

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Fountain Valley, California
January 6, 2021, 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. 2105

ACKNOWLEDGEMENT OF MWDOC/MET DIRECTOR LARRY MCKENNEY

1. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (BBK)
- c. MWDOC Legislative Matrix

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 STAFF UPDATE BY DEVEN UPADHYAY REGARDING THE SOUTHERN NEVADA WATER AUTHORITY PARTNERSHIP, DELTA CONVEYANCE ACTIVITIES, 2020 INTEGRATED RESOURCES PLAN STATUS, AND UPCOMING ISSUES FOR 2021

Recommendation: Review and discuss the information presented.

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

- a. MET's Finance and Rate Issues
- b. MET's General Manager Recruitment Process
- c. MET's Water Supply Conditions
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

Recommendation: Review and discuss the information presented.

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

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

Recommendation: Review and discuss the information presented.

ADJOURNMENT

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



To: Board of Directors, *Municipal Water District of Orange County*

From: Natural Resource Results

RE: Monthly Board Report – January 2021

Dear MWDOC Directors,

We are delighted to be representing you at the Federal level in Washington, D.C. We look forward to getting to know each of you and ensuring MWDOC's success on Capitol Hill and in the agencies. We also wanted to share a little bit about ourselves.

NRR Team

Sara Tucker, Project Manager: Sara joined Natural Resource Results in September 2014 after serving as a Senior Professional Staff Member on the Senate Energy and Natural Resources Committee. She worked for three consecutive Chairs – Senator Bingaman, Senator Wyden and Senator Landrieu. Sara's portfolio included public lands and water issues and she was the lead staff for the Water and Power Subcommittee first under the leadership of Senator Shaheen and subsequently Senator Schatz. Sara was responsible for covering the Bureau of Reclamation's budget, policies and programs. Sara also staffed the National Parks Subcommittee under the leadership of Senator Mark Udall. Sara spent a summer as a senior fellow in Senator Feinstein's DC office, working on federal policy as it related to the Energy and Natural Resource Committee.

Prior to joining the Committee, Sara served as the Director of Government Affairs at Trout Unlimited where she worked on western water issues and public lands conservation. She received her master's in environmental policy from the University of Michigan and a BS from Cornell University. She is originally from Philadelphia and now lives in Washington, D.C. with her husband and children.

Garrett Durst, Project Support: Garrett joined Natural Resource Results as a Senior Associate after serving as Deputy Chief of Staff and Legislative Director for Congressman John Garamendi. Well versed in policy and congressional procedure, Garrett played a key role in helping Congressman Garamendi achieve multiple victories on natural resources issues important to California's 3rd Congressional District. Garrett developed a strong background in the complexities surrounding California water policy. Among other achievements, he was intimately involved in the development and enactment of the WIIN Act - legislation that made significant enhancements to the way the federal government addresses water operations in California and other Western states.

Prior to serving on Congressman Garamendi's team, Garrett worked on his family's farm in

California's Sacramento Valley. This first-hand experience uniquely positioned him to effectively assist the Congressman in addressing the challenges facing California's agricultural producers. An avid hunter and angler, Garrett currently spends his free time fly-fishing the waters surrounding Washington DC and elsewhere. He earned a BA in sustainability from Arizona State University.

David Anderson, General Oversight: David founded Natural Resource Results in 2007 where he works with municipalities, companies, non-profit conservation organizations and sportsmen groups on natural resources issues. Prior to moving back to the private sector in 2007, David served as the Associate Director for Natural Resource, Energy, and Science for the Office of Management and Budget (OMB) where he developed budgets for 8 federal organizations, including the EPA and the Departments of Agriculture and the Interior. At OMB, he worked with Congress to develop the Conservation Title in the 2007 Farm Bill, among other issues.

Prior to OMB, in 2005, David assumed the role Senior Policy Advisor to the Secretary of Commerce with responsibility for the National Oceanic and Atmospheric Administration (NOAA) portfolio. From August 2001 to May 2005, David was the Associate Director for Natural Resources for the White House Council on Environmental Quality under President Bush. Prior to government service, David was the Senior Council and Director of Federal Affairs for the Chesapeake Bay Foundation, and also was a Partner with the law firm Wiley, Rein & Fielding in Washington, DC. David has a JD from Harvard Law School and a BS from Duke University.

Biden Appointments

President- Elect Biden recently announced who he intends to nominate to key natural resource and environmental cabinet positions. Biden has chosen Rep. Deb Halaand (D-NM) to be the Secretary of the Interior and current Secretary of the North Carolina Department of Environmental Quality, Michael Regan, to serve as EPA Administrator. Confirmation schedules have not yet been announced by the Biden team but it is likely we could see confirmation hearings happen prior to Inauguration Day on January 20th, 2021.

Rep. Halaand will give up her seat in the House of Representatives to serve as Secretary of the Interior. Rep. Halaand is a member of the House Progressive Caucus and has publicly supported the Green New Deal and has been a vocal critic of President Trump's push to increase fracking on public lands.

As Secretary of the North Carolina Department of Environmental Quality, Regan helped develop a plan to make North Carolina carbon neutral by 2050 and also helped win legal settlements related to the clean-up of per- and polyfluoroalkyl substances – two accomplishments that are likely to be part of Biden's national agenda.

Omnibus Appropriations

The year-end government funding bill provided a legislative vehicle for a number of must pass congressional priorities, including a \$900 billion COVID relief package.

Appropriations

The omnibus appropriations bill provided funding for a number of MWDOC support projects and programs. Highlights include:

- \$11.67 million for the Doheny Ocean Desalination Project
- \$33 million for the Bureau of Reclamation's CALFED Program (funding source for some of Reclamation's work on Delta conveyance)
- \$12 million in WIIN Act desalination funding (these are funds that could be awarded to Doheny in future fiscal years)
- \$55 million for the Bureau of Reclamation's WaterSMART Program
- \$67.6 million for the Bureau of Reclamation's Title XVI Program
- \$65 million for EPA's WIFIA Program

Water Resources Development Act (WRDA)

Unfortunately, the final House-Senate WRDA compromise did not include a reauthorization of the Drinking Water and Clean Water State Revolving Funds. The agreement between both chambers is focused on authorizations and modifications to Corps of Engineers Civil Works projects (the bill authorized the more Corps projects than any WRDA bill before), with a few policy changes included as well – a dramatic shift from the sweeping bill that the House passed. On the policy front, most changes were focused on pushing the Corps to utilize natural infrastructure more than it currently does. For example, the bill included language that directs the Corps to document the consideration of natural and nature-based alternatives in the study of flood risk management and hurricane and storm damage reduction projects, including estimates of long-term costs and benefits of such alternatives. Another provision directed the Corps to develop criteria for the evaluation of environmental infrastructure projects.

Western Water Package

The omnibus also included a Bureau of Reclamation-focused western water package. Included in the package is legislation that increases the authorization ceiling for the WaterSMART program by \$170 million, expands project applicant eligibility to nonprofit conservation organizations (must partner with a water agency) and makes modifications to project eligibility, prioritization, and cost sharing. This WaterSMART amendment could provide an opportunity for MWDOC to partner with an NGO on a mutually beneficial project. The package also:

- Increases the authorization for desalination research at the Bureau of Reclamation from \$3 million to \$20 million annually to provide additional resources to study brine management.
- Authorizes \$15 million for a Snow Water Supply Forecasting program at the Department of the Interior to provide more accurate data about expected runoff that will allow improved water system operations – this program has been used effectively in the Sierra Nevadas to predict snowfall in the Upper San Joaquin River watershed.
- Establishes an aquatic ecosystem restoration program at the Department of the Interior at \$15 million annually for 5 years that will help fund projects to improve the health of

fisheries, wildlife and aquatic habitat (modeled after a similar Army Corps of Engineers program).

117th Congress

Highlighted below are a number of key issues that will be important in the 1st quarter of 2021.

MWDOC Supported Legislation

MWDOC should work with the following offices to re-introduce the following bills:

- Rep. Garamendi – *HR 8217, the WIFIA Improvement Act*
- Rep. Huffman – *HR 2313, the Water Conservation Rebate Tax Parity Act*
- Rep. Levin – *HR 3723, the Desalination Development Act*

Appropriations

We expect President-Elect Biden to submit his Fiscal Year 2022 budget request to Congress sometime in mid-February. We will work with MWDOC to analyze the budget request, noting both the good and the bad. MWDOC's position will, at a minimum, need to be communicated to the congressional delegation and potentially beyond depending on the program or project.

MWDOC should closely track Bureau of Reclamation programs and EPA water infrastructure financing programs. Rep. Josh Harder (D-CA) recently secured a coveted seat on the House Appropriations Committee and has made it clear that he intends to prioritize his efforts on the subcommittee that oversees the Bureau of Reclamation's budget. This will provide an opportunity to elevate California water issues and potentially make it easier to secure funding for MWDOC supported programs and projects.

MWDOC Congressional Delegation

The November election created some changes within MWDOC's congressional delegation. Democrat Gil Cisneros lost his seat to Republican Young Kim, while Democrat Harley Rouda also lost his seat to a Republican – Michelle Steel. Both incoming Republican members have taken public positions on local water projects, including supporting the Poseidon Desalination Plant. Early introductions with these new offices, as well as check-ins with returning members of MWDOC's delegation should be an early priority. We also look forward to working with the new California Senator, Alex Padilla, and getting him up to speed on California water issues.

ACWA Coordination

NRR works closely with ACWA's team in DC, including Dave Reynolds, making sure that our client priorities are also acknowledged as ACWA priorities, where appropriate.

ACWA also hosts multiple "DC Reps" events throughout the year that we regularly attend. These are meetings where the federal representatives for ACWA members get together and discuss shared priorities and usually get briefings from congressional staff on relevant western water legislative efforts.

Additionally, a number of NRR clients sit on ACWA's Federal Affairs Committee and keep us well apprised of the Committee's agenda and actions. NRR has also given presentations to the Committee at ACWA conferences.

Conflicts of Interest

As is our standard practice, we avoid client conflicts of interest similarly to law firms. Should we perceive a potential conflict, we immediately raise the issue with clients to consider whether there is a conflict and explore options.



To: Municipal Water District of Orange County
From: Syrus Devers, Best Best & Krieger
Date: December 29th, 2020
Re: Monthly Report

Legislative Report

This report is the regular monthly report previously submitted on December 15th. The only new item of information since then is the appointment of Secretary of State Alex Padilla to fill the U.S. Senate seat being vacated by Kamala Harris, and the appointment of Assembly Member Shirley Weber (D-San Diego) as Secretary of State. In addition, the projected date for the Legislature to reconvene was January 4th but the official start date is now January 11th.

The Legislature met on December 7th for one day to start the 2021/2022 biennial session and to swear in new members. They also introduced a larger than average number of bills for the first day. (See the Bill Matrix.) The Legislature meets again to start regular business on January 4th. The Senate and the Assembly announced committee assignments but there were no significant changes to the policy committees related to water. Newly sworn in Senators John Laird, who replaced Bill Monning, and Susan Eggman, who replaced Kathleen Galgiani, will join the Senate Natural Resources and Water Committee, which is good news to BB&K. One note of intrigue related to water is the removal of Assembly Member Adam Gray as Chair of the Governmental Organization Committee for voting against Trailer Bill language that impacted the negotiations with the federal government over the Voluntary Agreements on the San Joaquin River.

The most significant bill introduced so far is SB 45 (Portantino) which would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022. One of the approved uses of the fund is to “improve the resilience of a community’s water supply or provide safe drinking water or clean water benefits in light of California’s changing climate.” The bond would authorize \$5.5 billion, of which \$1.47 billion would be available for various types of water projects. BB&K will provide further analysis and comment at the PAL Committee meeting.

Administrative Report



The SB 200 process to address noncompliant water districts continues to make progress. ACWA has scheduled regular workgroup meetings and mentioned that it is the most active workgroup this year. MWDOC got involved to oppose the water tax and to ensure the funds were spent effectively and take into account past investments that were ongoing. Those goals have been achieved for the moment but part of the process concerns how SWRCB will estimate the cost of bringing a water district into compliance. If those estimates are exaggerated it might be used to argue for a water tax in the future, but there is no way to know since SWRCB has not provided any specifics. ACWA is preparing a draft letter as this report is being written that will ask that the draft cost estimates be shared soon, and to compare the estimates with the costs of current projects. The letter is due by December 21st. Following that the working group will draft a comment letter on the risk assessment process, which is due January 6th.

On January 10th Governor Newsom will present his budget to the Legislature. The nonpartisan Legislative Analyst's Office (LAO) recently published a report that shows the economy recovering faster than expected, and the budget deficit being significantly smaller than projected. The LAO estimated the budget deficit to be approximately \$30 billion last summer, which was far below the administration's estimate of \$54 billion. It appears the operating deficit going into next year may be as low as \$17 billion. But the report was not all good news: the recovery and lower deficits appear to be due to higher-income earners being spared most of the impacts of the shutdown, while unemployment among low-wage earners remains high. The report can be read here: <https://lao.ca.gov/Publications/Report/4297>

MWDOC Workshop

Item No.

Board Meeting

Prepared by Syrus Devers, January 6, 2021

A. Priority Support/Oppose

Measure	Author	Topic	Status	Brief Summary	Position	Priority	Notes 1
SB 45	Portantino D	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.	12/8/2020-From printer. May be acted upon on or after January 7.	Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.	Out for Analysis	A. Priority Support/Oppose	

B. Watch

Measure	Author	Topic	Status	Brief Summary	Position	Priority	Notes 1
AB 11	Ward D	Climate change: regional climate change coordinating groups.	12/8/2020-From printer. May be heard in committee January 7.	Would require the Strategic Growth Council, by January ____, 2023, to establish up to 12 regional climate change coordinating groups to develop and work on climate adaptation for their communities. The bill would authorize the regional climate change coordinating groups to engage in certain activities to address climate change.	Watch	B. Watch	
AB 50	Boerner Horvath D	Climate change: Climate Adaptation Center and Regional Support Network: sea level rise.	12/8/2020-From printer. May be heard in committee January 7.	Current law requires the Natural Resources Agency, in collaboration with the Ocean Protection Council, to create, and update biannually, a Planning for Sea Level Rise Database describing steps being taken throughout the state to prepare for, and adapt to, sea level rise. This bill would establish the Climate Adaptation Center and Regional Support Network in the Ocean Protection Council to provide local governments facing sea level rise challenges with information and scientific expertise necessary to proceed with sea level rise mitigation.	Watch	B. Watch	
AB 51	Quirk D	Climate change: adaptation: regional climate adaptation planning groups: regional climate	12/8/2020-From printer. May be heard in committee	Would require the Strategic Growth Council, by July 1, 2022, to establish guidelines for the formation of regional climate adaptation planning groups. The bill would require the council, by July 1, 2023, and in	Watch	B. Watch	

		adaptation plans.	January 7.	consultation with certain state entities, to develop criteria for the development of regional climate adaptation plans.			
SB 1	Atkins D	Coastal resources: sea level rise.	12/8/2020-From printer. May be acted upon on or after January 7.	Thee California Coastal Act of 1976 establishes the California Coastal Commission and provides for planning and regulation of development in the coastal zone, as defined. The act requires the commission, within 90 days after January 1, 1977, to adopt, after public hearing, procedures for the preparation, submission, approval, appeal, certification, and amendment of a local coastal program, including a common methodology for the preparation of, and the determination of the scope of, the local coastal programs, as provided. This bill would also include, as part of the procedures the commission is required to adopt, recommendations and guidelines for the identification, assessment, minimization, and mitigation of sea level rise within each local coastal program, as provided. The bill would delete the timeframe specified above by which the commission is required to adopt these procedures.	Watch	B. Watch	

Total Measures: 5

Total Tracking Forms: 5



DISCUSSION ITEM

January 6, 2021

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
STAFF UPDATE BY DEVEN UPADHYAY REGARDING THE SOUTHERN
NEVADA WATER AUTHORITY PARTNERSHIP, DELTA CONVEYANCE
ACTIVITIES, 2020 INTEGRATED RESOURCES PLAN STATUS, AND
UPCOMING ISSUES FOR 2021**

STAFF RECOMMENDATION

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

REPORT

At the close of calendar year 2020, the Metropolitan Board made significant progress on a number of key issues. MWD OC staff has invited Deven Upadhyay, Assistant General Manager/Chief Operating Officer for Metropolitan, to provide an update regarding the Southern Nevada Water Authority partnership in the Regional Recycled Water Program (RRWP), Delta Conveyance activities, status of the 2020 Integrated Resources Plan (IRP), and other upcoming issues for 2021.

