

WORKSHOP MEETING OF THE  
BOARD OF DIRECTORS WITH MET DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Fountain Valley, California  
May 6, 2020, 8:30 a.m.

**Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, MWDOC will be holding all upcoming Board and Committee meetings by Zoom Webinar and will be available by either computer or telephone audio as follows:**

**Computer Audio:** You can join the Zoom meeting by clicking on the following link:  
<https://zoom.us/j/8828665300>

**Telephone Audio:** (669) 900 9128 fees may apply  
(877) 853 5247 Toll-free  
**Webinar ID:** 882 866 5300#

## AGENDA

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### 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. 2096**

### ACTION ITEM

#### 1. ELECTION INFORMATION (CANDIDATE'S STATEMENTS)

*Recommendation: Review the information presented and decide whether to limit candidate statements to either 200 or 400 words and submit information to the Registrar of Voters, along with a statement that the District will either pay or not pay for the statements.*

**PRESENTATION/DISCUSSION ITEMS****2. INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION**

*Recommendation: Receive input and discuss the information.*

**3. METROPOLITAN'S 2020 INTEGRATED RESOURCES PLAN (IRP) DISCUSSION SERIES PART 5 – INTRODUCTION TO SCENARIO PLANNING AND CONTINUED LOCAL POLICY DISCUSSION**

*Recommendation: Review and discuss the information presented.*

**4. UPDATE REGARDING MET'S BIENNIAL BUDGET FOR FISCAL YEARS 20/21 AND 21/22**

*Recommendation: Review and discuss the information presented.*

**INFORMATION ITEMS****5. WATER SUPPLY CONDITIONS UPDATE**

*Recommendation: Receive and file the information presented.*

**6. DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE**

*Recommendation: Receive and file the information presented.*

**7. 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 in the Doheny and Huntington Beach Ocean (Poseidon) Desalination Projects
- f. South County Projects

*Recommendation: Review and discuss the information presented.*

**8. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

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

*Recommendation: Review and discuss the information presented.*

**CLOSED SESSION**

**9. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**  
**Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section**  
**54956.9: (One case)**

**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 accommodations should make the request with adequate time before the meeting for the District to provide the requested accommodations.



**ACTION ITEM**

May 6, 2020

**TO:** Board of Directors

**FROM:** Robert J. Hunter, General Manager

Staff Contact: Maribeth Goldsby, Board Secretary

**SUBJECT:** Election Information (Candidate's Statements)

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors review the information presented and decide whether to limit candidate statements to either 200 or 400 words and submit information to the Registrar of Voters, along with a statement that the District will either pay or not pay for the statements.

**COMMITTEE RECOMMENDATION**

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Due to the deadline outlined by the OC Registrar of Voters, this item was sent directly to the Board for consideration.

**SUMMARY**

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Each election, the Registrar of Voters requests information relative to the Candidate's Statements. This information includes whether or not the District will pay the Candidate's Statement cost, and whether the District will limit statements to either 200 or 400 words.

Historically, the Board limits candidate statements to 200 words, and does not authorize payment by the District.

Attached is the paperwork received from the OC Registrar; it is due back by May 20, 2020.

Budgeted (Y/N): N	Budgeted amount:	Core ____	Choice ____
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted): Candidate's Statements range in price (depending on length and number of candidates). For a 200 word statement the range could run \$1500-2500 each.			





**REGISTRAR OF VOTERS**  
1300 South Grand Avenue, Bldg. C  
Santa Ana, California 92705  
(714) 567-7600  
FAX (714) 567-7627  
ocvote.com

**NEAL KELLEY**  
Registrar of Voters

Mailing Address:  
P.O. Box 11298  
Santa Ana, California 92711

April 24, 2020

**RECEIVED**

APR 28 2020

MWD OF OC

**TO: General Manager/Director**

**FM: Marcia Nielsen, Candidate & Voter Services Manager**

**RE: Election Information for the November 3, 2020 Presidential General Election**

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Enclosed is a Transmittal of Election Information form to be completed and returned to the Registrar of Voters' office by **May 20, 2020**.

On the Transmittal of Election Information form, please **list the name(s) of Director(s)** whose term(s) expire and whose seat(s) will be scheduled for election on November 3, 2020. This would include any Director(s) appointed since your last election. Appointed Directors must file for the two-year unexpired term if they were appointed to fill a vacancy which would not have been scheduled for election until 2020.

We also need to know if your District **will** or **will not** pay for a Candidate's Statement of Qualifications and if the **District is authorizing 200 or 400 words** to be used in that statement.

Please send the completed Transmittal of Election Information form to me at Registrar of Voters, 1300 South Grand Avenue, Building C, Santa Ana, CA 92705 or email to **Marcia.Nielsen@rov.ocgov.com**.

Pursuant to Elections Code § 10522, the District is required to submit a map showing the current district boundary lines, with divisions (if any), regardless if changes have occurred by May 20, 2020. We would prefer to receive the map in **shape file format** by email to Matthew Eimers at **Matthew.Eimers@rov.ocgov.com**.

Candidate Filing for the November 3, 2020 Presidential General Election will be July 13, 2020 through August 7, 2020, 5:00 p.m. The Candidate's Handbook will be on our website before the filing period begins. We ask that you post this information to advise your members of these important dates.

If you have any questions, please contact me at **Marcia.Nielsen@rov.ocgov.com** or (714) 567-7568. Thanks for your assistance.

Enclosure

**TRANSMITTAL OF ELECTION INFORMATION SPECIAL DISTRICT**  
**(EC §10509, §10522)**

Municipal Water District of Orange County DISTRICT

### DISTRICT BOUNDARIES:

Choose One:

☒ I will send the Registrar of Voters an electronic shape file of District boundaries and the boundaries of the Divisions of the District, if any, in which a Director is to be elected at the November 3, 2020 Presidential General Election.

**(Note: This is the Registrar of Voters' preferred method of transmittal.)**

☐ Attached is a map showing the boundaries of this District and the boundaries of the Divisions of the District, if any, in which a Director is to be elected at the November 3, 2020 Presidential General Election.

Choose One:

Voters in the District will be voting: ☐ At-large ☒ By Division

**THE ELECTIVE OFFICES FOR WHICH AN ELECTION WILL BE HELD WITHIN THE SPECIAL DISTRICT ON NOVEMBER 3, 2020 ARE:**

Choose One:

\_\_\_\_\_  
(# of directors) Director(s) to be elected at-large

**OR**

Director(s) to be elected in the following Divisions:

$$\frac{1}{(\# \text{ of directors})} \text{ in Division } \frac{3}{(\# \text{ of division})}$$
$$\frac{1}{(\# \text{ of directors})} \text{ in Division } \frac{4}{(\# \text{ of division})}$$
$$\frac{1}{(\# \text{ of directors})} \text{ in Division } \frac{6}{(\# \text{ of division})}$$
$$\frac{1}{(\# \text{ of directors})} \text{ in Division } \frac{7}{(\# \text{ of division})}$$

Please list below the names of the Incumbents/Appointed Incumbents for the above-mentioned positions:

(Name) Robert "Bob" McVicker ☐ Elected ☒ Appointed (If appointed, the term ends in 2020.)

(Name) Joan C. Finnegan      ☒ Elected    ☐ Appointed (If appointed, the term ends in 20\_\_.)

(Name) Jeffery M. Thomas      ☒ Elected    ☐ Appointed (If appointed, the term ends in 20\_\_.)

(Name) Megan Yoo Schneider    ☒ Elected    ☐ Appointed (If appointed, the term ends in 20\_\_.)

The District authorizes the Candidate's Statement of Qualifications to contain no more than:

**(Circle one)** (200) or (400) words.

The District (will) or (will not) pay for a Candidate's Statement of Qualifications.

Dated \_\_\_\_\_

(Signature)

(District Seal)

(Print Name)

Phone #: \_\_\_\_\_ Email: \_\_\_\_\_

**NOTE:** Please return the above information no later than **May 20, 2020** to the Registrar of Voters' office, 1300 South Grand Avenue, Building C, Santa Ana, CA 92705, Attn: Marcia Nielsen or email to [Marcia.Nielsen@rov.ocgov.com](mailto:Marcia.Nielsen@rov.ocgov.com). Send the boundary map to Matthew Eimers at 1300 South Grand Avenue, Building C, Santa Ana, CA 92705 or at [Matthew.Eimers@rov.ocgov.com](mailto:Matthew.Eimers@rov.ocgov.com).



**DISCUSSION ITEM**

May 6, 2020

**TO: Board of Directors**  
**FROM: Robert Hunter, General Manager**

Staff Contact: Harvey De La Torre  
Melissa Baum-Haley

**SUBJECT: METROPOLITAN'S 2020 INTEGRATED RESOURCES PLAN (IRP)  
DISCUSSION SERIES PART 5 – INTRODUCTION TO SCENARIO  
PLANNING AND CONTINUED LOCAL POLICY DISCUSSION**

**STAFF RECOMMENDATION**

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

**REPORT**

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In continuation of our discussion series on Metropolitan's 2020 Integrated Water Resources Plan (IRP) we will introduce the Scenario Planning methodology and continue with our policy dialogue. To facilitate this dialogue, Metropolitan staff has been invited to present on the anticipated process and outcomes, Scenario Planning roadmap, and stakeholder outreach approach. Additionally MWD OC staff will continue the discussion from last month on the identified key policy areas.

**Introduction to Scenario Planning Methodology**

At the April 28 Metropolitan IRP Committee meeting, Metropolitan staff provided a white paper on the Decision Support Planning Method for Scenario Planning that Metropolitan will employ to support the policy development and technical analysis in the 2020 IRP. The full white paper on Scenario Planning is attached.

The Scenario Planning process for the 2020 IRP will involve four key steps:

1. Identifying Drivers of Change that will affect the future
2. Constructing Learning Scenarios that reflect alternative outcomes of the future

<b>Budgeted (Y/N):</b> N/A	Budgeted amount: None	Core <u>X</u>	Choice <u>  </u>
<b>Action item amount:</b> N/A		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			



3. Developing Resource Mixes that combine resource and policy approaches to addressing the future scenarios
4. Developing an Adaptive Management Strategy

The primary product from the analysis of each individual scenario is a Resource Mix that specifically addresses the water supply goals for that scenario. Each Resource Mix is a plan that describes the resource development needs, timing and cost that would be needed to meet policy goals within a scenario.

Comparing the elements of the various Resource Mixes developed across the multiple alternative scenarios will provide two key types of information:

- The identification of Resource Mix **actions that are common** in many or all scenarios.
- The identification of Resource Mix **actions that are unique** but effective for specific future outcomes.

Information on both types of actions will be useful in determining an IRP Adaptive Management Strategy that will develop the common actions while monitoring ongoing conditions that may indicate the need for implementing actions to adapt to a more specific future.

### **Continued Policy Area Discussion**

As highlighted during the February IRP Committee meeting, the Metropolitan Board will engage in policy discussion focusing on these key areas:

- Demand projections
- Local Supply projects
- Definition of reliability and resiliency
- Metropolitan's role and rate structure

These key policy areas stem from current conditions we are seeing today, among them are lower than anticipated demands, record high storage, supply uncertainties (e.g. Delta Conveyance, Climate Change, etc.), and the continued encouragement of local projects and other demand management activities.

At our April 1 MWDOC Joint Board Workshop, we had a robust discussion on these key policy areas. Towards the end of the discussion, President Tamaribuchi noted that due to the importance of this The 2020 IRP, he would like further input on these issues from our member agency as MET develops the 2020 IRP.

In an effort to receive more feedback, MWDOC staff developed a survey for the MWDOC Member Agencies. The survey contained questions very similar to what was discussed at our April Joint Board Workshop. A sample survey questionnaire is attached.

Based on the feedback received by the Member Agencies (n = 15) the following key themes were observed from their responses:

- **Perception of the future** – The vast majority foresee a near-term planning horizon where the projected supplies are forecasted to exceed demand.
  - a. This is aligned with the notion that Metropolitan is at a crossroads as it approaches its second century of service. As the 2020 IRP scenarios takes

shape, there are considerations of how the fundamental mission hold relevant.

- **Reliability & Resiliency** – The responses illustrate, the need for Metropolitan to focus reliability of supplies should be a fundamental area of responsibility. This leads to the questions of whether Metropolitan:
  - a. Reliability of Metropolitan’s existing supplies
    - i. Does its current Resource Mix provide supplies to meet the demands of the region?
    - ii. Can the current Resource Mix be maintained to provide adequate supplies to meet the demands of the region or are further actions needed?
  - b. Reliability of the region’s future needs
    - i. Should be the developer of further resources beyond its existing Resource Mix?
- **IRP Modeling and Gap Development** – Consistent with the process established through the OC Reliability Study and within the sample set, there was general consensus for the following:
  - a. The recommendation is that Metropolitan should consider a percentage of new local project production proportional to the project's phase of development within the modeling of Member Agency local supply plans (i.e., future local projects) within the IRP.
  - b. Metropolitan could establish an acceptable Water Supply Reliability Goal that is less than 100% of the reliability gap.
  - c. In assessing the reliability gap, MET should also incorporate the service area’s response during a drought. For example, including a voluntary water use reduction of 5-10% during early stages of drought contingency planning.
- **Local Priorities** - While the MWD OC Member Agencies considered the supply reliability to be a fundamental focus of Metropolitan’s planning, the consideration of demand projection appears to be more of a priority of local agencies.
- **Demand Management** – There was general consensus for the benefits of demand management activities in the form of conservation and local resource incentives. However, there were questions raised upon providing LRP incentive payments when supplies were sufficient to meet demands. While Metropolitan’s role may not change, the level of activity in the areas of demand management, local supply development, and reliability/resilience may need to adapt.

### **Next Steps**

In the coming months, MWD OC staff will continue discussion of the Scenario Planning process through identification of Drivers of Change, supply projections for Resource Mixes,

and the Adaptive Management Strategies associated the identified policy issues within the 2020 IRP.

**ATTACHMENT: (1) Metropolitan White Paper on Scenario Planning**

**(2) Metropolitan Presentation on 2020 IRP Scenario Planning and Outreach**

**(3) Sample of the MWDOC Member Agency IRP Feedback Survey**

**(4) MWDOC Presentation on Member Agency IRP Feedback Survey**

# Scenario Planning in the 2020 IRP – An Approach for Exploring Uncertainty for Water Planning and Policy Discussion

## Summary

To support the policy development and technical analysis in the 2020 IRP, Metropolitan is employing a Decision Support Planning Method called Scenario Planning. In Scenario Planning, important and uncertain Drivers of Change are identified and used to envision multiple alternative futures. Planning over these multiple alternative futures helps to explore a much wider range of needs and impacts than traditional single-path deterministic planning can do.

The Scenario Planning process for the 2020 IRP will involve four key steps: Identifying Drivers of Change that will affect the future, constructing Learning Scenarios that reflect alternative outcomes of the future, developing Resource Mixes that combine resource and policy approaches to addressing the future scenarios, and developing an Adaptive Management Strategy.

The primary product from the analysis of each individual scenario is a Resource Mix that specifically addresses the water supply goals for that scenario. Each Resource Mix is a plan that describes the resource development needs, timing and cost that would be needed to meet policy goals within a scenario. Comparing the elements of the various Resource Mixes developed across the multiple alternative scenarios will provide two key types of information. The first is the identification of Resource Mix actions that are common in many or all scenarios. The second is the identification of actions that are unique but effective for specific future outcomes. Information on both types of actions will be useful in determining an IRP Adaptive Management Strategy that will develop the common actions while monitoring ongoing conditions that may indicate the need for implementing actions to adapt to a more specific future.

## Background

*“The future ain’t what it used to be” – Yogi Berra*

The year 2020 marks the conclusion of a 25-year planning cycle that was first envisioned by Metropolitan’s inaugural 1996 Integrated Resources Plan. As such, the 2020 IRP provides a unique opportunity to reflect on the lessons learned and outcomes of decisions made over the planning horizon.

The 1996 IRP and subsequent IRPs recognized that planning for uncertainty was important and that the region’s plans would need to account for a range of demands and water supplies. However, at that time, uncertainty was mostly focused on year-to-year hydrologic and weather-based impacts. This resulted in “deterministic” forecasting, which essentially generated a single “best path” for

forecasted water supplies and demands, with estimated variation from wet/dry and hot/cold conditions. Underlying drivers such as demographic growth, regulatory change, and consumer behavior were treated more as predictable forecasts and not as the uncertain factors that they proved to be over that period. Although the range of water supply and demand forecasts mostly covered the range of actual water supplies and demands experienced in the planning cycle, there is a recognition that future ranges may be more uncertain.

A major lesson learned from the planning cycle is that these underlying drivers of supply and demand are not readily predictable and that their outcomes have a significant impact on the region's water supply reliability. Project implementation, regulatory risk/reduction, economic recession/growth, demographic growth, end-use consumer behavior, extreme weather/hydrology were all more unpredictable over the past 20 years than forecasted. Project Implementation decisions, financial investment and other policy outcomes were all affected by the combination of actual outcomes of these different drivers.

The 2020 IRP will build on lessons learned by using a Decision Support Planning Method known as Scenario Planning. In a Scenario Planning approach, multiple alternative futures are envisioned and explored. This approach results in a greater understanding of a wider range of potential outcomes. In turn, those outcomes will allow a greater understanding of potential challenges to water supply reliability and the impacts of potential policy direction. In Scenario Planning, the primary goal and outcome is improved learning. The learning takes place over a wider range of uncertain outcomes, resulting in a better understanding of the needs and impacts of investments and policy decisions.

## Glossary of Terms

The following are key terms that are used throughout this paper and will also be used during the IRP process.

- **Water Supply Reliability** – Consumers having access to and receiving water to meet their demands with no curtailment
- **Water Supply Reliability Goal** – A policy goal that sets the maximum frequency and depth of water supply curtailments that the region's water supply and demand management Resource Mix should provide
- **Scenario** – A singular view of the future under specified assumptions and outcomes
- **Scenario Planning** – A Decision Support Planning method that employs the use of multiple alternative futures described by Scenarios
- **Fundamental Outcomes** – For the purposes of supporting and informing high level IRP policy discussions, these are the general uncertainties whose outcomes have impact: Demand, Local Supply, Imported Supply
- **Drivers of Change** – Specific factors whose future values and outcomes are uncertain, but significantly impact future water supply reliability
- **Learning Scenario** – A detailed scenario that includes quantified outcomes of various Drivers of Change and can be used to inform the development of specific water resources and demand management actions and signposts



- **Resource Mix** – A resource and demand management development plan that describes the investments and policy approaches needed to meet water supply goals within a Scenario
- **Signposts** – Measurable indicators of the direction and trends of identified Drivers of Change through time
- **Robust Actions** – Water resource and demand management actions that are determined to be common to many/all future scenarios and whose implementation would not be better informed through signposts
- **Adaptation Actions** – Water resources and demand management actions that are specific to a smaller set of future scenarios and whose implementation would be better informed through signposts

## Scenario Planning Method Description and Approach for IRP

Knowing that future water supplies and demands are unpredictable for a variety of reasons, how can Metropolitan best prepare Southern California for continued water resilience and sustainability? The 2020 IRP will address this question by adopting a Decision Support Planning method known as Scenario Planning. With Scenario Planning, multiple futures are envisioned and systematically explored. Scenarios are not forecasts or predictions; rather, they offer dynamic views of the future by exploring various trajectories of change that lead to a broadening range of plausible alternative futures.<sup>1</sup> Scenario Planning offers advantages over traditional deterministic forecasting through deliberative consideration of a wider range of potential outcomes, which in turn allow for more thorough understanding of potential challenges to water supply reliability. Such learning helps inform applicable potential policy direction suitable to meet those challenges. In short, Scenario Planning will provide the 2020 IRP to integrate highly uncertain and uncontrollable factors, such as climate change, into water resource decision making.

