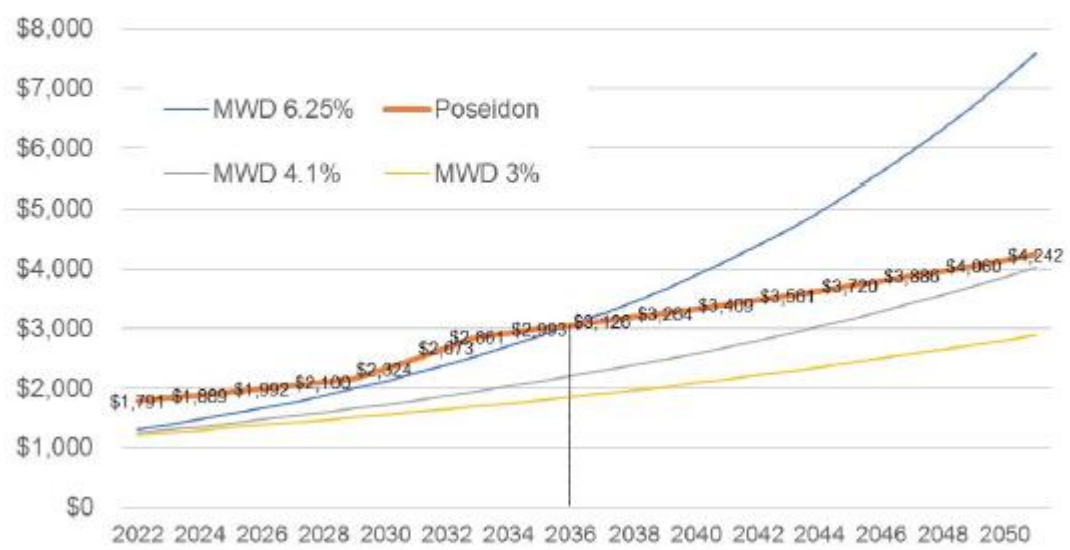
1. A 30-year contract with Poseidon; an alternative 35-year contract is also being considered. A 35-year contract provides a lower unit cost as the project debt is spread over additional years; however, the total payments to Poseidon over the life of the contract are greater.
2. Treatment Plant capital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

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

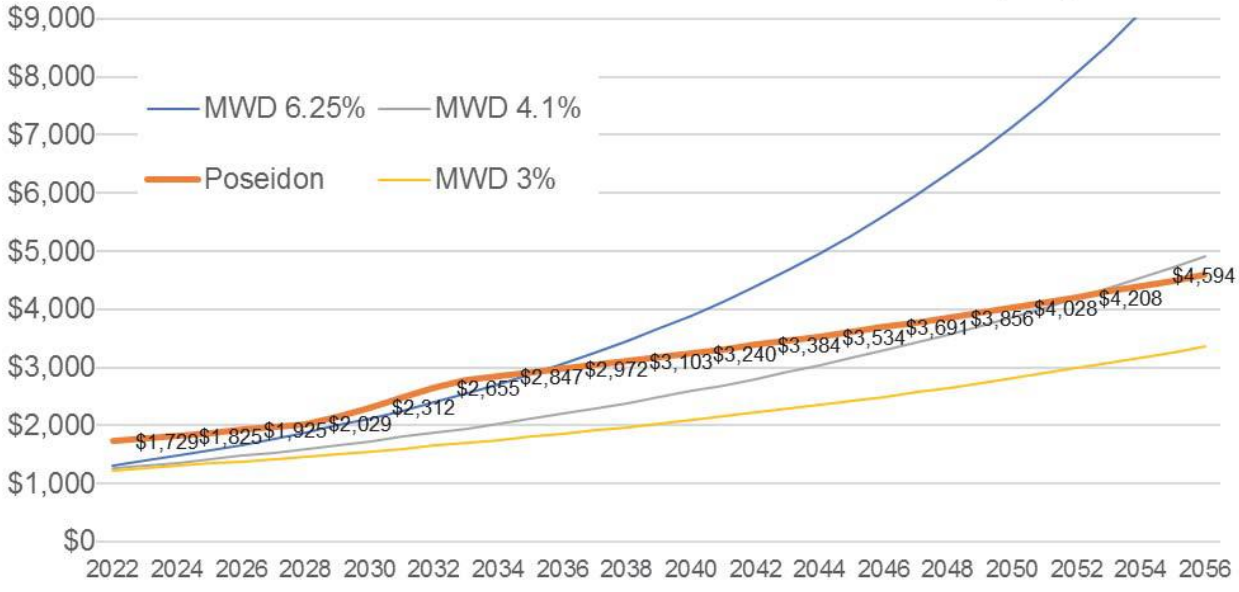
The charts below provide estimated future total project water unit costs compared with projected MWD Full Service Treated Tier 1 water rates. The first chart assumes a 30-year deal is approved with Poseidon. The second chart is based upon a 35-year deal.

