

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
March 2, 2022, 8:30 a.m.

Due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e), MWDOC will be holding this Board and Committee meeting 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

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

NEXT RESOLUTION NO. 2124

ACTION ITEMS

1. APPROVE CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS

Recommendation: Vote to continue virtual meetings pursuant to AB 361 for an additional 30 days based on the findings that (1) it has reconsidered the circumstances of the state of emergency for

COVID-19, and (2) state and local officials continue to impose or recommend measures to promote social distancing.

2. AB 1845 (CALDERON) – METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA: ALTERNATIVE PROJECT DELIVERY METHODS

Recommendation: Adopt a Support position on AB 1845 (Calderon) and join Metropolitan's coalition letter.

3. AB 2142 (GABRIEL) – INCOME TAXES: TURF REPLACEMENT, WATER CONSERVATION PROGRAM

Recommendation: Adopt a Support position on AB 2142 (Gabriel) and join ACWA, the bill sponsor's coalition, and send a letter to the Orange County delegation.

4. SB 1157 (HERTZBERG) – URBAN WATER USE OBJECTIVES: INDOOR RESIDENTIAL WATER USE

Recommendation: Adopt an Oppose Unless Amended position on SB 1157 (Hertzberg).

5. CONSIDERATION OF A SUPPORT POSITION FOR THE DOHENY OCEAN DESALINATION PROJECT

Recommendation: Consider adopting a support position for the Doheny Ocean Desalination Project.

PRESENTATION/DISCUSSION ITEMS

6. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (BBK)
- c. Legal and Regulatory Report (Ackerman)
- d. MWDOC Legislative Matrix
- e. Metropolitan Legislative Matrix

Recommendation: Review and discuss the information presented.

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

Recommendation: Receive input and discuss the information presented.

8. PRESENTATION STAFF REGARDING MET'S INTEGRATED RESOURCES PLAN (IRP) NEEDS ASSESSMENT FINDINGS

Recommendation: Review and discuss the information presented.

INFORMATION ITEMS**9. WATER SUPPLY CONDITIONS UPDATE**

Recommendation: Review and discuss the information presented.

10. 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 Integrated Resources Plan Update
- 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.

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

- a. Summary regarding February 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.



ACTION ITEM
February 16, 2022

TO: Board of Directors

FROM: Joe Byrne, General Counsel

SUBJECT: APPROVE CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS

STAFF RECOMMENDATION

That the Board of Directors vote to continue virtual meetings pursuant to AB 361 for an additional 30 days based on the findings that (1) it has reconsidered the circumstances of the state of emergency for COVID-19, and (2) state and local officials continue to impose or recommend measures to promote social distancing.

COMMITTEE RECOMMENDATION

This item was not presented to a Committee.

SUMMARY

At the October 4, 2021 Board meeting, pursuant to AB 361, the Board of Directors adopted Resolution No. 2115 and authorized the Board to continue to have remote meetings based upon the continued state of emergency for COVID-19 and the finding that state and local officials have imposed or recommended measures to promote social distancing. At the past several meetings, including the February 16, 2022 Board meeting, the Board voted to continue such remote meetings for additional 30 day periods. As previously indicated, if the Board wishes to continue to hold remote meetings pursuant to AB 361, and assuming a state of emergency still is in place, it must make similar findings within every 30 days.

At the time this report was prepared, there is a continued state of emergency for COVID-19 and state and local officials continue to recommend measures to promote social distancing. This item is on the Agenda for the Board to consider whether to continue remote meetings pursuant to AB 361 for an additional 30 days and to make the appropriate findings.

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



Item No. 2

ACTION ITEM March 2, 2022

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 1845 (CALDERON) – METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA: ALTERNATIVE PROJECT DELIVERY METHODS

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt a Support position on AB 1845 (Calderon) and join Metropolitan's coalition letter.

COMMITTEE RECOMMENDATION

This item was not presented to a Committee.

BILL SUMMARY

Assembly Bill 1845 will allow Metropolitan authority to use alternative project delivery methods for the design and construction of a Regional Recycling Water Program and a limited set of drought-related projects. Methods such as Design-Build, Progressive Design-Build, and Construction Manager/General Contractor have the potential to expedite completion of critical new water infrastructure projects and reduce their overall costs.

Key Features of the Proposal include:

- Targeted approach to advance Metropolitan's proposed large-scale regional recycled water facility and a limited number of drought-related projects.
- Seeking approval for three alternative delivery methods that apply to design and construction activities only.
- Operations and maintenance activities would be performed by Metropolitan staff.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

ARGUMENTS IN SUPPORT

The proposed legislation would amend the Public Contract Code to permit Metropolitan to use alternative delivery methods including Design-Build, Progressive Design Build, and Construction Manager/General Contractor for a targeted set of water infrastructure projects described above. Having authority to use these alternative methods could provide the following benefits:

- Enhanced collaboration between owner and contractor through the design and construction process.
- Enhanced project risk identification and allocation between owner and contractor.
- Greater flexibility in the contract award process, not limited to the lowest responsible bidder.
- Potentially shorter project completion schedules, leading to earlier online dates.
- Potentially lower overall project costs and earlier cost certainty.
- Increased opportunities for innovation.

ARGUMENTS IN OPPOSITION

None on file.

BOARD OPTIONS

Option #1

- Adopt a support position on AB 1845 and join Metropolitan's coalition letter.

Fiscal Impact: If enacted, this measure will save Metropolitan time and money as they could finish projects sooner and more efficiently.

Business Analysis:

Option #2

- Take no action

Fiscal Impact: Same as above

Business Analysis: Same as above

STAFF RECOMMENDATION

Option #1

ATTACHED:

- AB 1845 Full Text

ASSEMBLY BILL

No. 1845

Introduced by Assembly Member Calderon

February 8, 2022

An act to amend Section 21565 of, and to add Article 121.1 (commencing with Section 21568) to Chapter 1.5 of Part 3 of Division 2 of, the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1845, as introduced, Calderon. Metropolitan Water District of Southern California: alternative project delivery methods.

Existing law generally sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by local agencies for public works contracts. Existing law authorizes certain entities, including the Department of General Services, the Military Department, the Department of Corrections and Rehabilitation, and specified local agencies, to use the design-build procurement process, as prescribed, for specified public works.

This bill would authorize the Metropolitan Water District of Southern California to use the design-build procurement process for certain regional recycled water projects or other water infrastructure projects. The bill would define “design-build” to mean a project delivery process in which both the design and construction of a project are procured from a single entity. The bill would require the district, if using this procurement process, to follow certain procedures, including preparing and issuing a request for qualifications, preparing a request for proposals including the scope and needs of the project or contract, and awarding projects based on certain criteria for projects utilizing either lowest responsible bidder or best value selection criteria.

Existing law authorizes the Director of General Services to use the progressive design-build procurement process for certain public works projects.

This bill would authorize the Metropolitan Water District of Southern California to use the progressive design-build procurement process for regional recycled water projects or other water infrastructure projects under specified conditions. The bill would define “progressive design-build” to mean a project delivery process in which both the design and construction of a project are procured from a single entity at the earliest feasible stage of the project. The bill would require the district, if using this process, to prepare and issue a request for qualifications containing certain selection elements to evaluate submissions and select a design-build entity based on qualifications or pursuant to an additional selection phase, as specified.

Existing law authorizes certain entities, including the Department of Transportation, the Department of Water Resources, regional transportation agencies, and the San Diego Association of Governments, to engage in a Construction Manager/General Contractor project delivery method (CM/GC method) for specified public work projects.

This bill would authorize the Metropolitan Water District of Southern California to utilize the CM/GC method for regional recycled water projects or other water infrastructure projects under specified conditions. The bill would define the CM/GC method generally as a project delivery method in which a construction manager is procured to provide preconstruction services during the design phase of the project and construction services during the construction phase of the project, whereby construction services may be entered into at the same time as the contract for preconstruction services or at a later time. The bill would specify the procurement process for CM/GC projects, including, among other things, requiring the district to select a construction manager through either a competitive request for qualifications only or a competitive request for proposals process based on based value.

The bill would require the alternative project delivery methods for the contracts described above to be awarded on a best value or qualifications basis or to the lowest responsible bidder. The bill would also prohibit a design-build entity or a construction contractor from being awarded a construction contract unless it provides an enforceable commitment to the district that the entity or contractor and its subcontractors at every tier will use a skilled and trained workforce to perform project work applicable to certain apprenticeable occupations

in the building and construction trades, in accordance with existing law, and subject to certain exceptions. By expanding the application of the crime of perjury for a violation of those skilled and trained workforce requirements, the bill would impose a state-mandated local program.

Existing law generally requires the board, when work is not performed by a district itself by force account and the amount involved is \$25,000 or more, to provide for the letting of contracts to the lowest responsible bidder, after publication of notices inviting bids, and subject to the right of the board to reject proposals.

This bill would create an exception to those provisions for the alternative project delivery methods authorized by this bill.

The bill would make legislative findings and declarations as to the necessity of a special statute for the geographic area served by the Metropolitan Water District of Southern California.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21565 of the Public Contract Code is
- 2 amended to read:
- 3 21565. ~~Whenever~~ *Except as otherwise provided in Article 121.1*
- 4 *(commencing with Section 21568) of this chapter, whenever any*
- 5 *work is not to be done by the district itself by force account, and*
- 6 *the amount involved shall be twenty-five thousand dollars*
- 7 *(\$25,000) or more, the board shall provide for the letting of*
- 8 *contracts to the lowest responsible bidder, after publication of*
- 9 *notices inviting bids, but subject to the right of the board to reject*
- 10 *any and all proposals.*
- 11 SEC. 2. Article 121.1 (commencing with Section 21568) is
- 12 added to Chapter 1.5 of Part 3 of Division 2 of the Public Contract
- 13 Code, to read:

Article 121.1. Metropolitan Water District of Southern
California - Alternative Project Delivery Program

21568. (a) The Legislature finds and declares that severe drought conditions and climate change have negatively impacted the imported water supplies of the Metropolitan Water District of Southern California, necessitating an increase in local water supplies, including recycled water, and the construction of water infrastructure to more efficiently transport limited water supplies within the district's service area.

(b) The Legislature further finds and declares that alternative project delivery, using the best value procurement methodology, has been authorized for various agencies that have reported benefits from those projects not achievable through the traditional design-bid-build method, including reduced project costs and expedited project start and completion.

