WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Fountain Valley, California
September 2, 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

## 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. 2101**

## ACTION ITEM

## 1. MWDOC COMMENT LETTER ON PUBLIC DRAFT OF THE FRANKS TRACT FUTURES REPORT, ENTITLED "FRANKS TRACT FUTURES 2020 REIMAGINED"

*Recommendation: Authorize submittal of a comment letter under President Tamaribuchi's signature on the public draft of the Franks Tract Futures Report, entitled "Franks Tract Futures 2020 reimagined", substantially in the form attached.*

**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 WATER DISTRICT OF SOUTHERN CALIFORNIA INTEGRATED RESOURCES PLAN (IRP) DISCUSSION SERIES PART 8**

*Recommendation: Review and discuss the information presented.*

**4. INTRODUCTION OF METROPOLITAN'S FEDERAL LEGISLATIVE REPRESENTATIVE – ABBY SCHNEIDER**

Recommendation: *Review and discuss the information presented.*

**INFORMATION ITEMS**

**5. DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE**

*Recommendation: Receive and file the information presented.*

6. **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.*

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

a. Summary regarding August MET Board Meeting
b. Review items of significance for MET Board and Committee Agendas (to be emailed separately)

*Recommendation: Review and discuss the information presented.*

**ADJOURNMENT**

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of

accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodations should make the request with adequate time before the meeting for the District to provide the requested accommodations.

**Item No. 1**

**ACTION ITEM**
September 2, 2020

**TO:** Board of Directors

**FROM:** Robert Hunter, General Manager — Staff Contact: Karl Seckel

**SUBJECT:** **MWDOC Comment Letter on Public Draft of the Franks Tract Futures Report, entitled "Franks Tract Futures 2020 reimagined"**

## STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize Option # 1, submittal of a comment letter under President Tamaribuchi's signature on the public draft of the Franks Tract Futures Report, entitled "Franks Tract Futures 2020 reimagined", substantially in the form attached.

## COMMITTEE RECOMMENDATION

Because of the pending due date for comment letters on September 2, this request was brought straight to the Joint Workshop Board meeting for consideration.

## SUMMARY

Staff is of the belief that fisheries habitat restoration is needed in the Delta, at scale sizes, to help improve the food production and health of the native fish populations. Furthermore, these types of investments need to be expanded and accelerated to help relieve the conflicts in the Delta between the fish and water management. MWDOC should be a supporter of projects that improve fisheries habitat, reduce entrainment of fish, improve salinity in the central delta, improve the management of flows for export purposes, and projects that are considerate of in-delta uses. These type of projects should help to improve the health and vitality of the Delta as a region and should also improve the flexibility of

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): N/A** | Budgeted amount: N/A | Core _X_ | Choice __ |
| **Action item amount:** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

future water operations within the Delta in a manner where Southern California would receive benefits.

MWDOC has taken an opportunity to review the public draft of the Franks Tract Futures Report, entitled "Franks Tract Futures 2020 reimagined." We note that Franks Tract is a 3,000-acre flooded island in the middle of the Delta. Various partners, led by the California Department of Fish & Wildlife (CDFW), are now proposing to restore about 1,000 acres of the Tract to tidal marsh. Franks Tract is not only a publicly-owned state recreation area but also one of the least subsided flooded islands in the central Delta, two conditions that make it a strong candidate for large, landscape scale restoration. We note below the myriad of benefits from this project as outlined in the report.

Potential benefits from the Franks Tract project Include:

- Creation of large areas of tidal marsh, riparian channel edge, and ecologically valuable features that provide habitat for a variety of species, including species of concern, sport fish and waterfowl.
- Increase in food production to benefit native and sport fish.
- Reduction in ecologically harmful aquatic weeds through the deepening of channels and open water areas.
- Improvements in water quality for human use by reducing salinity in the central and south Delta.
- Potential improved water supply reliability by reducing fish entrainment to the south Delta.
- Reduction in the frequency with which an emergency salinity control structure would be needed during extreme drought conditions.
- Tidal wetland habitats and relative water quality benefits are projected to be sustainable as sea level rises, which protects the investment and lessens the vulnerability of Delta ecology and water quality in future decades.
- Improvements to recreational boating and navigation through dredging and reduction in aquatic weeds.
- Identification of potential new recreational features within the existing State Recreation Area such as beaches, mooring areas, sheltered coves, day-use areas, and enhanced conditions for kayaking and wildlife observation.
- Improvements to remnant levees that provide wave sheltering adjacent to Bethel Island and Little Franks Tract while maintaining open water views and marina access to Bethel Island.

## ADDITIONAL DETAILS

See the Attached Map.

Franks Tract is important because it plays a central role in the exchange of salt, food, sediment and biota between the west, central, and south Delta. The geometry of Franks Tract contributes to a mixing phenomenon called tidal pumping, a mechanism that traps and disperses saline water and fish from False River into Franks Tract and on to the south Delta.

The Franks Tract region is also a nexus of regulatory control. State Water Quality Control Board Decision D-1641 prescribes water quality standards for agriculture and water exports at locations throughout the Delta, but standards at sites in the vicinity of Franks Tract are frequently the ones that limit the amount of fresh water the state and federal water projects can divert. As sea levels rise, the water cost (associated with upstream reservoir releases) of compliance with Delta standards is expected to increase. Water quality problems and difficulty meeting standards can increase with drought. Additional management measures are sometimes required to protect the fresh water corridor from salinity intrusion. In 2015, an emergency drought barrier was constructed in west False River to limit salinity transport into Franks Tract and subsequently into the central Delta. The barrier minimized salinity intrusion but was costly. It also negatively affected navigation and recreational uses of the Delta, especially in the vicinity of Franks Tract. In addition to trapping and transporting salt, tidal pumping at Franks Tract can also entrain state or federally protected fish species towards the south Delta pumping facilities where chances of survival are reduced. Presence or salvage of protected species at the south Delta pumping facilities can trigger Old and Middle River reverse flow restrictions and curtail pumping. Fish entrainment is thus both a water supply reliability consideration, as well as an ecological consideration for Franks Tract design concepts.

Objectives of the Franks Tract project include improving water quality and supply reliability. The preferred design concept reduces trapping and transport of salts through Franks Tract, based on hydrodynamic modeling. The project improves water quality in the central Delta and reduces fish entrainment potential from the west. The project could also reduce water release from reservoirs that would otherwise be necessary to improve water quality in the central Delta. The project provides significant drought protection as well, reducing the frequency with which a salinity barrier may be needed.

The report can be accessed here:

https://franks-tract-futures-ucdavis.hub.arcgis.com/

## BOARD OPTIONS

**Option #1**

- Proceed with sending the comment letter

**Fiscal Impact:** A minor amount of staff time to research and prepare the letter.

Overall, the Franks Tract Project involves considerable dredging and levee construction which is expensive. About 37 million cubic yards of earth would need to be moved. The conceptual construction costs are estimated at about $560 million and it will take between 4 and 9 years to construct depending on which elements are ultimately included. A key question still to be resolved is the allocation of project costs among the various beneficiaries, including the water exporters. MWDOC should continue to work with MET and the State Water Contractors on a reasonable cost share of the project.

**Business Analysis:** MWDOC is in a good position to raise the visibility and importance of the multi-benefit projects to improve the operations within the Delta and more specifically projects that help fisheries restoration efforts. If the fisheries continue in decline, the operations within the Delta will become more constrained and this will impact our reliability. Projects such as Franks Tract should help to improve operations.