Southern Nevada Water Authority Partnership in the RRWP

On November 10, the Metropolitan Board voted to begin the environmental planning work on the RRWP, a partnership between Metropolitan and the Los Angeles County Sanitation Districts to reuse water currently sent to the ocean. This project will be one of the largest advanced water treatment plants in the world, with the capability to produce up to 150 million gallons of water per day.

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

Then on December 8, in a bold step toward a new kind of collaboration in the Colorado River Basin, the Metropolitan Board approved a partnership with the Southern Nevada Water Authority (See Attachment #1). As part of the approved agreement, the Southern Nevada Water Authority will contribute up to \$6 million for environmental planning of the RRWP.

The Southern Nevada Water Authority and Metropolitan both have a mutual interest in seeking a framework on the Colorado River that recognizes this opportunity for supply augmentation. This coordination feeds into discussions of the Operating Guidelines for the Lower Basin States of the Colorado River, which are set to expire at the end of 2026. Cementing a partnership for coordination on the environmental planning phase activities of the Program at this time will also reinforce the commitment of work together in these important upcoming negotiations along the River.

The funding agreement for environmental planning of the project does not obligate Metropolitan or the Southern Nevada Water Authority to a long-term exchange, nor does it commit either agency to move forward with the program in the future. Any terms of a future exchange agreement or allocation would be developed at a later date through a separate agreement. If the agencies do not enter such a future agreement, Southern Nevada Water Authority's financial contributions to the RRWP's environmental planning would be returned.

Delta Conveyance Authority

On December 8, the Metropolitan's Board of Directors also voted unanimously to fund its share of the environmental planning and pre-construction costs for the Delta Conveyance Project (See Attachment #2). The Metropolitan Board's vote ensures the project's environmental review and planning phase will move forward.

The action calls for Metropolitan to fund 47.2 percent of the \$340.7 million in planning costs estimated over the next four years, amounting to an estimated share of \$160.8 million (over all four years). For calendar years 2021 and 2022, the \$58.9 million for Metropolitan's 47.2 percent share of the planning and preconstruction costs will be funded by the \$50 million incorporated into Metropolitan's Adopted Budget and \$34 million from a Department of Water Resources (DWR) refund from the CA WaterFix program.

The information produced by the environmental review process is essential for Metropolitan's board to make an informed decision on whether to support the project's construction. As proposed, the single-tunnel project would feature two intakes and a capacity of 6,000 cubic feet per-second, though other project alternatives are also being considered as part of the planning process. A draft Environmental Impact Report is expected in mid-2022.

An action to fund planning costs does not commit Metropolitan to participate in the project beyond the planning phase. Any final decision to participate further in the project and incur final design and construction costs would occur following completion and approval of the environmental documentation, and with an action to execute a State Water Project contract amendment, consistent with the Agreements in Principle, which is not anticipated to occur until 2024. Therefore, a final decision point on the level of Metropolitan's participation in the Delta Conveyance Project is expected to occur in the later half of 2024.

2020 IRP Status

The scenario planning method being utilized within the 2020 IRP has allowing for more interaction with the Board and member agencies on the drivers of change, resource mix alternatives, and policy discussions. The areas of policy discussion will include:

- Advancing Metropolitan's role in influencing reliability outcomes in the future.
- Being prepared for increased or decreased dependence on imported water by the region and by member agencies.
- Being prepared for climate change and other uncertainties affecting supply and demand.
- Balancing resource reliability priorities with financial sustainability concerns.

Looking at the preliminary gap analyses for all four scenarios together will reveal important insights to inform the Metropolitan Board what/when policy discussion are needed. The preliminary Gap Analyses are already indicating the following:

- Specific actions that must be taken will vary for each scenario, and we will not know what scenario will unfold in the future.
 - By comparing the resource mix across the scenarios, the Metropolitan Board will be able to recognize common elements for multiple scenarios as well as unique resource elements that might need to be implemented if the future tends toward that specific scenario.
- Both local and imported supplies need protection
 - Maintaining existing supply capabilities is important.
 - Local supplies are essential, therefore ensuring local projects are developed and perform as planned must be considered,
 - Potential loss of imported supplies have significant impacts, suggesting that impacts from climate change and regulatory risks will need to be minimized.
- Regional demands are a big factor under all scenarios
 - Since water use efficiency and behavior have a large impact on the "gap." Planning for reliability with significant uncertainty in water demands, while being financially sustainable must be considered.
 - While lower total demands are easier to manage, it puts stress on financial sustainability. Indicating a need to coordinate with the rate refinement process.
- May need to broaden view of reliability.
 - While previous IRPs considered reliability under "foreseeable hydrologic conditions" the current scenario planning process is looking at reliability under more factors than hydrology (e.g., climate change, regulatory, demographic). This will result in a need to discuss an appropriate reliability goal.

The Metropolitan Board's focused policy discussions are expected to begin in January 2021, starting with establishing a guiding principle on a reliability goal.

**Attachments: 1) Southern Nevada Water Authority partnership in the RRWP
Metropolitan Board Letter (12/8/2020)**

**2) Delta Conveyance Project Environmental Funding Metropolitan
Board Letter (12/8/2020)**



● Board of Directors

oa eet

Revised 8-1

Subject

t o e e e a a a e t o e t e t o a a e e m e t t o t e N e a a a t e t o t t o o t t e
e e o m e t o t e e o a e e e a t e o a m t e e e a a a e a e t e m e t a t t e o o e
a t o e e m t o t e e e o t e t t o

Executive Summary

t a e o m m e e e t a a e e m e t t t e o t e N e a a a t e t o t N t o a e t t o
m o a a o t o t e e a t t e .

Details

Background

o t e N e a a a t e t o t a e t o o t a a e a o t o o o o a o a t e t o m o e
a t e e a t o m t e o o a o e . e t e a t t o e a e a a e e a e e e e t e
t o a e e o e t o e t e t o e e o o a m t a t e e t t e o t a e e a t e o o a o e a a
o e a e e a t e e o e a t e m e a a a o e a t o
o a m o t e e e t o t e o o a o e t e m a e e o o e a t o o e t e o . N
a t e e t o o t a t e e e o m e t o t e o o a o e o t o t e a o m m t t t o
a e e e t o t e o t e t a o t t o t o a e e a t a t o e e e o e t o o t a . a
t e e a o t e t o a o a o t 5 N e a a o e 5 a e e e t o a t e t o
e t o o t a t o e e e t e o o a o e e t e e t o o t a t a t e e e e a t a t m e
o a m o t . a t a t e e e t e t o N e a a e e e e a t e e a .

N a e e e a t e e t e o o t o t o t e t a t e t e t o o t a . I a o
a a e o t e t o t e o a N a e t o o t a e a o e t t e o t e t I t o
e o e a o t e t a a t e t o o t t e e o a e e e a t e o a m o a m a e e e a t e
e e t o m t . o e e t e I o t o t a a m o m m t m e t o t a o t t e e t a
a o t o a a t e o o a a t t o e t a . o t e o m
e o t a t o t o e e o e e e o t e o o a o e o t a e e o e t o e e o a a t
o a t o a t a t e a o t e t a t e t a t a t o t e o a m . o e a a e t o o e a t e
t e o a m N t e e t e a o t o o t e e o m e t a o t o t e o a m .

Framework for Potential Exchanges in Support of the Program

t a e e a o o t t o o t e t a e a e t a e e t a t t o a t e t e o a m . o a
m e m e a e o t e t a t e t e o a m o e a t e o a e e t t a o o m e a t a t o t
e a e o o t o t t a t a t e t a e t o o t a e o e t m e t . e e o m e t a
a e a e o t a o e o e a t a t m e e t o o t a e e e o e m a a a
e o a t e t o a e e e . e e e a e a t e o e e t o a t e e t e e t o t
e o e e t o o t a o a e a o t t e o a m e e a e t o o t a e a
e a t a e e e t o a t a t o e e t .

e t o e e a e e a e e o o e o t e t a t e o a m e a e . t a o e t e
o o e e o o a e e a .

Enhanced Reliability

eet to eo moe aa a o et e a to telte ate
 eo e a I ate ate tat etoota oe of a e ate e a t e oma
 o et ea o to . I at etoota e to a e ate a a a eo to a e tee
 ea te. a e ta e a t e a ea to eo e to atm te ea
 e e e a ata to eet e a o. m ta e a ee o to a a oe
 te a 5I ate a e to eem a e a a te I ate.
 etoota o o e o ame a etate a e ea ea to e e e
 e ata to eetate te o am om ete. a e tat e at e m att ee a to
 of eo ee.

e e o e o o a a emet tata o o am ate to ee a e oma
 o et ea ema ta a e to mote e o to o ata to eet
 a to tote ate o e te o am. a oa e e etea t m o emet o
 tee o.

Regional Provider

etoota eeo te o am o tee e to a mem e a e e. o e
 of eat at a e ete etot eo etoota mem e a e e. ta
 o o ote ta o ame a e t a e e ot eo etoota e e a ea.
 etoota o o e o ame a eo et t a e eo ot te o o a o eo
 tate ate oet tem. ote ta o ame a e o te tem o a ea
 tee eme to ee o e a tee a tote e ee o
 etoota tem. o ame a etate ete a a a to e tote e
 e e a ea tme o ee o of eo ee.

Full Cost Recovery

ote ta e a e o a ee ote o e o a e a e oot a. etoota oe
 of te to o e ate tat ee e a e ata e ate.
 e e e e e e o e e ta a a a o a t e o ame a e o o a tat o
 e o to oa o o o e ato. ete e e te a o e a e o te
 o o ote ta o ame a e tat e e e o me to a eeme t a oa o o
 e e a e a e emat e att tme. ata a e o et o tee o me ta
 a a e o te o am to e om tee o o ete eto eo ea.

Proposed SNWA Agreement

et ot tme to o e a e o ame a ea eeme t N teete a t
 etoota t om et te e e e e e a to e ta te o am a amete a ot.
 omato o o me o ot ate a o ta ote ta te o ame a e. N o oe
 to a a ottee o me ta a aeat te o te o am to a a eeme t.
 ea eeme t a m ta ate ot ate a a oe N oa o e to o
 No em e **Attachment 1**. tee o me ta a a e o te o am N o o e
 etotot to tee e amo to ete m o o eeto etoota ot. e
 ot to om N o em e etoota to et o ettee o me ta a a e ot
 te ame amo t.
 I a to tote eet e e te e e a o e ate t N a o e e ta m o ta t
 o ot to oo ato o te o o a o e. N a etoota o a e am ta te et
 ee a ame o o te o o a o etate o et o ot to a me tato. ee
 to o ote eat e e ote o e a ote o o a o e a e ettoe eat
 tee o. eme t a ate o oo ato o tee o me ta a aeat te o te
 o am att tme a o e o ete omm tme tto o to ete tee m o ta t om
 e otato o te o o a o e.

e o o e a eeme t oe oto ate et o o ta o N to a e a e t e t e. et o o ta
 a e o e a a to eoe e e a oto o t o o a o e . mate a e
 a e e o tma mea o t e a o a e e a t a a a e ate eo e t e t e to
 meet o o t e m ema . ta e omme o ee t t ate t o t a o a to e ate
 to a o t e m e a e. e t e o o e a eeme t e t e N o et o o ta a e e ot to o ee
 t e t e. I t m ta e et o o ta o et N o t to t o t e e t a e.
 o m a t o e e o e t o t e e o m e t a a a e o t e o a m t a o et t o t e
 o a t a a a o t e e e t a o a o a m e a e.

Additional Interest

I a to to N ome o t e a e e a e ate a t e e t m a a a e m e t. e e
 o a e e m a a o e o m e e e a t e o a m a o e o t a to t e m.
 e e t a t a e e e e t e t o a e e t a o a o e t o a e a t m e t o a t e
 e o e o o a o e o a e a a e ate t t o o a o e a t a t e a t e o t a to
 e e t a t e e t a t e a t e o t a to a a a e a e a a t e t t t a t e a t e
 o t a to .

Summary

a to a to e a a eeme t t t e o t e N e a a ate t o t t a t o e o to
 o t a t e. a eeme to e a t o t e e o m e t a a a e o t e o a m a
 o e o t o m m t e t o o t a to o m e t e t e o a m o o e t o m m t e t e a e to a t e o a m
 e a e. I et o o t a o N o o e ot to o ee et o o t a e t t e N o e
 to et o o t a t o t a t e e t. e N o a a o t e to a t o e o ee t t e a eeme t.

Policy

et o o t a a t e t t m t a t e o e e t o e e a t o t o t e e e a a a e t o
 e t e o t a t

et o o t a a t e t t m t a t e o e e t o e e a t o o e o t e

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

e o o e a t o o t e e a a o e t e e o e o e e t o 5 t a t e
 e e e t o 5 e a e t e o o e a t o o t a e e t e a e t a a e t e
 e o m e t o a e a o a o e e e a e e t a a e t e e o m e t a o e o t
 a m t a t e o m a t e a e a t t e e t o 5 o t e t a t e e e . e o o e
 a t o a o o t e e a a a o e t e e a e t o e o t e o e m e t a a t t e o
 o t o e a o m m t m e t t o a e o e t m a e t a o t e t a t a m a t
 o t e e o m e t e t o 5 o t e t a t e e e . t o a t e o o e a t o
 e e m t o m t e o o o a t e t a t e e e e a e t o t o a a t a o e t o
 e e a e e m e t a m a a m e t a e o e e a a t o a t t e o o t e t a e o o m a o
 t a e t o a e o m e t a e o e. e e m a e t t o o m a t o a t e o e o a a t o
 a t e a t o a a t o a a e a o t e t a o e a o t e o e e t o 5 o t e
 t a t e e e . a e e t a e e e t e t a t t a t t e e o o t t a t t e a t t
 e t o m a a e a a t e e t o t e e o m e t t e o o e a t t o t e t t o
 e t o 5 o t e t a t e e e .

CEQA determination for Option #2 and #3:

No e e e

Board Options

Option #1

t o e a a eeme t t o t e Ne a a ate t o t to otte e e o me to t e e o a
e e ate o am.