The overall concept of Scenario Planning is straightforward: Envision a scenario of the future. Identify a plan of solutions and policies that effectively deal with the outcomes within that future. Repeat with a series of multiple futures. Analyze the outcomes of the multiple futures to identify solutions and policies that are “robust” across a variety of futures. Understand the underlying drivers that lead to different futures.

The approach to using Scenario Planning for the 2020 IRP is being tailored to inform and support the goals of Metropolitan in the 2020 IRP Process. The approach will specifically help to inform:

- Policy discussion and direction
- Water resources investment needs
- Risks to future water supply reliability
- Development of an adaptive management strategy

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<sup>1</sup> Mahmoud M., Liu Y., Hartmann H., Stewart S., Wagener T., Semmens D., Stewart R., Gupta H., Dominguez D., Dominguez F., Hulse D., Letcher R., Rashleigh B., Smith C., Street R., Ticehurst J., Twery M., van Delden H., Waldick R., White D., Winter L., “A formal framework for scenario development in support of environmental decision-making”, *Environmental Modelling & Software*, vol. 24, 2009, p. 798-808. Available at [https://www.researchgate.net/publication/220274818\\_A\\_formal\\_framework\\_for\\_scenario\\_development\\_in\\_support\\_of\\_environmental\\_decision-making](https://www.researchgate.net/publication/220274818_A_formal_framework_for_scenario_development_in_support_of_environmental_decision-making)

The Scenario Planning approach for the 2020 IRP can be described as a series of steps:

#	Step	What/Description	Who
1	Identify <b>Drivers of Change</b>	“What concerns you the most, what keeps you up at night?” These are the building blocks of developing <b>Learning Scenarios</b>	Stakeholders – Member Agencies and IRP Committee
2	Develop <b>Learning Scenarios</b>	Internally consistent scenarios with detailed and quantified information	Metropolitan Staff
3	Develop <b>Resource Mix</b> for each Learning Scenario	<ul style="list-style-type: none"> <li>Develop a <b>Resource Mix</b> to meet water supply reliability targets for each scenario</li> <li>Assess outcomes of policy direction and decisions within each scenario</li> <li>Develop comparable cost estimates for <b>Resource Mix</b></li> </ul>	Board discussion Metropolitan Staff
4	Develop <b>Adaptive Management Strategy</b>	Evaluate Resources Mixes to identify Robust Actions, Adaptation Actions and Signposts and incorporate into an Adaptive Management Strategy	Board discussion Metropolitan Staff

### 1. *Identify Drivers of Change*

There are a complex variety of specific underlying factors that impact water supply and demand. The outcomes of these factors can and will greatly affect the actual outcomes of the future water supply reliability. For example, residential water use, which comprises roughly 70 percent of total water demand in Southern California today, is highly uncertain in the future. This is because of the importance and uncertainty of underlying factors such as population, income levels, and the water use behaviors of the residential consumer. These underlying factors are “Drivers of Change”, so named due to their uncertain but influential impact on the future.

Gathering input on the important Drivers of Change will be done through a stakeholder process involving the IRP Committee, the Member Agencies and other regional stakeholders. The IRP Committee and the Member Agencies will be engaged to provide input on “What concerns you the most, what keeps you up at night?” regarding potential uncertainties that affect future water supply reliability and policy. This is a key part of the Learning Scenario building process. The goal is to identify factors whose importance and uncertainty is large and significant so that the exploration of the uncertainty and their interaction with other factors will describe Learning Scenarios with futures that will cover a wide range of outcomes.

Following the stakeholder and Member Agency input, staff will collate and report on the drivers of change to the IRP Committee. The IRP Committee will be asked for additional input and discussion. Based on the input, staff will incorporate the most important and uncertain drivers of change into the development of Learning Scenarios.

## *2. Develop Learning Scenarios*

The most important Drivers of Change will form the building blocks for the development of Learning Scenarios. Learning Scenarios will have detailed and quantified information and impacts of their underlying Drivers of Changes. Relationships between the Drivers of Change will be identified to ensure that the constructed Learning Scenarios are internally consistent and cover a wide range of possible futures.

The level of detail within the Learning Scenarios will allow for the identification of specific Resource Mixes and the analysis of the influence and outcomes policy options. The process of developing the Learning Scenarios will support the discussion and deliberation of policy questions. It will also help to inform the development of “Signposts,” which are essentially indicators of the trends and direction of the “drivers of change” that will be used to inform adaptation actions in the future. Staff will employ the use of two Expert Panels in the areas of water demand and climate change to help inform the Learning Scenarios.

## *3. Develop a Resource Mix for Each Learning Scenario*

The Learning Scenarios will portray alternative futures that differ based on various outcomes of the Drivers of Change. Each future will result in a different outcome for water supply and demand but do not offer solutions in and of themselves. Staff will quantify and analyze the Learning Scenarios to develop Resource Mixes utilizing policy discussion and direction. The result of this will be that each Learning Scenario will have:

- A Resource Mix to meet a water supply reliability goal with data on timing of resource actions
- Estimated cost information associated with the Resource Mix
- An assessment of the outcome of policy direction and decisions

## *4. Develop Adaptive Management Strategy*

Each Learning Scenario will result in a Resource Mix with cost and policy outcomes. Quantifying and analyzing the findings across the various Learning Scenarios may reveal actions and outcomes that are common to many/all of the Learning scenarios. These Robust Actions can serve as the basis for a basic IRP implementation strategy of programs and policies that essentially provide value regardless of the outcome of the future.

Conversely, there will be actions and outcomes that may only provide value under the circumstances of one or few Learning Scenarios. These actions are Adaptation Actions, which should be considered for implementation when better information indicates an increased likelihood that they will be needed.

The circumstances under which an Adaptation Action would be needed in the future to augment the basic IRP implementation strategy are identified by analyzing the underlying Drivers of Change that caused the need for the action in a Learning Scenario. This forms the basis for Signposts. Signposts are measurable data and information that may give early indications as to the future direction of a Driver of Change. For example, if population and housing growth are Drivers of Change that indicate the future level of water demand, annual California Department of Finance population estimates

and county-level new housing construction permits may serve as Signposts that can be monitored over time to get a better idea of growth that is occurring.

Signpost monitoring and reporting would form the basis of an Adaptive Management Strategy that the Board could utilize over time to make better informed resource investments and policy direction.

## Additional Considerations

There are several additional considerations that will need to be managed in the Scenario Planning approach for the 2020 IRP. These considerations mostly deal with the fact that Metropolitan is a large regional agency whose policies and implementation approaches may have an influence on how elements of the future unfold. It will be important that the approach clearly identifies drivers of change that are controllable or affected by Metropolitan's actions, and to ensure that drivers of change, policy decisions and implementation or adaptation actions are managed appropriately in the process. For example, retail agency-level compliance with the State's "Conservation as a Way of Life" legislation may be affected by the role that Metropolitan takes in researching, encouraging and incentivizing water use efficiency in the future.

## An Example of Learning Scenario Development and Use

The following is an example of how the Learning Scenario development process works. This assumes that the first two steps of the scenario process have taken place, where the first step helps to ensure we will address the right policy questions and the second step identifies significant Drivers of Change. Assume for this example that the stakeholder, Member Agency and IRP Committee input process identified the following important and uncertain Drivers of Change:

- Economic Growth
- Residential water use efficiency and behavior
- Climate Change - Increased temperatures/Decreased rain and snow
- Local agency development of local supplies
- Regulatory/Emerging Contaminants impact on groundwater supplies

Staff would analyze and evaluate these Drivers of Change and construct a Learning Scenario, which would be one of multiple scenarios that would be developed to get a wider view of a possible futures. The Learning Scenario would have a descriptive name and narrative that describes the conditions under which the future unfolds. In this example, the Learning Scenario is named and described as follows:

### "Water Supply Challenges in a World of Awareness"

Southern California's economy thrives over the next 25 years, supporting job and income growth. Population and occupied housing rise. However, retail level water consumers have embraced and supported more efficient building standards and water use habits and devices. Housing stock is "smarter" and more vertical, with less housing density per square mile. There is higher self-investment in both indoor and outdoor water use efficiency, with less outdoor water

irrigation needs, which also leads to sustained lower per-capita water use. Despite the healthy economy, local supply production has been challenged due to impacts of contaminants on both existing groundwater and on the slower than expected progress on implementation of local supplies due to hesitancy to invest in local supplies in the face of continued losses. In addition, climate change is affecting supply and demand. Both local and imported supplies are challenged by climate change, with the impacts of increased temperatures and decreased/changed precipitation pattern while increasing temperatures and changes in rainfall put an increasing pressure on the remaining outdoor water use.

The scenario elements would be analyzed and quantified to determine what outcomes would occur for demand, local supply, imported supply and storage based on the conditions of the underlying Drivers of Change. Quantification and analysis, using models that estimate water demand, supply and water resource operations and use, would help to inform questions like:

- What level of total retail demands will there be over the next 25 years, with:
  - A healthy economy with a growing population, housing stock and job growth
  - Reduced per-capita use due to less landscape area and more efficient outdoor water use
  - Increased outdoor watering requirements from the higher temperatures of climate change
- What does local supply production look like over the next 25 years, with:
  - Losses of groundwater production due to emerging contaminants
  - Reduced local production from impacts of increased temperatures and changes in precipitation
  - Lower levels of new self-funded local production
- What is the water supply reliability of total supplies and storage in meeting total demand over the next 25 years with existing supplies and losses in supplies associated with this scenario?
- What would be a Metropolitan-directed Resource Mix of augmented supplies and demand management actions that would achieve the reliability goal?
- How do storage reserves, which provides supply resiliency in addition to water supply reliability, perform over the next 25 years with and without the implementation of a Resource Mix?
- What are the cost implications (capital, O&M, local agency/Metropolitan share, others) from the development path described by the Resource Mix?

Analysis and learning for this Learning Scenario, together with any number of other contrasting but plausible scenarios, helps to chart a common path of low-regret Robust Actions that may be resilient across a wide range of futures. As an example, there could be a Learning Scenario to explore an alternative future to the “Water Supply Challenges in a World of Awareness” above, with a name and narrative:

“Local Water Supply Thrives In a Lush Landscape”

Southern California’s economy thrives over the next 25 years, supporting job and income growth. Population and occupied housing rise. However, while retail level water consumers have embraced and supported more efficient building standards and efficient indoor water use

habits and devices, the desire for outdoor landscaped areas has increased. Housing stock includes more irrigable area for turf and tree cover leading to higher per-capita water use. Local supply production has not been impacted significantly from regulation of contaminants on both existing groundwater and local agencies have been able to invest in new local supplies without regional incentives. Climate change is affecting both local and imported supplies with the impacts of increased temperatures and decreased/changed precipitation pattern while increasing temperatures and changes in rainfall put an increasing pressure on the remaining outdoor water use. Imported supplies from the State Water Project are additionally impacted by higher than expected sea level rise.

Compared to the first scenario, this scenario would likely have:

- Higher total demand due to outdoor irrigation and climate change impacts
- Higher local supply production from existing and new local supply projects
- Lower State Water Project supplies due to increased salinity levels from sea level rise

The Resource Mix required to meet the reliability goal under this second scenario would be different than under the first scenario. This is because the underlying conditions of some of the Drivers of Change are different, resulting in different supply and demand gaps in terms of timing and quantity. For example, there would likely be a higher need for actions that maintain and increase local supplies in the first scenario because of groundwater losses and lower self-funded development of new local supplies. These actions would increase the cost of Metropolitan's investment in the development of the local supplies in that Resource Mix.

Comparing the actions to develop the appropriate Resource Mix for each scenario may reveal actions that will make sense to have in either scenario. For example, climate change is in both Learning Scenarios and so actions to protect existing resources from climate change impacts may be part of the Resource Mixes for each. These common actions would be considered Robust Actions that Metropolitan should strongly consider taking under any scenario.



# 2020 IRP Scenario Planning and Outreach

Integrated Resources Plan

Item 3a

April 28, 2020

# Overview

- Activities to date
- 2020 IRP Roadmap
  - **Whitepaper**
- Identify relevant policy questions
  - **Areas the 2020 IRP will address**

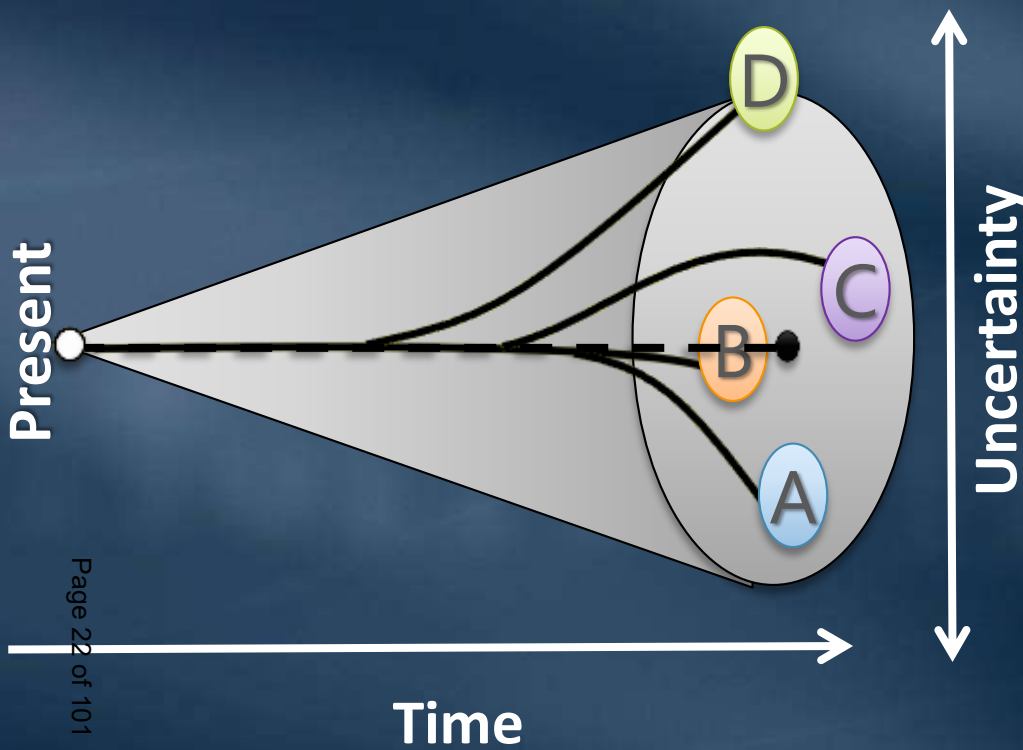


# Activities to Date

- February 25 - IRP Committee Mtg. Kick-off
  - Introduced scenario planning approach
  - Identified major policy areas
- March 24 IRP Committee Cancelled
- March 13 and April 17 – MAM Meetings
  - Anticipated process and outcomes
  - Scenario planning roadmap
  - Stakeholder outreach approach
- April 28 – IRP Committee Mtg.
  - Whitepaper

# Lessons from a 25-year Planning Cycle

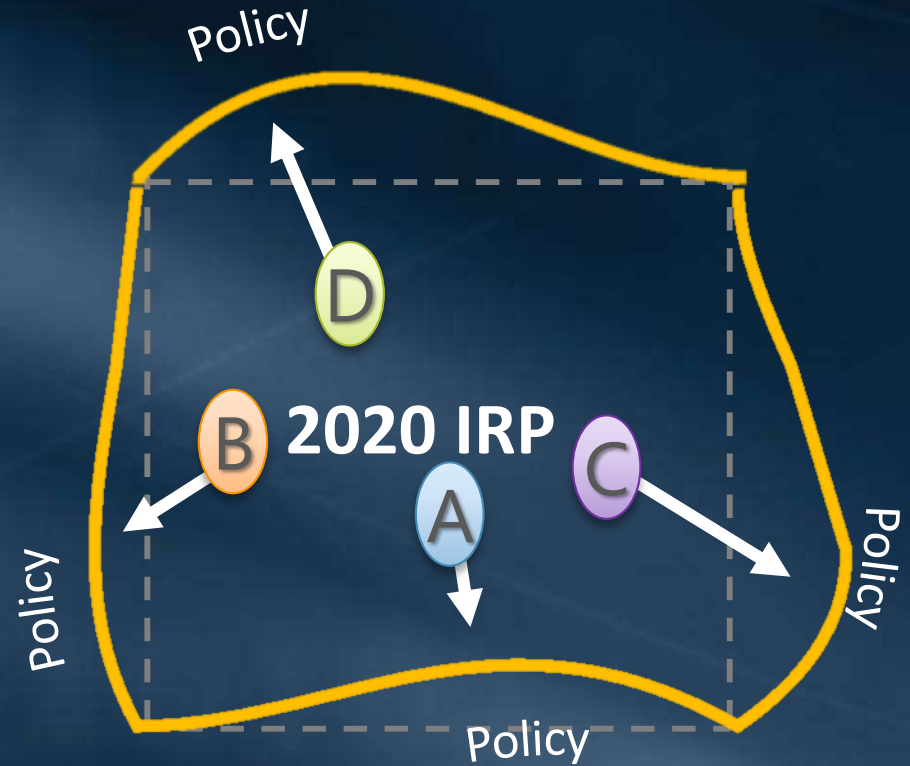
“The future ain’t what it used to be” – Yogi Berra



- The future is not predictable
- Drivers that influence the future are uncertain
- Drivers have significant impact on water supply reliability

# 2020 IRP – Policy Forward

Scenarios may stretch and pull at existing policies



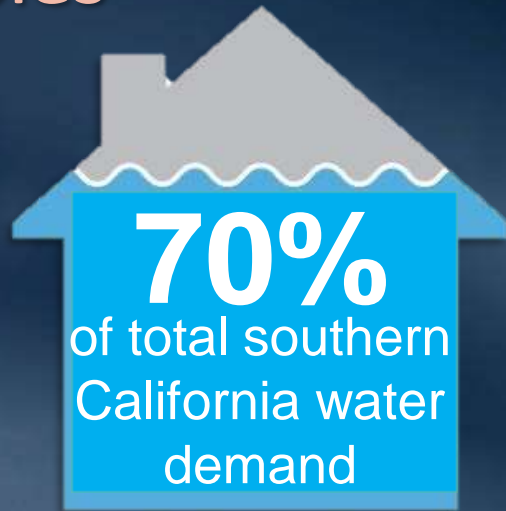
# 2020 IRP Roadmap

## 1 Identify Drivers of Change



# What do Drivers of Change Look Like?

## Samples



### Residential Water Use

- Population
- Income levels
- Water use behaviors



### Climate Change

- Precipitation patterns
- Temperature
- Sea level rise



# 2020 IRP Roadmap

2

**Construct  
Learning  
Scenarios**



# What does a Learning Scenario Look Like?

## Sample

*“Water Supply Challenges in a World of Awareness”*

Southern California’s *economy thrives* over the next 25 years.

*Pop* *ail water*  
*cons* *standards*  
*and* *lf-*  
*inve* *efficiency,*  
*with* *sustained*  
*low* *has been*  
*cha* *ing*  
*grou* *supplies*

**Develop narratives and  
quantitative assumptions  
that describe plausible  
futures**

are challenged by *climate change*, with the impacts of  
*increased temperatures* and decreased/changed  
*precipitation pattern* while increasing temperatures and  
changes in rainfall put increasing pressure on the remaining  
outdoor water use.