(c) This article provides for a range of procurement methods for district projects, including a planned regional recycled water project, designed to counteract the negative impacts of severe and ongoing drought and the continuing impacts of climate change on water supplies in southern California.

(d) It is the intent of the Legislature in enacting this article to authorize the district to utilize the methods specified herein as cost-effective options for accelerating the construction of drought-resilient water infrastructure projects.

21568.1. (a) A regional recycled water project or other water infrastructure project undertaken by the Metropolitan Water District of Southern California to alleviate water supply shortages attributable to drought or climate change may use, in addition to other methods of project delivery otherwise allowable by law, the following methods of project delivery:

(1) Design-build.

(2) Progressive design-build.

(3) Construction Manager/General Contractor method.

(b) The contract shall be awarded on a best value or qualifications basis or to the lowest responsible bidder.

21568.2. As used in this article:

(a) "Best value" means a value determined by evaluation of objective criteria that relate to price, features, functions, life-cycle costs, experience, and past performance. A best value determination

1 may involve the selection of the lowest cost proposal meeting the
2 interests of the district and meeting the objectives of the project,
3 selection of the best proposal for a stipulated sum established by
4 the district, or a tradeoff between price and other specified factors.

5 (b) “Construction manager” means a partnership, corporation,
6 or other legal entity that is a licensed contractor pursuant to Chapter
7 9 (commencing with Section 7000) of Division 3 of the Business
8 and Professions Code and that is able to provide appropriately
9 licensed contracting and engineering services as needed pursuant
10 to a Construction Manager/General Contractor method contract.

11 (c) “Construction Manager/General Contractor method” means
12 a project delivery method in which a construction manager is
13 procured to provide preconstruction services during the design
14 phase of the project and construction services during the
15 construction phase of the project. The contract for construction
16 services may be entered into at the same time as the contract for
17 preconstruction services or at a later time. The execution of the
18 design and the construction of the project may be in sequential
19 phases or concurrent phases.

20 (d) “Design-build” means a project delivery process in which
21 both the design and construction of a project are procured from a
22 single entity.

23 (e) “Design-build entity” means a corporation, limited liability
24 company, partnership, joint venture, or other legal entity that is
25 able to provide appropriately licensed contracting, architectural,
26 and engineering services as needed pursuant to a design-build
27 contract.

28 (f) “District” means the Metropolitan Water District of Southern
29 California.

30 (g) “Guaranteed maximum price” means the maximum payment
31 amount agreed upon by the district and the design-build entity for
32 the design-build entity to finish all remaining design,
33 preconstruction, and construction activities sufficient to complete
34 and close out the project.

35 (h) “Preconstruction services” means advice during the design
36 phase, including, but not limited to, scheduling, pricing, and
37 phasing to assist the district to design a more constructible project.

38 (i) “Progressive design-build” means a project delivery process
39 in which both the design and construction of a project are procured
40 from a single entity at the earliest feasible stage of the project.

(j) “Project” means a public work necessary for the construction of a recycled water facility or infrastructure designed specifically to alleviate water shortages attributable to drought, climate change, or other environmental factors.

21568.3. The procurement process for design-build projects shall proceed as follows:

(a) The district shall prepare and issue a request for qualifications in order to prequalify or short-list the design-build entities whose proposals shall be evaluated for final selection. The request for qualifications shall include, but need not be limited to, the following elements:

(1) Identification of the basic scope and needs of the project or contract, the expected cost range, the methodology that will be used by the district to evaluate proposals, the procedure for final selection of the design-build entity, and any other information deemed necessary by the district to inform interested parties of the contracting opportunity.

(2) Significant factors that the district reasonably expects to consider in evaluating qualifications, including technical design and construction expertise, acceptable safety record, and all other non-price-related factors.

(3) A standard template request for statements of qualifications prepared by the district. In preparing the standard template, the district may consult with the construction industry, the building trades and surety industry, and other local agencies interested in using the authorization provided by this article.

(b) The district shall prepare a request for proposals that invites prequalified or short-listed entities to submit competitive sealed proposals in the manner prescribed by the district. The request for proposals shall include, but need not be limited to, the following elements:

(1) Identification of the basic scope and needs of the project or contract, the estimated cost of the project, the methodology that will be used by the district to evaluate proposals, whether the contract will be awarded on the basis of low bid or best value, and any other information deemed necessary by the district to inform interested parties of the contracting opportunity.

(2) Significant factors that the district reasonably expects to consider in evaluating proposals, including, but not limited to, cost or price and all non-price-related factors.

1 (3) The relative importance or the weight assigned to each of
2 the factors identified in the request for proposals.

3 (c) For those projects utilizing low bid as the final selection
4 method, the competitive bidding process shall result in lump-sum
5 bids by the prequalified or short-listed design-build entities, and
6 awards shall be made to the design-build entity that is the lowest
7 responsible bidder.

8 (d) For those projects utilizing best value as a selection method,
9 the design-build competition shall progress as follows:

10 (1) Competitive proposals shall be evaluated by using only the
11 criteria and selection procedures specifically identified in the
12 request for proposals. The following minimum factors, however,
13 shall be weighted as deemed appropriate by the district:

14 (A) Price, unless a stipulated sum is specified.

15 (B) Technical design and construction expertise.

16 (C) Life-cycle costs over 15 or more years.

17 (2) Pursuant to this subdivision, the district may hold discussions
18 or negotiations with responsive proposers using the process
19 articulated in the district's request for proposals.

20 (3) When the evaluation is complete, the responsive proposers
21 shall be ranked based on a determination of value provided,
22 provided that no more than three proposers are required to be
23 ranked.

24 (4) A contract award shall be made to the responsible
25 design-build entity whose proposal is determined by the district
26 to have offered the best value to the public.

27 (5) Notwithstanding any other provision of this code, upon
28 issuance of a contract award, the district shall publicly announce
29 its award, identifying the design-build entity to which the award
30 is made, along with a statement regarding the basis of the award.

31 (6) The statement regarding the local agency's contract award,
32 described in paragraph (5), and the contract file shall provide
33 sufficient information to satisfy an external audit.

34 21568.4. The procurement process for progressive design-build
35 projects shall proceed as follows:

36 (a) The district shall prepare and issue a request for
37 qualifications in order to either select a design-build entity to
38 execute the project or to prequalify or short-list the design-build
39 entities whose proposals shall be evaluated based on best value

1 for final selection. The request for qualifications shall include, but
2 need not be limited to, the following elements:

3 (1) An indication of whether the district will select a
4 design-build entity based on qualifications only or based on best
5 value through a subsequent request for proposals process.

6 (2) Documentation of the size, type, and desired design character
7 of the project and any other information deemed necessary to
8 describe adequately the district's needs, including the expected
9 cost range, the methodology that will be used by the district to
10 evaluate the design-build entity's qualifications, the procedure for
11 final selection of the design-build entity, and any other information
12 deemed necessary by the district to inform interested parties of the
13 contracting opportunity.

14 (3) Significant factors that the district reasonably expects to
15 consider in evaluating qualifications, including technical design
16 and construction expertise, performance on previous projects of a
17 similar nature, an acceptable safety record, and all other
18 non-price-related factors.

19 (4) A standard template request for statements of qualifications
20 prepared by the district. In preparing the standard template, the
21 district may consult with the construction industry, the building
22 trades and surety industry, and other local agencies interested in
23 using the authorization provided by this article.

24 (b) At the close of the solicitation period, the district shall review
25 the submissions. The district may evaluate submissions based
26 solely upon the information provided in each design-build entity's
27 statement of qualifications. The district may also interview some
28 or all of the design-build entities to further evaluate their
29 qualifications for the project.

30 (c) Following the evaluation of submissions, the district shall
31 either select a design-build entity based solely on qualifications
32 or proceed to a secondary selection phase, wherein a design-build
33 entity shall be selected based on best value.

34 (d) If the district selects a design-build entity based solely on
35 qualifications, the district shall enter into negotiations for a contract
36 with the highest qualified person or firm on the final list for that
37 contract. The negotiations shall include consideration of
38 compensation and other contract terms that the district determines
39 to be fair and reasonable to the district. In making this decision,
40 the district shall take into account the estimated value, the scope,

1 the complexity, and the nature of the professional services or
2 construction services to be rendered. If the district is not able to
3 negotiate a satisfactory contract with the highest qualified person
4 or firm on the final list regarding compensation and on other
5 contract terms the district determines to be fair and reasonable,
6 the district shall formally terminate negotiations with that person
7 or firm. The district may undertake negotiations with the next most
8 qualified person or firm on the final list in sequence until an
9 agreement is reached or a determination is made to reject all
10 persons or firms on the final list.

11 (e) If the district proceeds to a secondary selection phase based
12 on best value, it shall issue a request for proposals that invites
13 prequalified or short-listed entities to submit competitive sealed
14 proposals in the manner prescribed by the district. The request for
15 proposals shall include, but need not be limited to, the following
16 elements:

17 (1) Identification of the basic scope and needs of the project or
18 contract, the estimated cost of the project, the methodology that
19 will be used by the district to evaluate proposals, whether the
20 contract will be awarded on the basis of low bid or best value, and
21 any other information deemed necessary by the district to inform
22 interested parties of the contracting opportunity.

23 (2) Significant factors that the district reasonably expects to
24 consider in evaluating proposals, including, but not limited to, cost
25 or price and all non-price-related factors.

26 (3) The relative importance or the weight assigned to each of
27 the factors identified in the request for proposals.

28 (f) For those projects utilizing best value as a selection method,
29 the selection process shall progress as follows:

30 (1) Competitive proposals shall be evaluated by using only the
31 criteria and selection procedures specifically identified in the
32 request for proposals. The following minimum factors, however,
33 shall be weighted as deemed appropriate by the district:

34 (A) Price, unless a stipulated sum is specified.

35 (B) Technical design and construction expertise.

36 (C) Life-cycle costs over 15 or more years.

37 (2) The district may hold discussions or negotiations with
38 responsive proposers using the process articulated in the district's
39 request for proposals.

1 (3) When the evaluation is complete, the responsive proposers
2 shall be ranked based on a determination of value provided,
3 provided that no more than three proposers are required to be
4 ranked.

5 (g) After selecting a design-build entity, based on either
6 qualifications or best value, the district may enter into a contract
7 and direct the design-build entity to begin design and
8 preconstruction activities sufficient to establish a guaranteed
9 maximum price for the project.