The charts include MWD's current rate projections for the next ten years, which incorporate 4.1% annual increases under the assumption that the California Water Fix - twin tunnel project moves forward. A 6.25% MET rate increase projection (representing MET historical rate increases over the past 50 years) and a 3% annual MET rate increase projection (representing the California Water Fix - one tunnel option occurs or that no project occurs and MWD develops additional local supplies) are also shown on the charts.

Poseidon vs MWD Unit Cost - 30 Year Alternative (\$/af)



Poseidon vs MWD Unit Cost - 35 Year Alternative (\$/af)



Permitting Update

Poseidon continues working with the Santa Ana Regional Water Quality Control Board (SARWQCB) to renew and update its existing National Pollution Discharge Elimination System permit. Poseidon needs to comply with new regulations (referred to as the Ocean

Plan amendments) which were approved by the State Water Resources Control Board in May 2015. As this is the first project that is being permitted under the new amendments, the additional work is causing permitting delays. Poseidon expects the SARWQCB to act on its permit in the next 6 to 9 months. Assuming success, Poseidon would then seek a permit from the California Coastal Commission in 2019.

Other General Financial Impacts

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

ISSUE BRIEF # F

SUBJECT: Orange County Reliability Projects

RECENT ACTIVITY

Central Pool Augmentation Project

The intention of the Central Pool Augmentation (CPA) Project is a major water conveyance and treatment system that augments deliveries of potable water to Metropolitan's Central Pool. Water from Lake Mathews would be treated at a new regional treatment plant located at Eagle Valley, and delivered to the Central Pool area through a pipeline and tunnel system extending under the Santa Ana Mountains into Orange County. Metropolitan's Central Pool area is an operational area located in the center of its service territory, comprising all areas served by the Jensen, Weymouth, and Diemer treatment plants.

(Nothing New to Report) Status of the CPA Project

Metropolitan has deferred the CPA Project and placed this project beyond the 25 year time horizon for CIP projects. However, Metropolitan continues to preserve the project's viability by; monitoring activity along the project's proposed alignment including the tunnel portals, maintaining coordination with member agencies to see if water demands increase, and maintaining key right-of-way areas (MET owns the Eagle Valley water treatment plant site).

Orange County Water Reliability Study

MWDOC staff has been working to obtain the updated modeling of State Water Project supplies with the WaterFix in place assuming MET only participates in the yield from one of the tunnels (this assumes that the yield from the second tunnel goes to other entities). In addition, MWDOC staff has been working to prepare updated MET water rate forecasts for the same scenario. MWDOC was recently able to obtain the requested information from MET and is continuing with the collection of data on the cost of local projects. The information has been slow to arrive. Our current schedule anticipates the following schedule for completing the OC Water Reliability Study:

July – Host a workshop with our consultant, member agencies, and the Three Cities; receive initial reactions, input and responses from the agencies

August – Brief MWDOC's P&O Committee on the various analyses including the initial responses from our agencies. Finish any remaining updates or analyses.

September – Complete the study documentation and planned presentation to WACO

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 discussing concepts for pumping groundwater into the EOCF No. 2 for conveyance to SOC during an emergency event. MWDOC staff had a preliminary discussion with MET senior staff at a February 8, 2018 meeting. A follow-up meeting was held on June 18, 2018 to continue working on these concepts. MET has assigned a senior staff member (Mickey Chaudhuri – MET Assistant Chief of Operations) to be the MET lead for this effort. MWDOC staff will continue to pursue these concepts and will facilitate meetings between MWDOC and MET's legal counsels as necessary.