Fiscal Impact: to m o eem e to etoo ta o t e Ne a a ate t o t
o e e t e o a aeat te to e e o t e e o a e e ate o am.

Business Analysis: o to o o e tata a a otto a a ete e e o me to
a t ate e e o t e a o aa o a me t e o a e o etoo ta ete
e e a e a to e a t o t mate a e a e m .

Option #2

e e o e a t o o a eeme t t o m e t o o t e I t e ate e o e a .

Fiscal Impact: to m o o etoo ta o e e e t o t e m eme t o m
o t e Ne a a ate t o t .

Business Analysis: e e a eeme t e e to o e etoo ta e o t to e e o o
a t e o t e o o a o e a o e t a t o a a m to etoo ta a a e a e a t e o a t e
o e t .

Option #3

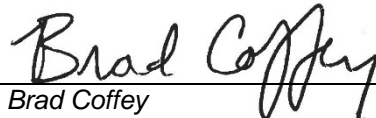
o o t a t o e a a eeme t t o t e Ne a a ate t o t to otte e e o me to t e
e o a e e ate o am.

Fiscal Impact: to m o o etoo ta o e e e t o t e m eme t o m
o t e Ne a a ate t o t .

Business Analysis: e t o t o etoo ta o e e e o a a o t to o m N to
a a ete e o a e e ate o am.

Staff Recommendation

t o



Brad Coffey
Water Resource Management Group
Manager

Date



Jeffrey Kightlinger
General Manager

Date

Attachment 1 – Agreement to Contribute Funds for Environmental Planning Phase Services Related to the Regional Recycled Water Program

Ref# wrm12681366

**AGREEMENT TO CONTRIBUTE FUNDS FOR ENVIRONMENTAL PLANNING PHASE SERVICES
RELATED TO THE REGIONAL RECYCLED WATER PROGRAM**

This FUNDING AGREEMENT (“Agreement”) is made by and between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (“Metropolitan”) and the SOUTHERN NEVADA WATER AUTHORITY (“SNWA”), who may be referred to individually as “Party” or collectively as “Parties.”

BACKGROUND

- A. SNWA is a Nevada joint powers authority and political subdivision of the State of Nevada, created by agreement dated July 25, 1991, as amended November 17, 1994, and January 1, 1996, pursuant to Nevada Revised Statutes § 277.180, inclusive. Metropolitan is a water district established under the California Metropolitan Water District Act, codified in Section 109-1 et seq., of the Appendix to the West’s Annotated California Water Code, for the purpose of serving water to southern California. SNWA currently operates a water recycling program in Southern Nevada and is recognized as a global leader in water recycling technology. The Parties have collaborated on previous projects and agreements involving water supplies and continue to seek new strategies to help maximize the availability of limited water supplies.
- B. Metropolitan and the County Sanitation District No. 2 of Los Angeles County (“Sanitation District”) are working together to develop a Regional Recycled Water Program (“Program”). As currently envisioned, the Program will produce and is planned to deliver up to 150 million gallons per day, or approximately 168,000 acre-feet per year, of purified water from a new advanced water treatment facility located at the Sanitation District’s Joint Water Pollution Control Plant in Carson, California (“JWPCP”). The Program also includes a new conveyance system that would deliver water to groundwater basins within Metropolitan’s service area for indirect potable reuse and potentially to two Metropolitan treatment plants for direct potable reuse. It is anticipated that the Program will be constructed in a phased approach so that the eventual ultimate capacity of the program can take into account the availability of water at the JWPCP and the anticipated demands of Metropolitan’s member agencies both for the purposes of groundwater replenishment and direct potable reuse through raw water augmentation.
- C. On or about March 12, 2020, the Parties signed a non-binding Letter of Intent which laid the foundation for a cooperative working relationship between the Parties in the development of the Program, including the anticipation that SNWA would provide resources to assist with the planning, design, and construction of the Program in exchange for receiving water made available by the Program in the future. The Parties intend to explore entering into a future Development Agreement to further define the responsibilities of the Parties in the development of Program.
- E. In order to evaluate the Program, Metropolitan intends to conduct an environmental review along with the Sanitation District. Metropolitan’s approved budget for the environmental review is \$30 million. The actual costs to complete the environmental review will be tracked and may differ from the originally budgeted amount. The Parties intend through this Agreement for SNWA to contribute funds to Metropolitan for Metropolitan’s use in conducting the environmental review.

TERMS

1. SNWA will provide to Metropolitan the lesser of either \$6 million or 24 percent of Metropolitan's costs for conducting analyses, investigations, evaluations, studies, and public outreach, as needed, to complete any environmental review and documentation required for design and construction of the Program (collectively "Environmental Planning Phase Services"). These Environmental Planning Phase Services include environmental evaluation, engineering and other technical support, and public outreach, and will conform to and comply with the requirements of the California Environmental Quality Act and any other applicable environmental requirements, permitting processes and laws.
2. Metropolitan shall provide an accounting and invoice SNWA on a quarterly basis for 24 percent of the costs incurred by Metropolitan for Environmental Planning Phase Services, up to a maximum cumulative amount of \$6 million. SNWA shall have the right to review and confirm that the invoice conforms to the terms of this Agreement, and if so approved, SNWA shall pay the invoice within 30 days of receipt.
3. This Agreement does not: obligate Metropolitan to approve or develop the Program; obligate Metropolitan to make water available to SNWA through exchange or other mechanism; obligate SNWA to agree to such exchange; allocate any Program water to SNWA; or set any precedent for the terms of any such allocation. Such terms may be provided for in a separate Development Agreement between the Parties.
4. If Metropolitan does not approve or develop the Program or if Metropolitan or SNWA determine to not enter into a separate Development Agreement to allocate Program water to SNWA, then Metropolitan will return the funds that SNWA provided to Metropolitan under this Agreement, without any interest.
5. If the Parties enter into a separate Development Agreement which allocates Program water to SNWA, the Development Agreement will credit SNWA with the funds provided by SNWA under this Agreement.
6. Metropolitan and SNWA will also explore whether certain in-kind services could be provided by SNWA in support of the Environmental Planning Phase Services.
7. This Agreement is effective as of the date the last Party executes the Agreement and will terminate on December 31, 2035, provided that the Parties may agree to extend the term of this Agreement.
8. This Agreement is not intended by the Parties to create any right in or benefit to Parties other than SNWA and Metropolitan. This Agreement does not create any third-party beneficiary rights or causes of action.
9. The failure of either Party to enforce at any time, or for any period of time, the provisions hereof shall not be construed as a waiver of such provisions or of the rights of such Party to enforce each and every such provision.

10. Any notice under this Agreement must be in writing and addressed as follows:

The Metropolitan Water District of Southern California
Post Office Box 54153
Los Angeles, CA 90054-0153
Attn: Deven Upadhyay
Assistant General Manager/Chief Operating Officer
With a courtesy copy by email to DUpadhyay@mwdh2o.com

Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, NV 89153
Attn: General Manager
With a courtesy copy by email to greg.walch@lvvwd.com

A properly addressed notice will be effective on the day of delivery, if delivered directly by a Party or by a nationally recognized delivery service, or on the third day after mailing, if sent postage prepaid by U.S. Mail. The Parties shall transmit a courtesy copy of any notice to the other Party by email on the day the notice is sent.

Either Party may change the address listed in this section by providing five days' notice to the other Party.

The Parties may sign this Agreement in duplicate originals.

**SOUTHERN NEVADA
WATER AUTHORITY**

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

By: _____
John J. Entsminger
General Manager

By: _____
Jeffrey Kightlinger
General Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

APROVED AS TO FORM:

By: Brent Gunson *for* _____
Gregory J. Walch
General Counsel

By: _____
Marcia L. Scully
General Counsel



- Board of Directors
Bay-Delta Committee

oa eet

7-4

Subject

to eee to oa eeme t t te a o a eatme to ate eo e omm t
o etoota aeote eta o ea e oet a a e o t to ota ato e
ee to oa ame metto te o t o e eeme to eta o ea e e a o t to
to t te eea aae a etem e tatte ooe ato e em to ote e ot etto

Executive Summary

o te t t e te e N ea t e tate a o e a e et e oet
a ota e a atote oeo ate e e e o to o. I te a o a
eatme to ate eo e tate a a e o me ta e e oa et e eta
o ea e oet to otette t eea to tate ate oet e.

oa ato o tto ee tea a eeme ta omm t ee e to otte tate a
oe oa et e a to ee tea ame metto tee t eta o ea e e a
o t to tot o mat o a eeme tto a e te o ea e t t e.

Details

Background

I e a tate o te tate a e o e o Ne oma o e o to a et e
. o te t t te oeo eto a ea a oa et e oet.

I ea e otato tte ate a e e to a ee o a
ame o eee to a a eeme t e I to ame te o t a t to a o ate o t a
e e t o a o te t a o et e oet. e ate oa eeto a o ate o t a e e t a to
e e e t o t a t t to ote t o t a t at te . e o ea
at at to a o ea o t a t ame me to te t t te I o oto t a te te
e o me ta e e om ete. ta at ate t a t a e o to a o ete oet o e o
. o e e t t e t t at o o ea a e o a o t t e ame
e e t a e a te at ato te . **Attachment 1** a ette om e to a a Nemet
e e e t a t o .

I a a eea e a Not eo e a ato N o a o me ta Im a t e o t I
a t t o t e a o a o me ta a t t o t e . e te tate m o o ee
t e ea a e o N a t o a o me ta o te o me ta e e a e a Not eo
I te t to eeo a o me ta Im a t t a t e m e t I . e I o e o o e o to e
a t e e e e a o t omme t ette a ema . **Attachment 2** tate e e t
m e to e .

e t e a t e e a mo t ta a o e o mat o o e m a o t a o te t a e e t a
a eeme t t o a a e o t to o t a ame me t to t e eta o ea e
e a o t to tot o t o e tot o mat o a eeme t.

Delta Conveyance Project – Increased Investment, Increased Reliability

e a at t e e a t o e t. e o e t o e t e e t e N a e m a t e a e
e e a e m e e . t a m a o e a t a t o a e a t o e t t e e t a t a t t e
e t m e t t a a o e e e t o t e e o t e o e t. o e t e e t e o o t o a t e t o t e
e t m e t o e a t a t e a t e o e t o t a t o . t a a e a e e e t e e a t e t o t e a t a t.
o e o o o t a t a t e t e o e t o o t e o t e a o a t e e e t. I a t o t e e t o o t a
e o m m e e a t a t o o t o . e e t e e t e e o m e t a a a e o o t e
e o t o . e e t a e t a t e a m a o e m e e t e a m e

a m e I a e a t a e e e t o a e a t e m o a o t a e t e o t e t a o a t a t o
a e t e a t t o m o e o e t a t e t o t e a t e o o t o t o t e a t a t o e e.
N o a t a t o o t e e m t t e t o e t e . e I e a t a t t o e o o t o t o o
a t “...to use available DCF conveyance capacity to convey project water in the event that
pumping directly from the south Delta is prevented or impaired by a physical, regulatory or contractual
disruption, including but not limited to sea level rise, seismic events, flooding, or other uncontrollable
event. I e t o I . a . e

e a m e t a t e o e a e a t a t o o e a t e t o e a e e e t. I e t o o t a e e t o
e t . e e t o t e t o e e e . e e t o t e e e t. m e a t a t a t a t o
e e t e o t e t a a t e a e o t a a a e e t o o t a o a e a t a t t o m o e t
a o a t o o a t e . e o a e m e e t t e e a t t a t o e t o o t a e a
t e e e a e e a o e t o e t o o t a a t e o t o o . e o o e t e e o
t t e e e e t o m a t e a e a t e t o m a e a e e m o e a t e a t
e t o o a a e a t e o e a o t e e t a a o e a t o a e t t o e o t o o o o t o
o e a e t o o m e.

Project Cost Assessment/Preliminary Project Benefits

e e m a o t o m a t o e e a t e t e e t m a t e t e o e t o o t 5. o
o a . e m a o e t e e t e e a o e t m a t e t e t o m a t o a a m t o . e
m a o e t e e t e e o m a e t o t e o t o o t e t t t e N o t e o e a a t o o e t e
o m a t e e e e m e e e a t e e a t a o e a t o a e e . e a e o
o t e t a e e t e e e a t o o o t e t o o e t a t e e a o m
t o a a e e e t e e a t o m o a e e e t e e a . o t e m a o t o m a t o a e m a
o e t e e t e t e e e a t e a o e e a a e o t o a t a t e t e
e a . t o a e e o m a t o t e e a e a a t a t e e t e a t I o m e t e .
e a e e t m e t o t e t a t e o e t a a t e a o a a t e . e a a o
t o t a e e t o t a a a e o t e o m e t e t o t a a a e e a a
e e a e e e e . e a t a o t e e e t m a t e a t . o o a e t o o t a a t a
o t e e e t m a t e a t . o . e e t a e a t e a e a e t o t e a e o a t e a
e t m a t e a t e a e o o t ⁵ I a o a e e t a t o a a o o m a e t o a t e a t e a t e

e I e e e t o t e e t a o e a e a t . a a e t e a e a e a e e t o t e a m e
o e t
e t e e t o t a t t m e o o t a e e t a t a t o t e a t e a t o e a o a t e t o m e e t
m m m a t e e m a o o m e t e o t e t o o a t a t o . t e a o t e e a t e e m a o e
m m a .
a a a o e o e t t e e a e e m t a o e o e e o e a t o t e a . o t a a a
o m e t e a e o t e a o e e m t a o e a t o a a e t o e t t o t e t m a t e o e e e o e .
e o e t a t o e o e a t o a e a 5 e t o o t a o a e t t e
⁵ a e o e t o o t a e t o . e t o o t a o a e t t e

e a om to e a e oot o eot e e a e a ato e e
ate a t te o eo to m ate a t e ee et ee 5 to 5 e a e oot.
e a a e o e om et e o mat o a e m a
e ee o e ato te a a a to a em tt . o mat o e o m ate a o t
e e ta a o te o et.

Funding Agreement

e et tat e te to a e a eeme t o t e at ato o ot ee e o
e m a e e o me ta a a ot e e o t to a t te to a t tee o me ta
oe . t mate o . m o ee e o o ae a ea to o
. m o o ae a ea a . ee o ot e o me ta a
a em tt o a e a e m a e ee o ee e to om e o me ta
a a (Attachment 3).

e e omme e at ato ee o et o o ta to . e et o t o ae a ea a
o to . e at ato ee om o e o t ee e me t. e te e me t et o o ta
o t a t a e amo to o e et. ee o e e me t e et o o ta o o to ate a e
o No t o eta ot at at te o et ea et o o ta tota at ato ee to
o . e et. a a a to a e e ta e ae om e o t ate e a t a
a e a o a to o . e et et o o ta e omme e at ato ee to to . e et
o to o to 5. m o .

to o et o o ta o e ate to a at ato ee o to . e et. to o et o o ta
o e a t a at ato ee o . e et e a et to et o o ta ae o a e amo t
a et o o ta o o to ate ae o No t o eta ot at at te o et. ae o
a me t e eo ato o te a o e a a to . e et ae et o o ta omm t me t
o ee e o e 5. m o o ae a ea a . e et o o ta a o te et
et e 5 m o o te e e t e t 5 m o ea o a ea a
. e et mate e a a eo 5. m o a e e te m o a o a ate
e ee e om . et te e a e e ate a ot a to te
et te ee e. to at ato ee o . e et o e e 5. m o o ae a ea
a .

te at at a e a o t a e o a to a ae o e to o et te o at at .
at at a e a e o a e a e a o mate o e t a o e te a e a e o te . o
ate om e o t e at at a e a o e te at ato ee a t a o mate t et e a e
a e. at at o t et o om ete o a o te a ete m e at ato ee t o tee
o No m e a ea e em e tee o e ate t o mat o o at ato e o e te
e em e a e ta omm t tee eet a e em e o a eet ee t a to . a e t te
at at a e e a to ma t e ete o to at ato amo to et o o ta .

a to to a a e o t to ot at e o t e e e o at ato te a te
et e te a I o te o et. a e o to at ate te o e t a a e
a o t to ot o o o o om et o a a o a o tee o me ta o me t a to a
t a a to to e e tea o t a t a me m e t o te t t te I o t a t ate to o
t . a o o to o oe ot omm t et o o ta to at at te te a t
oe ot omm t et o o ta to a e ee o at ato .