**Option #2**

- Do Not send the comment letter

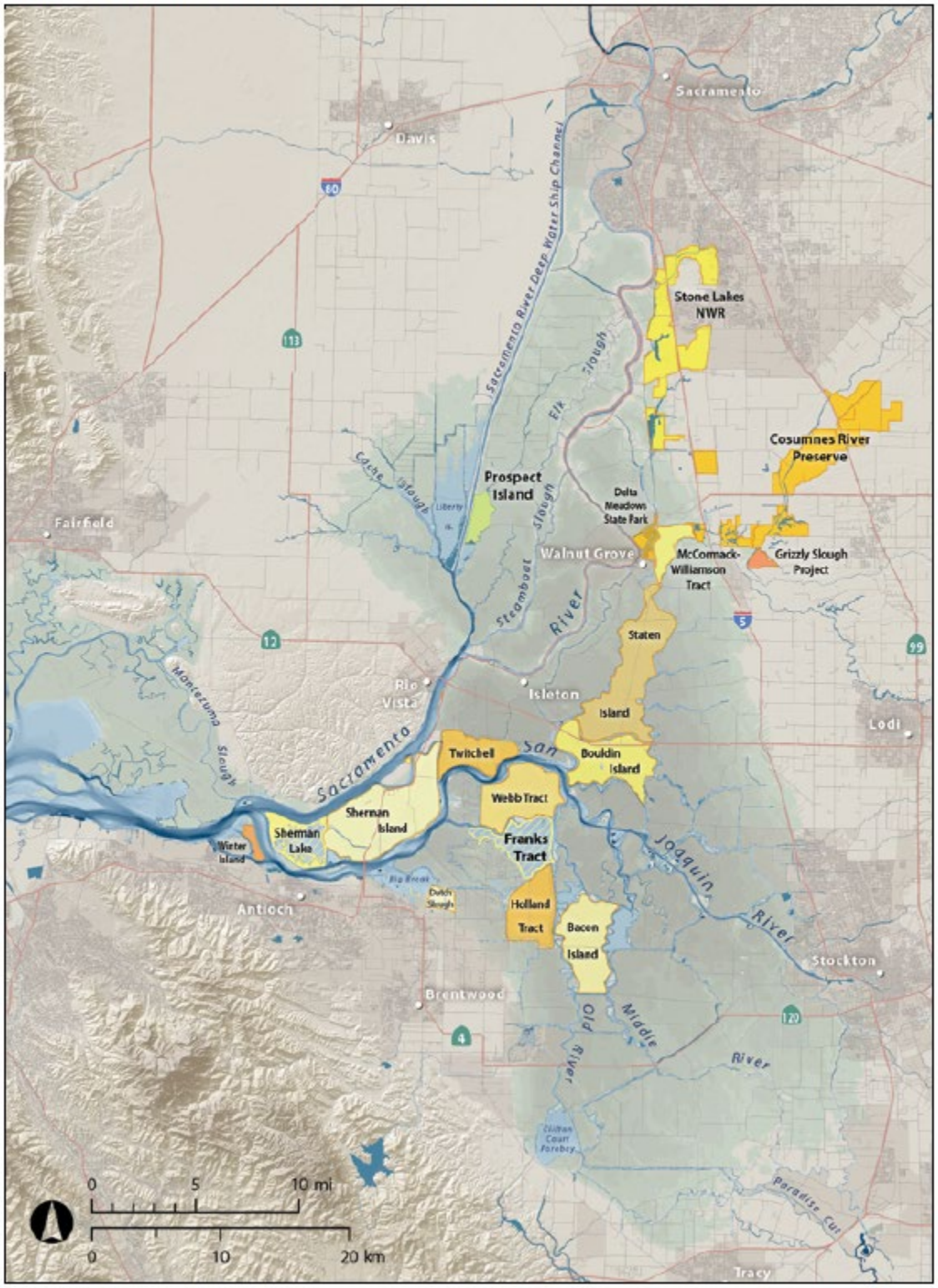
**Fiscal Impact:** A minor amount of staff time to research and prepare the letter.

**Business Analysis:** If we do not send the letter and do not raise the visibility and importance of these types of projects, an argument could be made that we might be missing an opportunity to improve the situation in the Delta. The costs of this option may be more than the costs of Option 1, but this is a difficult analysis to make at this time.

## STAFF RECOMMENDATION

**Option #1**

## Central Delta Corridor of Public Lands and Potential Restoration Areas




*Variable yellow colors distinguish different tracts, islands, and properties in this public lands corridor. Map: Amber Manfree*

# DRAFT

DRAFT LETTER FOR CONSIDERATION BY THE MWDOC BOARD

COMMENTS ARE DUE BY SEPTEMBER 2, 2020

September 2, 2020

To: Franks Tract Advisory and Steering Committee members and the California Department of Fish and Wildlife

Response provided by Email to: ucdfrankstract@gmail.com

**Public draft of the Franks Tract Futures Report, entitled "Franks Tract Futures 2020 reimagined"**

The Municipal Water District of Orange County (MWDOC) serves over 3.2 million Orange County residents through 28 retail water agencies. MWDOC's service area covers all of Orange County with the exception of the cities of Anaheim, Fullerton and Santa Ana. As a wholesale water supplier and resource planning agency, MWDOC's efforts focus on sound planning and appropriate investments in water supply development, water use efficiency, public information, legislative advocacy, water education, and emergency preparedness. MWDOC is the third largest member agency of Metropolitan Water District of Southern California (MET).

MWDOC has taken an opportunity to review the public draft of the Franks Tract Futures Report, entitled "Franks Tract Futures 2020 reimagined." We note that Franks Tract is a 3,000-acre flooded island in the middle of the Delta. Various partners, led by the California Department of Fish & Wildlife (CDFW), are now proposing to restore about 1,000 acres of the Tract to tidal marsh. Franks Tract is not only a publicly-owned state recreation area but also one of the least subsided flooded islands in the central Delta, two conditions that make it a strong candidate for large, landscape scale restoration. We note below the myriad of benefits from this project as outlined in the report.

**Potential Benefits Include:**

- Creation of large areas of tidal marsh, riparian channel edge, and ecologically valuable features that provide habitat for a variety of species, including species of concern, sport fish and waterfowl.
- Increase in food production to benefit native and sport fish.
- Reduction in ecologically harmful aquatic weeds through the deepening of channels and open water areas.
- Improvements in water quality for human use by reducing salinity in the central and south Delta.
- Potential improved water supply reliability by reducing fish entrainment to the south Delta.
- Reduction in the frequency with which an emergency salinity control structure would be needed during extreme drought conditions.

- Tidal wetland habitats and relative water quality benefits are projected to be sustainable as sea level rises, which protects the investment and lessens the vulnerability of Delta ecology and water quality in future decades.
- Improvements to recreational boating and navigation through dredging and reduction in aquatic weeds.
- Identification of potential new recreational features within the existing State Recreation Area such as beaches, mooring areas, sheltered coves, day-use areas, and enhanced conditions for kayaking and wildlife observation.
- Improvements to remnant levees that provide wave sheltering adjacent to Bethel Island and Little Franks Tract while maintaining open water views and marina access to Bethel Island.

MWDOC's observations and comments on this project are general, as we are not involved as a direct stakeholder per se, but we also realize that through MET and the State Water Contractors, we have an interest in projects that improve fisheries habitat, reduce entrainment of fish, improve salinity in the central delta, improve the management of flows for export purposes, and projects that are considerate of in-delta uses. These type of projects should help to reduce the conflict in future water operations within the Delta. We have further included additional comments below:

1. Restoration/creation of fisheries habitat is needed in the Delta at locations that work with tidal influences and anticipated sea level rise. Land that fits these requirements must be acquired and work must be accelerated if the fisheries are to recover.

2. We applaud the process and consideration of the various stakeholders in the region. We believe this is essential to the formulation of projects with broad support. Anything that can be done to expedite this and other similar projects should be pursued.

3. Because of the many benefits noted above and in the report, we would see a successful project having funding from a broad array of partners, including funding for the recreational improvements as proposed. Our understanding is that the funding effort and project refinement are the next steps. We urge you to look at all opportunities to accelerate this project and others to result in fisheries habitat restoration becoming implemented at scale in appropriate locations across the Delta.

Thank you for the opportunity to comment. Please keep us informed of the progress on this and other projects involving fisheries habitat restoration in the Delta. We appreciate the focus and effort these types of project take and applaud you to continue your efforts.

Sincerely,

Sat Tamaribuchi, President
Municipal Water District of Orange County

cc: MET – Steve Arakawa, Roger Patterson
CDFW – Carl Wilcox

**Item No. 3**

**DISCUSSION**
September 2, 2020

**TO:** **Board of Directors**

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

Staff Contact: Harvey De La Torre
Melissa Baum-Haley

**SUBJECT:** **METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA INTEGRATED RESOURCES PLAN (IRP) DISCUSSION SERIES PART 8**

## STAFF RECOMMENDATION

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

## REPORT

At the August 17 IRP Special Committee Meeting, MET staff provided context and review on the purpose of the IRP and presented an associated white paper (attached), to provide the MET Board a common understanding of the purpose, benefit, and uses of the 2020 IRP and to provide a basis for further discussion.