ISSUE BRIEF # H

SUBJECT: South Orange County Projects

RECENT ACTIVITY

UPDATED - Doheny Desal Project

South Coast WD released the Doheny Ocean Desalination Project Draft Environmental Impact Report (EIR) on May 17, 2018 for public comments and a Draft EIR Public Meeting was held on June 26, 2018. Comments on the Draft EIR are due by July 23, 2018.

A Request for Qualifications (RFQ) for a 3rd party legal firm to assist with Design-Build-Operate (DBO) contract development has been released.

SMWD Trampas Canyon Recycled Water Reservoir

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

The Notice to Proceed was issued January 30, 2018 and the project is now approximately 17% complete. The project is currently projected to conclude on or before January 2, 2020; however, additional embankment work on the Main Dam may push the completion date to April 2020.

San Juan Watershed Project

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

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

Other Information on South County Projects:

Expansion of the South County Interconnection Project

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

September beginning in 2020 and goes to zero in all months by 2030. Under all circumstances IRWD will provide best efforts to help with emergency supplies.

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

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

Laguna Beach County Water District Groundwater Project with Newport Beach

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

Meetings were held on February 8th and June 18, 2018 between MWDOC staff and senior MET staff to discuss a series of alternatives for CM-1; and the concurrent ability to deliver MET water and groundwater to LBCWD through Newport Beach's water system. MET has indicated that it would prefer to leave the CM-1 facility 'as-is' due to the cost of the alternatives. Current operations allows water to become stagnant at the end of the pipeline between CM-8 and CM-1. Under current procedures MET needs about a week to drain, refill, and confirm bacteria tests before they can serve water through CM-1.

Camp Pendleton Seawater Desalination Project

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

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

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
June 12, 2018**

COMMITTEE ASSIGNMENTS

Director Treviño was appointed as Vice Chair of the Real Property and Asset Management Committee. Director Dake will remain a member on the Real Property and Asset Management Committee. **(Agenda Item 5C)**

FINANCE AND INSURANCE COMMITTEE

Approved the Statement of Investment Policy for fiscal year 2018/19; and delegated authority to the Treasurer to invest Metropolitan's funds for fiscal year 2018/19. **(Agenda Item 8-1)**

ENGINEERING AND OPERATIONS COMMITTEE

Appropriated \$7.7 million; awarded \$5,553,669 million contract to Henkels & McCoy, Inc. to replace the 2.4 kV power line at Intake Pumping Plant. (Appropriation No. 15438) **(Agenda Item 8-2)**

Appropriated \$10 million; authorized the General Manager to initiate capital projects costing less than \$400,000 and perform all required work including the preparation of necessary environmental documentation; and designated the General Manager as the decision-making body for purposes of reviewing, approving, and certifying any environmental documentation that may be required for such projects. (Appropriation No. 15504) **(Agenda Item 8-3)**

WATER PLANNING AND STEWARDSHIP COMMITTEE

Authorized the General Manager to make payment of up to \$708,800 for the Colorado River Board/Six Agency Committee and Authority for fiscal year 2018/19. **(Agenda Item 8-4)**

CONSENT CALENDAR

In other actions, the Board:

Approved up to \$1.176 million to renew all the expiring excess liability and specialty insurance policies, and maintain the same retentions and coverage limits. **(Agenda Item 7-1)**

Appropriated \$450,000; and replaced the Energy Management System with the Water Ordering and Energy Scheduling System, incorporating additional scheduling and reporting functionality. **(Agenda Item 7-2)**

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

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser

<http://edmsidm.mwdh2o.com/idmweb/home.asp>

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



DRAFT AGENDA

Board Meeting

July 10, 2018

12:00 p.m. – Boardroom

July 10, 2018 Meeting Schedule		
9:00 a.m.	L&C	Rm. 2-145
10:00 a.m.	RP&AM	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: TBD
- (b) Pledge of Allegiance: Director Glen Peterson,
Las Virgenes MWD