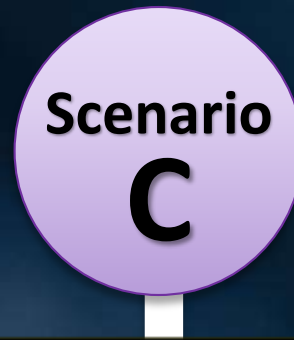
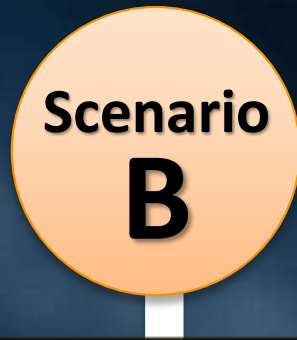
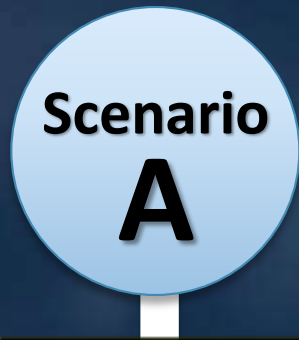
# 2020 IRP Roadmap

## 3 Develop Resource Mix





# What does a Resource Mix Look Like?



- Analyze and quantify scenario elements
- Determine outcomes over the next 25 years
  - Supply, demand, and storage
- Evaluate resource mixes and actions against performance measures:
  - Reliability measures, cost measures, resiliency measures



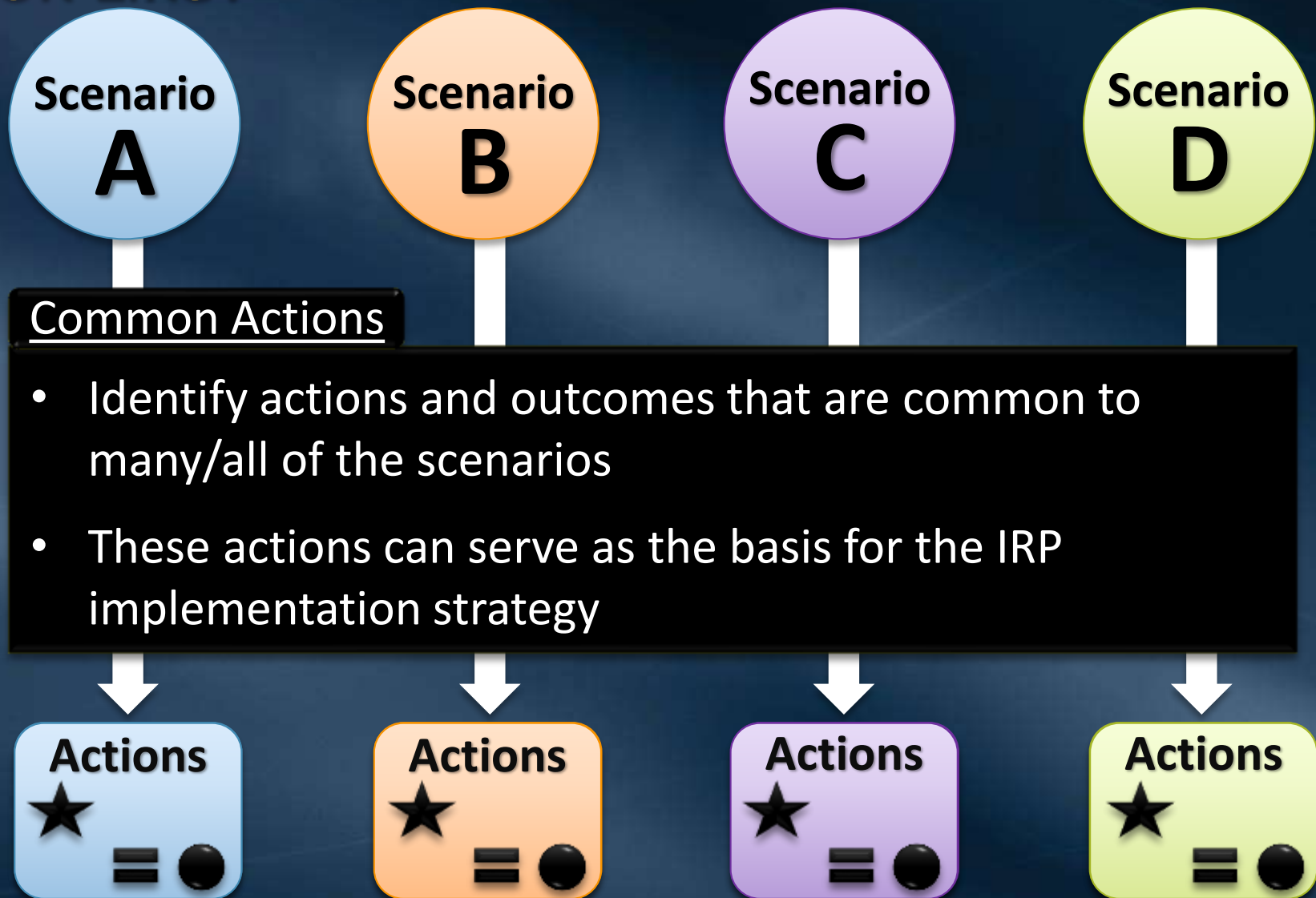
# 2020 IRP Roadmap

4

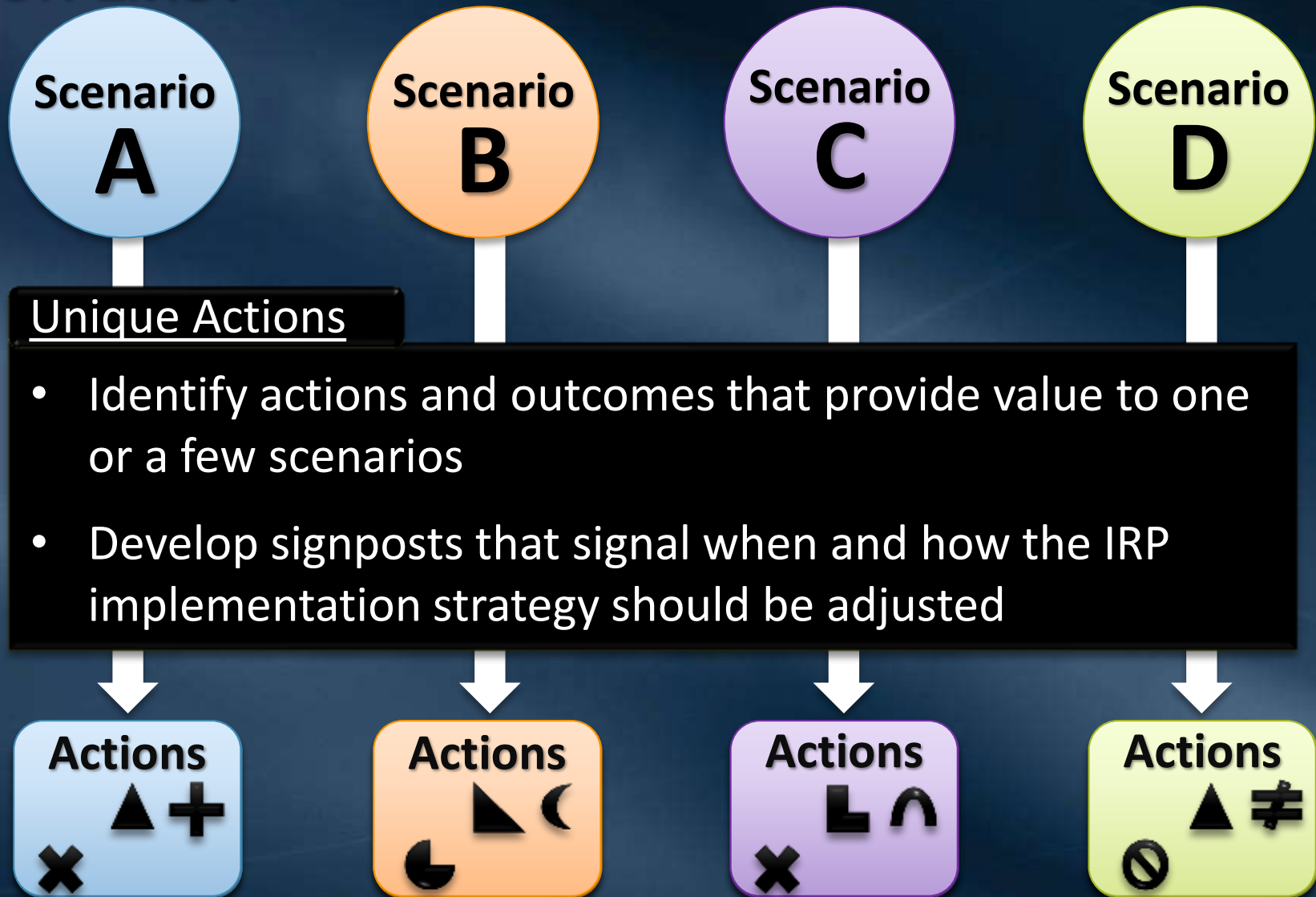
**Adaptive  
Management  
Strategy**



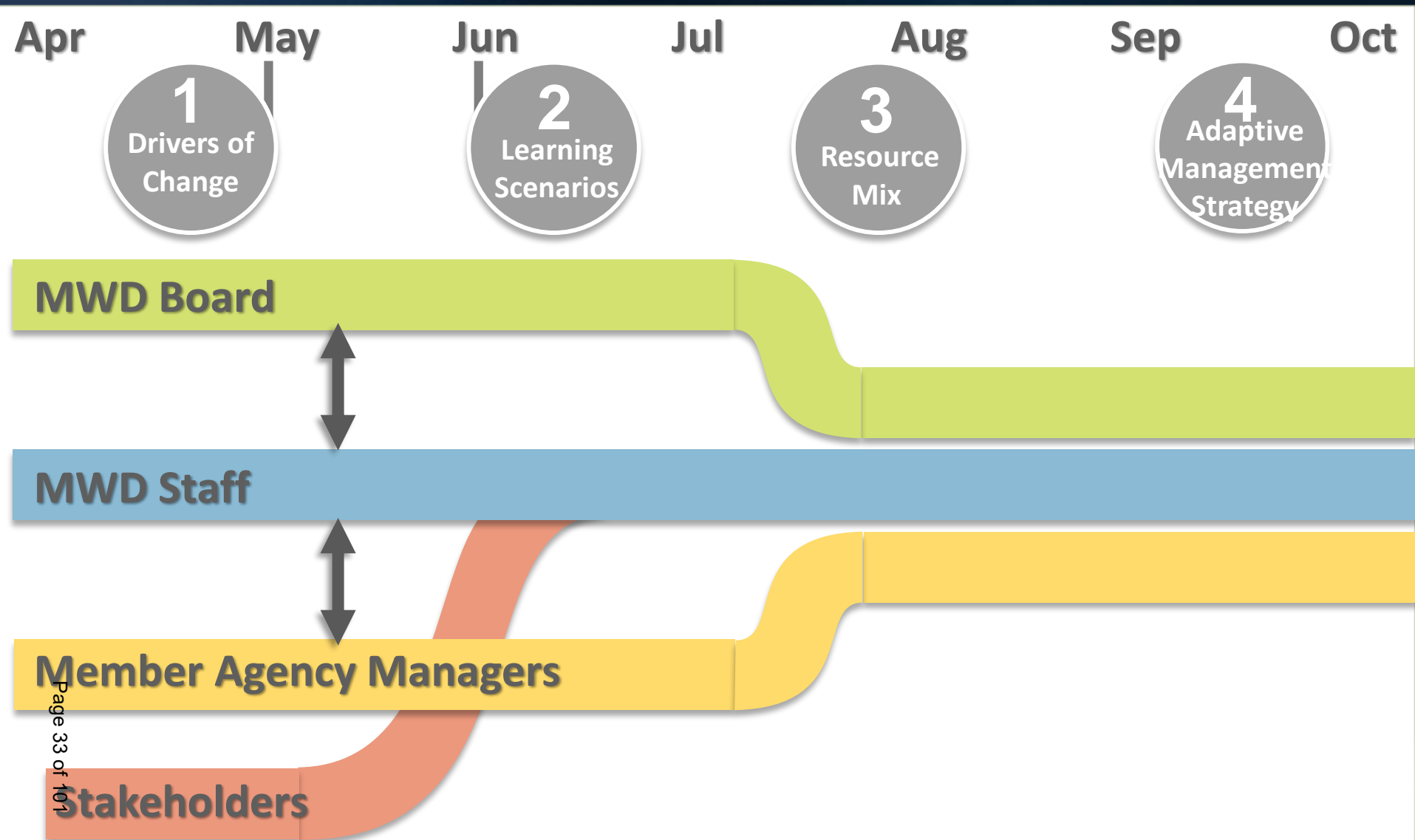
# What does an Adaptive Management Strategy Look Like?



# What does an Adaptive Management Strategy Look Like?



# Sequence of Activities and Key Players



# Proposed Outreach Schedule

All meetings designed for online participation

**Apr**

**May**

**Jun**

**Jul**

**Aug**

**Apr 17** MA Managers meeting

**May 5** MA Regional Urban Water Management Plan kick-off

**May 13** MA Technical Staff workshop

**May 15** MA Managers meeting

**May 20** Stakeholder workshop

**Jun 10** MA Technical Staff workshop

**Jun 12** MA Managers meeting

**Jul 15** MA Technical Staff workshop

**Jul 17** MA Managers meeting

**Aug 19** MA Technical Staff workshop

**Aug 21** MA Managers meeting

Staff seeking and  
available for additional  
online outreach

# 2020 IRP Roadmap Discussion

Questions/Comments/Observations



# Identify Key Policy Questions to Guide Us Through the Process

- Review of policy questions introduced at February IRP Committee Meeting
- Have we identified the right policy areas and questions to help inform the IRP process?
- Why are these policy areas/questions of interest and important?





# Policy Questions



- What level of water supply reliability should Metropolitan target for the region?
- Should Metropolitan assume a new role in assuring that local agencies can fully access the regional network? (Resilience)

# Policy Questions (cont.)



- What role should Metropolitan take in assisting the region to plan for and comply with water conservation legislation?
- How should Metropolitan account for member agency local supply plans and incorporate potential Regional Recycled Water Program?

# Policy Questions (cont.)



- As supplies and demand come into balance for the region, should Metropolitan continue to fund water efficiency and local projects at the same level as now?

# Key Policy Areas



# Key Policy Areas – Reliability

- Reliability goal initially set in 1996 IRP

100% Reliable 80% of the time  
No more than a 20% cut 20%  
of the time



100% Reliable under  
predictable hydrologic  
conditions

- We plan to bring different ways to address a reliability goal as part of this process
  - Has the implementation of the Water Supply Allocation Plan changed our opinions on what a reliability goal should be?

- Resiliency goal

- What does this look like and how is it different from reliability?

# Key Policy Areas – Institutional

- Metropolitan's approach to encouraging local supplies has evolved over the years
- How can Metropolitan influence these outcomes better in the future?
  - Do we continue to incentivize local supply programs?
  - Do we invest directly in local supply programs?

# Key Policy Areas – Cost

- IRP process will identify resource mixes and actions for each scenario
  - General cost information will be developed for each scenario
- We recognize the IRP effort will feed into the rate refinement process
  - Is the development of general cost information adequate? Is more needed?



# Key Policy Questions

## Feedback



# Next Steps

- May IRP Committee
  - Refine key policy areas
  - Update on member agency discussions on drivers of change
  - Receive input on Drivers of Change



## Feedback form for MWDOC Member Agencies on Metropolitan's 2020 IRP

Thank you for participating in our survey. Your feedback is important.

Please use this form to provide your agency's feedback on the 2020 IRP. The MWDOC Board and staff are interested in the unique perspectives on water resource planning from each agency within our service area. Thank you for your participation.

### \* About you and your agency

Name	<input type="text"/>
Title	<input type="text"/>
Agency	<input type="text"/>
Email address	<input type="text"/>

### Potential Alternatives for the Future

Metropolitan staff has presented these two alternative futures as graphically illustrated in the examples for the 2020 IRP.



Of these two alternative futures, which would your agency **foresee to be more likely** in the near-term planning horizon?

- ☐ Additional supplies are needed to meet demands (backdrop to all prior IRP's)
- ☐ Where projected supplies are forecasted to exceed demands
- ☐ Another alternative future that should be included:

## Key Policy Areas

The Metropolitan Board will begin the policy discussion focusing on these key areas.

Which one, or more, does your agency find to be the most influential **for the region** in developing the 2020 IRP (which should garner the most focus).

- ☐ Demand projections
- ☐ Local supply projects
- ☐ Reliability of supplies
- ☐ Resiliency of the system
- ☐ Metropolitan's role

What are the top planning issues **for your agency**?

- 1)
- 2)
- 3)

## Local Supply Projects

How should Metropolitan account for (or model) member agency local supply plans (future local projects) within the IRP?

	Strongly agree	Agree	Neither	Disagree	Strongly disagree
MET should consider a flat discount of the total new local project production, as done in previous IRPs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MET should consider a percentage of new local project production proportional to the project's phase of development.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MET should utilize purchase agreements to force the responsibility of project development to member agency's.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MET should always plan to have additional supply regardless of how/when future local projects are being developed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What other metric should be utilized?

## Demand Management through Conservation activities and the Local Resources Program (LRP)

	Strongly agree	Agree	Neither	Disagree	Strongly disagree
If there is not sufficient supply, MET should encourage <b>enhanced</b> demand management activities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
As supplies and demand come into balance for the region, MET should continue to fund water efficiency at the same level as now.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MET should take an <b>active</b> role in assisting the region to plan for and comply with water conservation legislation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MET should incentivize local projects through the LRP.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If there is sufficient supply, MET should remain active in incentivizing local projects.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The LRP should change from "first-come/first-serve" to a competitive process for evaluating and selecting projects.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What are your ideas for improving the LRP program?

## Reliability and Resiliency

Reliability and resiliency have been defined in different ways. For sake of our discussion:

**Reliability** can be defined as the sustained availability of supplies.

**Resiliency** is the ability of the Metropolitan system to manage dramatic operational changes when faced with unforeseen situations.

	Strongly agree	Agree	Neither	Disagree	Strongly disagree
MET can establish an acceptable level of reliability that is less than 100% of the reliability gap.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In assessing the reliability gap, MET should also incorporate the service area's response during a drought. For example, the voluntary water use reduction of 10% during early stages of drought contingency planning.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MET's has a strong resiliency to manage dramatic operational changes when faced with unforeseen situations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regarding resiliency, MET should assume a new role in assuring that local agencies serving at-risk communities can fully access the regional system.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What level of water supply reliability should Metropolitan target for the region?



## Metropolitan's Role

Metropolitan's role, as defined by the Laguna declaration, provides to its service area adequate supplies of water to meet expanding and increasing needs in the years ahead.

Some see Metropolitan's role as a main supplier while others a supplemental supplier. However, with a few agencies planning to "roll-off" of Metropolitan, there emerges a new viewpoint as an "insurance" supplier. The insurance role would have agencies relying on the system only during drought, emergency, or unforeseen conditions.

### Metropolitan's role & your Agency

	Main supplier	Supplemental supplier	"Insurance" supplier
How does your agency utilize the MET system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How does your agency plan to utilize the MET system in the future?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

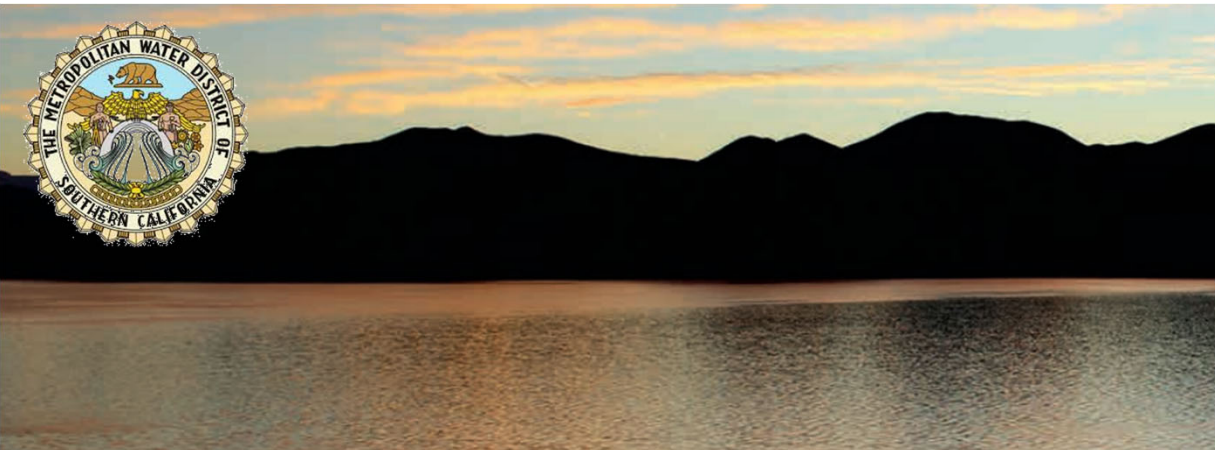
Other (please specify)

## Other Supplies

How should Metropolitan incorporate the potential Regional Recycled Water Program (if approved) in Carson?