MET's role via the IRP is to ensure that the resulting "gap" between regional demands and local supplies is closed with a combination of imported supplies and regional programs, in addition to local actions. Closing the gap defines "reliability" and the purpose of the IRP is to provide a base of information and a roadmap that informs the Metropolitan Board's actions to achieve reliability.

Importantly, the IRP provides the context within which both MET and its Member Agencies can make informed decisions regarding the preferred strategy for addressing future uncertainties. The IRP can guide investments by both MET and local agencies in a way that increases the cost effectiveness of actions and avoids stranded or under-utilized assets.

The IRP does not pre-determine future decisions of the Metropolitan Board. Rather, it serves as an important reference point for assessing progress, understanding changing needs, as well as determining how individual actions can cost-effectively address them.

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): N/A** | Budgeted amount: None | Core _X_ | Choice __ |
| **Action item amount: N/A** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

The Local Resources Program (LRP) is an example of where the IRP provided important information regarding Metropolitan's role in helping Member Agencies achieve additional local supplies and increased diversification. Analysis through the IRP shows how achieving local resource development goals improves reliability for the region.

That said, the IRP focuses on supply resources rather than the development of Program criteria or the establishment of rates. Unlike the Capital Investment Plan, the IRP is not a line-item list of actions. It provides a base of information to inform the MET Board's subsequent actions to achieve reliability. This information informs the policy discussions of what role Programs can play and/or what rate structure may be best suited.

Continuing with the LRP example, while the 2015 IRP estimated a reliability gap, the LRP target was increased by a Metropolitan Board action in October 2018, as a result of adaptive management. This Metropolitan Board action was made up of multiple factors: it considered the 2015 IRP reliability gap; It also considered current local production, adjusting for existing LRP projects with rescinded/reduced yield (concurrent with the July 2017 IRP Policy Principles); It was based on project applications in the queue; As well as included capacity within the program target range for potential future projects.

Looking forward, MET and its Member Agencies face a variety of decisions to shape the region's future water portfolio:

- Should MET develop local supply in partnership with the Sanitation Districts of Los Angeles County (as part of the Regional Recycled Water Program at Carson)?
- Should MET continue to financially assist in Member Agency local supply development at the same level of activity?
- Should MET invest in modernization of the State Water Project in the Delta?

In each of these decisions, the IRP will assist the MET Board in evaluating the potential benefits of these actions under a range of future conditions. The creation of the four unique scenarios will seek to provide a wider view of the future as each will result in a gap analysis and the identification of a unique resource portfolios. The 2020 IRP should guide decision-making under a comprehensive adaptive management strategy using information gleaned from the scenarios.

**Attachments: (1) White Paper on the Purpose of the Integrated Resources Plan**

# • White Paper on the Purpose of the Integrated Resources Plan

## Summary

Metropolitan published its first Integrated Water Resources Plan (IRP) in 1996, culminating a collaborative planning approach to regional water management. Since that time, Metropolitan periodically updated and revised the plan based on the best information available and using a single projection of the region's needs with considerations for variable weather. This White Paper seeks to provide the Board a common understanding of the purpose, benefit, and uses of the 2020 IRP and to provide a basis for further discussion.

## Purpose

Informational

## Attachments

ATTACHMENT 1 – Purpose of the Integrated Resource Plan

## Detailed Report

Detailed White Paper is provided with this report as **Attachment 1**.

# Metropolitan Water Planning – Past, Present, and Future: How the IRP Informs Board Decisions

When the Metropolitan Water District of Southern California published its first Integrated Water Resources Plan (IRP) in March 1996, it marked the culmination of a historic regional collaborative planning approach to water management.

Since 1996, Metropolitan has kept its promise to periodically revisit the IRP to "measure our progress and adjust our plans." (1996 IRP, Forward, p. 1) As the report predicted, "We expect that adjustments to this plan will be necessary. In fact, the only certainty with long-range planning is that the future is often unpredictable and never exactly what was projected." (1996 IRP, Forward, p. 2)

**The future proved to be more unpredictable than it appeared to be in 1996–making the 2020 IRP more relevant than ever as the region strives to wisely manage its water and financial resources**

The future proved to be more unpredictable than it appeared to be in 1996–making the 2020 IRP more relevant than ever as the region strives to wisely manage its water and financial resources.

As Metropolitan develops the 2020 IRP, this white paper seeks to address some fundamental questions that have emerged that can help frame the coming discussion: What is the purpose of the IRP? Where are we now in terms of achieving the most recent goals and targets? Why do today's circumstances justify a broad scenario planning process?

After 25 years of long-range water supply planning, Metropolitan has never been more reliable. Regional municipal and industrial demands are far lower than expected, thanks in large part to Southern Californians achieving and maintaining an intense water-saving ethic since the last drought cycle. And more imported water is stored in reserve for drought or other emergencies than at any time in the District's history.

But the region's imported supplies face extraordinary long-range threats due to increasing climate variability and regulatory uncertainty at regional, state and national levels that may advance or deter progress. The circumstances of today, in light of future uncertainties, speak to the wisdom of making the most of this moment to chart our future in an adaptable way.

# The Purpose of the IRP – "A Process and a Plan"

Since the mid 1990's, achieving Metropolitan's reliability goals has depended on coordinated actions and investments at the local, Member Agency, and regional levels. Importantly, the reliability goals established in the IRP equate to stability and certainty for the Member Agencies: a plan that reduces the chances of Metropolitan declaring shortage reductions in the future effectively improves Metropolitan's reliability for its member agencies.

Two essential factors in meeting Metropolitan's goals are to understand current and future retail demands and to ascertain the extent to which Member Agencies expect to meet those needs through the provision of local water resources. Metropolitan's role via the IRP is to ensure that the resulting "gap" between regional demands and local supplies is closed with a combination of imported supplies and regional programs, combined with additional local actions.

Closing the gap defines "reliability" and the purpose of the IRP is to provide a base of information and a roadmap that informs the Board's actions to achieve reliability. Metropolitan must prepare for the unexpected. Total retail demands will change. So will the availability of local resources to its Member Agencies within its service area.

**The IRP provides a base of information to inform the Board's subsequent actions to achieve reliability**

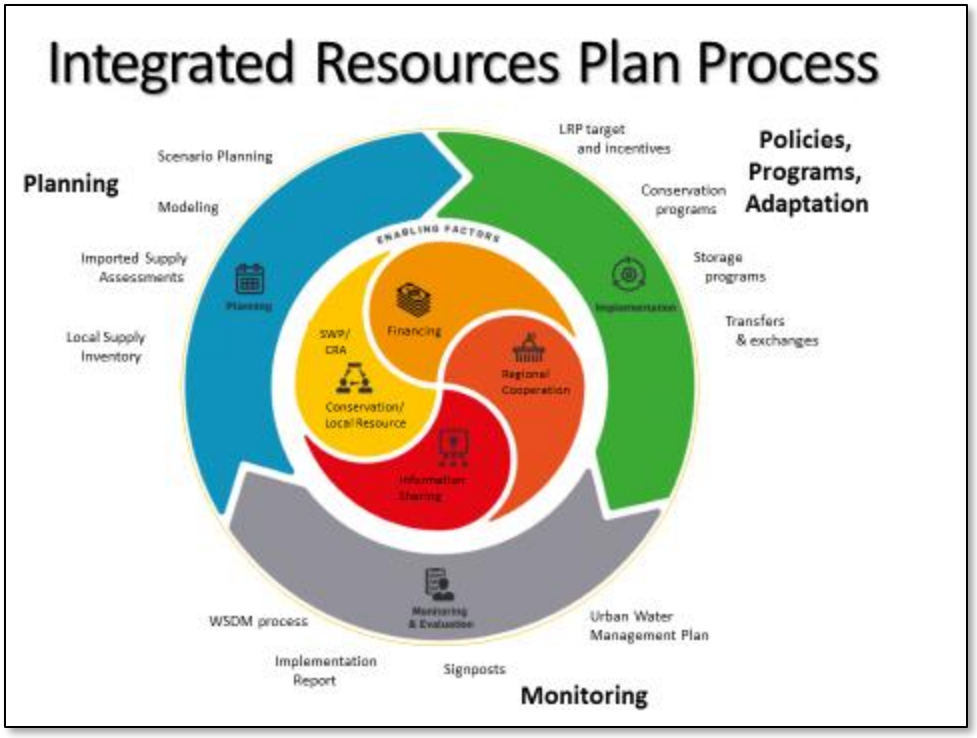
The interdependency of Metropolitan and its Member Agencies in planning for the uncertainties in future retail demands, local supply availability, and imported supply availability led to the establishment of a long-range "integrated" resources planning effort that has supported decision-making for the last quarter century.