10 (h) (1) Upon agreement of the guaranteed maximum price for
11 the project, the district, at its sole and absolute discretion, may
12 amend its contract to direct the design-build entity to complete the
13 remaining design, preconstruction, and construction activities
14 sufficient to complete and close out the project, and may add funds
15 not exceeding the guaranteed maximum price to the contract for
16 these activities.

17 (2) If the costs for completing all remaining design,
18 preconstruction, and construction activities sufficient to complete
19 and close out the project exceed the guaranteed maximum price,
20 the costs exceeding the guaranteed maximum price shall be the
21 responsibility of the design-build entity. If the costs for these
22 activities are less than the guaranteed maximum price, the
23 design-build entity shall not be entitled to the difference between
24 the costs and the guaranteed maximum price.

25 (i) If the district and the design-build entity do not reach
26 agreement on a guaranteed maximum price, or the district otherwise
27 elects not to amend the design-build entity's contract to complete
28 the remaining work, the district may solicit proposals to complete
29 the project from other firms that submitted statements of
30 qualifications or requests for proposals. The district may also, upon
31 written determination that it is in the best interest of the district to
32 do so, formally solicit proposals from other design-build entities.

33 21568.5. The procurement process for Construction
34 Manager/General Contractor method projects shall proceed as
35 follows:

36 (a) The district shall select a construction manager through
37 either a competitive request for qualifications (RFQ) process based
38 on qualifications only or a competitive request for proposals
39 process based on best value.

1 (b) If the district selects a design-build entity based solely on
2 qualifications, the district shall enter into negotiations for a contract
3 with the highest qualified person or firm on the final list for that
4 contract. The negotiations shall include consideration of
5 compensation and other contract terms that the district determines
6 to be fair and reasonable to the district. In making this decision,
7 the district shall take into account the estimated value, the scope,
8 the complexity, and the nature of the professional services or
9 construction services to be rendered. If the district is not able to
10 negotiate a satisfactory contract with the highest qualified person
11 or firm on the final list regarding compensation and on other
12 contract terms the district determines to be fair and reasonable,
13 the district shall formally terminate negotiations with that person
14 or firm. The district may undertake negotiations with the next most
15 qualified person or firm on the final list in sequence until an
16 agreement is reached or a determination is made to reject all
17 persons or firms on the final list.

18 (c) If a contract for construction services is entered into pursuant
19 to this section and includes preconstruction services by the
20 construction manager, the district shall enter into a written contract
21 with the construction manager for preconstruction services under
22 which contract the district shall pay the construction manager a
23 fee for preconstruction services in an amount agreed upon by the
24 district and the construction manager. The preconstruction services
25 contract may include fees for services to be performed during the
26 contract period, provided, however, that the district shall not
27 request or obtain a fixed price or a guaranteed maximum price for
28 the construction contract from the construction manager or enter
29 into a construction contract with the construction manager until
30 after the district has entered into a services contract. A
31 preconstruction services contract shall provide for the subsequent
32 negotiation for construction of all or any discrete phase or phases
33 of the project.

34 (d) A contract for construction services shall be awarded after
35 the plans have been sufficiently developed and either a fixed price
36 or a guaranteed maximum price has been successfully negotiated.
37 In the event that a fixed price or a guaranteed maximum price is
38 not negotiated, the district shall not award the contract for
39 construction services.

1 (e) The district is not required to award the construction services
2 contract.

3 (f) Construction shall not commence on any phase, package, or
4 element until the district and a construction manager agree in
5 writing on either a fixed price that the district will pay for the
6 construction to be commenced or a guaranteed maximum price
7 for the construction to be commenced and a construction schedule
8 for the project.

9 21568.6. (a) Neither a design-build entity nor a construction
10 contractor shall be awarded a construction contract unless it
11 provides an enforceable commitment to the district that the
12 design-build entity or construction contractor and its subcontractors
13 at every tier will use a skilled and trained workforce to perform
14 all work on the project or contract that falls within an
15 apprenticeable occupation in the building and construction trades,
16 in accordance with Chapter 2.9 (commencing with Section 2600)
17 of Part 1.

18 (b) This subdivision shall not apply if any of the following
19 requirements are met:

20 (1) The district has entered into a project labor agreement that
21 will bind all contractors and subcontractors performing work on
22 the project or contract to use a skilled and trained workforce, and
23 the design-build entity or construction contractor agrees to be
24 bound by that project labor agreement.

25 (2) The design-build entity or construction contractor has entered
26 into a project labor agreement that will bind the design-build entity
27 or construction contractor and all its subcontractors at every tier
28 performing the project or contract to use a skilled and trained
29 workforce.

30 (c) For purposes of this subdivision, “project labor agreement”
31 has the same meaning as in paragraph (1) of subdivision (b) of
32 Section 2500.

33 21568.7. (a) The district may not award a design-build-operate
34 contract for any project pursuant to this article. A contract may,
35 however, cover operations during a training or transition period.

36 (b) The district shall perform construction inspection services
37 for all projects authorized and awarded pursuant to this article,
38 and it shall use district employees or consultants under contract
39 with the district to perform these services.

1 21568.8. Any design-build entity or Construction
2 Manager/General Contractor that is selected to construct a project
3 pursuant to this article shall possess or obtain sufficient bonding
4 to cover the contract amount for construction services and risk and
5 liability insurance the district may require. Any payment or
6 performance bond written for the purposes of this article shall be
7 written using a bond form developed by the district.

8 21568.9. If the district elects to award a project pursuant to
9 this article, retention proceeds withheld by the district from the
10 design-build entity or Construction Manager/General Contractor
11 shall not exceed 5 percent if a performance and payment bond,
12 issued by an admitted surety insurer, is required in the solicitation
13 of bids.

14 21568.10. Nothing in this article affects, expands, alters, or
15 limits any rights or remedies otherwise available at law.

16 SEC. 3. The Legislature finds and declares that a special statute
17 is necessary and that a general statute cannot be made applicable
18 within the meaning of Section 16 of Article IV of the California
19 Constitution because of the unique need to improve water
20 infrastructure in the geographic area served by the Metropolitan
21 Water District of Southern California.

22 SEC. 4. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.

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Item No. 3

ACTION ITEM March 2, 2022

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 2142 (GABRIEL) – INCOME TAXES: TURF REPLACEMENT, WATER CONSERVATION PROGRAM

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt a Support position on AB 2142 (Gabriel) and join ACWA, the bill sponsor's coalition, and send a letter to the Orange County delegation.

COMMITTEE RECOMMENDATION

This item was not reviewed by a Committee.

BILL SUMMARY

Assembly Bill 2142 would, for taxable years beginning on or after January 1, 2022, and before January 1, 2027, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf replacement water conservation program.

BACKGROUND

In 2014, then Assembly Member Jimmy Gomez authored AB 2324 which excluded from gross income, under both the personal income tax and corporation tax laws, amounts received as a rebate, voucher, or other financial incentive issued by a local water agency for participation in a turf removal water conservation program. The measure went into effect immediately after being signed into law by Governor Brown, and applied to taxable years beginning on or after January 1, 2014 and before January 1, 2019.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice ____
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

AB 2142 is a reintroduction of AB 533 by Assembly Member Chris Holden (D-Pasadena) in 2019. That bill was co-sponsored by Metropolitan Water District of Southern California, the California Water Efficiency Partnership, and WaterNow Alliance.

The MWDOC Board of Directors adopted a support position on AB 533 (Holden) in March 2019.

ARGUMENTS IN SUPPORT

Consumer rebates and subsidies are among the most cost-effective tools for increasing participation in conservation and storm water management programs. Yet, when the state is not faced with drought and water use restrictions, it is difficult to maintain public participation in conservation measures. Rebates provide a much-needed financial incentive to conserve year-round. Reducing that incentive by making rebates taxable income would be a major disincentive for households and businesses and will undermine their success.

ARGUMENTS IN OPPOSITION

None on file.

BOARD OPTIONS

Option #1

- Adopt a support position on AB 2142 and join ACWA's coalition, and send a letter to Orange County delegation.

Fiscal Impact: If enacted, this measure will save taxpayers money, as well as water districts who provide these rebates, who have to collect tax information from customers, and issue tax documents to them.

Business Analysis:

Option #2

- Take no action

Fiscal Impact: Same as above

Business Analysis: Same as above

STAFF RECOMMENDATION

Option #1

ATTACHED:

- AB 2142 Full Text

ASSEMBLY BILL

No. 2142

Introduced by Assembly Member Gabriel

February 15, 2022

An act to add and repeal Sections 17138.2 and 24308.9 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2142, as introduced, Gabriel. Income taxes: exclusion: turf replacement water conservation program.

The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally defines “gross income” as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income. Existing law provides an exclusion from gross income for any amount received as a rebate or voucher from a local water or energy agency or supplier for the purchase or installation of a water conservation water closet, energy efficient clothes washers, and plumbing devices, as specified.

This bill would, for taxable years beginning on or after January 1, 2022, and before January 1, 2027, under both of these laws, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf replacement water conservation program.

Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements. Existing law limits the collection and

use of taxpayer information and makes any unauthorized use of this information a misdemeanor.

This bill would require the Department of Finance to include an analysis of these expenditures in its annual tax expenditure report provided to the Legislature and further provides that taxpayer information collected pursuant to this requirement is subject to the limitation on the collection and use of that information. By expanding the scope of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17138.2 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17138.2. (a) For taxable years beginning on or after January
- 4 1, 2022, and before January 1, 2027, gross income does not include
- 5 any amount received as a rebate, voucher, or other financial
- 6 incentive issued by a local water agency or supplier for
- 7 participation in a turf replacement water conservation program.
- 8 (b) This section shall remain in effect only until December 1,
- 9 2027, and as of that date is repealed.
- 10 SEC. 2. Section 24308.9 is added to the Revenue and Taxation
- 11 Code, to read:
- 12 24308.9. (a) For taxable years beginning on or after January
- 13 1, 2022, and before January 1, 2027, gross income does not include
- 14 any amount received as a rebate, voucher, or other financial
- 15 incentive issued by a local water agency or supplier for
- 16 participation in a turf replacement water conservation program.

(b) This section shall remain in effect only until December 1, 2027, and as of that date is repealed.

SEC. 3. (a) The Legislature finds and declares all of the following:

(1) Utility-sponsored financial incentives, including consumer rebates, are among the most important and cost-effective tools available to local water providers to achieve water use efficiency objectives, particularly for turf replacement, irrigation controllers, leak detection devices, and other high-cost water saving options. Local public utilities are using incentive programs to encourage local property owners to manage storm water onsite, thus reducing urban flooding, improving water quality, and increasing water supplies.