- ☐ In the same category as other local supply projects (e.g., GWRS, San Diego's Pure Water)
- ☐ As an Metropolitan supply (e.g., SWP, CRA, other storage programs)
- ☐ Other (please specify)

Thank you for your participation.  
We appreciate your agency's perspective.



## Metropolitan's Integrated Resources Plan Discussion Series – Part 5 Roadmap & Policy Issues

May 6, 2020

### MWD OC IRP Member Agency Survey

In an effort to receive more feedback from our member agencies on the 2020 IRP, we sent out a survey

- 💧 Questions focused on the key policy issues of the 2020 IRP
- 💧 Received 15 responses
- 💧 Number of key themes were observed from these responses



## Perception of the Future

- 💧 Majority sees a planning horizon where supplies forecasted to exceed demand
  - 🔥 This is aligned with the notion that Metropolitan is at a crossroads.
  - 🔥 As the 2020 IRP scenarios takes shape, there are considerations of how the fundamental mission hold relevant



## Reliability & Resiliency

- 💧 The responses call for MET to focus on reliability of supplies as a fundamental area of responsibility. This leads to questions of:
  - 🔥 Reliability of MET's existing supplies
    - 🌱 Does its current Resource Mix provide enough supplies to meet the demands of the region?
    - 🌱 Can the current Resource Mix be maintained to provide adequate supplies to meet the demands of the region or are further actions needed?
  - 🔥 Reliability of the region's future needs
    - 🌱 Should be the developer of further resources beyond its existing Resource Mix?





## IRP Modeling and Gap Development

- 💧 Consistent with the OC Reliability Study, there was general consensus:
  - 🔥 MET should consider a percentage of new local project production proportional to the project's phase of development
  - 🔥 MET could establish an acceptable Water Supply Reliability Goal that is less than 100% of the reliability gap.
  - 🔥 In its modeling of the Gap, MET should incorporate the service area's response during a drought.
    - 🌱 For example, including a voluntary water use reduction of 5-10% during early stages of drought contingency planning.



## Local Priorities

- 💧 While the MWD OC Member Agencies considered the supply reliability to be a fundamental focus of Metropolitan's planning, the consideration of demand projection appears to be more of a priority of local agencies.



## Demand Management

- 💧 There was general consensus for the benefits of demand management activities in the form of conservation and local resource incentives.
- 🔥 However, MET should reconsider providing LRP incentive payments when supplies were sufficient to meet demands.
- 🔥 While MET's role may not change, the level of activity in the areas of demand management, local supply development, and reliability/resilience may need to adapt.



## DISCUSSION





**DISCUSSION ITEM**

May 6, 2020

**TO: Board of Directors**

**FROM: Robert Hunter,  
General Manager**

Staff Contact: Melissa Baum-Haley

**SUBJECT: UPDATE REGARDING METROPOLITAN'S BIENNIAL BUDGET FOR  
FISCAL YEARS 20/21 AND 21/22**

**STAFF RECOMMENDATION**

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

**REPORT**

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On the April 14, the Metropolitan Board approved the Fiscal Years 2020/21 and 2021/22 Biennial Budget "Option 1", see table below for rate details. The motion for Option 1 with amendments passed (64%) with the MWD OC delegates all voting in support of Option 1.

Key points of the approved rate calls for an overall 3% rate increase for Calendar Year (CY) 2021 and a 4% increase for CY 2022, **both effective Jan 1**. Additionally, the motion included the following **amendments** add-ons:

- Directs Metropolitan staff to return to the Board **no later than August 31** with a review of the impacts of COVID-19 and an evaluation of the following:
  - Unrealized staffing levels (only essential hires)
  - Eliminating advanced recruitment for overlapping positions
  - Matching the Capital Improvement Plan (CIP) to reflect actual slowdown of expenditures due to COVID-19
  - Suspension of Director inspection trips
  - Suspension of fleet vehicle purchases
  - Strategic use of Reserves and bond debt

<b>Budgeted (Y/N):</b> N/A	Budgeted amount: None	Core _X_	Choice __
<b>Action item amount:</b> N/A	Line item:		
<b>Fiscal Impact (explain if unbudgeted):</b>			

The full Board letter, outlining Option 1, can be found at the following link:  
[http://www.mwdh2o.com/PDF\\_Who\\_We\\_Are/April%2014,%202020%20Board%20Letter%208-1.pdf](http://www.mwdh2o.com/PDF_Who_We_Are/April%2014,%202020%20Board%20Letter%208-1.pdf)

Below is a breakdown per rate category:

Rates & Charges Effective January 1st	Current 2020	Proposed 2021	% Change	Proposed 2022	% Change
Tier 1 Supply Rate (\$/AF)	\$208	\$243	17%	\$243	0%
Tier 2 Supply Rate (\$/AF)	\$295	\$285	(3%)	\$285	0%
System Access Rate (\$/AF)	\$346	\$373	8%	\$389	4%
Water Stewardship Rate (\$/AF)*	\$65	-	(100%)	-	
System Power Rate (\$/AF)	\$136	\$161	18%	\$167	4%
Full Service Untreated Volumetric Cost (\$/AF)					
Tier 1	\$755	\$777	3%	\$799	3%
Tier 2	\$842	\$819	(3%)	\$841	3%
Treatment Surcharge (\$/AF)	\$323	\$327	1%	\$344	5%
Full Service Treated Volumetric Cost (\$/AF)					
Tier 1	\$1,078	\$1,104	2%	\$1,143	4%
Tier 2	\$1,165	\$1,146	(2%)	\$1,185	3%
Readiness-to-Serve Charge (\$M)	\$136	\$130	(4%)	\$140	8%
Capacity Charge (\$/cfs)	\$8,800	\$10,700	22%	\$12,200	14%
Overall Rate Increase			3.0%		4.0%

\*The Water Stewardship Rate is not proposed to be collected in CYs 2021 and 2022. The Board directed staff to use the FY 2019/20 fiscal-year-end balance of the Water Stewardship Fund to fund demand management, and not to collect the Water Stewardship Rate or any other rate or charge to fund demand management costs during the biennial period.



**INFORMATION ITEM**

May 6, 2020

**TO: Board of Directors**  
**FROM: Robert Hunter, General Manager**

Staff Contact: Kevin Hostert

**SUBJECT: WATER SUPPLY CONDITIONS UPDATE**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors receive and file the information.

**REPORT**

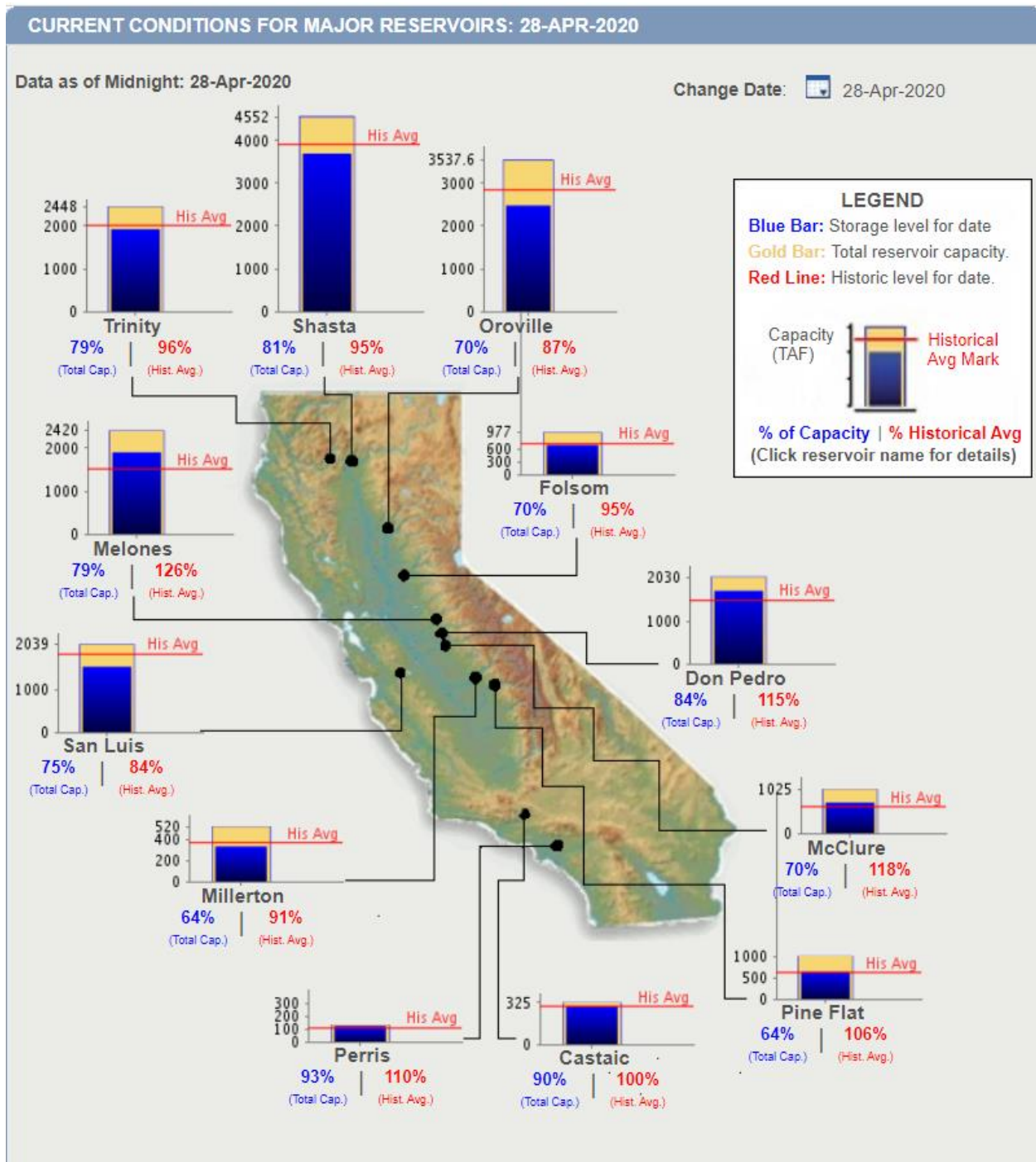
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The 2019-20 Water Year (2019-20 WY) officially started on October 1, 2019. Thus far, the Northern California accumulated precipitation (8-Station Index) is reporting **27.00 inches or 59% of normal** as of April 29th. For 2019-20 WY, the Northern Sierra Snow Water Equivalent is reporting **19.5 inches on April 8th**, which is **71% of normal** for that day. Due to the below average precipitation/snowfall, the Department of Water Resources (DWR) has maintained the State Water Project (SWP) **“Table A” allocation at 15%**. This allocation provides Metropolitan with approximately **286,725 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 2020 contractor demands.

The Upper Colorado River Basin accumulated precipitation is reporting **18.3 inches or 88% of normal** as of April 27th. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent was reporting **19.7 inches as of April 6th**, which is **100% of normal** for that day. Due to the above average precipitation/snowfall in 2018-19 WY, and due to average conditions in WY 2019-20, there is now a 0% chance of a shortage at Lake Mead in 2021 and an 11% chance of shortage in 2022.

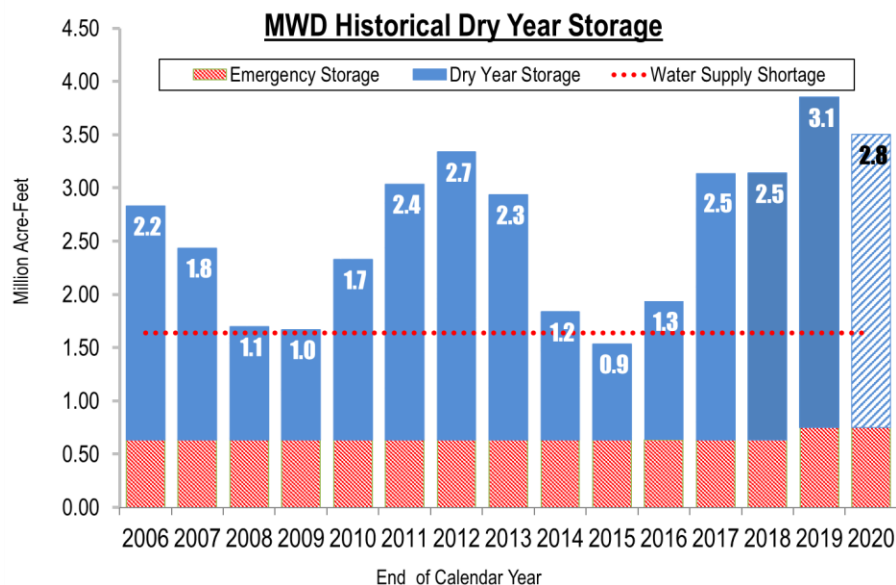
<b>Budgeted (Y/N): N/A</b>	Budgeted amount: N/A	Core _X_	Choice __
<b>Action item amount: N/A</b>	Line item:		
<b>Fiscal Impact (explain if unbudgeted):</b>			

As of April 28th Lake Oroville storage is at **70% of total capacity and 87% of normal**. As of April 28th San Luis Reservoir has a current volume of **75% of the reservoir's total capacity and is 84% of normal**.



With estimated total demands and losses of 1.67 million acre-feet (MAF) and with a 15% SWP Table A Allocation, Metropolitan is projecting that demands will exceed supply levels in Calendar Year (CY) 2020. Based on this, estimated total dry-year storage for Metropolitan at the end of ***CY 2020 will go down to approximately 2.8 MAF.***

A projected dry-year storage supply of ***2.8 MAF will be the second highest amount for Metropolitan.*** A large factor in the increase in water storage is because ***water demands regionally have been at approximately 36-year lows.***



#### ATTACHMENT: Water Supply Conditions Presentation





## Water Supply Conditions

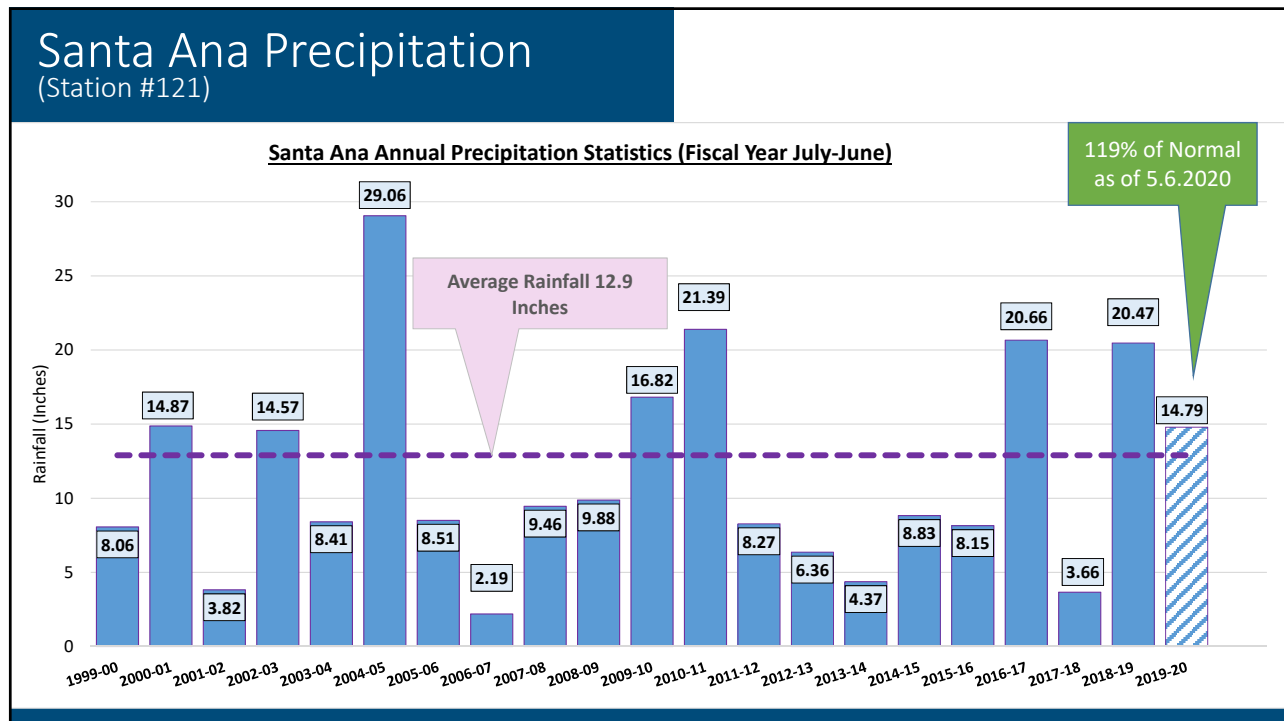
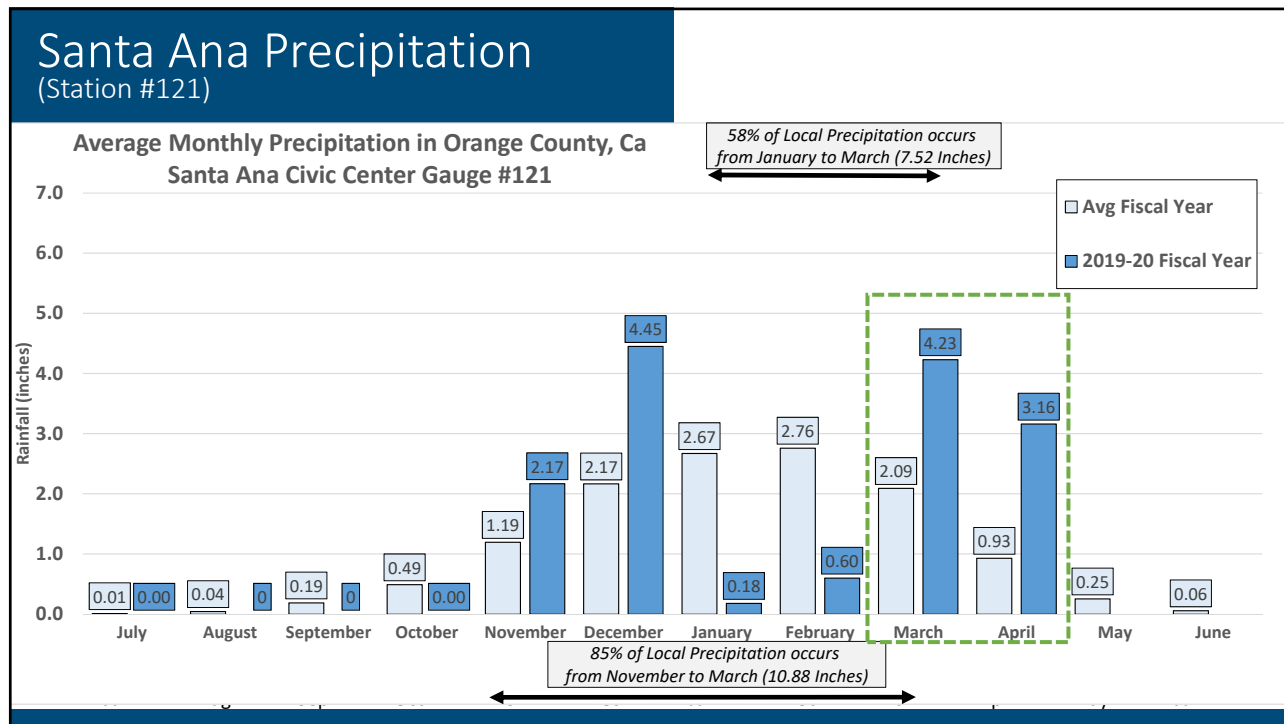
Kevin Hostert, Water Resources Analyst  
Municipal Water District of Orange County