As the inaugural document stated in 1996, "the IRP represents both a process and a plan." (1996 IRP, Forward, p. 1)

## The IRP as a Process

As a process, the IRP embodies Metropolitan's partnership with its Member Agencies in achieving water supply reliability (see the figure below). It establishes the communication and coordination needed to achieve regional reliability in the future. Based on input and information from the Member Agencies, each update reviews the most current data, updates modeling tools, and adapts to changing circumstances and needs. The IRP also builds on Board policies established over the decades. A synopsis of the pertinent policy directives is provided in Table 1 at the end of the report.

**The IRP builds on Board policies established over the decades.**




Successful IRP processes create intentional and strategic links between regional and local planning and implementation. Establishing and maintaining these regional–local links ensures that local realities are reflected in the IRP process and, similarly, that the regional-level process enables adaptation at local or Member Agency levels.

Importantly, the IRP does not predict the future. It provides the context within which both Metropolitan and its Member Agencies can make informed decisions together regarding the preferred strategy for addressing future uncertainties. It can guide investments by both Metropolitan and local agencies in a way that increases the cost effectiveness of actions and avoids stranded or under-utilized assets.

## The IRP as a Plan

The IRP is referred to by Metropolitan as "a planning guideline to be used for resources and capital facility investments." (1996 IRP, Forward, p. 2) It does not pre-determine future decisions of the Board of Directors. It serves as an important reference point for assessing progress, understanding changing needs, and determining how individual actions can cost-effectively address them. It provides Metropolitan and Member Agencies a common basis for evaluating a variety of portfolio actions, such as local supply targets, to help maintain supply reliability.

**The IRP provides a reference point to understand changing needs, integrate potential actions, and understand the financial implications of those actions**.

For example, the first iteration of the IRP published in 1996 provided the Metropolitan Board with an understanding of the regional value of a multibillion dollar investment in Diamond

Valley Lake, Southern California's largest reservoir. It evaluated the benefits to local groundwater basins, emergency regional supplies, and management of variable allocations on the State Water Project.

The Local Resources Program (LRP) is another example of where the IRP provided important information regarding Metropolitan's role in helping Member Agencies achieve their plans for additional local supplies and increased diversification. Analysis through the IRP shows how achieving local resource development goals improves reliability for the region. Similarly, the analysis done in the IRP shows how imported resource strategies on the Colorado River and State Water Project benefit regional reliability. These analyses then in turn support and inform Board deliberations on specific projects or investments.

## The IRP Looking Forward

Looking forward, Metropolitan and its Member Agencies face a variety of decisions to shape the region's future water portfolio. One will be whether Metropolitan should develop local supply in partnership with the Sanitation Districts of Los Angeles County. Another will be whether Metropolitan should continue to financially assist in Member Agency local supply development. Yet another will be whether we should invest in modernization of the State Water Project in the Sacramento-San Joaquin Delta.

In each of these decisions, the IRP will assist the Board in evaluating the potential benefits of these actions under a range of future conditions. It gives the Board a sound sense of the potential benefits and consequences of decisions.

It is important to note that the IRP is not a line-item list of actions like the district's Capital Investment Plan. Instead, the IRP takes a long-range view of potential future needs in order to better evaluate the benefits and risks of investment decisions. It does not pre-decide specific issues to subsequently come before the Board. The 2020 IRP will evaluate current circumstances and actions in the context of more than one assumed future, hence the use of scenario planning tools in the process. It will also identify the "signposts" that will signal the need to take or avoid certain actions as conditions become more clear.

Over the past 25 years, the IRP and its periodic updates have brought together regional and local portfolio targets and actions as a policy reference point for key decisions by the Metropolitan Board of Directors and Member Agency Boards as well. As both a process and a plan, the IRP plays an indispensable role in ensuring water supply reliability at an urban regional scale unmatched anywhere in the nation.

# Past, Present, Future: Short-Term Reliability, Long-Term Uncertainty (Where We Are Today)

The 2015 IRP Update adopted a set of targets that lead to a reliable water supply picture for Metropolitan's region. Since its adoption, Southern California's water supply reliability has improved. The 2015 IRP Update defined goals in two categories: those that reduce demand for Metropolitan deliveries (conservation and local supply targets) and those that improve the availability of Metropolitan supplies (State Water Project and Colorado River targets). We are only four years into the 25-year planning horizon set in 2015; however, from 2016 through 2019 the net effect of actual conditions has led to performance that exceeded the targets on both categories.

Demands for water supply have decreased across Southern California in recent years, which supports the IRP goal of reducing demand on Metropolitan. Metropolitan's annual deliveries were contemplated to range from a low of 1.36 million acre-feet (MAF) to a high of 2.28 MAF by 2020. The average projection for 2020 was 1.86 MAF. Recent Metropolitan annual deliveries from calendar years 2016 through 2019 have actually ranged from 1.33 MAF to 1.66 MAF. The average over this period has been 1.50 MAF. These demands are below the average projection and at the lower end of the range that was contemplated in the 2015 IRP Update.

At the same time, the availability of Metropolitan's supplies has recently increased, which supports Metropolitan's goal of increasing the reliability of imported water. The yield of the State Water Project varies widely from year-to-year based on hydrologic and operational circumstances.

The 2015 IRP Update assumed that the average reliability of the SWP, as reported by DWR, would degrade to an effective allocation of 45% by the year 2020 due to increasingly severe operating restrictions. The IRP target for the SWP assumed this degradation in yield would continue until a conveyance solution in the Delta was completed. However, DWR has recently released its draft 2019 SWP reliability analysis, which shows an average SWP reliability of 59%, significantly higher than the degraded yield that was assumed for 2020. While much work must continue to meet the long-term targets related to conveyance on the Delta, the near-term target for SWP reliability in 2020 has been exceeded.

The 2015 IRP Update also set a target for Colorado River availability of 0.9 MAF in normal years with the ability to flex up to a full Colorado River Aqueduct (CRA) of approximately 1.2 MAF in dry years. As of 2020, the base supplies available to Metropolitan on the Colorado River exceed 1.0 MAF per year and Metropolitan maintains storage and flexible programs that can provide a full CRA, when needed. Metropolitan has stored more than 1 MAF in Intentionally Created Surplus (ICS) credits in Lake Mead to provide insurance for Metropolitan, much more than what had been projected. With base supplies that are higher than targeted in the 2015 IRP Update, along with enhanced flexibility to use ICS credits to provide a full CRA, the near-term target for the Colorado River in 2020 has also been exceeded.

The net effect of these near-term factors has been more water supply reliability in Metropolitan's service area than projected in 2015. Since the adoption of the 2015 IRP Update, Metropolitan has increased regional storage reserves from 0.9 MAF to 3.1 MAF. Staff is preparing a more comprehensive retrospective report that will share data in many areas of Southern California's water supply and demand picture since the 2015 IRP Update was adopted. The recent major trends have been positive and the key metrics from 2015 indicate a high degree of near-term reliability for the region.

**Key indicators from the 2015 IRP indicate a high degree of near-term reliability.**

## Conclusion – "Breathing Room" to Look Ahead (Scenario Planning for the Future)

The favorable short-term conditions for the region do not necessarily indicate that the long-term future is secure. Comparisons between current conditions and previous forecasts can serve as a helpful reference point for gauging how much circumstances have changed and what uncertainties have proven to be the most influential. The goal of the scenario planning in this IRP is to better evaluate the range of future uncertainties in order to make more informed decisions as we take next steps in portfolio development.

All of the previous iterations of the IRP conducted scenario planning with a probability analysis based on hydrological cycles. While these analyses showed ranges of outcomes, those ranges revolved primarily around variability in weather, while other major variables such as demographics, climate change (apart from simple weather variation), and regulatory impacts were folded into a single scenario.