(2) Rebates, vouchers, or other financial incentives issued by local water agencies or suppliers have been an effective tool in advancing efficiency and water management objectives statewide, and individual consumers and businesses should not be taxed for providing this statewide benefit.

(3) Financial incentives issued by a local water agency or supplier as part of a water conservation or efficiency program, the primary purpose of which is to reduce consumption of water or to improve the management of water demand, provide a significant public benefit. Financial incentives issued by a local water agency or supplier as part of a water runoff management improvement program, the primary purpose of which is to reduce the amount or manage the quality of storm water runoff, provide a significant public benefit.

(4) The income tax exclusions allowed by Sections 17138.2 and 24308.9 of the Revenue and Taxation Code, as added by this act, have the objective of eliminating disincentives to participation in water conservation or efficiency and storm water runoff management improvement programs aimed at increasing water conservation or efficiency or improving storm water quality in California.

(b) (1) To enable the Legislature to determine whether the tax expenditures allowed by this act are meeting, failing to meet, or exceeding the objective of the act, the Department of Finance shall include an analysis of these tax expenditures in the annual report required pursuant to Section 13305 of the Government Code.

1 (2) Taxpayer information collected pursuant to this subdivision
2 is subject to Section 19542 of the Revenue and Taxation Code.

3 SEC. 4. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.

12 SEC. 5. This act provides for a tax levy within the meaning of
13 Article IV of the California Constitution and shall go into
14 immediate effect.

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Item No. 4

ACTION ITEM

March 2, 2022

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: SB 1157 (HERTZBERG) – URBAN WATER USE OBJECTIVES: INDOOR RESIDENTIAL WATER USE

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt an Oppose Unless Amended position on SB 1157 (Hertzberg).

COMMITTEE RECOMMENDATION

This item was not reviewed by a Committee.

BILL SUMMARY

Existing law establishes the standard for indoor residential water use to be 55 gallons per capita daily (GPCD) until January 1, 2025, reducing the standard to 52.5 GPCD beginning January 1, 2025, and further reducing it to 50 GPCD beginning January 1, 2030.

SB 1157 would reduce the indoor residential water use standard. Beginning January 1, 2025, the standard would be 47 GPCD, and beginning January 1, 2030, the standard would be 42 GPCD.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

ARGUMENTS IN SUPPORT

DWR and the State Water Board state that the joint recommendations from their released report, are based on the fact that Californians have become more efficient over time. The final report issued to the Legislature found that current median water use is 48 GPCD, which is below the 2020 standard in statute. The report further projects that by 2025, 54 percent of suppliers would be below the recommended standard of 47 GPCD with only passive conservation, and by 2030, 39 percent of suppliers would be below the recommended standard of 42 GPCD with only passive conservation. (Passive conservation includes water use reductions such as those driven by plumbing codes, and fixture replacement based on the expected life of fixtures and appliances).

ARGUMENTS IN OPPOSITION

Since the enactment of AB 1668 in 2018, DWR has conducted the water use studies and investigations that are required by AB 1668. However, they only worked with 22 water agencies statewide, to collect water use data and analyze potential impacts of a changed residential indoor standard. That is a very small fraction of water providers in California, and does not provide a complete view of water and wastewater use.

Comments on DWR's draft report were due on June 4, 2021. ACWA led a coalition including the American Water Works Association California-Nevada Section (CA-NV AWWA), CMUA, and the California Water Association (CWA) that jointly submitted a letter detailing specific concerns with the proposed standards, and requested DWR withdraw its joint proposed recommendation and work with stakeholders over the next six months to analyze and quantify impacts of a changed standard. Specific concerns included adverse operational, cost and affordability impacts, feasibility concerns, and other concerns. Many other organizations submitted letters, including the California Water Efficiency Partnership whose letter indicated that the costs to achieving "42 GPCD by 2030 is likely between \$2.8 and \$4.6 billion."

Following the comment deadline on its draft report of June 4, DWR held a final stakeholder meeting on July 19. In this stakeholder meeting, DWR indicated it is reviewing comments, but will not be conducting any additional studies. On November 30, 2021 a Final Report was submitted to the Legislature recommending the numbers outlined in the draft report (55 GPCD until January 1, 2025, reducing the standard to 47 GPCD beginning January 1, 2025, and further reducing it to 42 GPCD beginning January 1, 2030).

Water providers have many concerns about the proposed water use standards, and strongly believe that DWR's report left out key areas of research as outlined above and the standards should not be implemented until a complete report has been done.

SUGGESTED AMENDMENTS

Work with stakeholders such as ACWA and CMUA, along with CASA and WaterReuse (who are all working together), who are working with the author's office on amendments that would require comprehensive qualitative study before the 2030 water use standard of 42 GPCD is triggered.

BOARD OPTIONS

Option #1

- Adopt an Oppose Unless Amended position on SB 1157 (Hertzberg) and continue working with stakeholders such as ACWA, CMUA and CASA.

Fiscal Impact: Statewide, the impacts are likely in the billions.

Business Analysis: SB 1157 will affect every water and wastewater provider statewide. It is important for MWDOC to engage on this issue as it has impacts not just on water providers, but residents, businesses, and more.

Option #2

- Take no action

Fiscal Impact: Same as above

Business Analysis: Same as above

STAFF RECOMMENDATION

Option #1

ATTACHED:

- SB 1157 Full Text

Introduced by Senator Hertzberg

February 17, 2022

An act to amend Section 10609.4 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1157, as introduced, Hertzberg. Urban water use objectives: indoor residential water use.

Existing law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, and including collaboration with and input from stakeholders, to conduct necessary studies and investigations and authorizes the department and the board to jointly recommend to the Legislature a standard for indoor residential water use. Existing law, until January 1, 2025, establishes 55 gallons per capita daily as the standard for indoor residential water use. Existing law establishes, beginning January 1, 2025, the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, establishes the greater of 50 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use.

This bill would eliminate the option of using the greater of 52.5 gallons per capita daily and the greater of 50 gallons per capita daily, as applicable, or a standard recommended by the department and the board as the standard for indoor residential water use. The bill would instead require that from January 1, 2025, to January 1, 2030, the standard for indoor residential water use be 47 gallons per capita daily and beginning January 1, 2030, the standard be 42 gallons per capita daily.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10609.4 of the Water Code is amended
2 to read:
3 10609.4. (a) (1) Until January 1, 2025, the standard for indoor
4 residential water use shall be 55 gallons per capita daily.
5 (2) Beginning January 1, 2025, and until January 1, 2030, the
6 standard for indoor residential water use shall be ~~the greater of~~
7 ~~52.5~~ 47 gallons per capita ~~daily or a standard recommended~~
8 ~~pursuant to subdivision (b):~~ daily.
9 (3) Beginning January 1, 2030, the standard for indoor
10 residential water use shall be ~~the greater of 50~~ 42 gallons per capita
11 ~~daily or a standard recommended pursuant to subdivision (b):~~ daily.
12 (b) (1) The department, in coordination with the board, shall
13 conduct necessary studies and investigations and may jointly
14 recommend to the Legislature a standard for indoor residential
15 water use that more appropriately reflects best practices for indoor
16 residential water use than the standard described in subdivision
17 (a). A report on the results of the studies and investigations shall
18 be made to the chairpersons of the relevant policy committees of
19 each house of the Legislature by January 1, 2021, and shall include
20 information necessary to support the recommended standard, if
21 there is one. The studies and investigations shall also include an
22 analysis of the benefits and impacts of how the changing standard
23 for indoor residential water use will impact water and wastewater
24 management, including potable water usage, wastewater, recycling
25 and reuse systems, infrastructure, operations, and supplies.
26 (2) The studies, investigations, and report described in paragraph
27 (1) shall include collaboration with, and input from, a broad group
28 of stakeholders, including, but not limited to, environmental groups,
29 experts in indoor plumbing, and water, wastewater, and recycled
30 water agencies.

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ACTION ITEM

March 2, 2022

TO: Board of Directors

FROM: Robert Hunter,
General Manager

Staff Contact: Charles Busslinger

**SUBJECT: Consideration Of A Support Position For The Doheny Ocean
Desalination Project**

STAFF RECOMMENDATION

Staff recommends the Board of Directors consider adopting a support position for the Doheny Ocean Desalination Project.

SUMMARY

South Coast Water District (SCWD) continues to develop the Doheny Ocean Desalination Project. SCWD is progressing with necessary regulatory permitting for the project and a public hearing is scheduled with the San Diego Regional Water Quality Control Board (RWQCB) on March 9, 2022 regarding reissuance of the National Pollutant Discharge Elimination System (NPDES) permit for the project.

This event provides an opportunity for the MWD OC Board to consider whether it would like to take a support position for the project prior to the meeting.

DETAILED REPORT

SCWD General Manager Rick Shintaku gave a presentation regarding the Doheny Ocean Desalination Project to the MWD OC Board at the P&O Committee on February 14, 2022.

SCWD has progressed with regulatory permitting for the project to the point where it is now seeking approval from the RWQCB on reissuance of a NPDES permit for the South Orange County Wastewater Authority (SOCWA) discharge to the Pacific Ocean through the San Juan Creek Ocean Outfall. The reissuance would include a determination by the RWQCB of California Ocean Plan compliance for proposed discharges from a future Doheny Ocean Desalination project. The public hearing before the San Diego Regional Water Quality

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

Control Board is scheduled for 9:00am on March 9, 2022 at the City of Mission Viejo Council Chambers (200 Civic Center Mission Viejo, California 92691).

This event provides an opportunity for the MWDOC Board to consider whether it would like to take a support position for the project prior to the meeting.

BOARD OPTIONS

Option #1

- Adopt a Support position for the project

Fiscal Impact:

Business Analysis:

Option #2

- Take no official position at this time.

Fiscal Impact:

Business Analysis:

NATURAL RESOURCE RESULTS

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

From: Natural Resource Results

RE: Monthly Board Report – March 2022

Appropriations

The federal government has extended its Continuing Resolution (CR) until March 11th. Senator Richard Shelby, the Senate's top Republican appropriator said last that they were making progress on a bipartisan omnibus bill. Meanwhile, some members in Congress are beginning to take fiscal year 2023 appropriations requests. President Biden's fiscal 2023 budget request to Congress is delayed until late March.