May 6<sup>th</sup> 2020



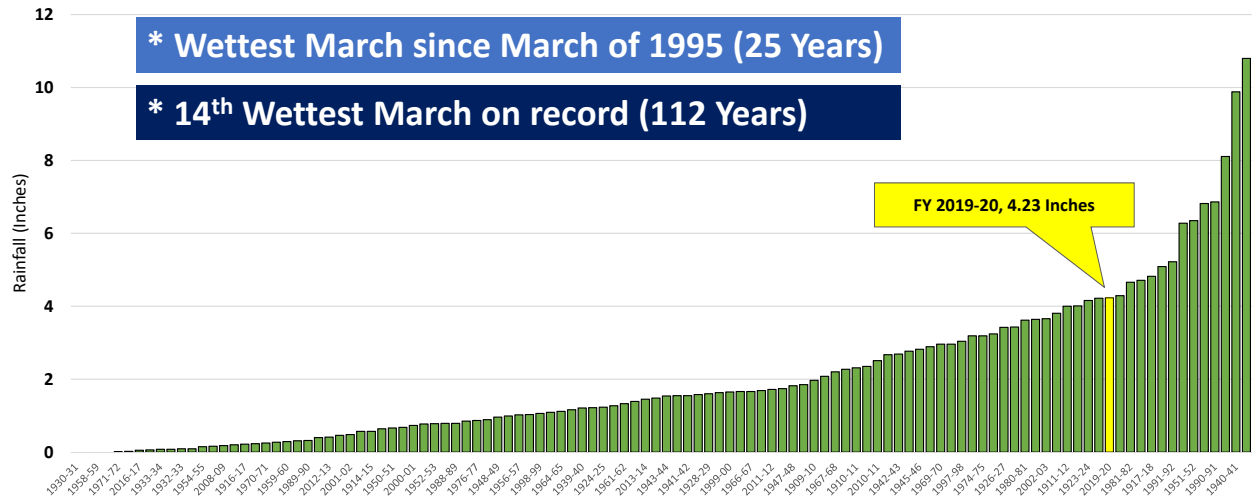
## Orange County Weather and Water Supply Conditions

Insight to local weather conditions that affect Orange County's water supply and water demand



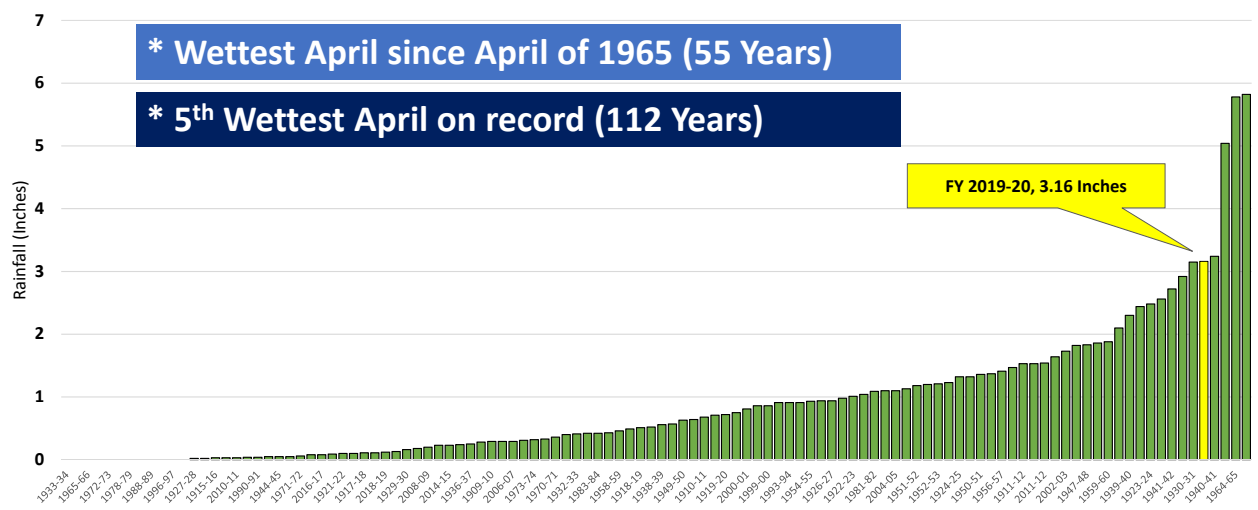
## Spring Showers Bring May Flowers, and Low Water Demands for 2020

### Total **MARCH** Rainfall by Fiscal Year



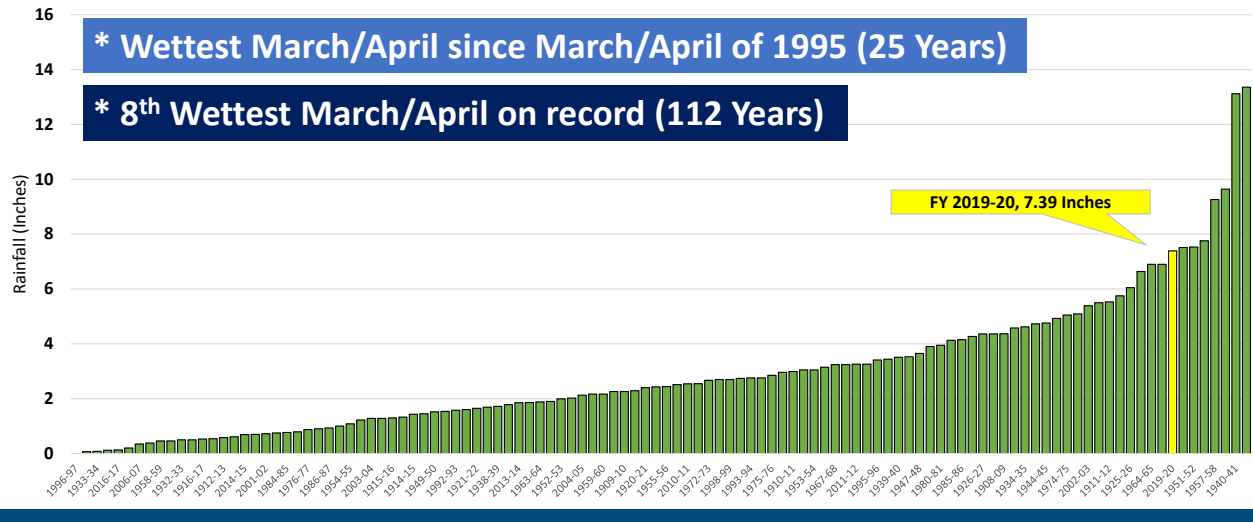
## Spring Showers Bring May Flowers, and Low Water Demands for 2020

### Total **APRIL** Rainfall by Fiscal Year



## Spring Showers Bring May Flowers, and Low Water Demands for 2020

### Total **MARCH + APRIL** Rainfall by Fiscal Year



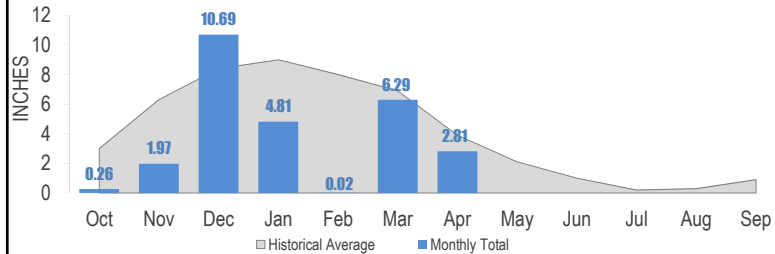
## Regional Weather and Water Supply Conditions

Insight to regional weather conditions that affect California's water supply

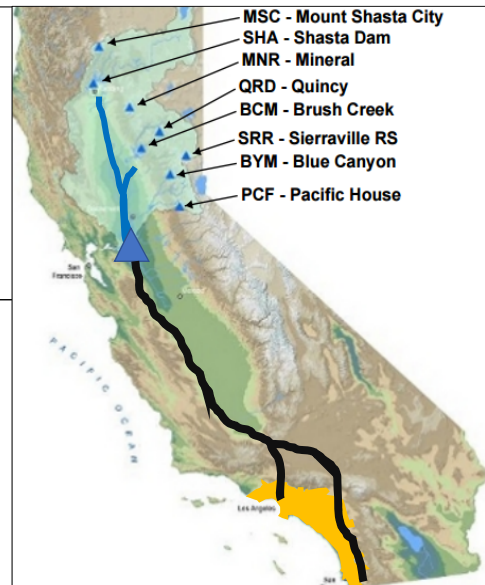
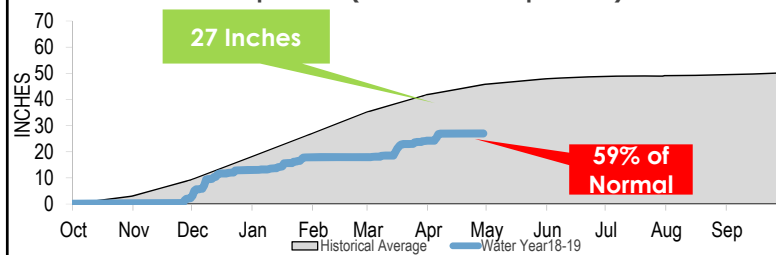


## Northern California Accumulated Precipitation

### Monthly Precipitation (8 Station Precip Index)

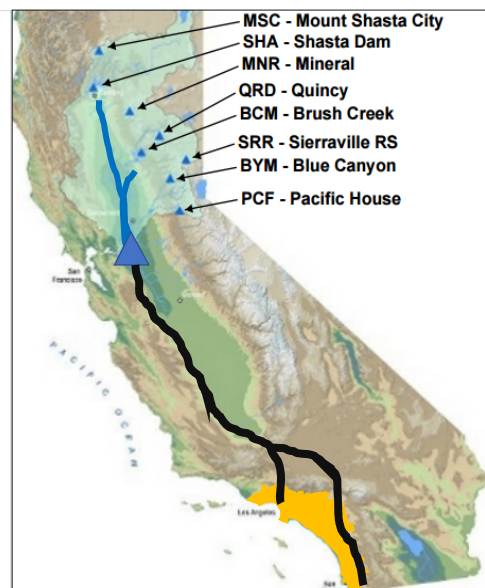
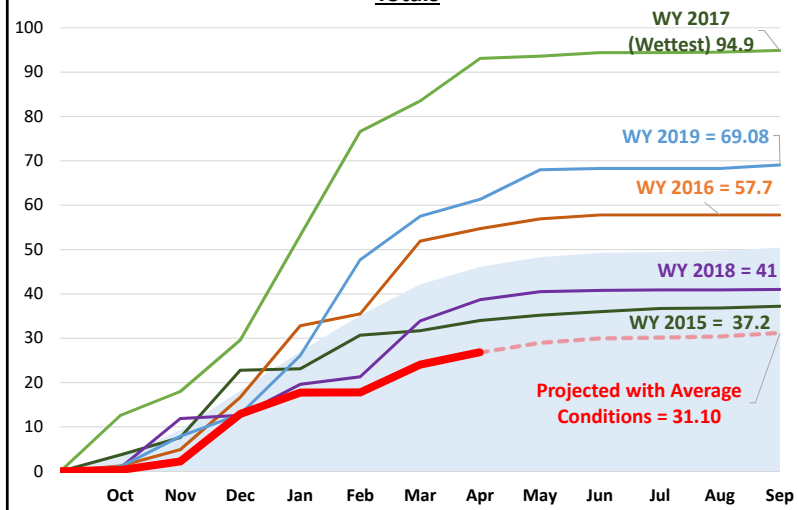


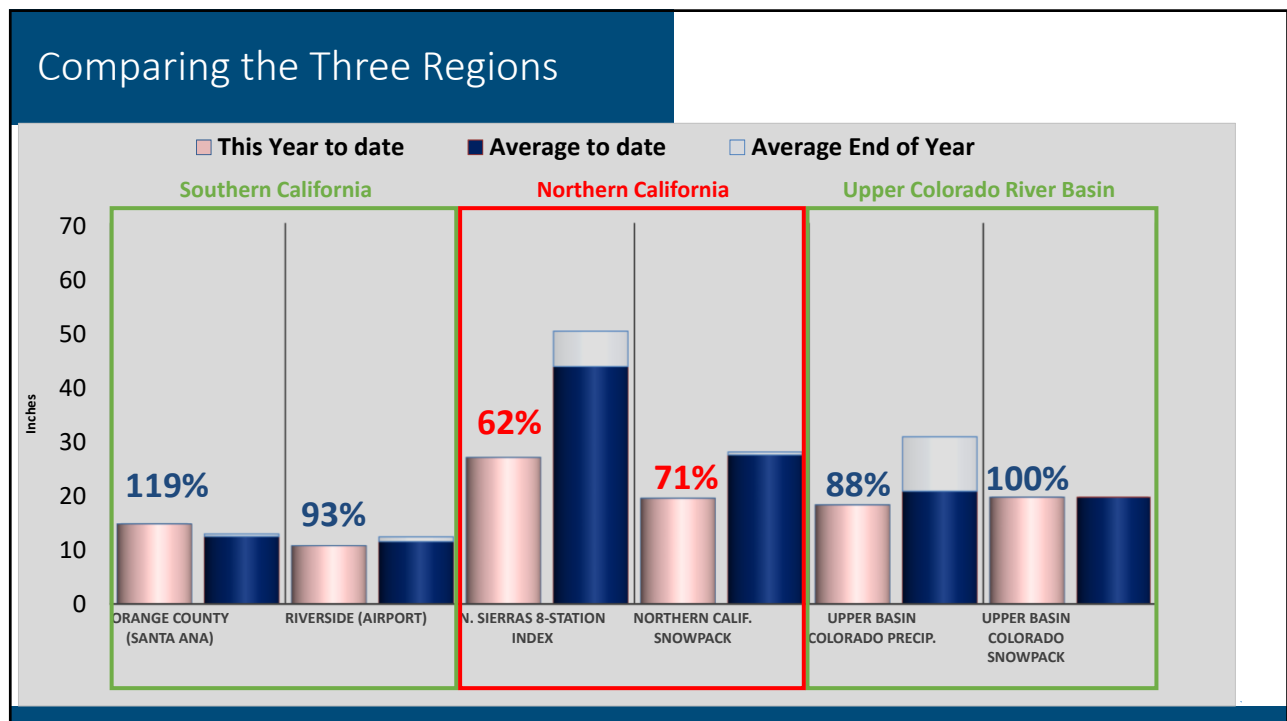
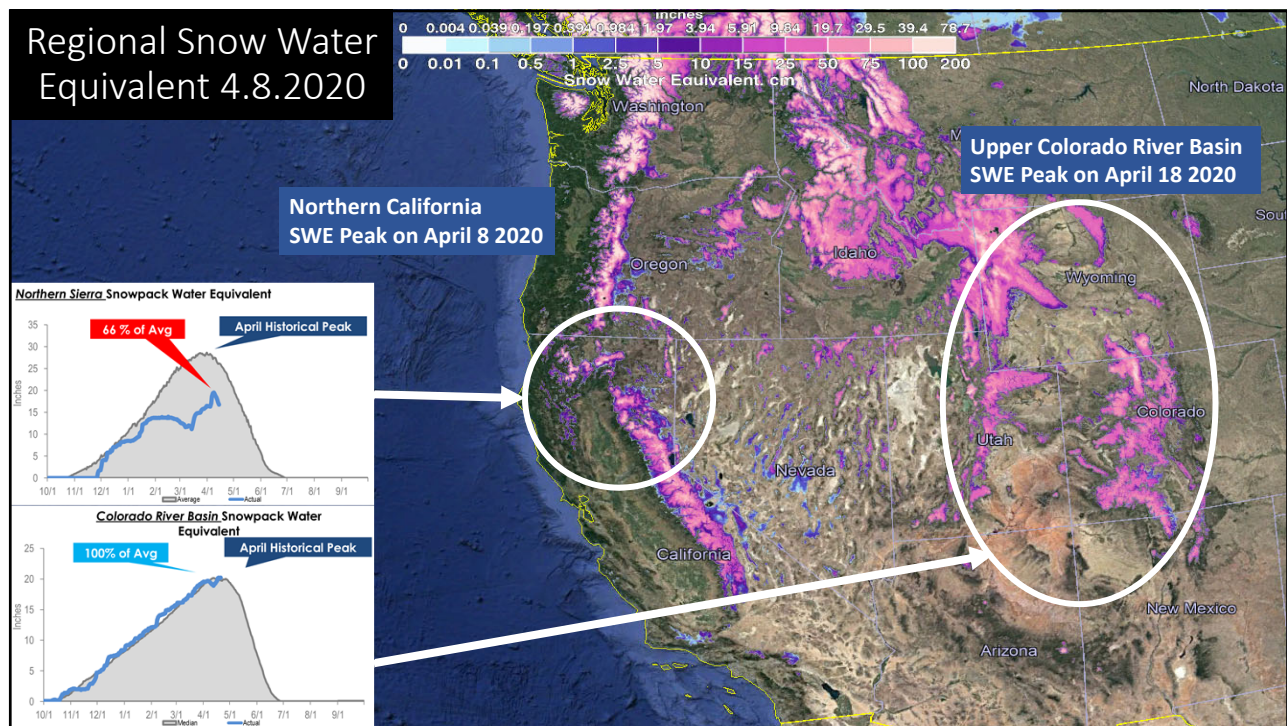
### Accumulated Precipitation (8-Station Precip Index)



## Northern California Accumulated Precipitation

### 8 Station Index all Time Month by Month Cumulative Totals





## California Drought Monitor

April 21 = 0% drought in Southern California

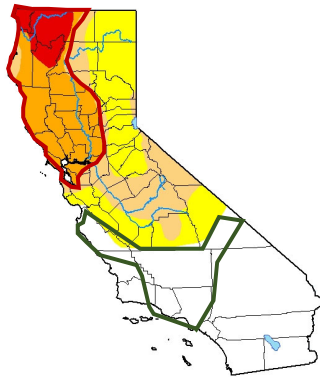
April 21 = Severe and Extreme drought expanding in Northern California

April 7 = Drought Conditions improve for Southern California

April 7 = Drought Conditions increase in Northern California

U.S. Drought Monitor  
California

April 21, 2020  
(Released Thursday, Apr. 23, 2020)  
Valid 8 a.m. EDT



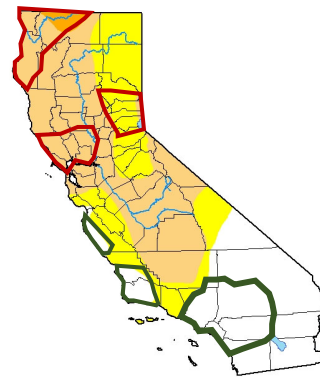
**Intensity:**  
None  
D0 Abnormally Dry  
D1 Moderate Drought  
D2 Severe Drought  
D3 Extreme Drought  
D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

**Author:**  
Brian Fuchs  
National Drought Mitigation Center  
USDA, NDM, NOAA, NWS  
[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

U.S. Drought Monitor  
California

April 7, 2020  
(Released Thursday, Apr. 9, 2020)  
Valid 8 a.m. EDT



**Intensity:**  
None  
D0 Abnormally Dry  
D1 Moderate Drought  
D2 Severe Drought  
D3 Extreme Drought  
D4 Exceptional Drought