It is clear that making single assumptions about regulatory restrictions, climate change, growth projections, or other driving factors does not lead to a robust vision of the future that is ideal for planning purposes. Scenario planning, using the same core analytical framework as before, will allow Metropolitan's Board to consider a wider range of challenges to Metropolitan's future reliability along with the actions necessary to mitigate those impacts.

**Scenario planning allows the Board to consider a wide range of challenges to future reliability.**

A case in point is the role of political leadership. In our survey of the Board of Directors about drivers of change, political leadership on the Colorado River ended up ranked as one of the most important uncertainties to consider in planning. The recent changes in State and Federal administrations brought subsequent changes to planning and operations in the Sacramento-San Joaquin Delta, as one additional example. With scenario planning, an IRP can anticipate future moments ("signposts") when changed conditions, such as political shifts, may trigger a necessary action or re-evaluation of strategy.

Another case in point is the extraordinary variability in California weather since 2015. No plan can predict the future weather in any given year. Yet lessons can be learned from changing

weather conditions. As an example, the yield of groundwater basins in Southern California has proven to be lower than forecasts. A string of "average" rain years tends to result in greater groundwater levels than the wild swings between wet and dry conditions the region has recently experienced. It is not surprising that weather variability rose to be a top "driver" of concern with both the Board and Member Agencies when surveyed.

With our imported supplies, recent average-year allocations on the State Water Project have proven to be greater than expected, as significant new regulatory restrictions did not materialize. Likewise, available supplies on the Colorado River from our resource programs—and thanks to the weather—were slightly greater than projections. This is welcome short-term news. It is not a trend to assume for the next 25 years or evidence that the original forecast was in error. Both watersheds are vulnerable to dramatic supply shifts due to changes in hydrologic, environmental, and political conditions.

With healthy reserves in hand and reliability not an immediate, pressing concern, it is a timely moment to look both to Metropolitan's past, and the future, to create a 2020 IRP with an adaptable long-term strategy and fresh portfolio targets. The IRP has proven to be an invaluable process for Metropolitan to work with its Member Agencies to plan ahead for the future. The 2020 IRP will provide the Board with the best possible assessment of our uncertain future and help support sound decision-making as it unfolds.

Table 1. Summary of Selected Major Policy Items

| Year | Policy | Summary of Major Policy Item |
|---|---|---|
| 1952 | Laguna Declaration | When and as additional water resources are required to meet increasing needs for domestic, industrial and municipal water, Metropolitan will be prepared to deliver such supplies. |
| 1992 | Revised mission statement | Revised the mission statement to include "reliable" in addition to "adequate." The mission of The Metropolitan Water District of Southern California is to provide its service area with adequate **and reliable** supplies of high quality water to meet present and future needs in an environmentally and economically responsible way. |
| 1999 | Strategic Plan Policy Principles | Regional Provider: Metropolitan is a regional provider of water for its service area.<br>Financial Integrity: Metropolitan's Board will take all necessary steps to assure the financial integrity of the agency in all aspects of its operations.<br>Local Resources Development. Metropolitan supports local resource development in partnership with its member agencies and by providing its member agencies with financial incentives for conservation and local projects. |
| 2011 | Long-term Conservation plan and revised policy principles on water conservation | Support urban retrofit actions and permanent behavior changes that effectively reduce water use<br>Support equitable wholesale and retail agency responsibilities in reducing per capita potable water use<br>Support legislation, regulations and voluntary programs that promote improved water use efficiency<br>Support the use of water efficient landscapes and encourage local conservation efforts of member and retail agencies |
| 2015 | Adopted IRP | The 2015 IRP Update identified the following reliability targets<br>• State Water Project: 1.2 MAF available to Metropolitan on average starting in 2030 when a long-term Delta conveyance solution is in place<br>• Colorado River Aqueduct (CRA), 0.90 MAF available to Metropolitan when needed and to ensure access to 1.2 million AF in dry years<br>• Local water supplies: 2.4 MAF total available to the service area by 2040, and an increase of up to 0.46 MAF<br>• Conservation: 0.485 MAF of new water savings in the service area by 2040. |
| 2017 | Policy Principles for Local resource development and conservation | Take an active role in identifying and evaluating local resource and conservation opportunities within its service area.<br>Evaluate the feasibility and effectiveness of direct investment and development of regionally beneficial local resources and conservation where appropriate.<br>Include the consideration of sustaining and/or recovering production from existing projects and programs in its approaches to assisting member agencies develop local resources and conservation<br>State and federal mandates should not impact Metropolitan's participation in local resource and conservation development provided that the effect of the mandate is consistent with regional IRP targets |

**Item No. 4**

**DISCUSSION ITEM**
September 2, 2020

**TO:** **Board of Directors**

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

Staff Contact: Heather Baez
Melissa Baum-Haley

**SUBJECT:** **INTRODUCTION OF METROPOLITAN'S FEDERAL LEGISLATIVE REPRESENTATIVE – ABBY SCHNEIDER**

## STAFF RECOMMENDATION

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

## REPORT

June 30 marked the final day of work for Brad Hiltscher, MET's Washington DC lobbyist who retired after more than 35 years. MET's new Executive Legislative Representative is Dr. Abby Schneider. The core function of Metropolitan's legislative services is to develop and implement local, state and federal legislative and regulatory strategies consistent with Board-adopted policies.

Dr. Schneider assumed her position in April - mid-pandemic - tracking legislation, advocating for Metropolitan, and working with members of Congress on COVID-19 response assistance and other key issues.

Dr. Schneider comes to MET from the Association of California Water Agencies (ACWA) where she served as their senior federal affairs representative for more than a decade. Before working for ACWA, she was a senior science fellow for Senator Dianne Feinstein. She has an undergraduate degree in Civil and Environmental Engineering and a Masters and Doctorate in Marine Estuarine and Environmental Science.

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): N/A** | Budgeted amount: None | Core _X_ | Choice __ |
| **Action item amount: N/A** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

**Item No. 5**

**INFORMATION ITEM**
September 2, 2020

**TO:** **Board of Directors**

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

Staff Contact: Melissa Baum-Haley

**SUBJECT:** **DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE**

## STAFF RECOMMENDATION

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

## REPORT

### Delta Conveyance

The Department of Water Resources (DWR) published a Scoping Summary Report for the proposed Delta Conveyance Project on July 10, 2020. The purpose of scoping was for DWR to gather feedback from the public and agencies on what to consider when preparing the proposed Delta Conveyance Project Environmental Impact Report. Specifically, DWR was seeking input on the range of project alternatives that meet the project objectives and potential environmental impacts to evaluate. This scoping report is a summary of the public scoping period that concluded in April 2020. The scoping summary report includes the project overview, the purpose of scoping, a description of scoping activities, a summary of public comments received, and copies of all public comments received, including public scoping meeting transcripts.

On July 9, consistent with the requirement of the California Environmental Quality Act (CEQA), DWR adopted the Final Initial Study/Mitigated Negative Declaration (IS/MND) for soil investigations in the Sacramento San Joaquin Delta. As part of the CEQA process, DWR formally approved the action and adopted a Mitigation Monitoring and Reporting Plan. Soil investigations will include data collection, soil samples and surveys in support of DWR's efforts to better understand the region's geology to support the future evaluation of the

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): N/A** | Budgeted amount: None | Core _X_ | Choice __ |
| **Action item amount: N/A** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

proposed Delta Conveyance Project. As identified in the Final IS/MND, potential significant impacts will be avoided or otherwise mitigated with implementation of mitigation adopted as part of the project approval process.

**Joint Powers Authorities**

At the Delta Conveyance Design and Construction Authority (DCA) on August 20, a preliminary Delta Conveyance Program cost assessment was released at their monthly meeting. The presentation on the preliminary cost assessment of $15.9 billion can be found under Item 7.c of the DCA meeting packet.

The July 22 Stakeholder Engagement Committee (SEC) meeting focused on a Delta Conveyance Project scoping update including an alternatives discussion from DWR. Presentations regarding the rehabilitation of construction impacted land, the temporary and permanent project boundaries, and an intakes update were also part of the July SEC agenda.

**Timeline for Future Metropolitan Board Discussions & Actions**

Metropolitan staff plans to discuss the cost comparison of recently released cost estimates from the Delta Conveyance Design and Construction Authority 6,000 cfs project in comparison to the 9,000 cfs project alternative at the upcoming September 22, 2020.