Infrastructure

To help states, tribes, and local governments navigate the Beltway bureaucracy, the White House published a guidebook that lays out where to find the money and when applications will be accepted. At 465 pages, the guidebook can be found here: [link](#). Updated timelines and application information will be housed on a separate website where there is a search feature: [link](#).

With respect to EPA implementation, the Local Government Advisory Committee, which provides the EPA with a ground-level view of the agency's work, submitted recommendations ([link](#)) which EPA adopted ([link](#)). The committee members are mostly mayors, council members, and city officials. They urged the EPA to consider climate change and environmental justice when it doles out infrastructure money. They also asked that smaller communities without large staff receive technical help to navigate the application process.

PFAS Drinking Water Regulations

The EPA will hold two public discussions on how its regulation of two forever chemicals will affect environmental justice communities. The virtual meetings will be held March 2 and April 5. Registration is required: [link](#).

The EPA has stated that it will move as quickly as possible to issue updated health advisories for PFOA and PFOS that reflect the newest science and input from the Science Advisory Board. Concurrently, EPA will continue to develop a proposed PFAS National Primary Drinking Water Regulation for publication in Fall 2022. EPA anticipates issuing a final regulation in Fall 2023 after considering public comments on the proposal.

Colorado River, Salinity Control

The Paradox injection well is still not in operation but Reclamation is moving toward initiating a new six-month injection test with the goal of testing late spring or early summer. For the well to be turned on the Bureau needs their seismologist to finish the report and determine a “safe” injection rate. The contractors will then need a month or two to get things up and running before Paradox is operational again. In the long term, Reclamation continues to work on a Seismic Hazard and Risk Analysis. While the Bureau is making progress, it is unclear when their analysis will be finalized.



To:	Municipal Water District of Orange County
From:	Syrus Devers, Best Best & Krieger
Date:	March 2nd, 2022
Re:	State Legislative Report

Updates on the Delta Conveyance will soon return as a regular feature of this report. The Department of Water Resources (DWR) appears to be serious about opening the 90 day public comment period on the state and federal environmental review documents (EIR/EIS) as early as May and no later than June. There are different requirements under federal and state regulations. By working on both simultaneously, DWR must conform to the most prescriptive requirements of each and they are taking a very conservative approach. That means they are going out of their way to avoid indicating a preference for any particular alternative and considering a wide range of alternatives. They are looking at tunnel capacities from a low of 3,000 cfs to 7,500 cfs., and three different tunnel routes. Opponents of the tunnel argue that allowing the State Water Project to continue to degrade will force Southern California to develop new water supplies. An interesting part of the final report will be an analysis of the impacts of doing just that. Under the “no project” alternative required by CEQA (EIR), DWR says it will address a broad range of impacts that would be expected if the Delta Conveyance is not completed.

Turning to legislation, it initially appeared that the Legislature might focus its attention on other pressing issues rather than water and not introduce a large number of bills relating to water policy, but in the final days for the bill introduction deadline an almost record number of water-related bills came out. The major focus will be on indoor water use efficiency standards, which has been discussed previously in this report. Last month’s report described the potential consequences of Assemblymember Friedman introducing a second bill on the same subject in violation of the Joint Rules. That report obviously rocked the Capitol because Friedman dropped her plans and Senator Hertzberg introduced the bill. (Maybe it wasn’t because of the report, but who’s to say?) The bill is SB 1157 and it is included in staff recommendations.

Another bill for MWDOC to watch (and also included in staff recommendations) is AB 2142 (Gabriel) on turf replacement. (Specifically exclusion from income tax for the turf removal credit.) The reason for calling it out this year is that the bill might finally have a chance of passing. Previous attempts have been blocked by the former Chair of the powerful Assembly Appropriations Committee, Lorena Gonzales, who left the Legislature to lead the also powerful California Labor Federation. Gonzales was replaced as Chair by Assemblymember Chris Holden of Pasadena...a former author of the bill.

ACKERMAN CONSULTING

Legal and Regulatory

March 2, 2022

1. **Covid Sewer Quality:** Many studies have been conducted on the impact of Covid 19 on plumbing systems in commercial and residential buildings. A recent one in Medical News Today confirmed that commercial buildings on average had a 42% decrease in water usage while residential had a slight increase. Other factors that impacted quality were temperature, PH, oxygen content and conductivity. Overall water safety was lessened due to microbial growth, metal leaching. Water quality was worse although not always reaching regulatory limits. Having considered all the various conditions, we are still unable to confirm major damage to systems or human health on a long-term basis.
2. **Great Salt Lake Update:** The Great Salt Lake continues to suffer the impact of drought conditions. A proposal impacting Utah and surrounding states would make fees and transfers to secure the Lakes future. The Lake is important to the economy of the region. Economic impact (\$1.3 billion) shrimp and minerals, (\$1.5 billion) ski industry plus important migratory flyway. The plan based on dropping levels of the Lake would call for voluntary transfers, conservation, fees on usage (agriculture would be exempt) and limits on secondary water use. These measures would impact water coming into the Lake and water taken out.
3. **Mega Drought 2200 BC:** Archaeologists have discovered in Syria that the collapse of the Akkadian Empire in 2200 BC was caused by a mega drought which probably last 30 to 40 years. This also brought the fall of Mesopotamia and the Indus Valley. The key to this discovery was the lack of evidence of earthworms in the soil for decades. The resulting dust caused a failure of the agricultural sector which destroyed the food supply. Two questions arose from the findings. Was the drought global or regional. While the factual basis is difficult to obtain, the majority opinion was that it was regional. Other parts of the world were able to survive and thrive. The other question was what happened to the people that lived in these empires. That was answered. They moved to areas where water (and food) was present. They also were able to show a decrease in flow on the Nile River. The folks from the Akkadian Empire moved to the Tigris and Euphrates Rivers region where the locals had used irrigation agriculture for years.
4. **River Pollution Cocktails:** Researchers in India have studied the natural and manmade contributions to the Ganges River. The Ganges is one of the longer rivers in India and is water source to over 400 million people. As the river travels from the Himalayas to the Indian Ocean it picks up all kinds of minerals and pollutants from tributaries, agriculture, cities and marine ecosystems. The mixing of the various minerals and compounds along the way produces some bad cocktails and some acceptable and useful mixtures. The product of the study was to identify hotspots of pollution and direct remedial efforts at those causes and areas. The primary chemicals in the study were nitrate, chloride, sulfate, calcium, sodium and strontium.

5. **Birth of Earth's Water:** Skolkovo Institute of Science in Russia is a satellite campus of MIT. They have been studying the origin of water on earth. Surface water is critical to a stable climate and is necessary for life to exist. While the earth is about 4.5 billion years old, the history of its water started about 100 million years ago. Our earth as you may recall had a very hot and furious beginning. Constant bombing from asteroids and small planets did not make for a very nice lifestyle. Hydrosilicates used to be the core of the earth and were the beginning of water as we know it. Because of constant upheaval, these hydrosilicates were pushed out of the core and became more unstable. This was the beginning of our water source. Smaller planets such as Mars are not likely to have a water history like ours. This is mainly due to their smaller size. The process needs a larger planet to absorb all the punishment we took and then have the reaction with the natural formative aspects of any planet. Size does matter.
6. **Earlier Water:** A current French study opines that our water was around before the earth was formed. By looking at older meteorites in our solar system, they conclude that two large gas reservoirs existed before our current solar system. One of the reservoirs has water vapor and the features of terrestrial water. When all the collisions were done and our system formed, earth and maybe some other planets got some of the good stuff.
7. **Intense Rain Patterns:** Scripps is looking at our new pattern of short but more intense rainstorms. The fronts bringing them are usually very long in miles but also very narrow in width. This is occurring on both coasts of the US. Often, they produce flood conditions. Reading them correctly and determining when evacuation orders are needed can be critical. Looking at 30 years of weather radar is very useful and is the basis for this study. Being able to predict with some certainty the magnitude of these storms is critical. Having folks evacuate each time causes evacuation fatigue and lack of trust in the system. The data compiled from this study will help future weather folks determine when to make the call and make it with accuracy. Topography is very important in these calculations since most of the storms weaken quickly when they hit the mountains.
8. **Oceans Warming:** The Monterey Bay Aquarium has a research component. Their recent study shows that over half of the planet's oceans have experienced a serious heat increase in the last few decades. This has been evident in the recent closing of Dungeness crab and other fish seasons. The highest ocean temperatures of record were in 1870 and 1920 and are used as a baseline for calculations. Climate change has been occurring and was most evident in 2014 when the current temperatures set their records. Changing kelp bed and fish migration are key factors showing heat increases. A recent UN report states that humans are responsible for much of the increase. That debate continues.
9. **PFAS Updates:** Stevens Institute of Technology (New Jersey) is working on another filter in the fight against PFAS. In the wastewater treatment process using aluminum-based salts, residual materials are produced as byproducts. This material can be converted into filters which appear to be very effective (97%), cheap and fast. This material is ordinarily discarded and is nontoxic. It has similar characteristics as activated carbon powder. The progress on this cure has even more relevance since this area of New Jersey is one of the hardest hit with PFAS in the country.
10. **Covid Slime:** As you have read much of the Covid statistics have come from studying wastewater systems around the country. However, a new wrinkle has developed. Normal slime buildup in our pipes within the system seem to be holding on to the Covid virus. Slime buildup in our pipes generally goes through cycles of more build

up or less depending on water flow, temperatures, and the season. How this will impact the date we have processed is unknown as this time, but the American Chemical Society is working on it.

11. **San Diego Water Cost:** A recent article in the San Diego Tribune explains why San Diego ratepayers pay more for their water than anyone else in Southern California. The main reasons are four. First, they are at the end of the pipeline of both the Delta and Colorado River. Next their demand has gone down by about 40%, twice the MWD experience of about 20%. This can be partly attributed to the high cost of water in SD. Next is the amount of debt SD is carrying, \$21billion. This included their desal plant and plans to raise San Vicente Dam. Lastly are their continuing legal battles with MWD. SD used to get 95% of its water from MWD, now that number is 11%. However, MWD customers are paying \$1075 per acre foot. SD Water Authority charges \$1474 per acre foot. Another factor claimed by critics of the agency is their treatment of farmers in the area, which has generally been bad.