2. Roll Call

3. Determination of a Quorum

- 4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))**

5. OTHER MATTERS

- A. Approval of the Minutes of the Meeting for June 12, 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 June
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report
- G. Adopt motion to adjourn to a Special Board Meeting to be held jointly with the Finance and Insurance Committee on August 20, 2018 to establish tax rate; and adjourn the Regular August Board Meeting to August 21, 2018. (Committees to meet on August 20 and 21, 2018)

6. DEPARTMENT HEADS' REPORTS

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

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Adopt CEQA determination and appropriate \$2.2 million; award \$1,696,742.50 procurement contract to Tornquist Machinery to furnish a vertical machining center; and authorize increase of \$200,000 to agreement with Richard Brady & Associates, Inc., for a new not-to-exceed total of \$646,000, for the La Verne Shops Upgrades (Appropriation No. 15395). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

- a. xxx; and
- b. xxx.

- 7-2** Adopt CEQA determination and appropriate \$785,000; and authorize installation of internal seals within the San Diego Pipeline No. 1 (Appropriation No. 15503). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

- a. xxx; and
- b. xxx.

- 7-3** Adopt CEQA determination and authorize granting a lease agreement to the Western Science Center for the construction, operation, and maintenance of a new sign on Metropolitan fee-owned property in the city of Hemet within the county of Riverside. (RP&AM)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

END OF CONSENT CALENDAR

8. OTHER BOARD ITEMS — ACTION

- 8-1** Adopt CEQA determination and appropriate \$2.3 million; and authorize: (1) final design to replace the domestic water treatment systems at the Colorado River Aqueduct pumping plants; and (2) final design to replace the roadway pavement at the pumping plant villages (Appropriation No. 15483). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-2** Adopt CEQA determination and appropriate \$2.76 million; and authorize: (1) design and construction of dewatering and monitoring upgrades for Palos Verdes Reservoir; and (2) design of a drainage system for the reservoir site (Appropriation No. 15417). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-3** Adopt CEQA determination and express support for the Water Supply and Water Quality Act of 2018. (C&L)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-4** Adopt CEQA determination and authorize payments of up to \$4.68 million for participation in the State Water Contractors, Inc. and the State Water Project Contractors Authority FY 2018/19. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

8-5

Adopt CEQA determination and authorize amendments to Palo Verde Valley farming leases in the Counties of Riverside and Imperial for Cox and Wegis Land Company, LLC, Joseph Albert Deconinck, Hayday Farms Ventures, LLC, and River Valley Ranches. (RP&AM)