By the end of 2020, the Board will be asked to make a commitment for planning costs for the Delta Conveyance Project for 2021 and 2022. The estimated planning fees are $160 million to get the project through a draft stage of the environmental reports. Roger Patterson estimated that the MET Board would be asked to cover about $100 million of those costs. Of note, *The Biennial Budget already includes MET's planned contribution of $25 million per year for Delta conveyance project planning activities. This in addition to State Water Contract expenditures.*

By the end of 2022, the MET Board will be asked to provide additional funding for continued planning costs. A final decision point on the level of MET's participation in the project is expected to occur in the latter half of 2024.

## Delta Plan Interagency Implementation Committee

The Delta Stewardship Council (DSC) established the Delta Plan Interagency Implementation Committee (DPIIC) in 2013, which includes representatives from federal, state, and local agencies that have responsibilities in the Delta. DPIIC is focused on facilitating Delta Plan implementation through increased coordination. Last year, DPIIC established a process for collecting data to capture investments in science throughout the Delta. The first annual Delta Crosscut Budget Report, covering fiscal year 2018/19, was presented at the July 13 DPIIC meeting. The reported science expenditures for FY 2018/19 totaled $89.4 million and included expenditures for monitoring and research. The crosscut budget shows that about 85 percent of the total science funding comes from DWR and United States Bureau of Reclamation, and that much of that funding is provided by the state and federal water contractors. The continued reporting of these science expenditures will provide information that can guide long-term science funding and future policy development.

## Regulatory Activities

MET staff are participating in two new collaborative groups to inform the management and operations of the State Water Project (SWP) and Central Valley Project (CVP). The Delta Coordination Group is required by the 2019 Biological Opinion for the SWP and CVP, and the 2020 Incidental Take Permit (ITP) for Long-term Operation of the SWP and includes multiple state and federal agency participants. The Longfin Smelt Science Program is required by the ITP and includes multiple state agencies with some participation by the federal agencies. The initial meetings in July focused on organizational topics of group purpose and schedule.

## Science Activities

On April 30, the DSC appointed Dr. Laurel Larsen as the next Delta Lead Scientist effective September 1, 2020. An expert in hydroecology, landscape dynamics, complex environmental systems, and restoration, Dr. Larsen has served as an associate professor of the Department of Geography and Civil and Environmental Engineering at the University of California, Berkeley. She replaces Dr. John Callaway, an internationally recognized expert in wetland restoration. They are working collaboratively to ensure a successful transition.

In July, MET staff conducted field sampling in the Delta for a Proposition 1 funded study on Floodplain Toxicity and Juvenile Chinook Salmon. Field work was conducted in collaboration with the lead researcher, Dr. Michael Lydy, and his team from Southern Illinois University. The Floodplain Toxicity study objectives are to compare the relative effects of contaminants on out-migrating juvenile Chinook salmon using either the main stem Sacramento River or associated floodplains. Effects will be evaluated through the diet and this requires the sampling of prey items in both the Sacramento River and associated floodplains. Field work included water quality measurements and Chinook salmon prey collection.

MET staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). The July 21 CAMT meeting included a research presentation on salmon use of Delta habitats, and discussion of CSAMP priorities for the next two years, including consideration of a science study proposal addressing salmon entrainment.

MET staff continued to participate in forums to support good science and collaboration. In July, MET staff coordinated with the State Water Contractors to provide input to the update of the Delta Science Program Science Action Agenda. The Science Action Agenda is a multi-year science agenda for the Sacramento-San Joaquin Delta that prioritizes and aligns science actions to inform management decisions, identifies major gaps in knowledge, promotes collaborative science, and builds science infrastructure. Metropolitan staff also participated in other collaborative Delta science forums to provide input to work plans and developing studies, including the Delta Independent Science Board, the Delta Regional Monitoring Program, the Interagency Ecological Program project work teams, and the Delta Science Program Science Needs Assessment Workshop.

**Item No. 6**

**INFORMATION ITEM**
September 2, 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

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

## DETAILED REPORT

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

a) MET's Water Supply Conditions
b) MET's Finance and Rate Issues
c) Colorado River Issues
d) Bay Delta/State Water Project Issues
e) MET's Ocean Desalination Policy and Potential Participation in the Doheny and Huntington Beach Ocean (Poseidon) Desalination Projects
f) South Orange County Projects

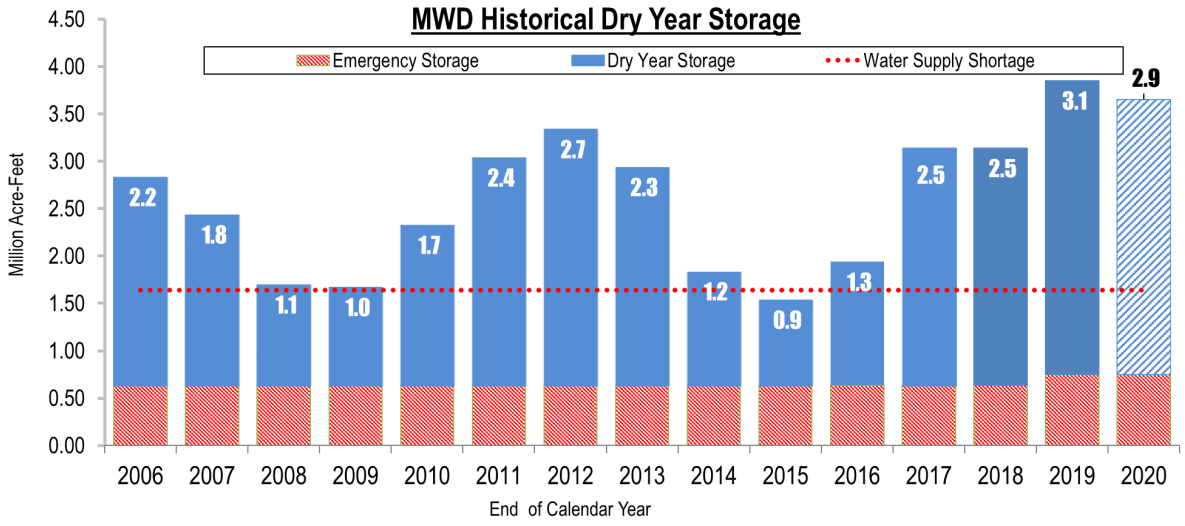
**ISSUE BRIEF # A**

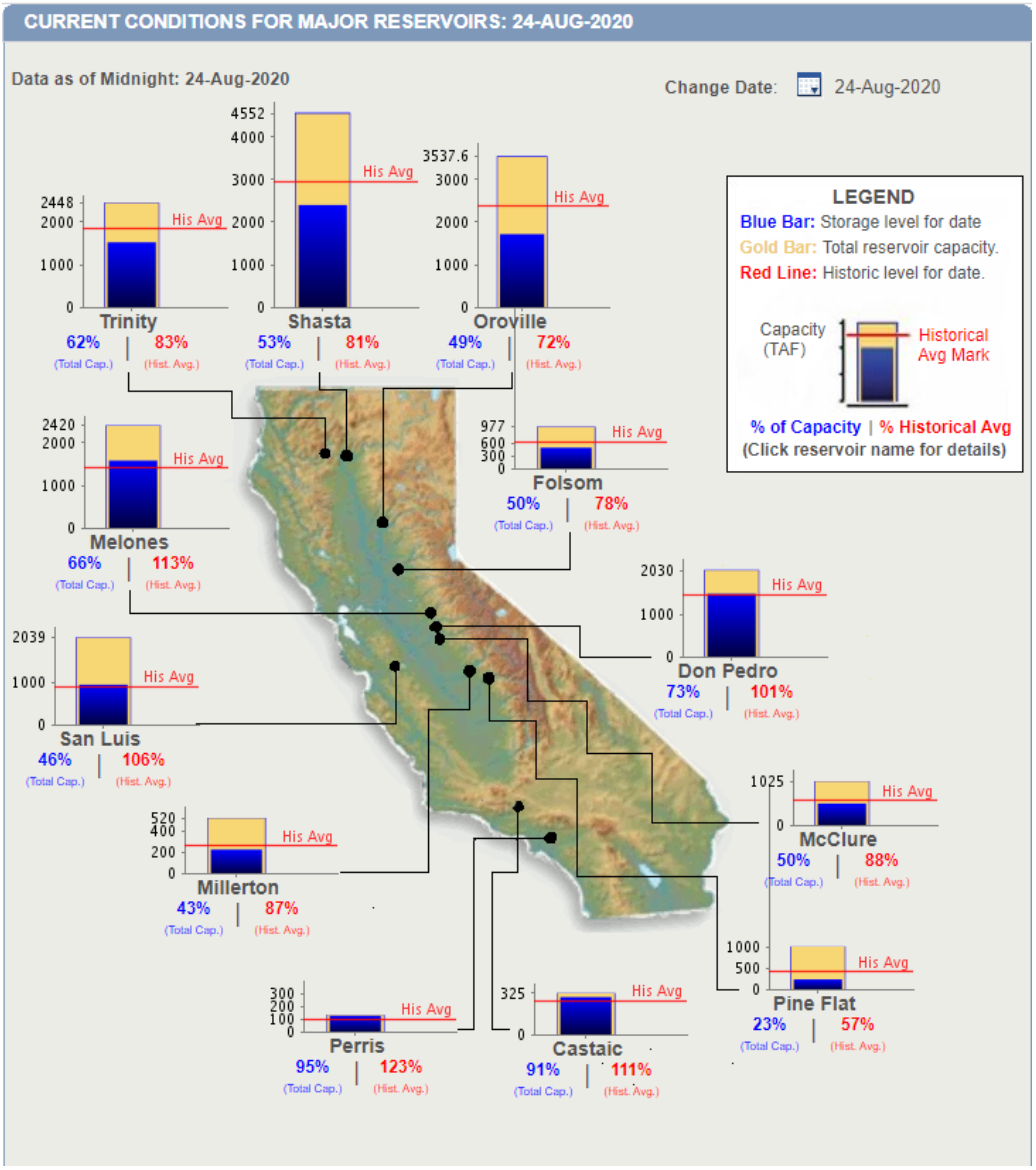
**SUBJECT: MET's Water Supply Conditions**