MWDOC - Bill Matrix

Item No. 6d

Prepared by BB&K, March, 2022

A. Priority Support/Oppose

Measure	Author	Topic	Status	Location	Brief Summary	Position	Priority	Notes 1
AB 1845	Calderon D	Metropolitan Water District of Southern California: alternative project delivery methods.	2/18/2022- Referred to Coms. on L. GOV. and W.,P., & W.	2/18/2022- A. L. GOV.	Would authorize the Metropolitan Water District of Southern California to use the design-build procurement process for certain regional recycled water projects or other water infrastructure projects. The bill would define "design-build" to mean a project delivery process in which both the design and construction of a project are procured from a single entity. The bill would require the district, if using this procurement process, to follow certain procedures, including preparing and issuing a request for qualifications, preparing a request for proposals including the scope and needs of the project or contract, and awarding projects based on certain criteria for projects utilizing either lowest responsible bidder or best value selection criteria.	Out for Analysis	A. Priority Support/ Oppose	Recommended for position on March 2nd
AB 1944	Lee D	Local government: open and public meetings.	2/18/2022- Referred to Com. on L. GOV.	2/18/2022- A. L. GOV.	Current law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would specify that if a member of a legislative body elects to teleconference from a location that is not public, the address does not need to be identified in the notice and agenda or be accessible to the public when the legislative body has elected to allow members to participate via teleconferencing.	Out for Analysis	A. Priority Support/ Oppose	Proposed for April agenda.
AB 2142	Gabriel D	Income taxes: exclusion: turf replacement water conservation program.	2/15/2022- From printer. May be heard in committee March 18.	2/15/2022- A. PRINT	The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income.	Out for Analysis	A. Priority Support/ Oppose	Recommended for position on March 2nd

					Current law provides an exclusion from gross income for any amount received as a rebate or voucher from a local water or energy agency or supplier for the purchase or installation of a water conservation water closet, energy efficient clothes washers, and plumbing devices, as specified. This bill would, for taxable years beginning on or after January 1, 2022, and before January 1, 2027, under both of these laws, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf replacement water conservation program.			
AB 2157	Rubio, Blanca D	Urban water use objectives: indoor residential water use.	2/15/2022- From printer. May be heard in committee March 18.	2/15/2022- A. PRINT	Existing law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, and in collaboration with and input from stakeholders, to conduct necessary studies and investigations and authorizes the department and the board to jointly recommend to the Legislature a standard for indoor residential water use. Existing law, until January 1, 2025, establishes 55 gallons per capita daily as the standard for indoor residential water use, beginning January 1, 2025, establishes the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, establishes the greater of 50 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use. This bill would make a nonsubstantive change to the provision requiring the department and the board to collaborate with, and seek input from, stakeholders with regard to the studies, investigations, and report.	Watch	A. Priority Support/ Oppose	Spot bill, but still a priority.
AB 2278	Kalra D	Natural resources: coastal and ocean resources.	2/17/2022- From printer. May be heard in committee March 19.	2/16/2022- A. PRINT	Current law creates the California Ocean Protection Act, which includes various legislative findings and declarations related to coastal and ocean resources. This bill would make a nonsubstantive change to these provisions.	Watch	A. Priority Support/ Oppose	Possible return of AB 3030
AB 2387	Garcia, Eduardo D	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood	2/18/2022- From printer. May be heard in committee March 20.	2/17/2022- A. PRINT	Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which, if approved by the voters, would authorize the issuance	Watch	A. Priority Support/ Oppose	

		Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.			of bonds in the amount of \$7,430,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs. This bill contains other related provisions.			
AB 2449	Rubio, Blanca D	Open meetings: local agencies: teleconferences .	2/18/2022- From printer. May be heard in committee March 20.	2/17/2022- A. PRINT	Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would authorize a local agency to use teleconferencing without complying with those specified teleconferencing requirements if at least a quorum of the members of the legislative body participates in person from a singular location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. The bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.	Watch	A. Priority Support/ Oppose	
AB 2451	Wood D	State Water Resources Control Board: drought planning.	2/18/2022- From printer. May be heard in committee March 20.	2/17/2022- A. PRINT	Would require the State Water Resources Control Board to establish a Drought Section within the Division of Water Rights, as specified. The bill would require the state board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds during times of water shortage for drought preparedness and climate resiliency and for the development of watershed-level contingency plans to support public trust uses, public health and safety, and the human right to water in times of water shortage. The bill would require the state board to adopt those principles and guidelines no later than March 31, 2023, as specified.	Watch	A. Priority Support/ Oppose	
SB 45	Portantino D	Short-lived climate pollutants: organic waste reduction	1/24/2022- Read third time. Passed. (Ayes 36.	1/24/2022- A. DESK	Current law requires the Department of Resources Recycling and Recovery, in consultation with the State Air Resources Board, to adopt regulations to achieve the organic		A. Priority Support/ Oppose	Bond intended for the Nov. '22 ballot.

		goals: local jurisdiction assistance.	Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.		waste reduction goals established by the state board for 2020 and 2025, as provided. Current law requires the department, no later than July 1, 2020, and in consultation with the state board, to analyze the progress that the waste sector, state government, and local governments have made in achieving these organic waste reduction goals. This bill would require the department, in consultation with the state board, to provide assistance to local jurisdictions, including, but not limited to, any funding appropriated by the Legislature in the annual Budget Act, for purposes of assisting local agencies to comply with these provisions, including any regulations adopted by the department.			
SB 230	Portantino D	State Water Resources Control Board: Constituents of Emerging Concern in Drinking Water Program.	1/26/2022- Read third time. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.	1/26/2022- A. DESK	Would require the State Water Resources Control Board to establish, maintain, and direct a dedicated program called the Constituents of Emerging Concern in Drinking Water Program for 5 years to assess the state of information and recommend areas for further study on, among other things, the occurrence of constituents of emerging concern (CEC) in drinking water sources and treated drinking water. The bill would require the state board to convene, by an unspecified date, the Science Advisory Panel for 3 years to review and provide recommendations to the state board on CECs for further action, among other duties. The bill would require the state board to provide a final report to the Legislature by June 1, 2026, on the work conducted by the panel.	Support	A. Priority Support/ Oppose	Support position adopted April 7th.
SB 1157	Hertzberg D	Urban water use objectives: indoor residential water use.	2/18/2022- From printer.	2/17/2022-S . RLS.	Current law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, and including collaboration with and input from stakeholders, to conduct necessary studies and investigations and authorizes the department and the board to jointly recommend to the Legislature a standard for indoor residential water use. Current law, until January 1, 2025, establishes 55 gallons per capita daily as the standard for indoor residential water use. Existing law establishes, beginning January 1, 2025, the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, establishes the greater of 50 gallons	Out for Analysis	A. Priority Support/ Oppose	Recommended for position on March 2nd

per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use. This bill would eliminate the option of using the greater of 52.5 gallons per capita daily and the greater of 50 gallons per capita daily, as applicable, or a standard recommended by the department and the board as the standard for indoor residential water use.

B. Watch

Measure	Author	Topic	Status	Location	Brief Summary	Position	Priority	Notes 1
AB 1001	Garcia, Cristina D	Environment: mitigation measures for air and water quality impacts: environmental justice.	2/1/2022-I n Senate. Read first time. To Com. on RLS. for assignment .	2/1/2022-S. RLS.	The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would authorize mitigation measures, identified in an environmental impact report or mitigated negative declaration to mitigate the adverse effects of a project on air or water quality of a disadvantaged community, to include measures for avoiding, minimizing, or compensating for the adverse effects on that community.	Watch	B. Watch	
AB 1774	Seyarto R	California Environmental Quality Act: water conveyance or storage projects: judicial review.	2/10/2022-Referred to Coms. on NAT. RES. and JUD.	2/10/2022-A. NAT. RES.	The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that the lead agency proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that	Watch	B. Watch	

					effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA. This bill would require the Judicial Council to adopt rules of court applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification or adoption of an environmental impact report for water conveyance or storage projects, as defined, or the granting of project approvals, including any appeals to the court of appeal or the Supreme Court, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court to an action or proceeding seeking judicial review of the lead agency's action related to those projects.			
AB 1817	Ting D	Product safety: textile articles: perfluoroalkyl and polyfluoroalkyl substances (PFAS).	2/18/2022- Referred to Com. on E.S. & T.M.	2/18/2022- A. E.S. & T.M.	Would prohibit, beginning January 1, 2024, any person from distributing, selling, or offering for sale in the state any textile articles that contain regulated PFAS, and requires a manufacturer to use the least toxic alternative when replacing regulated PFAS in textile articles to comply with these provisions.		B. Watch	
AB 2313	Bloom D	Water: judges and adjudications.	2/17/2022- From printer. May be heard in committee March 19.	2/16/2022- A. PRINT	(1) Current law authorizes the Judicial Council to conduct institutes and seminars for the purpose of orienting judges to new judicial assignments, keeping them informed concerning new developments in the law, and promoting uniformity in judicial procedure, as specified. This bill would encourage the Judicial Council to establish a program that provides training and education to judges in specified actions relating to water, as defined. The bill would provide that the program may be funded by an appropriation from the General Fund in the annual Budget Act or another statute. The bill would authorize the Chairperson of the Judicial Council to assign to certain actions relating to water a judge with that training or education. This bill contains other related provisions and other existing laws.	Watch	B. Watch	
AB 2477	Rodriguez D	Local Emergency Preparedness, Hazard Mitigation, and Mutual Aid	2/18/2022- From printer. May be heard in committee	2/17/2022- A. PRINT	Would establish a Local Emergency Preparedness, Hazard Mitigation, and Mutual Aid Fund to, upon appropriation by the Legislature, support staffing, planning, emergency mitigation priorities, and enhancing	Watch	B. Watch	