DCA Governance and Amendment

e t oa e t e o o eat et o o ta et o o ta No a a t e
o t ate e e a ta a a a e ate t t a ta a a a a o t a to ee te

ot e e o e e e te . I t e e t t t t e t o a to a e to a e a e t e e
e t a a e o e t a t a t o t e o a e a t o e e . t t e a e o t a t e o
a o a a t e o t e m a t e a t a t o .

o a e t e a e e e o a t a t o t e a a m e m e t t o t e a e e e e o e to
a t e o a o m o t o a o t o e e t e e t e a a o m m t m e t . t t a e to
t e t t e a m m a o e a e t o t e **Attachment 4** . e t e e t o o a t e
o a o a e e e m e m e a t o e t t e e e t o e t a t a t o . e e e e m e m e
o a o e o e e e a t e a o t e o o e t o o t a e a t a a a a 5 o t a t o
a a o t a t o a t o e a t o a o t a t o . **Attachment 5** o e a t o o a e
e t o a t a t e o e t a t a t a o m o t o o t e e o e o a .

t o a a t e o t o o a e o o e t o e e t t e o o e o e a e . o t a t o
o e e e a m a o t o t e t e a e t o a o e o t e . o e e o e t o a o t o
e a a a e t m e t o o a t a o t e t e o a a e o e a t o o o o
e a o e o e t a a a e o . o o e t a o a o a o t e t e e o e a t o o t e o e
a e o o t a t e o o t o a t e a e t e e e o e t m e t e e e t e e a o a e a t e e t
o a o t e o t a t e o o t o a t e a e e e e a e t e e t e t o a o a
e a t . o t e e o e a t o o t e t o a a o e t t e t a o t e t o e e o t o a t e a t
e e t o t e o t a t e o o t o a t e a e .

Policy

e t o o t a a t e t t m t a t e o e e t o e e a t o o e o t e
t e I t e m 5 5 a t e a t e o a a o t e e e a e t a a e a o t a o a t o
o e o o m m a t o t t e a o a a e t a t o t a t e e t e a t e a e t o t
t e e t t e e t e e e t e e o .
t e I t e m a t e t e o a a o t e o e e a o t e m a t o o
t e a a m e t o a o a e e t a a e e t e e e e t t e e t e e a a a e o
.

t e I t e m 5 a t e e t e o a a o t e a o o e e t a t o a . e e t t o
a o t o o t e e t a t o a a o a o e t o e t e a t a e o e e t e o a
e a a m e o e t e t o o t a t a a t o e a t e t o e t a e . e a m e o o m e o
t e e m a o t m e a e o m o e t o t e m t o a a e m t o a a a o e m
t o a .

t e I t e m a t e e t e m e t e o a a o t e t e a o o t o o e a e o t o
I m e m e t a t o o a o t e m e t a I m o e m e t a . e e t e a a e a o o o e a t e
e a t m o e e o t a t e a t a o e e m o e a t o a a m e e o m e t
e a e e t a e o t e m e e e m a e e e m a t e a e .

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

e o o e a t o o t e e a a o e t e e o e o e e t o 5 t a t e
e e e t o 5 e a e t e o o e a t o o t a e e t e a e t a a e t e
e o m e t o a e a o a o e e e a e e t a a a e t e e o m e t a o e o t
a m t a t e o m a t e a e a t t e e t o 5 o t e t a t e e e . I a t o t e
o o e a t o o t e e a a o e t e e a e t o e o t e o e m e t a a t t e
o o t o e a o m m t m e t t o a e o e t m a e t a o t e t a a t
a m a t o t e e o m e t e t o 5 o t e t a t e e e . t e m o e e e t
a e e e t t e t a t t a t t e e o o t t a t t e a t t e t o m a a e a a t e e t o
t e e o m e t t e o o e a t t o t e t t o e t o 5 o t e t a t e
e e . I t e a t e a t e a e e t e o o e a t o a a o e t e t e a t o
a t e o a e e m t e t e o o o a t e t a t e e e . e o e a a t t e
o e a o t t e t e a e o m e t a a a e o o o e o e t t a t o t o a a t a

o e t o a e o e e a a t o a t t e o o t e t a e o o m a o t a e t o a
e o m e t a e o e. e e m a e t t o o m a t o a t e o e o a a t o a t e a t o
a a t o a a e a o t e t a o e a o t e o e. o t e o o e a t o
a e o a a a t e o a e m t o e t o 5 o t e t a t e e e.

CEQA determination for Option #3:

No e e e.

Board Options

Option #1

t o e t e e e a a a e t o e t e t e o o e e m e t a t e m a e e t o a
e t t e

a. e e m e t o e o m m e e a e o t o. e e t o a a e o t t o
o t o e t a o e a e o e t.
. o t o e e e m e t m e m e t o t e e t a o e a e e a o t t o o t
o e t o t.

Fiscal Impact: o t o 5. m o o e t o o t a t o. e e t a e o t e a a e
o t t o o t a e e t e 5 m o o o a t e t o e t o o t a o t e e t a
m o e.

Business Analysis: o t o o a e e t e o a t o e e e a t o e t o a a e t e
t o e t a e e a e a t a e o t e m a e a e e. o t o a o a a e t e
e t a o e a e t e a a o t e t e o a.

Option #2

t o e t e e e a a a e t o e t e t e o o e e m e t a t e m a e e t o a
e t t e

a. e e m e t o e o m m e e a e o. e e t o a a e o t t o o t
o e t a o e a e o e t
. o t o e e e m e t m e m e t o t e e t a o e a e e a o t t o o t
o e t o t

Fiscal Impact: o t o 5. m o o e t o o t a. e e t a e o t e a a e
o t t o o t a e t e 5 m o o o a t e t o e t o o t a o t e e t a
m o e.

Business Analysis: I t e a o t e a t a t t e e e a
a o o t a a e a a e. I a a t e a t e o e o e e t e t e a m o t
e e e t o t e a a e t e t e e t a o e a e o e t o a a e t o e t a a
e e a e a t a e o t e m a e a e t a t e o e t e o t e e t a e e.
e t o o t a o t e e a e t o a a e t e e t a o e a e t e a a o t e t e o a
o e e o o t m a m e e e t a t t e e a t a t o a e e o t e o t o. I a t o
e t o o t a o t a t e o o t o a t e a e o t e o e o e t e e o e e t o o t a e t e
o t e o e o e a t o o t o e o e.

Option #3

e e o e a t o o e e m e t a o t o e e e m e t m e m e t t o m e t o o t e
I t e a t e e o e a.

Fiscal Impact: No e

Business Analysis: e e a e e m e t e e t o o o e t o o t a a e o t t o e t a
o a e t a o e a e a t o m o e t a t e a t e o e t o e a t o a o o a m a e t o
e t o o t a e a t o t t e o t e t a t e a t e o t a t o. e e a o a o e o t e t t
e e t o a a t o t o a o e o t e o a e o e o a m o e t a t o e o m e t a e e o
t e e o a e e a t e o a m.

Option #4

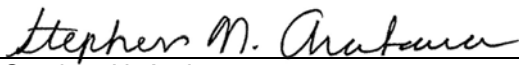
o ot o e tee o me ta o me tato a o otato ea toaat te eate to at
t tme.

Fiscal Impact: ea o eemet et a ma e t a e e
m a t a ea e a e e t e to etoota a at at . Not a a te
o e e eeo a toa ate eo e o to toa e at ate e a ato
e a t a a o e e eo ea e e ea o t e a t ate mate a e m a t t at ma e
a t mo e e e ea e t m e o t o o e o te etoota e e a e a

Business Analysis: o to o o e o a o o t t to m emette oa eto to ta e
ate e a e e om eto o .

Staff Recommendation

t o



Stephen N. Arakawa

Manager, Bay-Delta Initiatives

Date



Jeffrey Kightlinger
General Manager

5

Date

Attachment 1 – DWR Letter dated October 23, 2020

Attachment 2 – DWR's Planning Schedule for DCP

Attachment 3 – Summary of Key Terms of Funding Agreement

Attachment 4 - Summary of Key Changes to DCA JPA

Attachment 5 – Proposed DCA Board Seats by Contractor Class

Ref# eo12675564

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



October 23, 2020

Jennifer Pierre
General Manager
State Water Contractors
1121 L Street, Suite 1050
Sacramento, CA 95814

Dear Ms. Pierre:

We are encouraged that many of your members are interested in participating in the Delta Conveyance Project and will be considering their contribution to further planning activities to advance the development of the project. As these potential participants bring action items before their boards this fall relative to project planning and funding, we are requesting that they include two important items for board consideration.

1. An indication of likely participation percentage as described in the public negotiation process of the Agreement in Principle (AIP)
2. Authorization for funding consistent with these participation levels

Providing the likely participation percentage and associated funding authorization will not only advance the necessary planning work in 2021 and beyond but will also provide the ability to take the next steps in completing the AIP.

As a reminder of the discussions at the public negotiations, a Public Water Agency may choose to participate at a percentage equal to or greater than its percentage of State Water Project Table A, or alternatively choose not to participate in the Delta Conveyance contract amendment. In either case, the PWA will have a participation percentage recorded in the AIP.

The Department looks forward to board action by your members.

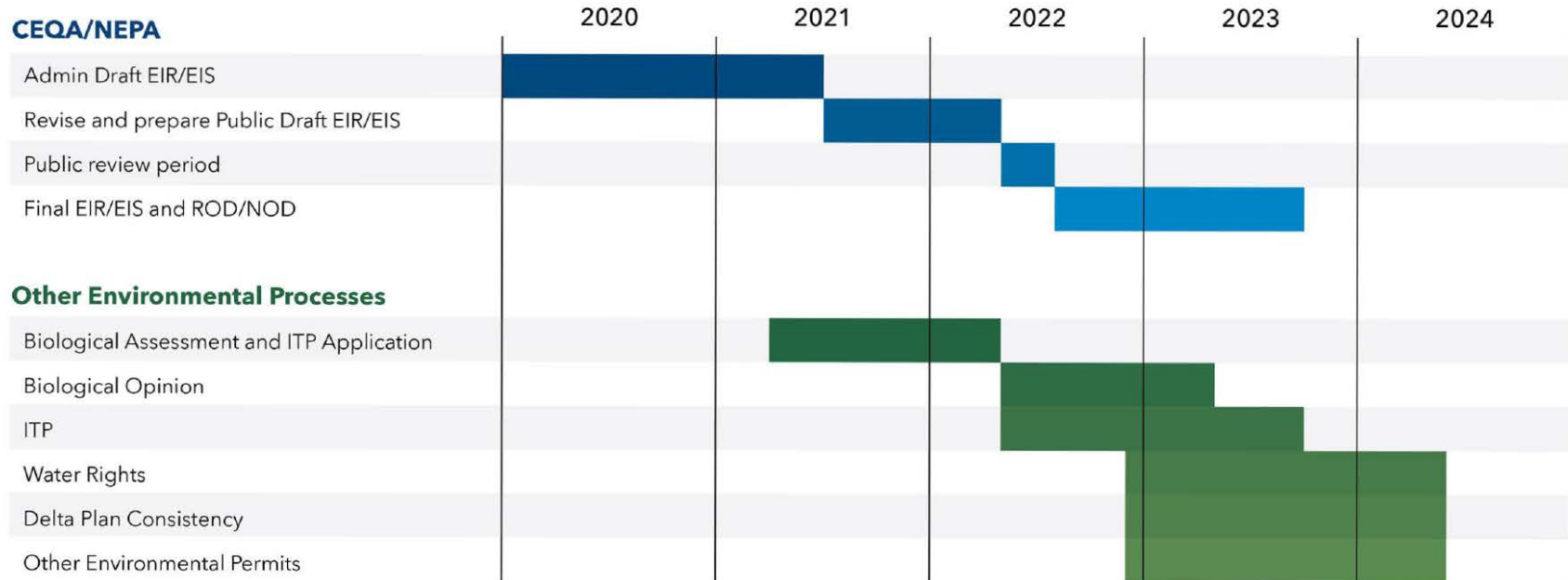
Sincerely,

A handwritten signature in cursive script that reads "Karla Nemeth".

Karla A. Nemeth
Director

cc: Steve Arakawa – MWD
Tom McCarthy – KCWA

DWR's Planning Schedule for DCP

Delta Conveyance Project Schedule

Summary of Funding Agreement for Delta Conveyance Planning Costs

Parties: The California Department of Water Resources and The Metropolitan Water District of Southern California.¹

Term: The Agreement is drafted to include a two-year term but can be extended without amendment for additional time if appropriate board authorization exists

Purpose: To provide funding for planning and pre-construction costs associated with the Delta Conveyance Project.

Key Terms:

- Provide Metropolitan's percentage of Delta Conveyance Project planning and pre-construction costs for two years as approved by the Board;
- Metropolitan would provide these funds on a schedule agreed to by the Parties;
- Funding can be spent on payment of DCA invoices submitted to DWR on or after the October 1, 2020, for the work performed or costs incurred by DCA, or for Delta Conveyance Project planning work performed by DWR through the Delta Conveyance Office ("DCO");
- Funding cannot be spent on activities described in the Mitigated Negative Declaration for Soil Investigations for Data Collection in the Delta adopted by DWR on July 9, 2020;
- Funding would be reimbursed to Metropolitan at the time there is an approved project and DWR issues the first bonds for the project; and
- Any unspent funds contributed under the Agreement would be returned to Metropolitan.

Summary: These Agreement terms are substantially similar to previous funding agreements between Metropolitan and DWR. Importantly, the reimbursement of planning costs after an approved project will provide Metropolitan with certainty that the planning costs will be reallocated to all project participants consistent with their ultimate participation percentage in the project. To the extent the DCP is not approved, the advanced funds would not be recovered.

¹ DWR will be entering into separate agreements with each PWA with substantially similar terms.

Summary of Key Changes to the Delta Conveyance Design and Construction Authority Formation Agreement

The Delta Conveyance Design and Construction Authority (DCA) was negotiated for California WaterFix. The participation in a new single tunnel Delta Conveyance Project is different. For that reason, the members and Public Water Agencies that are contemplating membership, negotiated changes to address the governance and voting procedures, as well as minor clean up edits. The key substantive amendments are summarized below.