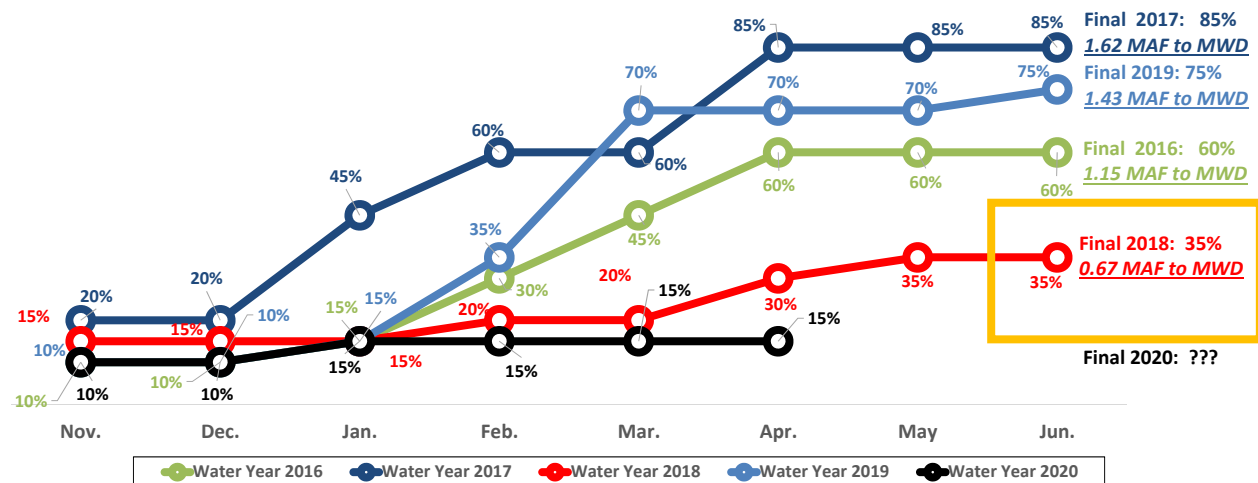
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

**Author:**  
David Simler  
Western Regional Climate Center  
USDA, NDM, NOAA, NWS  
[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

## 2020 SWP Table A Allocation

### SWP TABLE A ALLOCATION

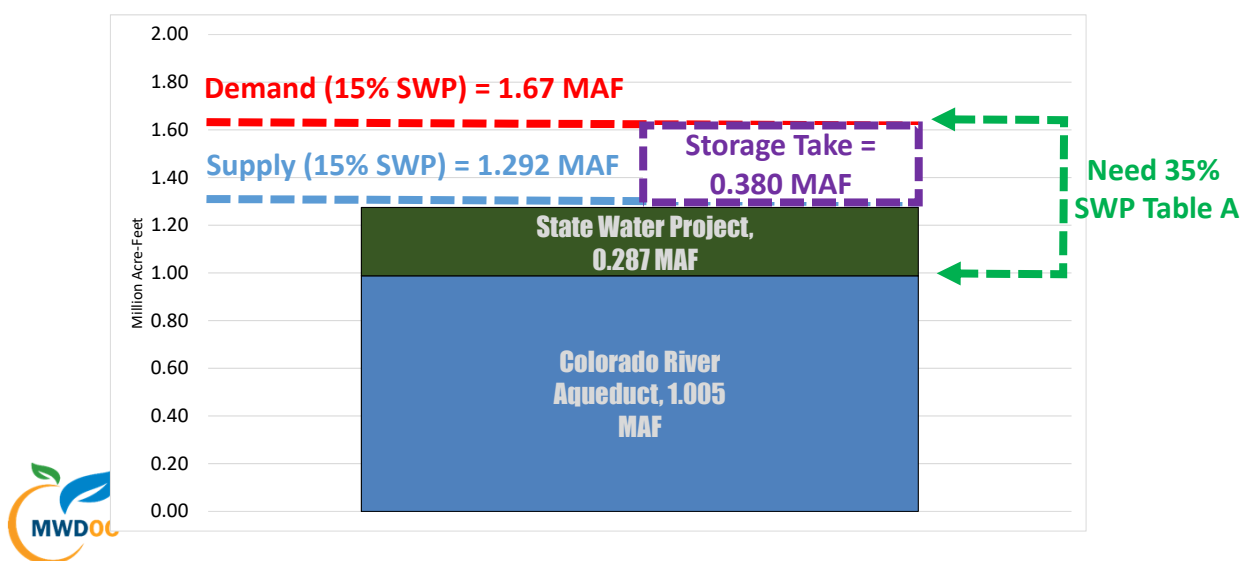
FOR STATE WATER PROJECT CONTRACTORS



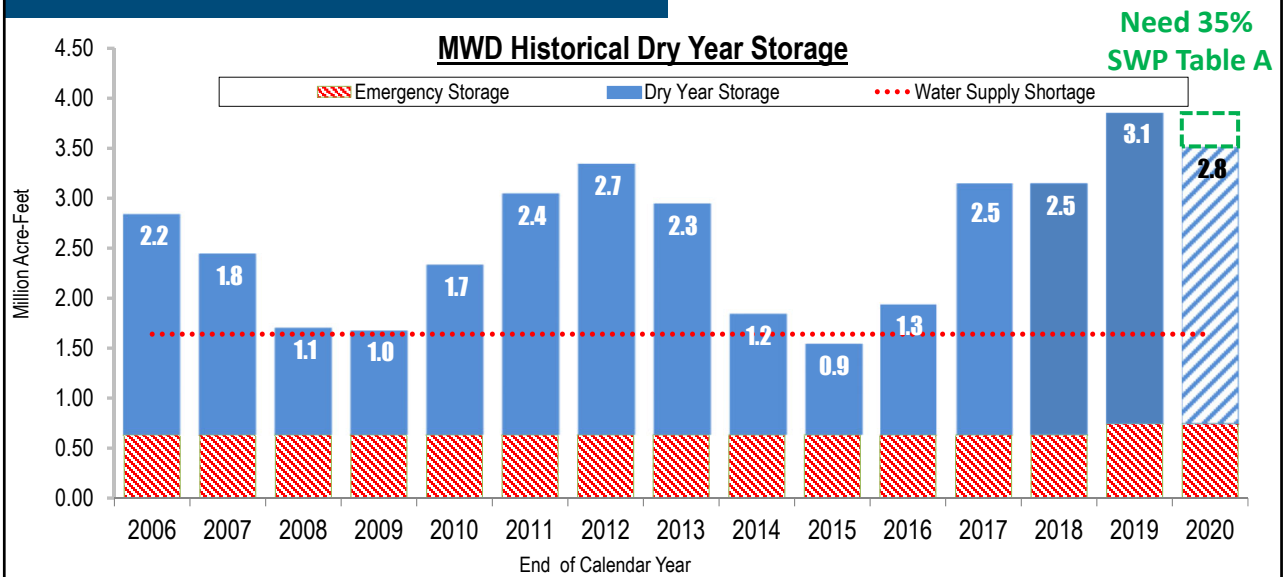




## MWD 2020 Estimated Water Storage

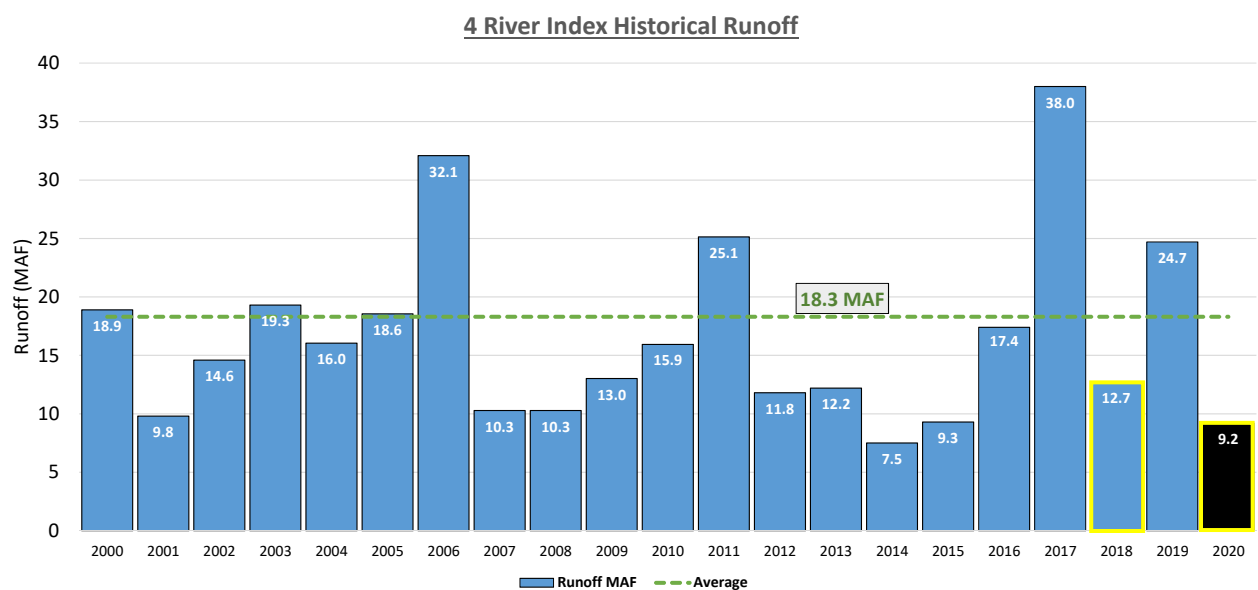


## MWD 2020 Estimated Water Storage



## SWP Table A % Outlook

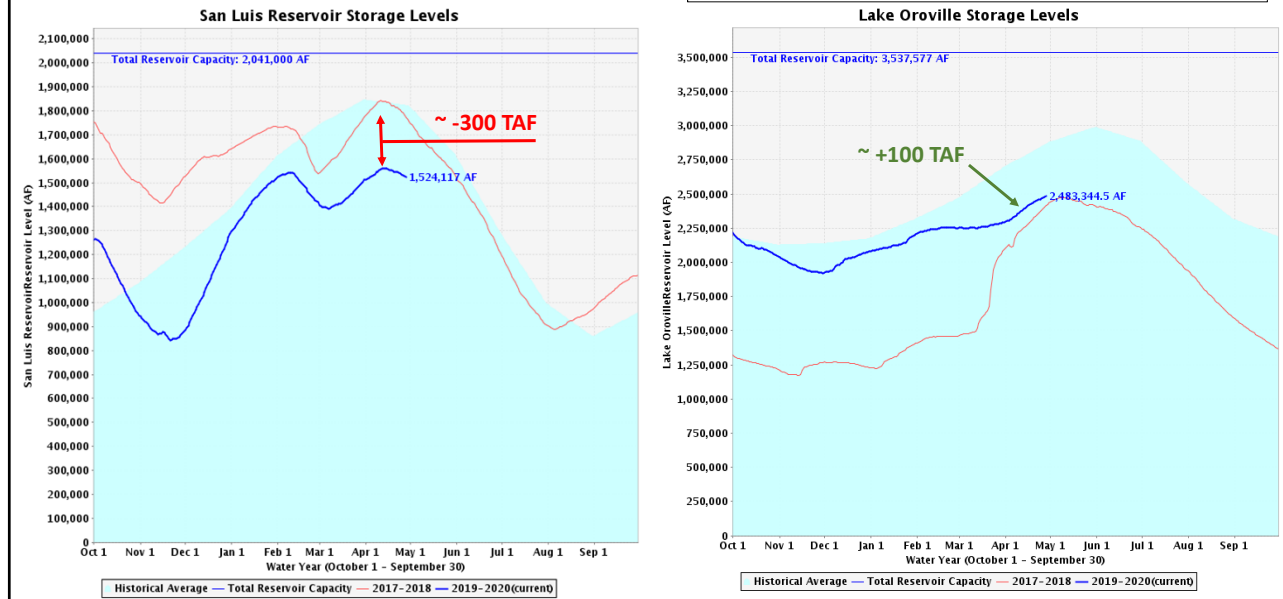
2020 (15%) Water Year Vs 2018 (35%) Water Year



# SWP Table A % Outlook

2020 (15%) Water Year Vs 2018 (35%) Water Year

1. April storms will increase Northern California runoff projections
2. If Table A % increase were to occur, most likely will not be until May





**INFORMATION ITEM**

May 6, 2020

**TO: Board of Directors**

**FROM: Robert Hunter,  
General Manager**

Staff Contact: Melissa Baum-Haley

**SUBJECT: DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors receive and file the information presented.

**REPORT**

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**Metropolitan Legal Matters**

On April 14, 2020, the Metropolitan Board authorized the initiation of litigation by Metropolitan to challenge the Final Environmental Impact Report, the new California Endangered Species Act Incidental Take Permit for long-term operations of the State Water Project, and potential other claims against the State.

On April 28, Metropolitan and the Mojave Water Agency filed their Petition for Writ of Mandate and Complaint against defendants, the California Department of Fish and Wildlife (CDFW), the California Department of Water Resources (DWR) and the California Natural Resources Agency. The petition and complaint allege multiple violations of the California Endangered Species Act (CESA) by CDFW, the California Environmental Quality Act (CEQA) by both CDFW and DWR and Breach of the State Water Contract and the Implied Covenant of Good Faith and Fair Dealing by DWR.

The State Water Contractors and the Kern County Water Agency also filed CEQA and CESA actions. A CEQA challenge was filed by several federal contractors: Tehama-Colusa Canal Authority, San Luis & Delta-Mendota Water Authority, Friant Water Authority, Glenn-

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



Colusa Irrigation District, Reclamation District 108, Natomas Central Mutual Water Company, River Garden Farms Company, and Sutter Mutual Water Company.

Metropolitan's General Manager, Jeffrey Kightlinger, issued the following statement on Metropolitan's filing of a lawsuit against the state of California regarding the Department of Fish and Wildlife's Incidental Take Permit for State Water Project operations:

"In filing litigation, Metropolitan acted to protect Southern California's ratepayers from cost shifts and water supply reductions inappropriately assigned to the State Water Project. While Metropolitan remains committed to working with the state and Governor Newsom to find a comprehensive solution to improve the ecological health of the Sacramento-San Joaquin Delta, that solution must be based on the best available science and not overly burden Southern California. We have made extraordinary progress in the historic voluntary agreement process, including commitments from water users across the state for enhanced flows, which would produce more water for the environment than this state permit, as well as for habitat restoration and funding. The voluntary agreement process continues to be the only productive path for a solution that balances the water supply needs of the environment, our communities and our farms.

"A lengthy legal battle will not produce a sound solution for the Delta ecosystem. We need a state permit that uses the best available science to address the environmental impact of operations and strikes a balance in providing water supply to California's farms and cities."

Additionally, following President Trump's February signing of the Record of Decision, the state immediately filed a lawsuit on them to in effect, block the State Water Project's operating permit. On April 21, Attorney General Becerra filed a motion for a preliminary injunction in the lawsuit challenging the Trump Administration's unlawful expansion of federal water export operations in the Central Valley.

**ATTACHMENTS: (1) Letter from CA Department of Fish and Wildlife and CA Department of Water Resources to Metropolitan, Apr 14**

**(2) Letter from Metropolitan to CA Department of Fish and Wildlife and CA Department of Water Resources, Apr 20**



April 14, 2020

Chair Gloria Gray & Members of the Board  
Metropolitan Water District of Southern California  
700 Alameda Street  
Los Angeles, California 90012

Chair Gray and Members of the Board:

Two weeks ago, on March 31, our state departments took an important step to enable continued operation of the State Water Project (SWP). The California Department of Fish and Wildlife (DFW) issued a new permit for the long-term operations of the SWP under the California Endangered Species Act (CESA). This permit enables the California Department of Water Resources (DWR) to continue to provide reliable water to 27 million Californians while protecting four species of fish from extinction.

We write to explain this important action and how it advances our shared interests.

### **A New State Approach**

In the past, our state relied on a federal process to protect endangered species. Federal agencies issued Biological Opinions to set rules on water operations under the federal Endangered Species Act (ESA), and DWR covered its operations under CESA by securing a consistency determination from DFW based on these federal Biological Opinions. Our state departments had long considered the benefits of pursuing a stand-alone CESA permit because of its important distinctions from the ESA, and the need to manage water flexibly given California's increasingly extreme hydrology.

In 2018, as federal agencies worked to update the Biological Opinions, President Trump issued a first-of-its-kind Presidential Memorandum to shape the new opinions and greatly accelerate their completion. Recognizing this extraordinary and uncertain situation, state agencies decided to pursue a separate state permit for the first time to ensure that DWR's water operations can comply with state law. Our state departments worked together, drawing on a decade of science to develop a permit that strengthens safeguards for fish while improving real-time management of state water operations.

This new approach strengthens water security for Southern California communities by ensuring the continued lawful operation of the SWP for the next ten years regardless of

what happens in Washington D.C. This regulatory certainty will support continued smart investments, from modernizing conveyance to expanding water recycling, and will empower the state to make operational decisions untethered from needless federal bureaucratic delays.

### **Improved Flexibilities**

This new state permit improves operational flexibility while ensuring environmental protections. It allows our water infrastructure to capture and save more water in wet years for use later in drier years to protect fish and supply communities. The importance of providing this flexibility is a lesson learned from the last drought, when the lack of carryover supplies limited our ability to protect fish and provide water supplies in the sequential dry years. This new approach is a promising way to prepare for dry years.

These new flexibilities also allow for more exports than were previously permitted during large storm events and hydrologically wet years. Under the permit, DWR and DFW will work together and utilize storm events to increase storage and enable environmentally beneficial flows. This balanced approach places more emphasis on maintaining protective environmental conditions during these storm events than do the Biological Opinions, which we believe do not place enough environmental safeguards on export pumping during storm events. At its core, this state permit enables adaptive management based on improved scientific monitoring and research, close collaboration between state and local agencies, and continued coordination with our federal partners.

### **Protecting Salmon**

California's strong protection of our endangered fish and wildlife reflects our collective values. Our state law to protect endangered species, CESA, is a bedrock of this protection. CESA is more protective than the federal ESA and requires that we minimize, avoid, and fully mitigate an action's impacts on endangered species.

Our iconic salmon are highly imperiled and facing extinction. These species, along with Delta and longfin smelt, have recently been surveyed at the lowest population levels ever recorded. Our salmon have been returning to California's rivers for thousands of years, are revered by Tribal Nations, and support a broad coastal fishing industry. Each of these fish species also fills an important niche in a complex ecosystem.

The state permit carefully analyzed operations of our state water infrastructure. It contains a robust set of protective measures. It establishes transparent, science-based guidelines to protect endangered fish. It makes several improvements to waterways, like a new barrier in the south Delta to improve survival of migrating juvenile salmon and better use of salinity gates in the Suisun Marsh to expand habitat for Delta Smelt. It also includes new funding for a comprehensive adaptive management program and updated modeling, monitoring, and analyses that inform real-time operations.



### **Coordination with Federal Agencies**

State water operations must also comply with the federal ESA. Our state and federal water operations must coordinate closely given their joint responsibilities for water supply delivery and environmental protection. For this reason, our state permit incorporates many components of the Biological Opinions and facilitates coordinated decision-making between state and federal agencies.

However, earlier this year, after careful review of the Biological Opinions developed by the Trump Administration, our best experts concluded they do not do enough to protect endangered fish. As a result, after significant discussion with federal agencies the state filed litigation to modify these federal operations to be more protective and more closely align with our state approach. This was a difficult decision given the importance of state and federal coordination, but we consider it essential to stand up for adequate environmental protections for endangered species.

Therefore, the state permit contains elements not included in the Biological Opinions: more sensitive triggers to modify operations if endangered species are being killed; assured blocks of water flows during spring and summer period to support fish migration and survival; and ultimate authority for our fish protection agency to require real-time operational changes to protect endangered species.