		Fund.	March 20.		mutual aid to help local governments meet emergency management, preparedness, readiness, and resilience goals. The bill would require the Controller, upon appropriation by the Legislature, to transfer \$500,000,000 annually to the fund. The bill would require the Office of Emergency Services to establish the Local Emergency Preparedness, Hazard Mitigation, and Mutual Aid Fund Committee under the Standardized Emergency Management System Advisory Board. The bill, on or before July 1, 2023, would require the committee to adopt guidelines identifying eligible uses of the funds distributed pursuant to these provisions for the mitigation, prevention, preparedness, response, and recovery phases of emergency management that supports the development of a resilient community and enhances mutual aid.			
AB 2605	Villapudua D	Water quality: state certification.	2/19/2022- From printer. May be heard in committee March 21.	2/18/2022- A. PRINT	The State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with the Federal Water Pollution Control Act and the Porter-Cologne Water Quality Control Act. Under federal law, any applicant seeking a federal license or permit for an activity that may result in any discharge into the navigable waters of the United States is required to first seek a state water quality certification, as specified. The Porter-Cologne Water Quality Control Act authorizes the state board to certify or provide a statement to a federal agency, as required pursuant to federal law, that there is reasonable assurance that an activity of any person subject to the jurisdiction of the state board will not reduce water quality below applicable standards. The federal act provides that if a state fails or refuses to act on a request for this certification within a reasonable period of time, which shall not exceed one year after receipt of the request, then the state certification requirements are waived with respect to the federal application. This bill would authorize the state board to delegate its authority regarding the above-described issuance of a certificate or statement to the regional boards.	Watch	B. Watch	
AB 2639	Quirk D	Water quality control plans and water rights permits.	2/19/2022- From printer. May be	2/18/2022- A. PRINT	Would require the State Water Resources Control Board, on or before December 31, 2023, to adopt a final update of a specified water	Watch	B. Watch	

			heard in committee March 21.		quality control plan for the Bay-Delta and to implement the final San Joaquin River/Southern Delta update of that specified water quality control plan, as provided. The bill would prohibit the state board from approving any new water right permits or extensions of time for any existing permits resulting in new or increased diversions to surface water storage from the Sacramento River/San Joaquin River watershed until the state board has taken those actions.			
AB 2740	Dahle, Megan R	Water resources: desalination.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	Current law requires the Department of Water Resources, not later than July 1, 2004, to report to the Legislature, on potential opportunities and impediments for using seawater and brackish water desalination, and to examine what role, if any, the state should play in furthering the use of desalination technology. Current law requires the department to convene a Water Desalination Task Force, comprised of representatives from listed agencies and interest groups, to advise the department in carrying out these duties and in making recommendations to the Legislature. This bill would repeal these provisions.	Watch	B. Watch	
AB 2742	Friedman D	Water meters: urban water suppliers.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	The Water Measurement Law generally requires the installation of a water meter as a condition of new water service on and after January 1, 1992. The law, with certain exceptions, requires an urban water supplier to install water meters on all municipal and industrial service connections that are located in its service area on or before January 1, 2025. This bill would delay that requirement for an urban water supplier to install the water meters to on or before January 1, 2030.	Watch	B. Watch	
AB 2857	Bauer-Kahn D	Groundwater.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	Current law relating to groundwater management declares the intent of the Legislature to encourage local agencies to work cooperatively to manage groundwater resources within their jurisdictions, and makes related legislative findings and declarations. This bill would make nonsubstantive changes to those legislative findings and declarations.	Watch	B. Watch	
AB 2876	Bigelow R	Sustainable Groundwater Management Act.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to	Watch	B. Watch	

					be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act requires all relevant state agencies to consider the policies of the act, and any adopted groundwater sustainability plans, when revising or adopting policies, regulations, or criteria, or when issuing orders or determinations, where pertinent. This bill would make nonsubstantive changes to the latter provision.			
AB 2877	Garcia, Eduardo D	Water infrastructure projects: grants: tribal governments.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	Would state the intent of the Legislature to enact subsequent legislation that would create the Tribal Government Water Infrastructure Grant Fund in the State Treasury to provide grants to tribal governments for water infrastructure projects.	Watch	B. Watch	
AB 2895	Arambula D	Water transfers.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	Current law regulates water transfers and authorizes a permittee or licensee to temporarily change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if the transfer would only involve the amount of water that would have been consumptively used or stored by the permittee or licensee in the absence of the proposed temporary change, would not injure any legal user of the water, and would not unreasonably affect fish, wildlife, or other instream beneficial uses. Current law defines a temporary change for these purposes to mean a change of point of diversion, place of use, or purpose of use involving a transfer or exchange of water or water rights for a period of one year or less. This bill would make nonsubstantive changes to the definition of a temporary change.	Watch	B. Watch	
AB 2919	Fong R	Dams: water: fishway.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	Current law requires the owner of a dam to allow sufficient water at all times to pass through a fishway, or in the absence of a fishway, allow sufficient water to pass over, around or through the dam, to keep in good condition any fish that may be planted or exist below the dam. This bill would make nonsubstantive changes to that provision.	Watch	B. Watch	
SB 832	Dodd D	Water rights: measurement of diversion.	1/19/2022-Referred to Com. on	1/19/2022-S. N.R. & W.	Current law requires a person who diverts 10 acre-feet or more of water per year under a permit or license to	Watch	B. Watch	

			N.R. & W.		install and maintain a device or employ a method capable of measuring the rate of direct diversion, rate of collection to storage, and rate of withdrawal or release from storage. Current law requires the measurements to be made using the best available technologies and best professional practices using a device or methods satisfactory to the State Water Resources Control Board, as specified in regulations adopted by the state board. Current law requires a permittee or licensee to maintain a record of all diversion monitoring, as provided, and to include those records with annual reports required to be submitted to the state board. Current law authorizes the state board to modify these requirements if the state board finds that strict compliance with these requirements is infeasible, is unreasonably expensive, would unreasonably affect public trust uses, or would result in the waste or unreasonable use of water, or that the need for monitoring and reporting is adequately addressed by other conditions of the permit or license. This bill would clarify existing law that a person diverting 10 acre-feet or more of water per year under a registration is subject to these water diversion measurement, recording, and reporting requirements.			
SB 890	Nielsen R	Department of Water Resources: Water Storage and Conveyance Fund: water storage and conveyance.	2/23/2022-From committee with author's amendments. Read second time and amended. Re-referred to Com. on N.R. & W.	2/9/2022-S. N.R. & W.	Would establish the Water Storage and Conveyance Fund in the State Treasury to be administered by the Department of Water Resources. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair and reservoir storage costs, including environmental planning, permitting, design, and construction and all necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to complete funding for the construction of the Sites Reservoir, and to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4 expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. This bill would make these provisions inoperative on July 1, 2030, and would repeal it as of January 1, 2031.	Watch	B. Watch	

SB 892	Hurtado D	Cybersecurity preparedness: food and agriculture sector and water and wastewater systems sector.	2/17/2022-Set for hearing March 15.	2/9/2022-S.G.O.	Would require the Office of Emergency Services (CalOES) to develop, propose, and adopt reporting requirements applicable to companies and cooperatives in the food and agriculture industry if they identify a significant and verified cyber threat or active cyberattack. The bill would require a water and wastewater systems sector entity serving more than 3,300 people to report their risk assessments and emergency response plan required by the America's Water Infrastructure Act of 2018 to the California Cybersecurity Integration Center, the Department of Water Resources, and the State Water Resources Control Board.	Watch	B. Watch	
SB 1059	Becker D	Water Recycling in Landscaping Act: recycled water producers.	2/23/2022-Referred to Coms. on GOV. & F. and N.R. & W.	2/23/2022-S.GOV. & F.	The Water Recycling in Landscaping Act requires a recycled water producer, as defined, if the recycled water producer determines that within 10 years they will provide recycled water that meets specified conditions within the boundaries of a local agency, to notify the local agency of that fact and other specified information. This bill would instead require a recycled water producer to provide that notification if they determine that within 8 years they will provide recycled water that meets specified conditions within the boundaries of a local agency.	Watch	B. Watch	
SB 1078	Allen D	Sea Level Rise Revolving Loan Pilot Program.	2/23/2022-Referred to Com. on N.R. & W.	2/23/2022-S.N.R. & W.	Would require the Ocean Protection Council, in consultation with the State Coastal Conservancy, to develop the Sea Level Rise Revolving Loan Pilot Program for purposes of providing low-interest loans to local jurisdictions for the purchase of coastal properties in their jurisdictions identified as vulnerable coastal property located in specified communities, including low-income communities, as provided. The bill would require the council, before January 1, 2024, in consultation with other state planning and coastal management agencies, as provided, to adopt guidelines and eligibility criteria for the program. The bill would authorize specified local jurisdictions to apply for, and be awarded, a low-interest loan under the program from the conservancy, in consultation with the council, if the local jurisdiction develops and submits to the conservancy a vulnerable coastal property plan and completes all other requirements imposed by the council. The bill would require the conservancy, in consultation with the council, to	Watch	B. Watch	

					review the plans to determine whether they meet the required criteria and guidelines for vulnerable coastal properties to be eligible for participation in the program. This bill contains other related provisions.			
SB 1219	Hurtado D	Water: State Water Resources Control Board dissolution: Blue Ribbon Commission.	2/18/2022-From printer.	2/17/2022-S . RLS.	Current law establishes the State Water Resources Control Board within the California Environmental Protection Agency with specified duties relating to, among other things, administering water rights, the Porter-Cologne Water Quality Control Act, and the California Safe Drinking Water Act. Current law establishes the Department of Water Resources within the Natural Resources Agency and prescribes the jurisdiction and various general administrative authorities and duties of the department regarding, among other things, matters pertaining to water resources and dams in the state. This bill would dissolve the board as of January 1, 2025.	Watch	B. Watch	Possible priority bill, but unlikely to move.
SB 1476	Bradford D	Water replenishment districts: contracts.	2/22/2022-From printer.	2/18/2022-S . RLS.	The Water Replenishment District Act provides for the formation of water replenishment districts with prescribed powers for the purposes of replenishing the groundwater supplies within the district. The act requires contracts and other documents executed by a district that require or authorize the district to expend \$10,000 or more to be authorized by the board of directors and signed by the president and the secretary, except as specified. This bill would make nonsubstantive changes to those provisions relating to water replenishment district contracting.	Watch	B. Watch	

C. Spot Bill

Measure	Author	Topic	Status	Location	Brief Summary	Position	Priority	Notes 1
AB 2201	Bennett D	State water policy: water rights.	2/15/2022-From printer. May be heard in committee March 18.	2/15/2022-A. PRINT	Existing law declares general state policies regarding water use, water rights, and the regulation of the waters of California. This bill would make nonsubstantive changes to one of those provisions relating to water rights.	Watch	C. Spot Bill	
AB 2940	Dahle, Megan R	Water rights: reasonable and beneficial use of water.	2/19/2022-From printer. May be heard in committee March 21.	2/18/2022-A. PRINT	Current law declares that the right to water is limited to that water that is reasonably required for the beneficial use to be served, and does not extend to the waste or unreasonable use, unreasonable method of use, or unreasonable method of diversion of water. This bill would make nonsubstantive changes to that provision.	Watch	C. Spot Bill	