- **Definitions.** Two definitions were added, and one was updated.
 - Classes were defined for contractors by region. This definition is important because it identifies, where applicable, what DCA Board Director represents what class or classes.
 - A new definition of Contracted Proportionate share was added. This definition is integral to voting and is defined as “the percentage of Conveyance Project costs and benefits that a Member has contracted for under a Long-Term Water Supply Contract with DWR, or the percentage of Conveyance Project planning funding that a Member has contracted with DWR to fund.”
 - The definition of Conveyance Project was amended to be consistent with the single tunnel Delta Conveyance Project.
- **Membership (section 5.2).** Allows additional members to be added to the DCA with a majority vote. As currently adopted, new members require a super majority vote.
- **Board of Directors (section 6.1).** This section was changed to allow for more State Water Project Public Water Agencies investing in the project to be represented on the board. The total board will remain at seven members, consistent with original up to seven-member board structure.
 - Metropolitan, Kern County Water Agency and Santa Clara Valley Water District retained their original seats
 - The CVP seat held by Metropolitan was eliminated
 - Two director seats were added for Class 8 (East Branch contractors)
 - One seat was added for Class 2 (North Bay Aqueduct contractors except Santa Clara Valley Water District)
 - One seat was added to represent Class 3,5, and 7.
 - Provisions were added for those Director seats which represent multiple agencies (not applicable to Metropolitan)
- **Board Officers (section 6.3).** The rotating schedule in the original formation document would be removed and Board officers would be selected by the DCA Board.

- Director Voting (section 8.2). The original categories requiring a super majority were removed. All actions by the DCA board can be approved by majority vote of the board with the following added provision:
 - However, any Director may request a reconsideration, at the same meeting the action is taken, for four categories of votes, including: (1) Budget and Expenses; (2) Approval and modification of the annual budget; (3) Construction contracts over \$10 million; and (4) Service contracts that exceed \$1 million over the life of the contract. The reconsideration vote would be based on the Contracted Proportionate Share (see definition above) and must occur not before 14 days or later than 30 days of the original action.
- Stand Up Costs (section 12.2). Agencies that originally contributed stand up costs will be refunded their proportionate share within 30 days of the new Agreement becoming effective.

Table 1: Current and anticipated PWA's for proposed DCA Board Seats (by Contractor Class)

Class Contractor(s)	Number of Board Seats	State Water Contractors
Class 6	1	Metropolitan Water District of Southern California
Class 4	1	Kern County Water Agency
Class 2	1	Santa Clara Valley Water District
Class 2	1	Alameda Flood Control & Water Conservation (Zone 7) Alameda County Water District (ACWD)
Class 3/5/7	1	Dudley Ridge Water District (Class 3) San Luis Obispo County Flood Control & Water Conservation District (Class 5) Casitas Municipal Water District (Class 7) Santa Clarita Valley Water Agency (Class 7)
Class 8 Contractors	2	Antelope Valley – East Kern Water Agency Coachella Valley Water District Crestline – Lake Arrowhead Water Agency Desert Water Agency Mojave Water Agency Palmdale Water District San Bernardino Valley Municipal Water District San Gabriel Valley Municipal Water District San Geronimo Pass Water Agency



DISCUSSION ITEM

January 6, 2021

TO: Board of Directors

**FROM: Robert Hunter,
General Manager**

Staff Contact: 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 Finance and Rate Issues
- b) MET's General Manager Recruitment Process
- c) MET's Water Supply Conditions
- d) Colorado River Issues
- e) Delta Conveyance Activities and State Water Project Issues

ISSUE BRIEF #A

SUBJECT: MET's Finance and Rate Issues

RECENT ACTIVITY

Current Update

Water Transactions for October 2020 totaled 145.4 thousand acre-feet (TAF), which were 3.5 TAF lower than the budget of 148.9 TAF. This translates to \$130.8 million in revenues for October 2020. Year-to-date (YTD) water transactions through October 2020 totaled 563.0 TAF, which was 36.4 TAF lower than the budget. YTD water revenues through October 2020 were \$504.4 million, which were \$33.1 million lower than the budget of \$537.5 million.

At the September 14, 2020 Finance and Insurance Committee at MET, the Board received a review of the impacts of COVID-19. From this review, the Board Approved the following recommended cost-containment measures to address the COVID-19 financial impacts as amended:

- a. Continue to track COVID-19 impacts to the member agencies with a focus on retail payment delinquencies. If interest from the member agencies, develop a payment deferral program which exempts penalties or interest for those agencies that record and report significant delinquencies and likewise grant deferrals to their customers. Bring back any deferral program criteria to the Board for review and consideration
- b. Monitor water demands, sales and expenditures and prepare additional cost-containment measures, as needed, for mid-cycle budget review.
- c. Maintain the current rates adopted by the Board to address the impacts of lower water sales and lower revenues while maintaining current credit ratings.
- d. Include in the mid-cycle budget review new revenue generation options including through a ground water replenishment program.
- e. Implement a moratorium on non-emergency unbudgeted proposals for the remaining part of the fiscal year that have not been anticipated in the budget.

On December 8, the Metropolitan Board adopted a COVID-19 Member Agency Payment Deferment Program and the associated potential amendments to the Administrative Code to add Section 4519 delegating authority to the General Manager to administer the Program.

The proposed program would allow Metropolitan to provide up to six-month deferral of a portion of the member agencies' Metropolitan bills equal to the percentage of their own customers' delinquency rate. Additionally, under the plan, late payments, penalties, and interest would be waived to the deferred amount over a period of up to 12 months. The program would apply to invoices for all water transactions occurring only from January 1, 2021, to June 30, 2021.

The COVID-19 Member Agency Payment Deferment Program would shift some revenue collections from FY 2020/21 to FY 2021/22. The extent of this shift would depend on the level of participation, but is not expected to exceed \$20 million.

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](#)). 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.

The Board and member agency staff will engage in discussion in the months to come to bring forward options for consideration, with the goal of adopting a new funding approach by the close of CY 2021 ([October 2020 Board Letter](#)).

Key issues to be addressed with include:

- Development of a method to recover Demand Management costs
- Potential additional issues that may be addressed:
 - Review rate re-bundling
 - Review refinements to Readiness-to-Serve and Capacity Charge rates
 - Revisiting surplus year storage incentives
 - Review Purchase Orders commitments
 - Review availability of service charge
 - Others

ISSUE BRIEF #B

SUBJECT: MET's General Manager Recruitment Process

RECENT ACTIVITY

Current Update

On August 18 the Metropolitan Board authorized an agreement with The Hawkins Company as the executive search firm for the General Manager recruitment process. The Hawkins Company previously recruited the General Counsel (Jeff Kightlinger and Marcia Scully) and General Auditor (Gerry Riss) positions.

At the December 7 Organizational Personnel & Technology (OP&T) Committee, Diane Pitman, Group Manager of Human Resources, described the next steps in the General Manager recruitment process:

- At the January 11 OP&T committee, the Hawkins Company will present the Job Description, the Recruitment Brochure, and the outreach plan to the Metropolitan Board for review and approval.
- Once approved the position will be posted for 30 to 60 days.
- At the February 23 Executive Committee meeting, within closed session, the screening criteria, interview process, and interview questions will be developed.
- Throughout the month of March, the Hawkins Company will review the submitted candidate applications.
- On March 23, the Hawkins Company will present a short list of candidates to the Executive Committee within closed session.
- Executive Committee will conduct initial interviews, date to be determined.
- Board will conduct interviews of the top candidates, potentially on April 13.
- Board to approve new General Manager, potentially on May 11.

ISSUE BRIEF # C

SUBJECT: MET's Water Supply Conditions

RECENT ACTIVITY

The 2020-21 Water Year (2019-20 WY) officially started on October 1, 2020. Thus far, the Northern California accumulated precipitation (8-Station Index) is reporting **5.64 inches or 36% of normal** as of December 23rd. For 2020-21 WY, the Northern Sierra Snow Water Equivalent is reporting **4.0 inches on December 23rd**, which is **47% of normal** for that day. Due to the below average precipitation/snowfall, the Department of Water Resources (DWR) has set the initial State Water Project (SWP) **"Table A" allocation at 10%**. This allocation provides Metropolitan with approximately **191,150 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 2021 contractor demands.

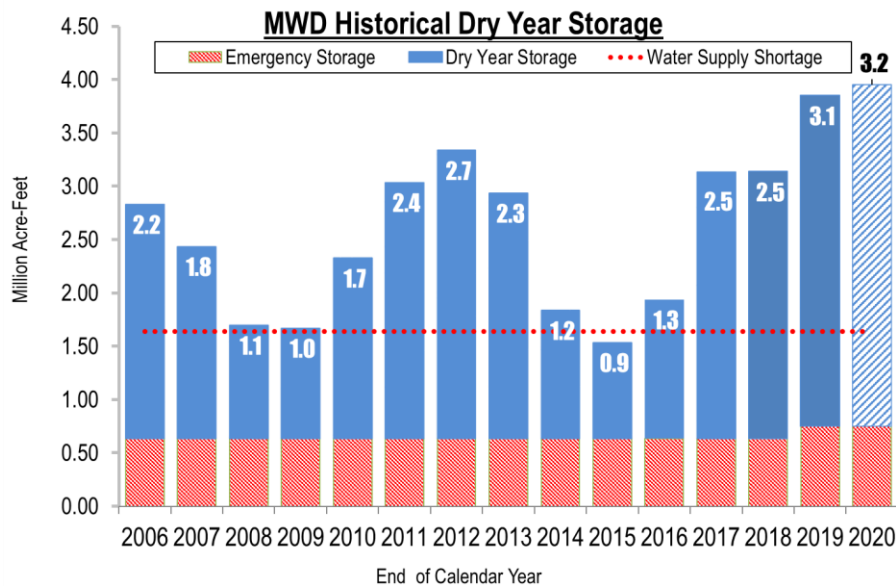
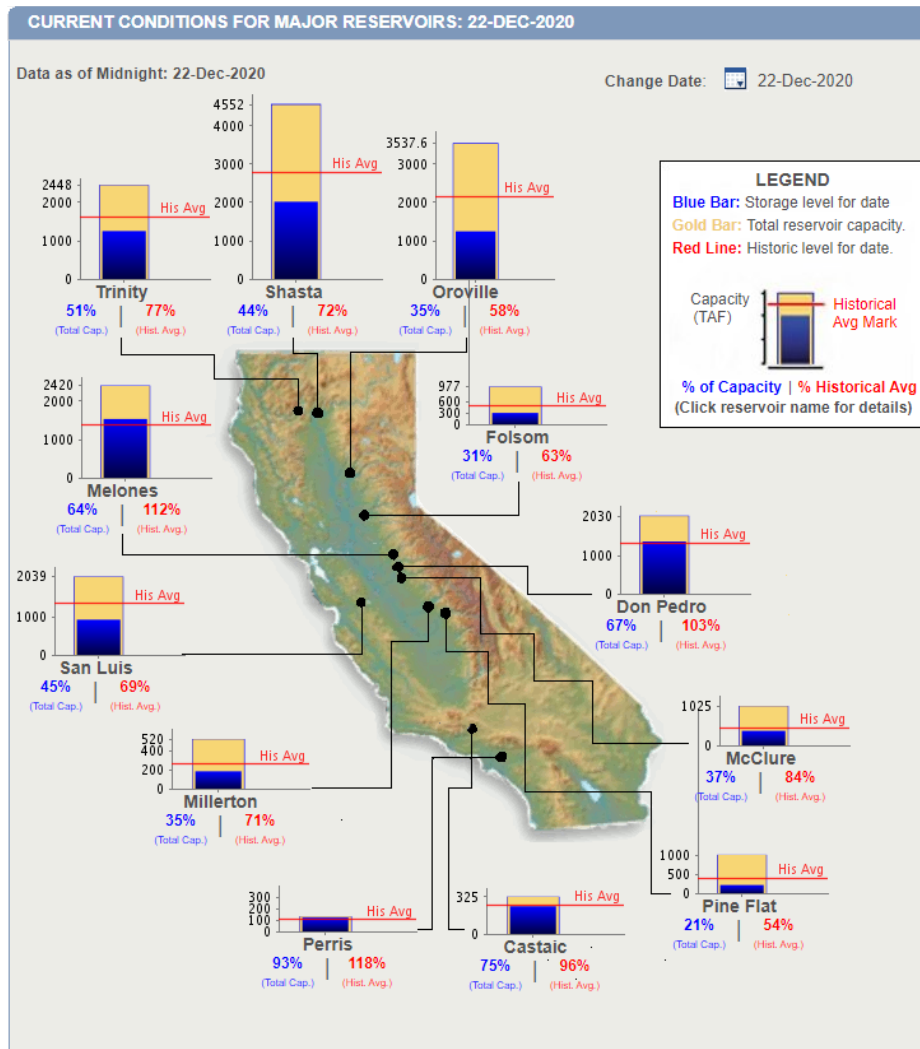
The Upper Colorado River Basin accumulated precipitation is reporting **5.2 inches or 65% of normal** as of December 23rd. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent was reporting **5.0 inches as of December 23rd**, which is **68% of normal** for that day. Due to the average precipitation/snowfall in 2019-20 WY there is now a 0% chance of a shortage at Lake Mead in 2021 and a 23% chance of shortage in 2022.

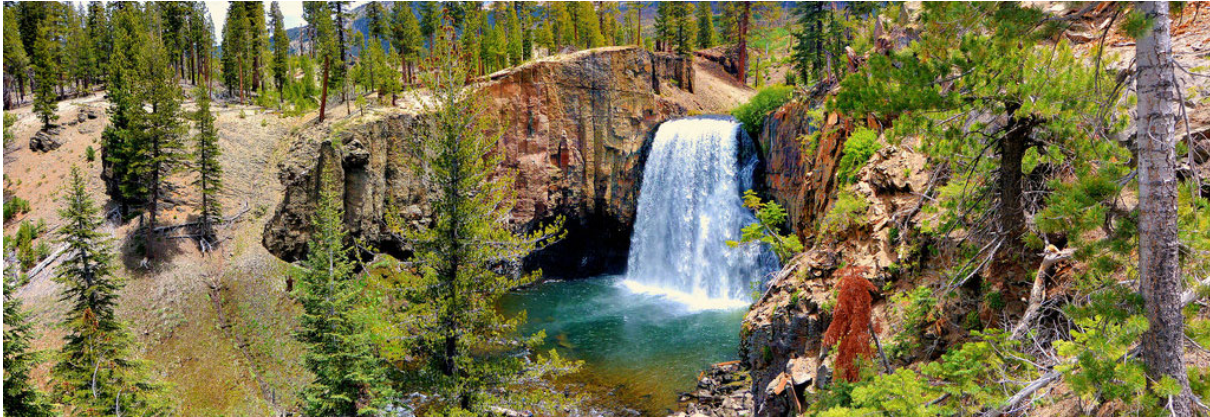
As of December 22nd Lake Oroville storage is at **35% of total capacity and 58% of normal**. As of December 22nd San Luis Reservoir has a current volume of **45% of the reservoir's total capacity and is 69% of normal**. The current conditions for major reservoirs can be illustrated in the graphic below.

With estimated total demands and losses of 1.513 million acre-feet (MAF) and with a 20% SWP Table A Allocation, Metropolitan is projecting that supplies will exceed demand levels in Calendar Year (CY) 2020. Based on this, estimated total dry-year storage for Metropolitan at the end of **CY 2020 will go up to approximately 3.2 MAF**.