The federal and state water projects have a long history of shared responsibilities for meeting environmental needs. Given this, the State Water Project cannot be forced to absorb the burden of environmental compliance that belongs to others, and we continue to work with the federal government in an effort to resolve our differences on endangered species protections.

### **Moving Forward Together**

We must continue to protect our environment *and* build water security for communities and agriculture. Too often, water policy decisions are portrayed as a win for one priority at the expense of another. This state permit to protect endangered species avoids this “winner-take-all” approach. It provides much needed environmental protection while advancing operational flexibilities that benefit economic uses of our state's water.

Establishing clear rules that protect endangered species and aligning federal and state approaches will advance a broader effort to secure voluntary agreements to improve conditions in the Sacramento and San Joaquin River systems and Delta. These agreements hold promise to bring additional water, habitat and science to improve environmental conditions in the two river systems and the Delta while providing regulatory certainty for communities and agriculture by implementing the State Water Board's Bay Delta Water Quality Control Plan. We continue to steadfastly pursue these agreements and have included in this state permit adaptability to sync with that effort.

We are thankful of our lasting partnership with Metropolitan Water District to meet California's water needs. Continued collaboration into the future will be essential as we work to build our collective water resilience. Recognizing this, we thank each Board

member for your thoughtful and deliberate evaluation of this state permit for the State Water Project.

Sincerely,

A handwritten signature in black ink, appearing to read "Chuck Bonham", followed by a horizontal line.

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Chuck Bonham  
Director, California Department of Fish and Wildlife

A handwritten signature in black ink, appearing to read "Karla Nemeth", followed by a horizontal line.

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Karla Nemeth  
Director, California Department of Water Resources



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

*Office of the General Manager*

April 20, 2020

Mr. Chuck Bonham  
Director  
California Department of Fish and Wildlife  
1416 9th Street, 12<sup>th</sup> Floor  
Sacramento, CA 95814

Ms. Karla Nemeth  
Director  
California Department of Water Resources  
1416 9th Street, Room 1115-1  
Sacramento, CA 95814

Dear Director Bonham and Director Nemeth:

Metropolitan received your letter dated April 14, 2020, directed to Chairwoman Gray and the Metropolitan Board explaining your collective understanding of the California Endangered Species Act (CESA) Incidental Take Permit (ITP) for the State Water Project (SWP). Chairwoman Gray has requested that I respond.

Metropolitan agrees with and shares your desire for close and continued coordination between the federal Central Valley Project (CVP) and the SWP. This coordination is not only required by law for the SWP to meet federal Endangered Species Act (ESA) requirements, but is also necessary given the coordinated nature of the projects. As a matter of fact, that coordination has been the practice since the SWP first began operations in the early 1970's through annual operating plans, and then by federal law under the Coordinated Operations Agreement adopted by Congress in 1986.

Your letter implies that the new permit issued by the California Department of Fish and Wildlife (DFW) is a "stand alone permit" apart from the federal process to protect endangered species. This is not correct. The permit issued by DFW does not replace or eliminate the SWP obligation to comply with federal ESA and the 2019 Biological Opinions.

The U.S. Bureau of Reclamation and the California Department of Water Resources (DWR) worked together over the reconsultation period to jointly propose coordinated long-term operations as well as approximately \$1.5 billion in conservation, monitoring, and new science over the ten-year term of the 2019 Biological Opinions.

During preparation of the permit Environmental Impact Report, DWR evaluated the proposed project and determined it had no significant environmental impacts, was based on the best available science, and ensured coordinated operations with the CVP. This conclusion was based on robust analysis. However, starting in December 2019 and through the last few months of the CESA permit process, the state abruptly backed away from its own proposed operations plan to a new goal of seeking no increases in SWP exports as compared to the 2008-2009 biological opinions. There is no technical or scientific justification for concluding the ITP is better or more protective than the federal biological

opinions, simply because, “it does not seek to increase SWP exports.” By creating two sets of operating rules for the CVP and SWP, the ITP creates operational conflicts, with the SWP reducing exports at times that it has limited ability to change flows in Old and Middle Rivers. This is further exacerbated by shifting discretion to make operational decisions from DWR to DFW without any obligation for DFW to justify those decisions by tying export reductions to impacts caused by the SWP as required under CESA. Additionally, the ITP significantly increases the financial burden of the SWP as compared to the CVP, including commitments for actions outside of the influence of SWP operations.

Your letter asserts that SWP supplies will be more reliable under the new CESA permit, however, the ITP includes operational criteria that are not scientifically justified which can arbitrarily reduce water supply in key water management years such as dry and above and below normal years. While it does allow for some additional water to be diverted in very wet years as compared to the old biological opinions, very wet years produce many challenges to water conveyance and, in any event, the ITP requires that a majority of this water must be paid back in other water years. These requirements are not justified by the best available science, nor are they proportional to SWP effects.

Your letter also states that CESA is more protective than the ESA and therefore, presumably, the ITP must be more restricting. That is not correct. In fact, CESA and ESA are very similar statutes such that the state has discretion to issue “consistency determinations” finding that compliance with ESA is sufficient and no separate CESA permit is required. This process was deemed satisfactory by DFW for decades as to the SWP and, in fact, this is the very first time the state has ever found it necessary to issue a separate ITP for the SWP.

It is unfortunate that the state decided to file litigation challenging the jointly proposed operations plan and federal permits for the SWP and CVP. This halted the historic voluntary agreement process which, ironically, would provide greater outflows, greater conservation, more robust monitoring, and more funding commitments shared across a broad array of diverters throughout the Delta watershed than the state has unilaterally imposed on the SWP alone in the CESA permit.

Metropolitan has long advocated for improved Delta science, monitoring, and habitat restoration, and it continues to support operational decision making based on best available science, real-time information, and adaptive management. We have invested in science and habitat restoration through the SWP, through the CALFED process, through the State Water Contractors, and through our own individual investments.

Metropolitan urges the state to reinitiate the historic voluntary agreement discussions and commit to reconsidering this ITP. Metropolitan understands and agrees that the SWP must be operated to comply with CESA, and that meeting CESA’s requirements involves substantial conservation, monitoring and science-based adaptive management. However, permit requirements that reduce SWP water supplies, increase costs and “mitigation” must be both legally and scientifically justified. There is no legal basis to impose mitigation or monitoring requirements on the SWP for take or actions by third parties or in geographic locations not impacted by the SWP.

DWR's role and obligation pursuant to the contracts with the State Water Contractors who pay for the project and are its beneficiaries, is not to limit exports without justification but, "to make all reasonable efforts to perfect and protect SWP water rights and to satisfy the water supply commitments under the contract". Proposing limitations on exports without legal or scientific basis is contrary to this obligation.

Metropolitan has a duty to protect its ratepayers' interests in reliable SWP supplies, science-based decision-making and permitting that is legal and equitable. The SWP provides the 19 million Californians in Metropolitan's service area with about 30% of their total water supply. Metropolitan in turn has invested over \$13 billion in the SWP since 1960 to ensure this important supply is delivered. The Metropolitan board did not take the decision to authorize litigation lightly. It is a decision that is both regrettable and necessary.

Metropolitan remains committed to continued discussion to address these and other important water issues facing California. We too appreciate the lasting and productive relationships we have built with the State and your agencies. We hope that we can settle our differences, provide for coordinated operation of the SWP and CVP in a manner that is compliant with both CESA and ESA requirements and, ultimately, consummate the historic voluntary agreements that will ensure environmentally protective, science-based water management and ecosystem restoration for the next 15 years.

Sincerely,



Jeffrey Lightlinger  
General Manager

cc: Gloria D. Gray, Chairwoman, The Metropolitan Water District of Southern California  
Metropolitan Water District Board of Directors



**INFORMATION ITEM**

May 6, 2020

**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**

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Staff recommends the Board of Directors to receive and file this information.

**DETAILED REPORT**

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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) South Orange County Projects

**ISSUE BRIEF # A**

**SUBJECT: MET's Water Supply Conditions**

**RECENT ACTIVITY**

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*Information can be found in the associated Board Item – Water Supply Update and Storage Levels.*



**ISSUE BRIEF # B**

**SUBJECT: MET's Finance and Rate Issues**

**RECENT ACTIVITY**

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*Information can be found in the associated Board Item – Update Regarding Metropolitan's Biennial Budget for Fiscal Years 2020/21 and 2021/22.*

## **ISSUE BRIEF # C**

**SUBJECT: Colorado River Issues**

### **RECENT ACTIVITY**

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#### **Colorado River Salinity Economic Impact Model (SEIM) Update**

At the May 4 Planning and Operations Committee, MWDOC staff reported on current efforts to update salinity damage cost estimates stemming from Colorado River water to the Lower Colorado River Basin (LCRB) and the Metropolitan Water District of Southern California (MET) service area. The Salinity Economic Impact Model (SEIM) estimates the annual quantified costs incurred from increased salinity in metropolitan and agricultural areas in the LCRB and MET service area. The SEIM is currently undergoing an update. The update is on-going and new information will be forwarded to the Board once the update is completed.

A draft Technical Memorandum (TM) and the updated model were released for review and comments on April 6, 2020. Through MET; MWDOC staff and some of its member agencies that have previously expressed interest in obtaining updated salinity damage cost estimates, have had an opportunity to comment on the TM and the model. The comments are now under review by the SEIM Study Team for additional changes to the model. Some of the changes to the model; most notably changes to the salinity damage threshold for alfalfa hay from TDS of 500 mg/L to 1,066 mg/L, and increases to the useful life for several residential appliances, are under review as they have resulted in decreases to the total salinity damage cost calculations.

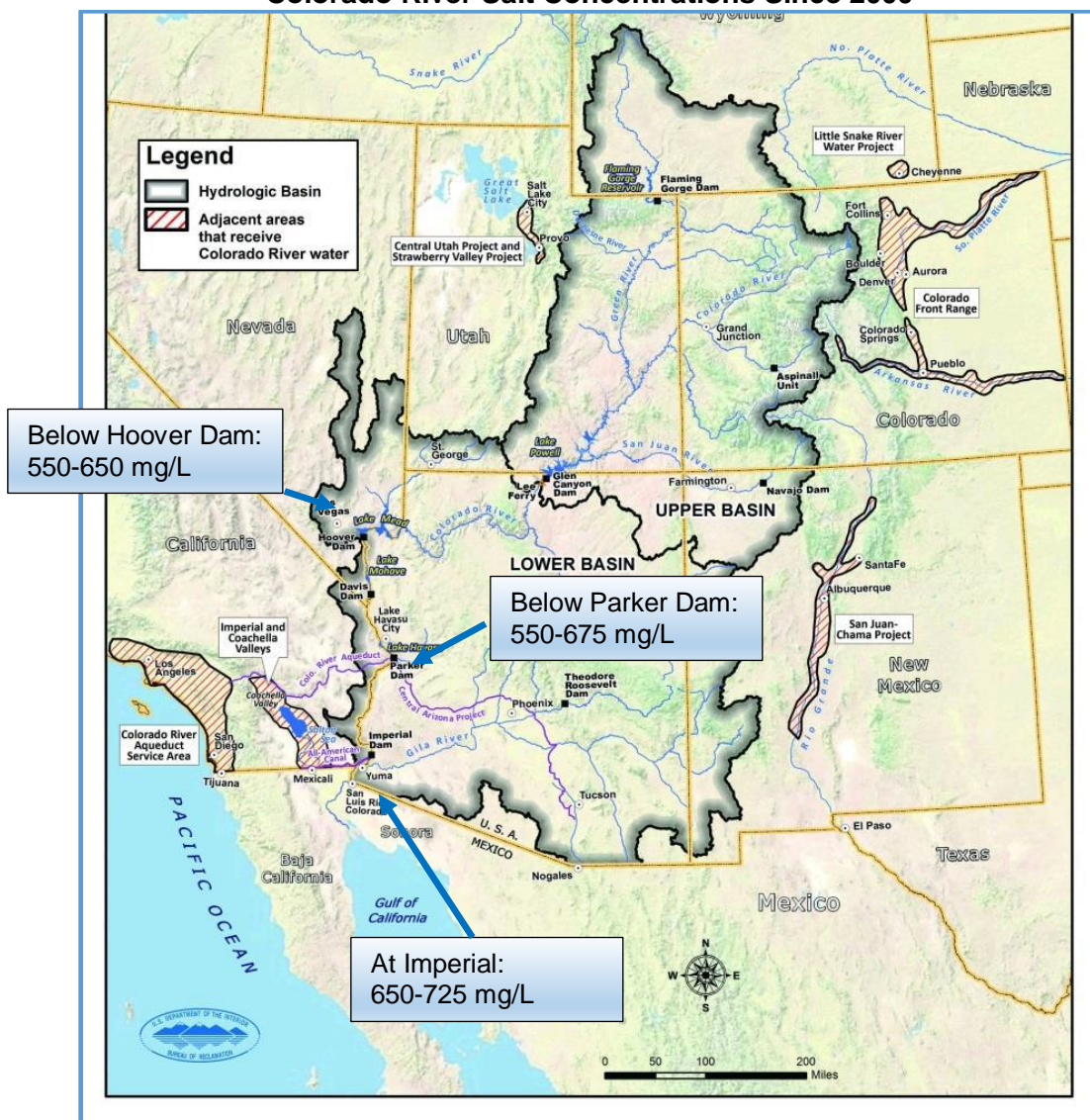
#### **Background**

The Salinity Economic Impact Model (SEIM), is administered by the U.S. Bureau of Reclamation. The Colorado River Basin Salinity Control Forum (Forum)<sup>1</sup> uses the model to evaluate the potential economic benefits of lowering salinity concentrations in the future and the economic costs averted by the current Colorado River Basin Salinity Control Program (Program) controls. The SEIM uses three Colorado River diversion points at Hoover Dam, Parker Dam, and Imperial Dam to estimate salinity damages based on modeled salinity concentrations. Those concentrations are measured as total dissolved solids (TDS) (mg/L). The SEIM model runs on a collection of integrated Microsoft Excel spreadsheets (a.k.a. Excel workbook).

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<sup>1</sup> Created in 1973, the Colorado River Basin Salinity Control Forum (Forum) is an organization of the seven Colorado River Basin states of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The purposes of the Forum are to coordinate salinity control efforts among the states, coordinate with federal agencies on the implementation of the Colorado River Basin Salinity Control Program (Program), work with Congress on the authorization and funding of the Program, act to disseminate information on salinity control and otherwise promote efforts to reduce the salt loading to the Colorado River.

## Colorado River Salt Concentrations Since 2000

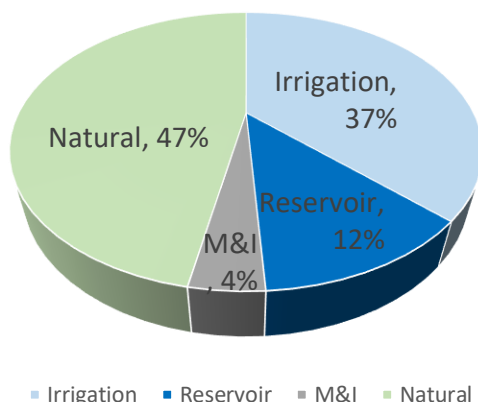


The SEIM is the current version of a salinity model that was originally developed in the late 1980s. The SEIM estimates economic costs attributed to salinity levels greater than a baseline value of 500 mg/L<sup>2</sup> of total dissolved solids (TDS) on:

- Household water-using appliances,
- Treatment and infrastructure replacement costs in the commercial, industrial and water utilities sectors, and
- Income losses to agriculture.

<sup>2</sup> U.S. EPA's secondary drinking water quality standard

Colorado River Sources of Salinity  
(from 1971 EPA Study)



The SEIM also estimates the additional costs related to meeting California water quality standards for groundwater and recycled and publicly-owned treatment works (POTW) water use in the MET service area. The model does not calculate an absolute value of the economic costs due to salinity. The model estimates salinity costs from a baseline condition and then calculates the change in economic costs when salinity rises or declines in the Colorado River water used in the LCRB and the MET service area.

Economic Sector Impact Category Items Included in the SEIM	
Economic Sector	Impact Category Items
Residential	Water Pipes, Water Heater, Faucet, Garbage Disposal, Clothes Washer, Dishwasher, Water Softener, Detergent
Commercial	Sanitary, Cooling, Irrigation, Kitchen, Laundry, Misc.
Industrial	Process Water, Cooling Tower, Boiler, Sanitation, Irrigation
Water Utilities	Treatment Plant, Distribution System
Groundwater	Direct Recharge, Indirect Recharge, Incidental Recharge
Recycled Water & POTW	Irrigation, Direct Groundwater Recharge, Indirect Groundwater Recharge
Agriculture	<b>MWD Subareas Crops:</b> Strawberry, Nursery, Cut Flowers, Misc. Vegetable, Citrus, Avocado, Vineyard, Pasture/grain, Deciduous, Field Crops
	<b>All Other Subareas Crops:</b> Head Lettuce, Leaf Lettuce, Romaine Lettuce, Broccoli, Cauliflower, Alfalfa Hay, Onions, Avocados, Cantaloupe, Carrots, Oranges, Tangerines, Lemon/Limes, Grapefruit, Table Grapes, Potatoes, Corn, Wheat, Cotton, Barley, Olives, Honeydews, Tomatoes, Leaching Management Costs





## Model Updates

**Variable Baseline** - The costs estimated by previous versions of the SEIM for changes in Colorado River salinity levels were based on the change in economic costs from a 500 mg/L baseline condition and the projected elevated salinity concentrations from the Colorado River Simulation System (CRSS) long term planning model which incorporates current and future salinity control projects (mainly in the Upper Colorado River Basin).

The model's baseline value has now been modified to allow for analysis of TDS baselines below 500 mg/L. This opens the opportunity for additional analyses, including analyzing individual project salinity benefits on blended TDS levels for Orange County. The current model documentation lacks the necessary details that would allow for such analyses. An upcoming training session in May 2020 will provide additional guidance on how these analyses can be completed using the SEIM.

**Updated Costs** - Prices and cost values in the 2020 SEIM have been updated to 2018 dollar values.

Useful Life of Residential Appliances - Most SEIM estimates of residential salinity costs are based on the reduced useful life of water using appliances and fixtures from increased average annual salinity. The calculated useful life of several water-using residential appliances have been increased based upon research from a 1993 review of a previous version of the model. The increased useful life is resulting in a lowering of total salinity damage costs. This modification is under review.

Salinity Impact Threshold for Agricultural Crops - The threshold for when salinity causes impacts to alfalfa crops has been raised from 500 mg/L to 1,066 mg/L based upon some research that demonstrates that alfalfa is more tolerant to salinity than previously thought. This change has resulted in a decrease in salinity damage costs. These findings are also under review.

### Preliminary Findings

*Note:* These findings are currently under review and will likely change

#### Comparison of Current Version of the SEIM to the Previous Version of the SEIM

##### **Projected Salinity Costs in 2035**

*(Note: The numbers below are based on 2014 dollars to allow for a comparison between the new version of the model and the previous version of the model.)*

Area and Subarea	Total		
	Previous Version of SEIM	2020 Version of SEIM	Difference
Central Arizona			
Phoenix AMA	\$24,466,430	\$23,565,074	-\$901,356
Pinal AMA	\$2,796,916	\$1,102,189	-\$1,694,727
Tucson AMA	\$4,371,303	\$4,215,886	-\$155,417
Mainstem Arizona			
Mohave Co	\$2,797,480	\$1,816,090	-\$981,391
La Paz, Co	\$9,421,600	\$1,553,955	-\$7,867,645
Yuma Co	\$74,294,337	\$61,403,028	-\$12,891,309
Mainstem Nevada			
Clark County	\$53,785,756	\$25,315,679	-\$28,470,077
Mainstem California			
Imperial Co	\$171,247,080	\$73,929,010	-\$97,318,070
San Bernardino Co	\$9,536,330	\$5,251,197	-\$4,285,133
Riverside Co	\$22,556,267	\$34,153,004	\$11,596,738
MWDSC	\$121,531,409	\$112,945,023	-\$8,586,386
Total	<b>\$496,804,907</b>	<b>\$345,250,135</b>	- <b>\$151,554,772</b> -30.5%

Compared to the previous version of the model, the percentage of damages by sector in the 2020 SEIM (new version of the model) generally remained consistent. In the 2020 SEIM, the Agricultural, Residential, and Commercial sectors account for 86% of the damages (compared to 88% in the previous version of the model). The overall costs in the 2020 SEIM decreased by 30% compared to the previous version.