## RECENT ACTIVITY

With estimated total demands and losses of 1.636 million acre-feet (MAF) and a 20% SWP Table A Allocation, MET is projecting that demands will exceed supply levels in Calendar Year (CY) 2020. Based on this, estimated total dry-year storage for MET at the end of ***CY 2020 will be drawn down to approximately 2.9 MAF.***

A projected dry-year storage supply of ***2.9 MAF will be the second highest storage amount for MET***. A large factor in the increase in water storage is due to regional ***water demands are at approximately 36-year lows***.




CURRENT CONDITIONS FOR MAJOR RESERVOIRS: 24-AUG-2020
Data as of Midnight: 24-Aug-2020
Change Date: 24-Aug-2020
LEGEND
Blue Bar: Storage level for date
Gold Bar: Total reservoir capacity.
Red Line: Historic level for date.
Capacity (TAF)
Historical Avg Mark
% of Capacity | % Historical Avg
(Click reservoir name for details)
Trinity
62% (Total Cap.) | 83% (Hist. Avg.)
Shasta
53% (Total Cap.) | 81% (Hist. Avg.)
Oroville
49% (Total Cap.) | 72% (Hist. Avg.)
Folsom
50% (Total Cap.) | 78% (Hist. Avg.)
Melones
66% (Total Cap.) | 113% (Hist. Avg.)
Don Pedro
73% (Total Cap.) | 101% (Hist. Avg.)
San Luis
46% (Total Cap.) | 106% (Hist. Avg.)
McClure
50% (Total Cap.) | 88% (Hist. Avg.)
Millerton
43% (Total Cap.) | 87% (Hist. Avg.)
Pine Flat
23% (Total Cap.) | 57% (Hist. Avg.)
Perris
95% (Total Cap.) | 123% (Hist. Avg.)
Castaic
91% (Total Cap.) | 111% (Hist. Avg.)
His Avg

**ISSUE BRIEF # B**

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

## RECENT ACTIVITY

### Current Update

Water Transactions for June 2020 totaled 159.0 thousand acre-feet (TAF), which was 25.4 TAF lower than the budget of 184.5 TAF. This translates to $119.2 million in revenues for June 2020. Year-to-date water transactions through June 2020 were 1.42 million acre-feet (MAF), which was 330.8 TAF lower than the budget of 1.75 MAF. This resulted in year-to-date water transactions of $1.19 billion through June 2020, which was $340.5 million lower than the budget of $1.53 billion.

At the September 14, 2020 Finance and Insurance Committee at MET, the Board will receive a review of the impacts of COVID-19 as well as evaluations 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

### Rate Issues

In December 2019, the MET Board voted to discontinue the collection of the Water Stewardship Rate (WSR) as part of the upcoming 2021 and 2022 rates and charges (December 2019 Board Letter; Presentation; includes the discussed the potential Demand Management funding mechanism rate alternatives included in this report).

The Demand Management program will use program reserves to cover the costs of LRP, Conservation, and the Future Supply Actions Program for the next two years, or until a new funding mechanism is in place. Board discussion will resume in fall 2020. The following policy and financial issues have been raised:

- How should MET provide its Member Agencies with a secure long-term funding source for Demand Management activities (e.g., LRP incentive payments for up to 25 years), while Metropolitan does not have a secure revenue-collection mechanism?
- With the unknown long-term financial impacts of COVID-19, should the Metropolitan Board continue to direct staff to continue bringing forward proposed LRP project agreements for action?

**ISSUE BRIEF # C**

**SUBJECT: Colorado River Issues**

**RECENT ACTIVITY**

**Palo Verde Irrigation District Program Fallowing Call 2021/22**

MET provided notice to participating landowners that the fallowing call for August 1, 2021 through July 31, 2022 is reduced to the program minimum call of 25%. MET lowered the fallowing call based on the record amount of water in storage and relatively low demands in the MET service area. Thanks to the flexible nature of the PVID Land Management program versus a fixed "take or pay" contract, Metropolitan is able to ensure access to water supply when needed while realizing cost savings and ensuring productive agricultural use of land when water supplies are adequate.

**Bard Water District Seasonal Fallowing Program Update**

MET and the Bard Water District (Bard) successfully completed the first year of the Bard Land Management and Seasonal Fallowing Program on July 31. Approximately 2,750 irrigable acres were fallowed from April 1 to July 31, 2020. During this time, MET performed two inspection trips of the fallowed land and verified that the land had been fallowed. By providing an annual incentive of $452 per irrigable acre fallowed, MET issued a total payment of $1.26 million for the 2020 fallowing season. MET staff estimates this year's fallowing season will provide Metropolitan approximately 5,500 acre-feet of Colorado River supply.

**Metropolitan Submits 2021 Intentionally Created Surplus Plan**

Pursuant to the Bureau of Reclamation's request, in early July, MET submitted its 2021 plan to develop Intentionally Created Surplus (ICS) supplies and store that water in Lake Mead. The plan requests that MET store up to 450,000 acre-feet of ICS in Lake Mead in 2021, depending upon MET water supply needs and the available capacity to store ICS. Last year, MET stored 409,000 acre-feet of ICS in Lake Mead, a record amount. If 2021 is similar in California, MET may maximize ICS storage again. Water eligible for storage in Lake Mead is generated by Metropolitan's Colorado River water management programs and its conservation and local resource program. Currently Metropolitan has 979,000 acre-feet of ICS water in Lake Mead available to meet service area demands when needed.

**ISSUE BRIEF # D**

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

**RECENT ACTIVITY**

*For information specifically relating to the Delta Conveyance Project (a.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

### 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, 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, 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.

On May 15, 2020, SARWQB held a second workshop, which focused on the identified need for the desalinated water and marine life mitigation requirements. Karl Seckel presented to the Regional Board on a number of topics including: MWDOC’s role in Orange County, alternative definitions of “need” for a water supply project and the role of water agencies, Urban Water Management Plans, non-mandated planning documents, and what was and was NOT in the 2018 OC Water Reliability Study.

On August 7, 2020, SARWQB postponed a decision on the permit renewal and agreed to reconvene on September 17, 2020. Regional Board members had raised questions about the need and cost of the facility, adequacy of the mitigation measures at the Bolsa Chica Wetlands, and asked Regional Board staff to provide additional information.