A projected dry-year storage supply of **3.2 MAF will be the highest amount for Metropolitan**, see chart of historical dry year storage below. A large factor in the increase in water storage is because **water demands regionally have been at approximately 37-year lows**.

Attachment: Water Supply Conditions Presentation (1/6/2020)



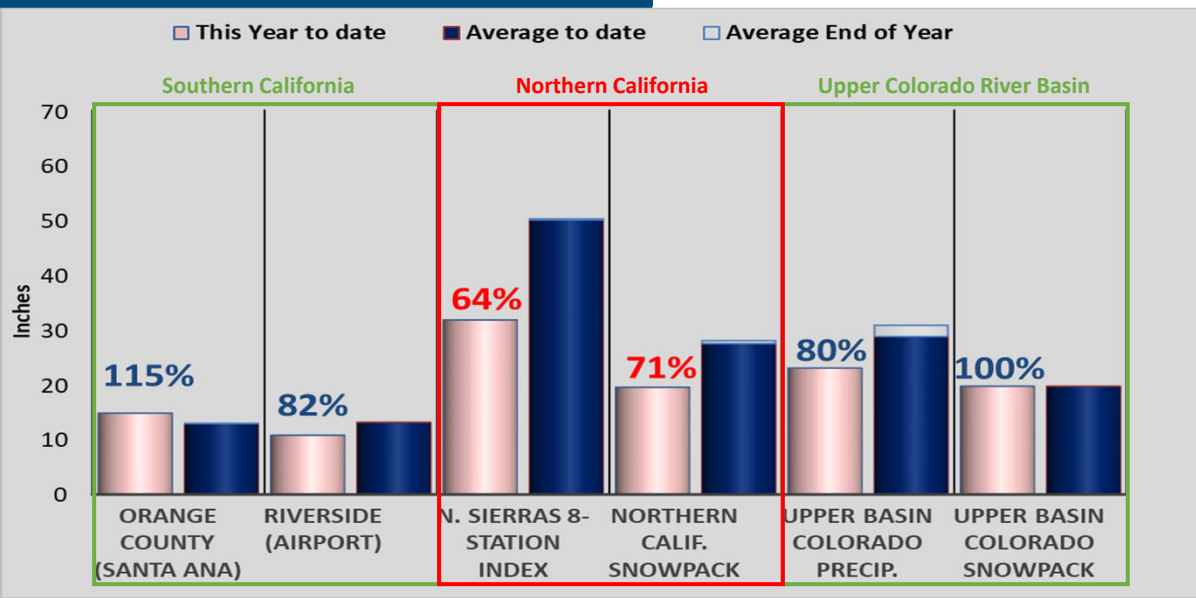


Water Supply Conditions

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

January 6th 2021

WY 2020, Comparing the Three Regions



California Drought Monitor

October 2019 = 2% drought Moderate Drought (D1) in California

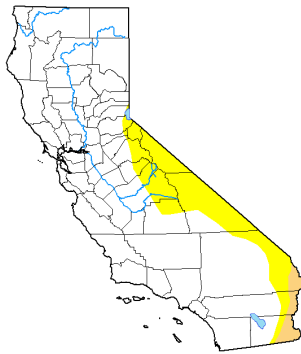
October 2019 = 0% Severe to Extreme Drought (D2 to D3) in California

October 2020 = 68% drought Moderate Drought (D1) in California

October 2020 = 36% Severe to Extreme Drought (D2 to D3) in California

U.S. Drought Monitor California

October 22, 2019
(Released Thursday, Oct. 24, 2019)
Valid 8 a.m. EDT



	None	D0	D1	D2	D3	D4
Current	62.20	17.74	2.06	0.00	0.00	0.00
Last Week	65.40	14.60	2.06	0.00	0.00	0.00
3 Months Ago	65.68	4.32	0.00	0.00	0.00	0.00
Start of Calendar Year	7.77	82.23	75.17	14.12	2.10	0.00
Start of Water Year	65.29	4.71	2.06	0.00	0.00	0.00
One Year Ago	15.16	84.84	47.84	19.30	2.73	0.00

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. See accompanying text summary for forecast statements.

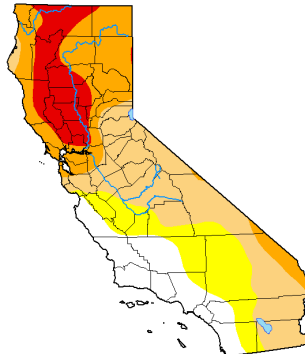
Author:
Richard Heim
NCEM/NOAA



droughtmonitor.unl.edu

U.S. Drought Monitor California

October 20, 2020
(Released Thursday, Oct. 22, 2020)
Valid 8 a.m. EDT



	None	D0	D1	D2	D3	D4
Current	15.40	84.60	67.54	35.61	12.74	0.00
Last Week	15.40	84.60	67.54	35.61	12.74	0.00
3 Months Ago	40.34	59.66	48.21	21.50	3.94	0.00
Start of Calendar Year	96.43	3.67	0.00	0.00	0.00	0.00
Start of Water Year	15.35	84.65	67.65	35.62	12.74	0.00
One Year Ago	15.29	82.29	17.74	2.06	0.00	0.00

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:
Curtis Riganti
National Drought Mitigation Center



droughtmonitor.unl.edu

California Drought Monitor

NBC News

California exceeds 4 million acres burned by wildfires in 2020

California marked a grim milestone Sunday as the number of acres burned during a record wildfire year surpassed 4 million, officials said.
3 weeks ago



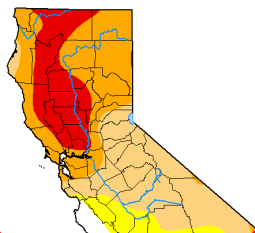
The Mercury News

Map: 31 people killed in California wildfires, 2020 season

Share this: Peter Hein, 61, Big Pine; Tad Jones, 73, Last Chance (Santa Cruz County); Mary Hintemeyer, 70; Leo McDermott, 71; Tom ...
3 weeks ago



U.S. Drought Monitor California

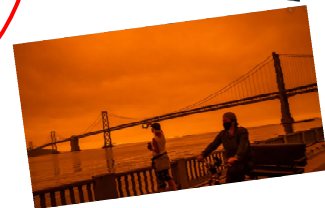
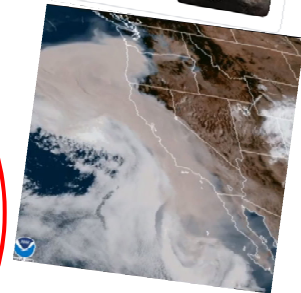


Los Angeles Times

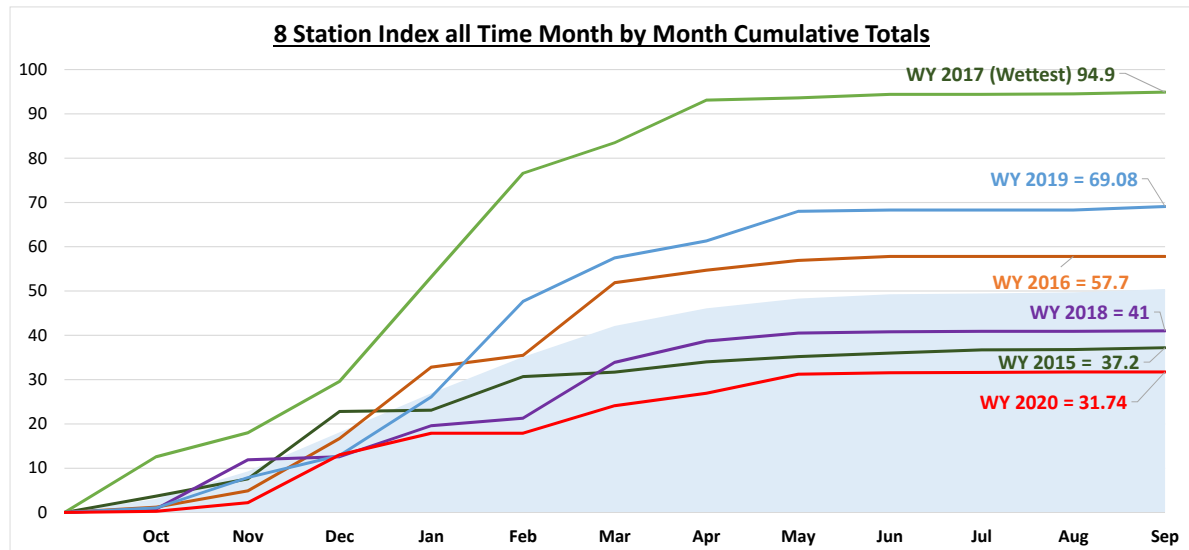
2020 California fires are the worst ever. Again.

Fire season in California looks different these days. Temperatures are hotter. Fires are bigger and more destructive. Air quality is the worst in ...
1 month ago

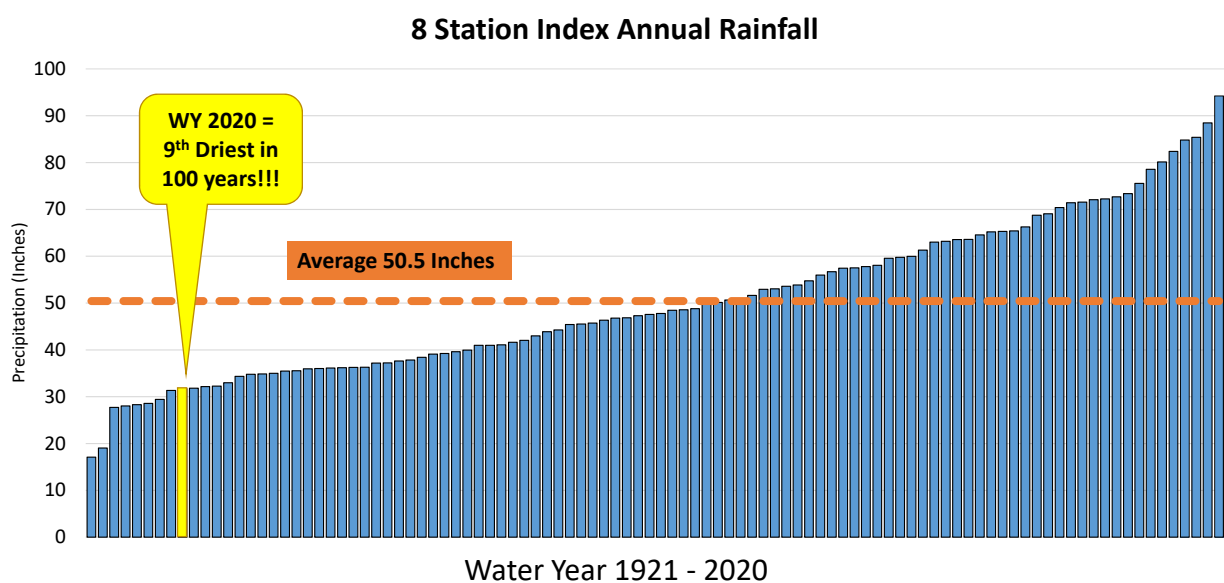
The worst fire season ever. Again.



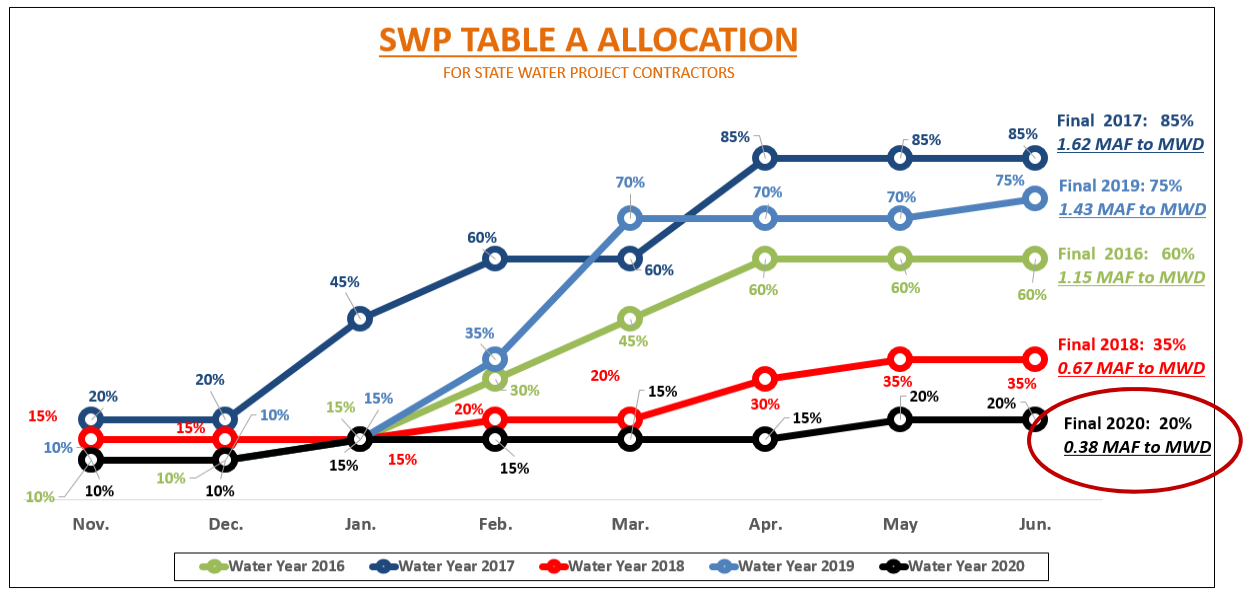
Historical Northern California Precipitation