[Conference with real property negotiators; agency negotiators: Karen Donovan and Kevin Donhoff; negotiating parties: Cox and Wegis Land Company, LLC, Joseph Albert Deconinck, Hayday Farms Ventures, LLC, and River Valley Ranches; for approximately 18,000 acres of land in the Palo Verde Valley area of California, both north and south of Interstate 10 near Blythe, California (see posted vicinity map), also known as Riverside County Assessor Parcel Nos. 878-081-001, 878-081-002, 878-081-004, 878-081-005, 878-081-006, 878-081-012, 878-082-001, 878-082-007, 878-111-004, 878-111-016, 878-111-017, 878-112-014, 878-112-015, 878-120-013, 878-120-015, 878-130-010, 878-130-011, 878-161-014, 878-161-015, 878-162-002, 878-162-003, 878-191-004, 878-192-001, 878-192-002, 878-192-003, 878-192-004, 878-193-004, 878-193-007, 878-193-011, 878-193-012, 878-193-013, 878-193-014, 878-201-001, 878-220-005, 878-220-014, 878-220-015, 878-220-016, 878-230-001, 878-230-006, 878-230-007, 878-230-008, 878-230-009, 878-230-010, 878-240-021, 879-210-026, 879-240-007, 879-240-029, 879-240-032, 879-240-033, 879-261-004, 879-262-005, 879-262-011, 879-262-014, 879-262-015, 866-130-001, 866-130-002, 866-130-003, 866-130-004, 866-210-006, 866-210-010, 866-240-004, 866-240-009, 866-250-008, 866-250-009, 866-250-011, 869-130-001, 869-270-006, 869-270-010, 869-291-002, 869-291-003, 869-291-005, 869-291-009, 869-292-001, 869-292-002, 869-292-003, 872-080-006, 872-080-007, 872-080-008, 872-090-005, 872-090-006, 872-090-007, 872-090-008, 872-100-001, 872-340-014, 872-340-018, 872-352-003, 872-352-010, 872-352-017, 872-360-001, 872-360-003, 872-370-002, 872-370-008, 872-370-013, 872-370-014, 872-370-016, 872-370-018, 875-021-001, 875-021-002, 875-021-006, 875-021-007, 875-021-008, 875-021-013, 875-021-014, 875-022-003, 875-022-004, 875-022-005, 875-022-006, 875-022-012, 875-030-012, 875-030-014, 875-030-027, 875-030-028, 875-040-006, 875-071-001, 875-071-002, 875-071-003, 875-071-004, 875-071-005, 875-071-006, 875-071-007, 875-071-012, 875-071-013, 875-071-014, 875-071-015, 875-131-005, 875-131-006, 875-131-009, 875-131-010, 875-171-001, 875-171-002, 875-250-010, 878-040-008, 878-050-003, 878-050-004, 878-050-005, 878-050-006, 878-050-010, 878-050-011, 878-050-012, 878-050-013, 878-060-002, 878-070-001, 878-092-003, 878-092-016, 878-092-017, 878-092-018, 878-101-004, 878-101-005, 878-151-004, 878-151-005, 878-152-003, 878-152-031, 878-202-003, 878-202-005, 878-240-009, 878-240-010, 878-240-011, 878-240-012, 821-100-018, 821-100-019, 821-150-018, 821-160-012, 821-160-013, 824-200-048, 863-140-002, 863-150-001, 863-170-005, 863-170-006, 863-180-003, 863-180-004, 863-180-005, 863-220-005, 866-040-004, 866-040-005, 866-040-007, 866-040-008, 866-080-001, 866-080-002, 866-080-003, 866-080-005, 866-080-012, 866-090-002, 866-090-009, 866-090-010, 866-090-013, 866-090-014, 872-150-005, 872-160-006, 872-160-007, 872-160-008, 872-160-009, 872-180-006, 872-180-009, 878-020-004, 878-020-005, 878-020-008, 878-030-009, 878-030-016, 878-091-001, 878-091-005, 878-091-006, 833-210-006, 833-210-012, 833-260-001, 833-260-003, 833-260-004, 833-260-005, 833-270-003, 833-270-004, 833-270-005, and Imperial County Assessor Parcel Nos. 006-090-003, 006-220-034, 006-220-010, 006-220-013, 006-220-058, 006-220-021, 006-220-022, 006-210-029, 006-210-009, 006-210-021, 006-220-019, 006-090-009, 006-090-010, 006-090-008, 006-090-013, 006-120-089, 006-090-012, 006-090-011, 006-220-057, 006-090-029, and 006-150-065; under negotiation: price and terms of payment; to be heard in closed session pursuant to Gov. Code Section 54956.8]

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-6** Adopt CEQA determination and rescind Board action taken on April 10, 2018 approving Board Item 8-7, which authorized Metropolitan to, inter alia, fund up to 64.6% of the total project costs of California WaterFix.

Adopt CEQA determinations and authorize Metropolitan to provide additional financial support of California WaterFix sufficient to fully fund the unsubscribed share of the project up to 64.6% of total project costs; authorize General Manager to execute certain agreements and agreement amendments related to financing, pre-construction and construction activities for California WaterFix; authorize funding of up to \$86 million for further contributions for study, review, planning, engineering, design, and other preconstruction capital costs subject to certain conditions; and authorize General Manager to negotiate draft terms and conditions for one or more multi-year transfers of State Water Project water supplies.

Recommendation:

Option #1:

Adopt the CEQA determination that the xxxx; and

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

- 8-7** Report on May 7, 2018 Notice of Brown Act Violation, adopt CEQA determination and authorize an increase in maximum amount payable under contract for legal services with Miller Barondess, LLP by \$250,000 to an amount not to exceed \$350,000. (L&C)

[Conference with legal counsel –significant exposure to litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2) and 54956.9(e)(5)]

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.