Assuming success at the Regional Board, 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**

**Doheny Desal Project**

South Coast Water District (SCWD) continues working on the project:

- SCWD submitted their NPDES permit application on March 13, 2020. SCWD anticipates approval of the NPDES permit in the Fall 2020. The next step would be the Coastal Commission with a permit anticipated in Feb 2021.
- Work is progressing on the Financial Analysis for a 2 mgd and 5 mgd scenario. A workshop is currently being planned for mid-July.
- Work is also progressing on an Alternative Energy Study for the project. A draft report is under review by SCWD.
- Working groups are underway for a third party hydrogeology review. Two meetings have taken place in July and a third in August.

On June 25, 2020 the SCWD Board approved an amendment to the Clean Energy Capital Financial Analysis to evaluate alternative project options that meet reliability benefits for SCWD similar to the Doheny Desalination Project, along with reducing overall life-cycle costs in light of the uncertain economic situation moving forward due to the COVID-19 pandemic.

The Doheny Desalination Project is currently sized at a capacity of up to 5 MGD, which exceeds SCWD's average potable water demand expected during emergency situations. SCWD has only received interest from SMWD for about 1 mgd of supply from Doheny. This leaves South Coast with potential capacity for others in a 5 MGD facility. Based on this, along with regional financial hardships caused by the COVID-19 pandemic and a potential economic recession, SCWD believes that it is necessary to consider alternatives, and potentially lower cost project options, to utilize and potentially expand existing assets as a means to meet their reliability needs.

This amended study will review design parameters and existing conditions at SCWD's existing Groundwater Recovery Facility (GRF), to obtain a comprehensive understanding of actual production capacity of the GRF and current limitations and reliability concerns. A range of additional water production volumes needed to maintain emergency reliability for SCWD will be developed. Current estimates are that 1.2 to 2.2 mgd of additional reliability will be needed for SCWD based on a GRF production volume of 0.8 mgd.

**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

   Project Status - Complete

2. Dam and Pipelines

   Project Status – Extensive and productive work continues on this project, but the Critical Path on the overall schedule has become constrained by the following issues:

   a. Defective concrete that requires repair at the Inlet/Outlet Structure.
   b. Potential for the need to replace structural slurry in the cut off wall of the West Dam.
   c. The need to replace 5 piezometer deep wells on the Main Dam face.
   d. Material and equipment shipping delays resulting from the effects of the Covid-19 Pandemic.

   SMWD is operating under the intentions that the basic Project Overview will be suitable for presentation at the Dedication Ceremony currently scheduled for October 9, 2020.

3. Pump Station

   Project Status - Trampas Pump Station project has made significant progress over the past few months. All underground piping and piping within the site has been completed, less the above ground pressure reducing valve (PRV) components. The building structure is nearly complete with trusses starting to be installed.

The project is currently projected to be substantially complete by late September/early October 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 a study to determine if the existing IRWD South Orange County (SOC) Interconnection capacity for providing emergency water to SOC 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**

MWDOC and IRWD are continuing to 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. Staff from MWDOC and IRWD are continuing 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 which included electromagnetic surveys of the pipeline revealed two pipe segments with increased wire breaks within the PCCP portion south of OC-70. MET Engineering considers this section of the pipeline high-risk which will require relining. The minimum relining length needed would be approximately 1,000 feet, which would require a minimum 1-month shutdown south of OC-70. A longer shutdown duration would allow MET 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.

MET's engineering group considers three segments of pipe within a 1,000 linear foot reach downstream of OC-70 as increased risk due to the segments having 20 or more wire breaks. MET does not recommend that repairs to these segments wait until Fall 2021 and is looking to schedule the shutdown in early 2021.

MWDOC staff coordinated a meeting with all AMP participants on May 13, 2020 to discuss the options for the proposed shutdown.

Two MWDOC member agency projects are also scheduled around the same time as the pending AMP shutdown; a South Coast Water District vault rehabilitation on the JTM that was previously postponed due to the previous Diemer shutdown, and Santa Margarita Water District (SMWD) relocation of a portion of the Aufdenkamp Connection Transmission Main (ACTM) to accommodate the I-5 widening project. The South Coast project is scheduled for completion by the beginning of February 2021.

SMWD notified MWDOC staff of pipe supply delays that could cause delays in returning the ACTM to service. As the ACTM is needed to provide water during an AMP shutdown, this would subsequently delay the AMP shutdown. MWDOC staff asked SMWD to explore options for expediting the ACTM project. The pipe manufacturer indicated that overtime work would expedite pipe delivery at a cost of approximately $35,000, which would increase the likelihood of completing the ACTM relocation by March 31, 2021, and allow time for the AMP shutdown to occur prior to high water demand months.

MWDOC staff coordinated a meeting with all affected AMP participants on August 12, 2020 to discuss the regional value of expediting the ACTM relocation and possible cost sharing options. The SOC agencies agreed to share the costs of expediting the pipe manufacture work. Staff is continuing to work 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.

# Summary Report for
# The Metropolitan Water District of Southern California
# Adjourned Board Meeting
# August 18, 2020

## CONSENT CALENDAR

The Board:

Adopted the Resolution Levying Ad Valorem Property Taxes for the Fiscal Year Commencing July 1, 2020 and ending June 30, 2021 for the Purposes of The Metropolitan Water District of Southern California (Attachment 1 of the Board letter) maintaining the tax rate at .0035 percent of assessed valuation, the same rate levied in FY 2019/20; and directed staff to transmit that resolution to the county auditors for the levy and collection of the ad valorem property tax. **(Agenda Item 7-1)**

Authorized an increase of $5.6 million in change order authority for the Headquarters Building improvements contract, for an aggregate change order authority not to exceed $7,799,900; authorized an increase of $125,000 to an agreement with IBI Group for a new not-to-exceed total of $2.57 million for specialized technical support; and authorized an increase of $600,000 to an agreement with ABS Consulting, Inc. for a new not-to-exceed total of $12.18 million for technical support. **(Agenda Item 7-2)**

Awarded $5,822,000 contract to Bernards Bros., Inc. for Stage 2 physical security improvements at Metropolitan's Headquarters Building; and authorized an increase of $530,000 to an agreement with IBI Group, for a new not-to-exceed total of $3.1 million for technical support and design services. **(Agenda Item 7-3)**

Awarded a $13,999,000 contract to Bernards Bros., Inc. for fire alarm and smoke control system upgrades at Metropolitan's Headquarters Building; and authorized an increase of $1.5 million to an agreement with Lee & Ro, Inc. for a new not-to-exceed total of $4 million for specialized inspection and technical support. **(Agenda Item 7-4)**

Reviewed and considered the City of San Jacinto's adopted Mitigated Negative Declaration and take related CEQA actions and authorized the General Manager to grant a permanent easement for public road purposes to the City of San Jacinto. **(Agenda Item 7-5)**

Authorized an agreement with The Hawkins Company as the executive search firm for the General Manager recruitment process. **(Agenda Item 7-6)**

Authorized an agreement with SHI International Corp. in an amount not-to-exceed $1,459,234 for the equipment purchase for the backup location for the Datacenter Modernization project. **(Agenda Item 7-7)**

Authorized Metropolitan to intervene in an action.
**(Heard in closed session at committee - Agenda Items 7-8)**

Repealed Administrative Code Sections 4119 and 4405 (Wheeling Service) and rescind Resolution 8520 (Fixing and Adopting Wheeling Rates). **(Agenda Items 7-9)**

## CONSENT CALENDAR OTHER ITEMS

Approved Committee Assignments appointing David De Jesus as Vice Chair of the Board; assigning Sat Tamaribuchi to the Finance and Insurance; Legal and Claims; and Organization, Technology and Personnel Committees; and adding the following directors to the Organization, Technology and Personnel Committee: Steve Blois, Michael Camacho, Don Galleano, Russell Lefevre, John Morris and Glen Peterson. **(Agenda Item 6C)**

Adopted a motion to adjourn the September Board Meeting to September 15, 2020, due to holiday. (Committees to meet on September 14 and 15, 2020) **(Agenda Item 6D)**

## OTHER MATTERS

Reported on list of certified assessed valuations for fiscal year 2020/21 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 18, 2020. **(Agenda Item 5G)**

Confirmation of induction of new Director Sat Tamaribuchi from the Municipal Water District of Orange County. **(Agenda Item 5I)**

The meeting was adjourned in memory of former Metropolitan director and LADWP General Manager Ron Deaton.

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

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser:
http://mwdh2o.com/WhoWeAre/Board/Board-Meeting/Pages/search.aspx

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