Historical Northern California Precipitation

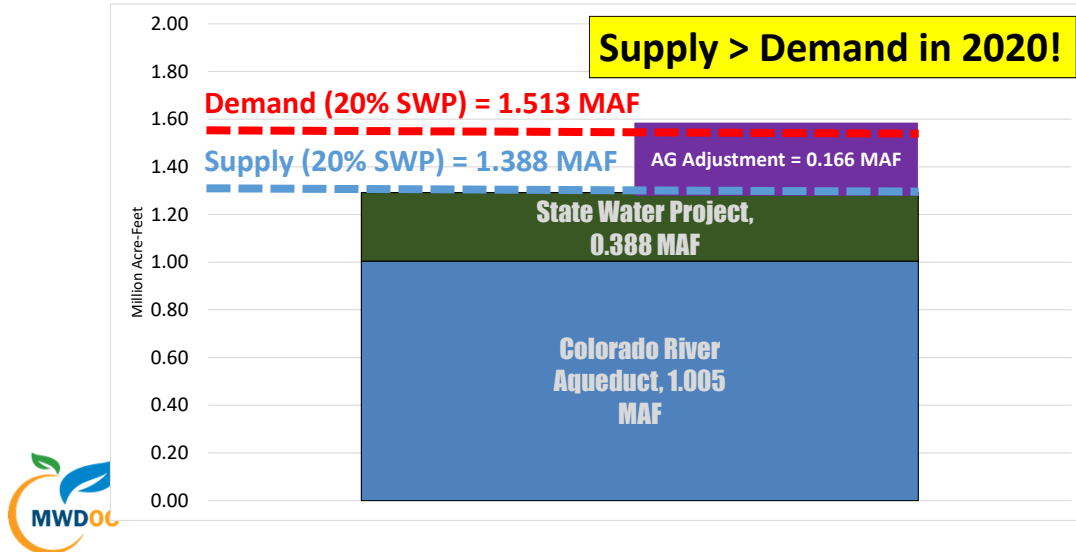


2020 SWP Table A Allocation

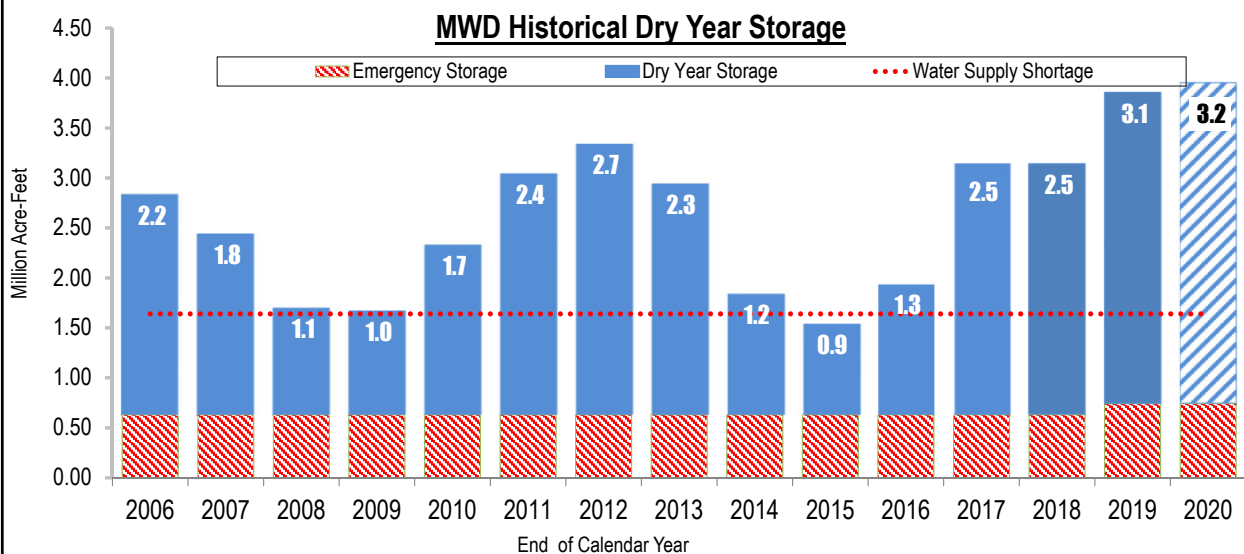


MWD 2020 Water Storage

MWD 2020 Estimated Water Storage



MWD 2020 Estimated Water Storage

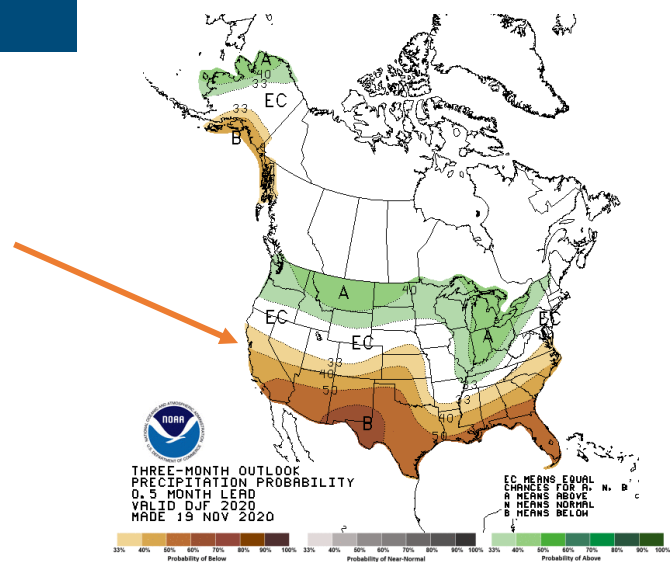




Winter 2020-21 Outlook and Conditions

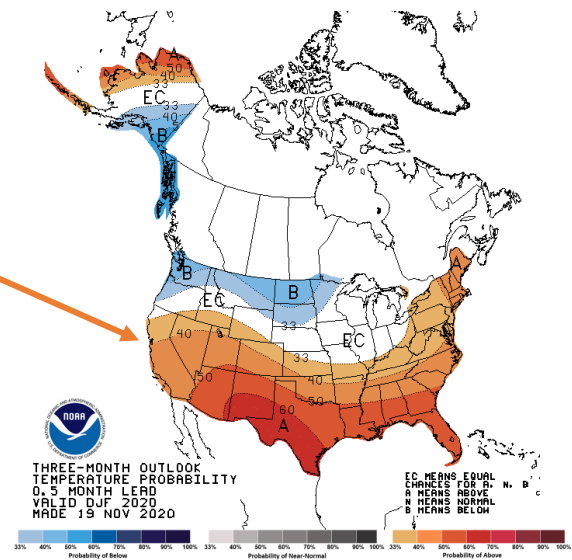
December, January & February Precipitation Outlook

NOAA estimates that the Southern U.S. is expected to experience below average precipitation for the winter months of December, January and February.



December, January & February Temperature Outlook

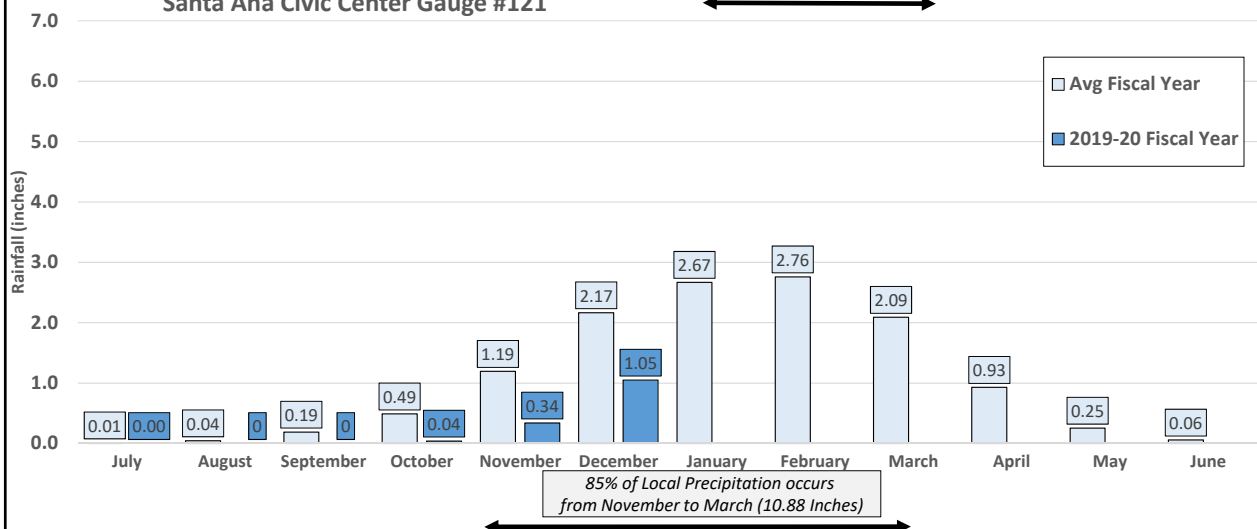
NOAA estimates that a majority of the U.S. is expected to experience above average temperatures for the winter months of December, January and February.

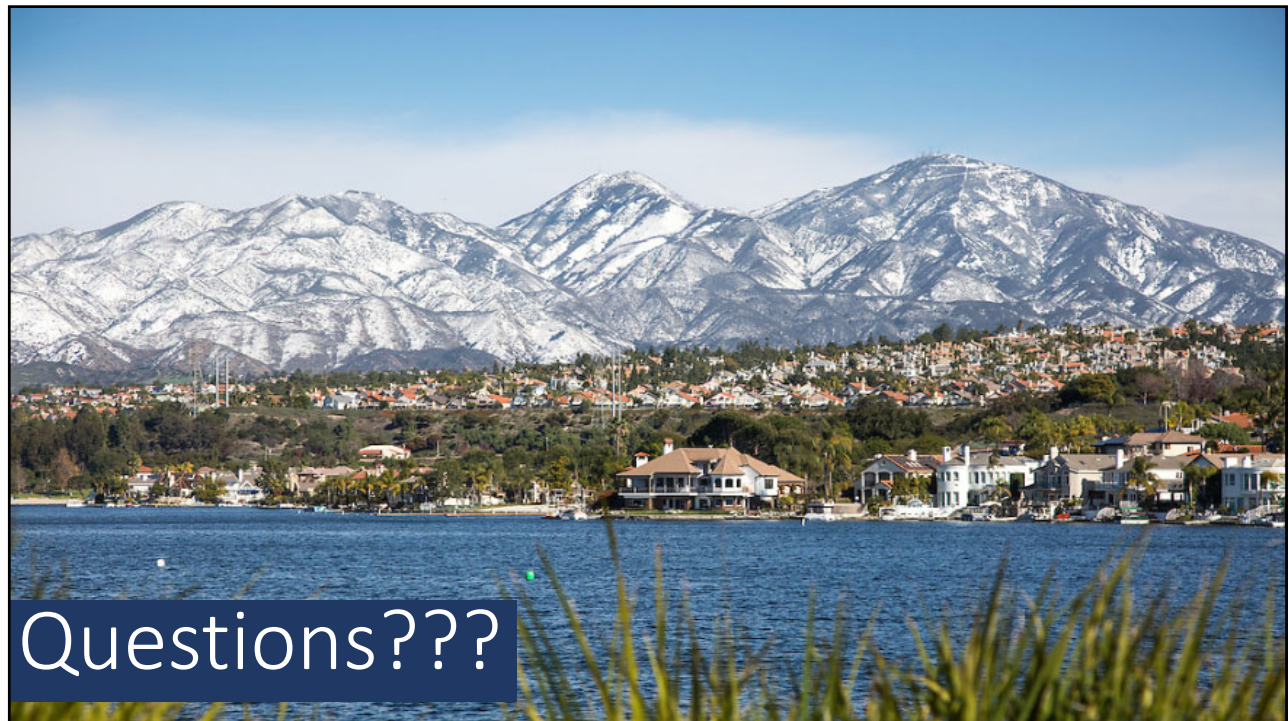
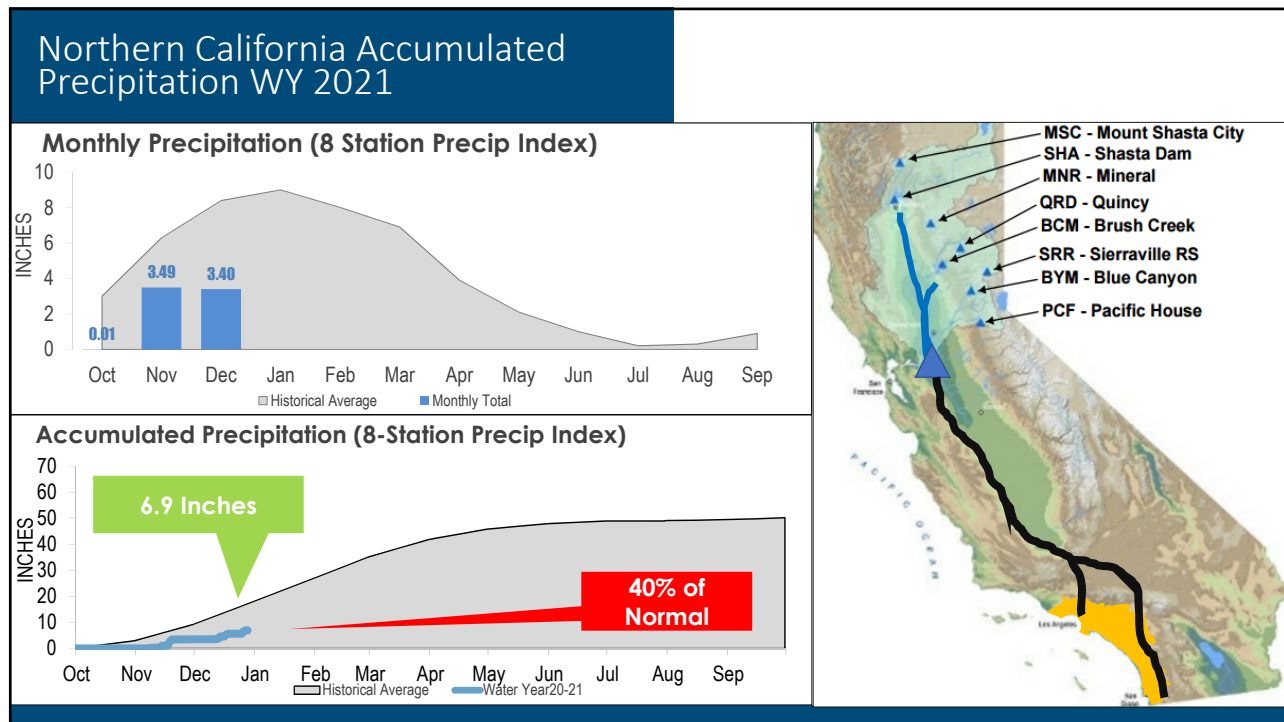


Santa Ana Precipitation FY 2020-21

Average Monthly Precipitation in Orange County, Ca
Santa Ana Civic Center Gauge #121

58% of Local Precipitation occurs
from January to March (7.52 Inches)





ISSUE BRIEF # D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Bureau of Reclamation Review of the 2007 Interim Guidelines

On December 18, the Bureau of Reclamation released a Final Report of the Review of the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead. This review is required in Section 7.D. of the 2007 Record of Decision (7.D. Review).

Through the 7.D. Review, Reclamation intended to bring partners, stakeholders, and the public to a common understanding of past operations under the 2007 Interim Guidelines and their effectiveness. The goals of the Review were to evaluate the effectiveness of the Guidelines and document Reclamation's operational experience since the Guidelines were adopted.

The Final Report concluded the following:

- The 2007 Interim Guidelines were largely effective as measured against both their stated purpose and common themes as provided in the 2007 Record of Decision.
- Increasing severity of the drought necessitated additional action to reduce the risk of reaching critically low elevations in Lakes Powell and Mead.
- The experience gained over the last 12 years provides important considerations for enhancing future effectiveness, particularly with respect to:
 - Enhanced flexibilities and transparency for water users;
 - Expanded participation in conservation and Basin-wide programs;
 - Increased consideration of the linkage that occurs through coordinated reservoir operations, particularly with respect to the uncertainties inherent in model projections used to set operating conditions;
 - More robust measures to protect reservoir levels.

The 7.D. Review Report will be one of many references and sources of input considered when work begins to determine Lake Powell and Mead operations after 2026. The final report can be found at: <https://www.usbr.gov/ColoradoRiverBasin/>

Paradox Valley Unit of the Colorado River Basin Salinity Control Program Final Environmental Impact Statement

On December 11, 2020, the Paradox Valley Unit of the Colorado River Basin Salinity Control Program Final Environmental Impact Statement (FEIS) was released by the Bureau of Reclamation. Alternatives analyzed in the FEIS include a new injection well, evaporation ponds, zero liquid discharge technology, and no action.

After weighing the benefits and impacts of the alternatives analyzed in the FEIS, the Bureau of Reclamation has identified the no action alternative as the preferred alternative.

The FEIS review period is through January 11, 2021.