- Residential costs decreased in the 2020 SEIM by \$17 million (11% of the total reduction in cost). Factors such as the cost of appliance either stayed the same or increased, however the useful life for several residential appliances increased due to a change in useful life TDS functions.
- Agricultural costs decreased in the 2020 SEIM by \$117 million (77% of the total reduction in costs). The primary cause for the decrease in cost is a change in the salinity threshold for alfalfa hay from 500 mg/L to 1,066 mg/L.
- The overall commercial costs decreased in the 2020 SEIM by \$7 million (4.7% of the total reduction in costs). However commercial costs increased for all areas except Mainstem Nevada and Mainstem California primarily because the price per category (\$/AF) increased for all commercial categories.
- The overall industrial costs increased by \$4.5 million is primarily due to an increase price per category (\$/AF). All categories, except Sanitation and Irrigation, increased in price per acre-foot.

#### Percentage of Total Cost Incurred Between Sectors

2020 SEIM		Previous Version of the SEIM	
Agricultural	51%	Agricultural	59%
Residential	25%	Residential	21%
Commercial	9.8%	Commercial	8.0%
Industrial	3.7%	Industrial	32.0%
Utilities	0.3%	Utilities	3.0%
Groundwater	5.2%	Groundwater	5.0%
Recycled Water	5.0%	Recycled Water	2.0%

#### MWDOC and MWDOC Member Agency Comments:

The following comments on the SEIM were passed on to the U.S. Bureau of Reclamation through MET:

#### General Comments from the Municipal Water District of Orange County:

- In general, Metropolitan needs to drill down; either through member agencies or through a workshop with agencies on what agencies see as important. The majority of the report is interesting and has good information, but it is not relevant to the Metropolitan service area.
- The report should include a table listing the specific assumptions in the model as compared with the 1999 model. What were the major differences? Also, are there ranges on the dollar impacts instead of just averages?



- Will the model enable determination of economic benefits of a lower TDS standard? 500 mg/L is the current secondary limit and the model evaluates impacts from this baseline. However, can the model can also be used with a starting TDS of say 250 mg/L and look at impacts above this amount? This would allow for agencies to determine if there is a benefit to a lower TDS and if projects are warranted.
- The weighted TDS in the Metropolitan service area should be able to be broken up to better reflect the quality of water delivered between 100% State and 100% Colorado and cost impacts.
- The spreadsheet and the write up explanation in the report are somewhat confusing. The initial spreadsheet values when first opening the model are very high, and once the Initialize Damage Year button is clicked on the Summary Results tab the damages drop dramatically. This gives an impression that something is not calculating correctly.
- The spreadsheet results do not mirror the write up example in Section 3.3 Model Results.
- There appears to be a mismatch between the unit cost of water heaters and the associated life expectancy used in the model. It appears from the Appendix that the unit price is an overall average price of water heaters with levels of warranties varying from 6 to 12 years; however, the Life Expectancy for water heaters stated in the model is 12 years. The current Home Depot water heater unit price (without tax and installation) for a 12 year warrantied 40 gallon gas water heater is at minimum \$700 (much higher than the unit price used in the model). Either the life expectancy or the unit price needs adjusting in the model to match. The 'grey literature' available on the web indicates that water heater warranties are a good indicator of likely unit life expectancies.

**ISSUE BRIEF # D**

**SUBJECT: Bay Delta/State Water Project Issues**

**RECENT ACTIVITY**

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*For information specifically relating to the Delta Conveyance Project (f.k.a. the California WaterFix) please, refer to the associated Board Item – Delta Conveyance Project Activities.*

## **ISSUE BRIEF # E**

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

### **RECENT ACTIVITY**

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#### **Doheny Desal**

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

#### **Poseidon Huntington Beach**

The Santa Ana Regional Water Quality Control Board (SARWQCB) continues to work with Poseidon on renewal of the National Pollutant Discharge Elimination System (NPDES) Permit for the proposed HB Desalination Project.

The renewal of the NPDES permit for the proposed desalination facility requires a California Water Code section 13142.5(b) determination in accordance with the State's Ocean Plan (a.k.a. the Desalination Amendment). To make a consistency determination with the Desalination Amendment, the Regional Board is required to analyze the project using a two-step process:

1. Analyze separately as independent considerations, a range of feasible alternatives for the best available alternative to minimize intake and mortality of all forms of marine life:
  - a. Site
  - b. Design
  - c. Technology
  - d. Mitigation Measures
2. Then consider all four factors collectively and determine the best combination of feasible alternatives.

Regional Board staff reviewed hundreds of documents and input from both an independent reviewer and a neutral 3rd party reviewer to develop Tentative Order R8-2020-0005.

The key areas required by the Ocean Plan on which the Santa Ana Water Board is required to make a determination, includes:

- Facility onshore location;
- Intake considerations including subsurface and surface intake systems;
- **Identified need for the desalinated water;**
- Concentrated brine discharge considerations;
- Calculation of the marine life impacts; and

- Determination of the best feasible mitigation project available.

In evaluating the proposed project, Santa Ana Regional Board staff interpreted “the identified need for the desalinated water” as whether or not the project is included in local area water planning documents, rather than a reliability need as analyzed in the OC Water Reliability Study. The Regional Board staff referenced several water planning documents; Municipal Water District of Orange County’s (MWDOC) 2015 Urban Water Management Plan (UWMP), the OC Water Reliability Study, OCWD’s Long Term Facilities Plan, and other OCWD planning documents in their evaluation of Identified Need.

On December 6, 2019, SARWQCB, Regional Board staff conducted a workshop in Huntington Beach that was heavily attended with a considerable range of views expressed at the meeting. Several of the SARWQCB members were somewhat confused about the evaluation of Identified Need for the project (inclusion in local water planning documents vs. an identified reliability need for the project) and requested staff to help them understand the issue better.

**The SARWQCB scheduled a Special Board Meeting for a Poseidon Workshop on April 3, 2020. The special meeting was postponed and has been rescheduled for May 15, 2020 via video and teleconference. The next SARWQCB Regular Board Meeting is scheduled for May 8, 2020 via video and teleconference.**

Assuming success, Poseidon would then seek its final permits from the California Coastal Commission (CCC). The CCC has committed to reviewing the permit within 90 days of the SARWQCB NPDES permit issuance.

## **ISSUE BRIEF # F**

**SUBJECT: South Orange County Projects**

### **RECENT ACTIVITY**

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#### **Doheny Desal Project**

South Coast WD continues working on the project. South Coast WD has submitted their NPDES permit application on March 13, 2020 with an estimated six-month review time by the San Diego Regional Board.

Work is progressing on the Financial Analysis for a 2 mgd and 5 mgd scenario. Study is anticipated to be complete by mid-May.

#### **Next Steps by South Coast WD:**

1. Look for partners
2. High Level Schedule (has slipped a bit due to the Regional Board schedule)
  - a. Environmental permitting                      Late Summer 2020
  - b. DBOM Contract Develop                      Early 2020
  - c. DBOM Contract Award                      Early 2021
  - d. Construction Completion                      Early 2023

#### **SMWD Trampas Canyon Recycled Water Reservoir**

Trampas Canyon Reservoir and Dam (Trampas Reservoir) is a seasonal recycled water storage reservoir, with a total capacity of 5,000 AF, of which 2,500 AF is available to meet Santa Margarita Water District's projected base recycled water demands, and 2,500 AF to meet future water supply needs. When completed, the Trampas Reservoir will allow SMWD to store recycled water in the winter and draw on that water during the peak summer months.

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
  - a. Project Status - Complete
2. Dam and Pipelines
  - a. Project Status - The Construction Contract was awarded in December 2017 and is approximately 83% complete.
3. Pump Station
  - a. Project Status - The pump station construction began in January and will continue through August.

The project is currently projected to conclude at or before mid-September 2020.

### **San Juan Watershed Project**

Santa Margarita WD continues to focus on diversifying its water supply portfolio for south Orange County residents, businesses, schools, and visitors. On June 21, 2019, the San Juan Watershed Environmental Impact Report (EIR) was approved.

The original project had three Phases; Phase 1 was three rubber dams recovering about 700 AFY; Phase 2 added up to 8 more rubber dams with the introduction of recycled water into the creek to improve replenishment of the basin for up to 6,120 AFY, and Phase 3 added more recycled water topping out at approximately 9,480 AFY. Under this arrangement, most or all of the production and treatment involved the existing San Juan Groundwater Desalter with expansions scheduled along the way to increase production over 5 mgd. Fish passage and regulatory hurdles to satisfy subsurface travel time requirements are presenting some difficulties.

SMWD is working with the Ranch on the next phase of development within SMWD and have access to riparian groundwater from the Ranch. Furthermore, they have discovered that the local geology has high vertical percolation rates and sufficient groundwater basin travel time to potentially allow percolation of treated recycled water. SMWD is of the opinion that groundwater production and treatment of the groundwater can be initiated in a relatively short time-frame while permitting for percolation augmentation using recycled water from the nearby Trampas reservoir can be added as permitting allows. They believe the new project area may be able to ultimately produce 4,000 to 5,000 AF per year; they believe the original project will continue to be developed for production out of the wells and treatment provided by San Juan Capistrano as the two agencies merge. Ultimate production out of the basin could exceed 10,000 AF per year if all goes well.

### **South Orange County Emergency Service Program**

MWDOC, IRWD, and Dudek have completed the study to determine if the existing IRWD South Orange County Interconnection capacity for providing emergency water to South Orange County can be expanded and/or extended beyond its current time horizon of 2030.

Dudek participated in the November 6, 2019 workshop to re-engage with the SOC agencies on this project. Support from the agencies was expressed to take a small next step to



install Variable Frequency Drives at a pump station within IRWD which would be paid for by SOC to help move water from the IRWD system to SOC in an emergency. The Variable Frequency Drives will provide more flexibility to the IRWD operations staff to allow additional water to be sent to SOC while meeting all of the IRWD needs.

### **Strand Ranch Project**

A meeting was held on February 14, 2020 between MWDOC, MET, and IRWD to further exchange ideas on how to implement the program to capture the benefits that can be provided by the development of “extraordinary supplies” from the Strand Ranch Project. Based on the meeting, staff from MWDOC and IRWD will need to continue to discuss methods of quantifying the benefits of the program.

### **Other Information on South County Projects**

#### **Accelerated AMP Shutdown in Early 2021 to Replace PCCP Sections**

In 2016, MET initiated a Prestressed Concrete Cylinder Pipe (PCCP) rehabilitation program to install 26 miles of steel liner throughout the MET system to address structural issues associated with prestressed steel wire failures in PCCP. As part of the program, MET monitors PCCP for wire breaks on a regular basis. MWDOC staff was notified that a recent internal inspection of the AMP pipeline, which included electromagnetic surveys, revealed two pipe segments with increased wire breaks within the PCCP portion of the AMP south of OC-70; affecting El Toro WD, Irvine Ranch WD, Moulton Niguel WD, San Clemente, San Juan Capistrano, Santa Margarita WD, and Trabuco Canyon WD. MET Engineering considers this section of the pipeline to be high-risk which requires relining on an accelerated basis. MET proposes to reline this section of the pipe in early 2021. The minimum relining length needed would be approximately 1,000 feet, and would require a minimum 1-month shutdown only for the section of the AMP south of OC-70. A longer shutdown duration would allow Metropolitan to reline approximately 3,300 feet, which would reduce the number of shutdowns needed for future relining of the entire PCCP portion of the AMP and would reduce the overall construction and shutdown costs. MET had originally scheduled the AMP PCCP relining to begin in about 5 years, but based on the survey, the relining of this initial section has been accelerated.

MWDOC staff is currently working with affected agencies and will keep both the Board and the AMP Participants informed as more information becomes available.

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](mailto:kseckel@mwdoc.com).

**REVISED**

**Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
April 14, 2020**

**COMMITTEE ASSIGNMENTS**

None. (Agenda Item 5C)

**FINANCE AND INSURANCE COMMITTEE**

- a) Approved the fiscal years (FY) 2020/21 and FY 2021/22 Proposed Biennial Budget document, with the following modifications:
  - Revise the FY 2020/21 budget to fund the CIP pursuant to a 55/45 PAYGO/debt ratio and change sales projections by shifting 50 thousand acre-feet of untreated water sales projections to treated water projections; and
  - Revise the projected FY 2020/21 CIP expenditures to 80 percent of planned spending in FY 2020/21;
- b) Appropriated \$2,810.9 million for Metropolitan O&M and operating equipment, power costs on the Colorado River Aqueduct, State Water Contract operations, maintenance, power and replacement costs and State Water Contract capital charges; demand management programs including the local resources and Conservation Credits Program; and costs associated with supply programs, for FYs 2020/21 and 2021/22;
- c) Appropriated as a continuing appropriation, \$605.7 million for FY 2020/21 and FY 2021/22 debt service on Metropolitan general obligation and revenue bonds;
- d) Authorized the use of \$245 million in operating revenues to fund the Capital Investment Plan (CIP) for FYs 2020/21 and 2021/22;
- e) Determined that the revenue requirements to be paid from rates and charges are \$1,622 million in FY 2020/21 and \$1,708 million in FY 2021/22;
- f) Approved the Ten-Year Financial Forecast, as shown in Figure 3 of the Board Letter;
- g) Approved water rates effective January 1, 2021, and January 1, 2022, as shown in Table 4 of the Board Letter;
- h) Adopted the Resolution Fixing and Adopting Water Rates To Be Effective January 1, 2021 and 2022 for Table 4, in the form of Attachment 3 of the Board Letter;
- i) Adopted the Resolution Fixing and Adopting A Readiness-To-Serve Charge Effective January 1, 2021 as shown in Table 4, in the form of Attachment 4 of the Board Letter;

- j) Adopted the Resolution Fixing and Adopting A Capacity Charge Effective January 1, 2021 as shown in Table 4, in the form of Attachment 5 of the Board Letter; and
- k) Adopted the Resolution Finding that for FYs 2020/21 and 2021/22 the Ad Valorem Property Tax Rate Limitation in Section 124.5 of the Metropolitan Water District Act is not applicable because it is Essential to Metropolitan's Fiscal Integrity to Collect Ad Valorem Tax Rate in Excess of that Limitation, in the form of Attachment 6 of the Board Letter,

as set forth in Option 1 of the Agenda Item 8-1 Board Letter, with the following two amendments:

- 1) No later than its September 2020 meeting, the Board will review the budget and rates to consider the impacts resulting from the COVID-19 crisis; and
- 2) Staff is directed to revisit and consider the following issues for the biennial budget cycle of fiscal years 2020/21 and 2021/22 by August 31, 2020:
  - a) factor for unrealized staffing levels;
  - b) consider revisiting advance recruitment for overlapping staffing positions, as part of succession planning;
  - c) match CIP appropriations to the slowdown in expenditures;
  - d) suspend the director inspection trip program;
  - e) suspend fleet vehicle purchases; and
  - f) plan for strategic use of reserves and financing.

**(Agenda Item 8-1)**

**ENGINEERING AND OPERATIONS COMMITTEE**

Appropriated \$500 million for projects identified in the CIP appendix for FYs 2020/21 and 2021/22; and authorized the General Manager to initiate or continue work on the capital projects described in the CIP Appendix for Fiscal Years 2020/21 and 2021/22 and Minor Capital Projects to be identified during the biennial period, subject to any limits on the General Manager's authority and CEQA requirements. **(Agenda Item 8-2)**

**LEGAL AND CLAIMS COMMITTEE**

Authorized the General Counsel to file litigation against California Department of Fish and Wildlife (CDFW) and Department of Water Resources (DWR) challenging the new California Endangered Species Act (CESA) permit and Final Environmental Impact Report (EIR), and potentially alleging additional causes of action against DWR, if, in her judgment, it is in Metropolitan's interest to do so, as set forth in Agenda Item 8-3 board letter. **(Heard in closed session at committee) (Agenda Item 8-3)**

Authorized the General Counsel to increase the amount payable under its agreement with Hanson Bridgett LLP by \$100,000 to a maximum not-to-exceed \$200,000, as set forth in Agenda Item 8-4 board letter. **(Heard in closed session at committee) (Agenda Item 8-4)**

## **CONSENT CALENDAR**

In other actions, the Board:

Awarded a \$1,206,535 contract to Wigen Water Technologies to procure water treatment equipment for CRA Domestic Water Treatment Systems. (**Agenda Item 7-1**)

Adopted resolution for Rancho Corrido Annexation to San Diego County Water Authority and Metropolitan. (**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:

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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**

Item No. 8b

**Regular Board Meeting**

**May 12, 2020**

**12:00 p.m.**

Tuesday, May 12, 2020 Meeting Schedule	
11:00 AM	L&C
12:00 PM	Board

Live streaming is available for all board and committee meetings on our [mwdh2o.com](http://mwdh2o.com) website  
([Click to Access Board Meetings Page](#))

**Public Comment Via Teleconference Only:** Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

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**1. Call to Order**

**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 Government Code Section 54954.3(a))

**5. OTHER MATTERS**

- A. Approval of the Minutes of the Meeting for April 14, 2020  
(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 April 2020
- C. Approve committee assignments
- D. Chairwoman's Monthly Activity Report

**6. DEPARTMENT HEADS' REPORTS**

- A. General Manager's summary of activities for the month of April 2020

- B. General Counsel's summary of activities for the month of April 2020
- C. General Auditor's summary of activities for the month of April 2020
- D. Ethics Officer's summary of activities for the month of April 2020

## **7. CONSENT CALENDAR ITEMS — ACTION**

- 7-1** Authorize an agreement with Sespe Consulting, Inc., in an amount not-to-exceed \$510,000 for preparation of Surface Mining and Reclamation Act reclamation plans and environmental documentation; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA
- 7-2** Authorize an agreement with Computer Aid, Inc. in an amount not-to-exceed \$771,219.00 for the implementation of a new Information Technology Service Management System; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- 7-3** Review and consider the City of Hemet's certified Final Environmental Impact Report and take related CEQA actions, and authorize the General Manager to grant a drainage easement to the city of Hemet along State Street just south of Domenigoni Parkway
- 7-4** Review and consider the city of Perris' certified Final Environmental Impact Report and take related CEQA actions, and authorize the General Manager to grant three permanent easements to the city of Perris for public road purposes traversing Metropolitan fee-owned Colorado River Aqueduct right of way in Perris, California

## **END OF CONSENT CALENDAR**



## **8. OTHER BOARD ITEMS — ACTION**

- 8-1** Adopt resolution to continue Metropolitan's Water Standby Charge for fiscal year 2020/21; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (F&I)
- 8-2** Approve and authorize 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. (F&I)
- 8-3** Authorize an increase in the maximum amount payable under contract with Best, Best & Krieger LLP for legal services related to the Surface Mining and Reclamation Act by \$150,000 to a maximum amount payable of \$250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)

## **9. BOARD INFORMATION ITEMS**

- 9-1** Update on Conservation Program
- 9-2** Communications and Legislation Committee Report
- 9-3** Renewal Status of Metropolitan's Property and Casualty Insurance Program. (F&I)
- 9-4** Financing Overview for Bond Issuance. (F&I)

## **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.