The no action alternative achieves the best balance among the various goals and objectives outlined in the FEIS, including: optimizing costs; minimizing adverse effects on the affected environment; minimizing the use of nonrenewable resources; consistency with Bureau of Land Management Resource Management Plans; and being in the best interest of the public, including considerations of health and safety.

The Paradox Valley Unit injection well, which is near the end of its useful life, will continue to operate until it becomes infeasible. New technically, environmentally and economically viable alternatives may be investigated in the future to continue salinity control at Paradox Valley. More information can be found at: <https://www.usbr.gov/uc/progact/paradox/>.

Pilot Program to Quantify Agricultural Water Savings Moves Forward

In September 2019, Metropolitan, Central Arizona Water Conservation District, and Southern Nevada Water Authority (project team) were awarded a \$200,000 matching-funds grant from the U.S. Bureau of Reclamation (Reclamation) to conduct a research study under Reclamation's Colorado River Basin Study Program. The aim of the study is to evaluate methods of quantifying agricultural water conservation in the Lower Colorado River Basin (Lower Basin), focusing on case studies of seasonal fallowing, deficit irrigation, and irrigation improvements (e.g., conversion from flood irrigation to sprinklers), and to suggest methodological improvements to better guide future investments in Lower Basin agricultural conservation.

In September 2020, the project team (including Reclamation) selected a consultant team of Natural Resources Consulting Engineers and Jacobs to carry out the study. In November, the project team hosted the first of three planned workshops to solicit feedback from a wide range of stakeholders in the Lower Basin, including agricultural districts, tribal representatives, and state agencies. In the workshop, the project team presented the background of the study in the Colorado River Basin Supply and Demand Study (USBR 2012), the study objectives, the project scope-of-work, and invited stakeholder discussion. The aim of the second workshop, planned for March 2021, will be to identify appropriate case studies for investigation. A final report is anticipated by the end of 2021.

Dry Conditions Lead to Forecast of Reservoir Declines

Following a record hot and dry spring and summer, the fall conditions for the new water year continue the dry trend, with well below average snowpack conditions going into December. As a result, Reclamation updated its monthly reservoir forecast model, which showed the potential for Lake Mead to fall to record low levels by the end of next year. While Lake Mead is currently well above a shortage trigger and is about the same level it has been for the last 7 years, the forecast shows that if conditions do not improve, Lake Mead could drop 20 feet over the next 2 years. It is still relatively early in the water year, and conditions could change in the next few key months, but as of now reservoir levels are projected to drop. Metropolitan's water supply situation remains in good shape, however, as it has over 1 million acre-feet in

storage in Lake Mead in addition to flexible water transfer and exchange programs. Metropolitan is able to recover water from Lake Mead even in a shortage condition.

ISSUE BRIEF # E

SUBJECT: Delta Conveyance Activities and State Water Project Issues

RECENT ACTIVITY

Delta Conveyance Project Planning Funding

On December 8, the Metropolitan's Board of Directors voted unanimously to fund its share of the environmental planning and pre-construction costs for the Delta Conveyance Project. The Metropolitan Board's vote ensures the project's environmental review and planning phase will move forward.

The action calls for Metropolitan to fund 47.2 percent of the \$340.7 million in planning costs estimated over the next four years, amounting to an estimated share of \$160.8 million (over all four years). For calendar years 2021 and 2022, the \$58.9 million for Metropolitan's 47.2 percent share of the planning and preconstruction costs will be funded by the \$50 million incorporated into Metropolitan's Adopted Budget and \$34 million Department of Water Resources (DWR) refund.

Of note, Metropolitan's participation level of 47.2 percent is equivalent to Metropolitan's share of Table A amount plus Metropolitan's proportionate share of North of Delta PWAs not participating in the project.

The information produced by the environmental review process is essential for Metropolitan's board to make an informed decision on whether to support the project's construction. As proposed, the single-tunnel project would feature two intakes and a capacity of 6,000 cubic feet per-second, though other project alternatives are also being considered as part of the planning process. A draft Environmental Impact Report is expected in mid-2022.

In addition to Metropolitan, fifteen other State Water Contractor Public Water Agency (PWA) governing boards also have voted to fund the planning process. Beginning January 2021, funding for the Delta Conveyance Project planning is anticipated to occur with the execution of several Funding Agreements between DWR and Delta Conveyance Project participating PWAs. These agreements advanced to the respective PWA governing boards for action within the months of November and December 2020.

DWR Environmental Impact Report Development

DWR is continuing to develop an Environmental Impact Report (EIR) under the California Environmental Quality Act. Current work is focused on formulation of alternatives to be analyzed in the EIR, descriptions of the existing conditions, and development of methods to analyze potential impacts on environmental resources. The U.S. Army Corps of Engineers (USACE) initiated compliance with the National Environmental Policy Act by issuing a Notice of Intent to develop an Environmental Impact Statement (EIS). The EIS scoping period closed on October 20, 2020, and the USACE received about 90 comment letters and emails.

DWR completed soil investigation activities in the Delta that were a part of previous efforts over the summer. DWR and the Delta Conveyance Design and Construction Authority (DCA) have started soil investigations under the Initial Study/Mitigated Negative Declaration for Soil Investigations in the Delta that was adopted on July 9, 2020. The DCA completed geophysical surveys and soil borings on Bouldin Island that started on October 5, 2020. Soil borings and cone penetration tests have started on a limited subset of sites on public rights of way. Additionally, DWR and the DCA are working to obtain temporary entry on private lands. A Streambed Alteration Agreement, per Fish and Game Code (Section 1602), has been executed and DWR is continuing to pursue permits for sites that fall under the jurisdiction of the Rivers and Harbors Act (Section 408). Those sites are not included in the near-term efforts. Investigations at any given site will not occur until property owners have been notified and required permits and approvals for that site have been obtained.

On November 16, DWR also released a survey to collect information on how low-income, minority, and other underserved communities rely on resources in the Delta. This information will help assess potential impacts and benefits to these communities.

DWR is developing a conceptual approach for forming a Community Benefits Program and will be bringing ideas to the community, including the DCA's Stakeholder Engagement Committee, in December 2020. The objective is to work collaboratively with the community in the development of the program, and the first step will be to create a framework.

Joint Powers Authorities

In response to the current economic conditions, the Design and Construction Authority (DCA) Board approved the reduction of the existing fiscal year (FY) 2020/21 budget by \$7 million at the November DCA board meeting. The originally adopted FY 2020/21 budget of \$34 million was reduced to \$27 million. The DCA will continue to provide necessary technical analysis, geotechnical work and continue to advance stakeholder outreach. The DCA will scale back, and in some cases, defer organizational management functions, engineering deliverables, and field services.

The focus of the November DCA Stakeholder Engagement Committee (SEC) meeting centered on DCA responding to various outstanding SEC questions that were deferred to future meetings. The logistics of the Bethany Alternative, including traffic routes to each of the four main work sites and how the pipelines would be installed from the pumping plant to the Bethany Reservoir was presented to the SEC. DCA also proposed continuing to work with the SEC through the end of 2021 to finalize the Bethany Alternative and to discuss a community benefits framework, geotechnical studies, and potential design changes to address impacts.

The November regular meeting of the Delta Conveyance Finance Authority Board of Directors was cancelled.

Sites Reservoir

In their November meetings, the Sites Project Authority Board (Authority Board) and the Sites Reservoir Committee (Reservoir Committee) approved the following:

- Permitting Action Plan which will guide implementation of the project's permitting efforts throughout the Amendment 2 Work Plan efforts.
- The Authority Board budget for FY 2021, which occurs between January 1, 2021 and December 31, 2021.

The Authority Board and Reservoir Committee were also given the opportunity to review and comment on the key parameters for the Sites Project Authority's water right application to the State Water Resources Control Board:

- Approach for updates to the Sites Water Storage Policy.
- Proposed 2020 Delegation of Authority Matrix.
- Preliminary draft project schedule through construction completion.

Regulatory Activities

Metropolitan staff has continued to participate in the collaborative group process called for in the 2019 Biological Opinion (BiOp) for the State Water Project (SWP) and Central Valley Project, and the 2020 Incidental Take Permit (ITP) for Long-term Operation of the SWP, to address science needs to inform management and operation of the water projects. In November, Metropolitan staff also collaborated with others to review and provide input to the BiOp/ITP mandated Summer/Fall Action plan and the Monitoring and Science Plan, the Juvenile Production Estimate monitoring plan for spring-run Chinook salmon, steelhead monitoring plan for the San Joaquin Basin and the ITP-mandated Longfin smelt Science Plan.

Science Activities

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). The November 17 CAMT meeting included discussion of several salmon science topics. CAMT received a presentation on the efforts to develop a Winter Run Life Cycle Model (WRLCM). Development of the WRLCM is of interest to Metropolitan due to its use in informing management decisions. CAMT also received a briefing on the recently completed Coordinated Salmonid Science Planning Assessment report and proposed next steps. Metropolitan staff also participated in the technical workgroup for this project and provided input to the project report. CAMT also discussed potential approaches for a new CSAMP initiative addressing salmon recovery.

Metropolitan staff has continued to participate in forums to ensure good science and collaboration. In November, staff participated in the Interagency Ecological Program (IEP) Stakeholder meeting and reviewed and provided comments on the Interagency Ecological Program Long-term Monitoring Element Review: Pilot Approach and Methods Development (2020) report. This report is the product of a pilot effort to review three long-term IEP monitoring surveys and their capacity to monitor the fish community of the San Francisco Estuary. Lastly, Metropolitan staff participated in the November 13 Delta Independent

Science Board meeting, which focused on the impacts of non-native species in the Delta and the need to develop a food web model for the Delta.

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
November 10, 2020**

CONSENT CALENDAR ITEMS – ACTION

The Board:

Authorized an increase of \$150,000 in change order authority for Contract No. 1867 with Crispin Valve, LLC to furnish rubber-lined butterfly valves. **(Agenda Item 7-1)**

Awarded \$2,435,000 contract to J.F. Shea Construction, Inc. for PCCP relining of approximately 1,200 feet of the Allen-McColloch Pipeline; authorized a \$2.1 million increase to an agreement with HDR Engineering, Inc., for a new not-to-exceed amount of \$6.5 million; authorized a \$150,000 increase to an agreement with Helix Environmental Planning Inc., for a new not-to-exceed amount of \$2.25 million; and adopted CEQA determination that the Sepulveda Feeder rehabilitation project was previously addressed in the Prestressed Concrete Cylinder Pipe Rehabilitation Program Final Programmatic Environmental Impact Report certified in 2017. **(Agenda Item 7-2)**

Authorized preparation of environmental documentation and technical studies, and public outreach activities for the Regional Recycled Water Program; and authorized an increase of \$200,000 to an existing agreement with National Water Research Institute, for a not-to-exceed amount of \$445,000 for specialized services. **(Agenda Item 7-3)**

Authorized an amendment to agreement with County Sanitation District No. 2 of Los Angeles County; **(Amended Agenda Item 7-4A)** and tabled authorizing an agreement with Southern Nevada Water Authority to support the development of the Regional Recycled Water Program. **(Amended Agenda Item 7-4B)**

Authorized increase of \$600,000 in change order authority for rehabilitation of the Greg Avenue Pump Station, up to an aggregate amount not to exceed \$1,648,750. **(Agenda Item 7-5)**

Authorized entering into an agreement with Securitas to provide security services for a five-year contract for a maximum payable total of \$55 million. **(Agenda Item 7-6)**

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

Authorized the General Manager to grant a permanent easement for public road purposes to the city of Fontana. **(Agenda Item 7-8)**

Authorized an increase of \$500,000 to the agreement with Roesling, Nakamura, Terada Architects for a new not-to-exceed amount of \$2,000,000; and authorized the consolidation of identified projects into the District Housing and Property Improvement program. **(Agenda Item 7-9)**

Approved The Metropolitan Water District of Southern California's salary schedules pursuant to CalPERS regulations. **(Agenda Item 7-10)**

OTHER BOARD ITEMS – ACTION

Approved Resolution to hire retired Annuitant and waive 180-day waiting period. **(Agenda Item 8-1)**

Authorized and directed the Ethics Officer to enter into a contract with outside legal counsel in an amount not-to-exceed \$200,000 to conduct an independent review of allegations of systemic Equal Employment Opportunity related discrimination, harassment, and retaliation and related concerns. **(Agenda Item 8-2)**

CONSENT CALENDAR OTHER ITEMS – ACTION

Approved committee assignment for Director Larry Dick to serve as Chair of the Legal and Claims Committee. **(Agenda Item 6B)**

OTHER MATTERS AND REPORTS

Judy Abdo was elected to serve a second term as Board Secretary, effective January 1, 2021. **(Agenda Item 5D)**

Distributed to the Board for review the proposed COVID-19 Member Agency Payment Deferment Program and proposed amendment to the Administrative Code to add Section 4519 delegating authority to the General Manager to administer the Program. **(Agenda Item 9-2)**

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

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

<http://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>

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
December 8, 2020**

CONSENT CALENDAR ITEMS – ACTION

The Board:

Authorized an increase of \$203,100 to an existing services agreement with ViaTRON Systems, Inc. for scanning and digital conversion of Metropolitan's hard copy documents. **(Agenda Item 7-1)**

Adopted the proposed COVID-19 Member Agency Payment Deferment Program; and adopted the proposed amendment to the Administrative Code to add Section 4519 delegating authority to the General Manager to administer the Program. **(Agenda Item 7-2)**

Adopted the Legislative Priorities and Principles for 2021. **(Agenda Item 7-3)**

Authorized the General Manager to Execute the following Agreements having terms as described in the board letter: Funding Agreement for recommended share of 47.2 percent for planning and pre-construction costs for Delta Conveyance Project; and Joint Powers Agreement Amendment for the Delta Conveyance Design and Construction Joint Powers Authority. **(Agenda Item 7-4)**

Reviewed and considered the information in the City of Long Beach's certified Final EIR and Addenda for the project and take related CEQA actions, and authorized the General Manager to enter into a Stormwater for Direct Use Pilot Program Agreement with the City of Long Beach and Rancho Los Cerritos for the Rancho Los Cerritos - Looking Back to Advance Forward Project for up to 1.05 AFY of captured stormwater and offset of existing potable on-site irrigation demands under the terms included in this board letter. **(Agenda Item 7-5)**

Reviewed and considered information provided in the approved Final IS/MND and take related CEQA actions and authorized the General Manager to enter into a Stormwater for Direct Use Pilot Program Agreement with West Basin Municipal Water District and the City of Culver City for the Culver Boulevard Realignment and Stormwater Filtration and Retention Project for up to 7.4 acre-feet per year of captured stormwater and offset of existing potable irrigation demand under the terms included in this board letter. **(Agenda Item 7-6)**

Authorized an extension of the agricultural leases to D&L Farms and Sierra Cattle Company in areas commonly known as Bacon Island and the eastern portions of Bouldin Island in the Sacramento-San Joaquin Bay Delta. **(Agenda Item 7-8)**

OTHER BOARD ITEMS – ACTION

Authorized an agreement with Southern Nevada Water Authority to support the development of the Regional Recycled Water Program. (**Agenda Item 8-1**)

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>

Revised
Summary Report for
The Metropolitan Water District of Southern California
Special Board Meeting
December 15, 2020

OTHER BOARD ITEMS – ACTION

Approve Chair and Vice Chair of committee appointments for the term commencing on January 1, 2021. **(TABLED - Agenda Item 5A)**

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>