SB 1442	Borgeas R	Water conservation and reclamation projects.	2/22/2022-From printer.	2/18/2022-S . RLS.	Current law establishes the Water Conservation Projects Act of 1985 and declares the intent of the Legislature to encourage local agencies and private enterprise to implement water conservation and reclamation projects. This bill would make nonsubstantive changes to related legislative findings and declarations.	Watch	C. Spot Bill	
SB 1459	Caballero D	State water policy.	2/22/2022-From printer.	2/18/2022-S . RLS.	The Porter-Cologne Water Quality Control Act requires the State Water Resources Control Board to formulate and adopt state policy for water quality control. This bill would make nonsubstantive changes to that provision.	Watch	C. Spot Bill	
SB 1485	Rubio D	Water quality: statewide program.	2/22/2022-From printer.	2/18/2022-S . RLS.	The Porter-Cologne Water Quality Control Act designates the State Water Resources Control Board and the California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. The act requires the state board and the regional boards to, among other things, coordinate their respective activities to achieve a unified and effective water quality control program in the state. This bill would make nonsubstantive changes to the latter provision.	Watch	C. Spot Bill	
Total Measures: 37 Total Tracking Forms: 37								

Metropolitan Water District of Southern California
State Legislative Matrix
February 7, 2022 – Second Year of Legislative Session

Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
Metropolitan-sponsored bills	SB 230 Portantino (D) Sponsors: Metropolitan and the California Municipal Utilities Association (CMUA)	Amended 1/20/2022 Assembly Desk	State Water Resources Control Board: Constituents of Emerging Concern Program Seeks to create a statewide program to identify and evaluate Constituents of Emerging Concern (CECs) in drinking water sources.	CO-SPONSOR Based on October 2019 Board Action	Metropolitan and CMUA are co-sponsoring legislation in response to growing public concern about CECs in drinking water. The bill would establish a five-year CEC Drinking Water Program at the State Water Resources Control Board. The program would set up a consistent and science-based approach for assessing the public health and drinking water consequences of CECs, with the intent to improve knowledge and future regulatory determinations. The bill excludes PFAS from the program of review and requires the State Water Board to present a final report to the Legislature. The recent amendments make implementation of a CEC Drinking Water Program contingent upon an appropriation by the Legislature.
Drinking Water	AB 588 Garcia, E. (D) Sponsors: Association of California Water Agencies	Amended 3/30/2021 Assembly Environmental Safety and Toxics Committee Died in Committee	California Safe Drinking Water Act: compliance Would allow the State Water Resources Control Board to approve a compliance period of not less than 30 days and no more than 6 months for new primary drinking water standards and would allow an	SUPPORT Based upon Board-adopted 2021 State Legislative Priorities and Principles	The bill would create flexibility for water agencies to comply with new primary drinking water standards. Metropolitan supports granting more time to comply if a contaminant requires extensive treatment and capital investments. Large water agencies with adequate resources may be able to comply sooner with new MCLs, but smaller systems may need longer lead times to invest in routine

Metropolitan Water District of Southern California
State Legislative Matrix
February 7, 2022 – Second Year of Legislative Session

Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
	California Association of Mutual Water Companies		additional 12 months on a case-by- case basis.		monitoring and treatment. Water agencies granted longer compliance periods would have to report on progress.
Water Quality and Treatment	AB 377 Rivas, R. (D) Sponsor: California Coastkeeper Alliance	Amended 4/13/2021 Assembly Appropriations Committee Died in Committee	Water quality: impaired waters Would require the State Water Resources Control Board and Regional Water Quality Control Boards to evaluate impaired surface waters and report to the Legislature a plan to bring them in to attainment by January 1, 2050. Requires by January 1, 2023 the State Water Board and Regional Boards prioritize enforcement of surface water quality standards and creates the Waterway Recovery Account to provide funding to bring impaired surface water segments into compliance	WATCH Based upon Board-adopted 2021 State Legislative Priorities and Principles	The April 13 amendment substantively revised the bill. The blanket prohibitions on the issuance of new, renewed, or remodified NPDES waivers, waste discharge requirements, and permits with best management practices have been removed. There is still language with provisions pertaining to new enforcement procedures for discharges that are “causing or contributing to an exceedance of water quality standard in a surface water of the state.” However, it is too early to assess how, or if, the State and Regional boards will take enforcement action on low-threat drinking water discharges to bring “all water segments” into attainment by the 2050 target date.
Water Governance and Funding	AB 1195 C. Garcia (D) Sponsor: Author	Amended 5/24/2021 Senate Natural Resources and Water Committee Two-year bill	Drinking water. Requires the State Water Resources Control Board (State Water Board) to appoint a commissioner to implement the Safe and Affordable Fund for Equity and Resilience Program (SAFER Program) in Southern Los Angeles County.	OPPOSE UNLESS AMENDED Based upon May 2021 Board Action	Seeks to address the needs of public water systems in Southern Los Angeles County struggling to provide safe and affordable retail water. The May 24 amendments limit the role of the commissioner to focus on implementation of the SAFER Program and create a pilot program with Los Angeles County LAFCO to extend service or consolidate struggling systems.

Metropolitan Water District of Southern California
State Legislative Matrix
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Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
					Metropolitan is seeking additional amendments to further clarify the role of the commissioner; strike a provision that grants the commissioner the authority to audit public water systems and bypass the public process created by the Legislature; and strike a section that would grant the State Water Board jurisdiction over decisions to transfer or abandon groundwater rights.
Delta/State Water Project	AB 979 Frazier (D) Sponsor: Author	Amended 4/13/2021 Assembly Appropriations Committee Died in Committee	Sacramento-San Joaquin Delta: projects: sea level rise analysis report Requires a local or state agency and private developers undertaking a project in the San Joaquin-Sacramento Delta to complete and submit to the Delta Stewardship Council, Delta Protection Commission and Legislature a report that analyzes the impact of sea-level rise (SLR) on the project.	OPPOSE Based upon Board-adopted 2021 State Legislative Priorities and Principles	The bill as amended on April 13, 2020 would apply to Metropolitan as owners of Delta islands and the Department of Water Resources as operator of the State Water Project. A SLR analysis be required using Ocean Protection Council scenarios from a 2018 guidance document including one projecting an additional 22 feet of rise at the Golden Gate bridge. It could add significant costs and delays to Delta levees or habitat restoration projects including the DCP, an action covered under the Delta Reform Plan. Any updates to the plan already require the Delta Stewardship Council to consider sea level rise.
Water/Energy Nexus	AB 1161 E. Garcia (D)	Amended 4/13/2021	Electricity: eligible renewable energy and zero-carbon resources: state agencies: procurement	OPPOSE	SB 100 (DeLeon, 2018) set a state goal for 100% carbon-free resources for all state agencies by 2045. Staff have

Metropolitan Water District of Southern California
State Legislative Matrix
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Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
	Sponsor: Author	Assembly Utilities and Energy Committee Died in Committee	Requires the Department of Water Resources (DWR) to procure newly eligible renewable energy resources or zero-carbon resources, and associated energy storage, for state agencies to satisfy their 100% renewable energy goals by December 31, 2030.	Based upon Board-adopted 2021 State Legislative Priorities and Principles	concerns that this bill misplaces the burden of procuring renewable and carbon-free resources and associated storage onto DWR. Procuring energy for other state agencies is outside DWR's purpose and core expertise. Moreover, accelerating the state's goal of 100% renewable and carbon-free energy resources for all state agencies by 2045 to 2030 could dramatically increase Metropolitan's retail electricity rates above what is mandated by SB 100.
Water Bond Infrastructure Funding	AB 1500 Garcia, E. (D) and Mullin (D) Sponsor: Author	Amended 5/11/2021 Assembly Rules Committee Two-year bill	Safe Drinking Water, Wildlife Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022 Places a \$ 7.080 billion wildfire and water bond on the June 2022 primary election ballot for voter approval.	SUPPORT AND SEEK AMENDMENTS Based upon Board adopted 2021 State Legislative Priorities and Principles and Board action on AB 3256 (Garcia, 2020) 06/09/2020	Would provide funding for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs. Metropolitan is seeking amendments to ensure adequate funding for recycled water projects, water quality monitoring and treatment, and subsidence repairs to conveyance infrastructure projects.
Water Bond Infrastructure Funding	SB 559 Hurtado (D) Sponsors:	Amended 8/30/2021	Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund	WATCH Based upon Board adopted 2021	Portions of the California Aqueduct, the Friant Kern Canal and the Delta Mendota Canal have lost capacity due to subsidence. The Fund would upon

Metropolitan Water District of Southern California
State Legislative Matrix
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Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
	Friant Water Authority, San Luis & Delta Mendota Water Authority, and State Water Contractors	Senate Inactive File Two-year bill	Establishes the Canal Conveyance Capacity Restoration Fund that would upon appropriation provide up to \$785 million in funding for the Department of Water Resources (DWR) to help pay for subsidence repairs to the State Water Project and Central Valley Project water conveyance systems and for necessary road and bridge upgrades.	State Legislative Priorities and Principles	appropriation provide funding to DWR to support a 10-year program to restore the capacity of the canals and ensure a more secure water supply. Funds could be used to cover one-third of the cost to restore the capacity of the canals. A federal companion bill is envisioned that would provide one-third the cost and local partners would contribute the remaining one-third of the cost. The creation of the Fund is contingent upon all the following: Fund is contingent upon all the following: an appropriation of funds; an agreement is executed to provide for local cost share; and the provision of adequate cost share as determined by the DWR Director. The August 8 Assembly Amendments are problematic causing the State Water Contractors and Metropolitan to withdraw support for the bill.
Innovation	SB 351 Caballero (D) Sponsor: California Municipal Utilities Association	Amended 4/20/2021 Senate Appropriations Committee Died in Committee	Water Innovation Act of 2021 Would create the Office of Water Innovation at the California Water Commission to foster the adoption of new technologies and other innovative approaches in the water sector. Creates the Water Innovation Fund, with monies available upon appropriation, to the Department of Water Resources and State Water	SUPPORT Based upon Board adopted 2021 State Legislative Priorities and Principles	The water sector is facing a myriad of challenges from climate change, aging infrastructure, groundwater contamination, subsidence and freshwater ecosystems vulnerable to climate change. Innovative technologies and approaches are needed to ensure a reliable water supply while trying to address the challenges. An Office of Water Innovation could increase collaboration among state agencies on innovative

Metropolitan Water District of Southern California
State Legislative Matrix
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Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
			Resources Control Board to support water innovation.		approaches, engage stakeholders, and review regulations that may inhibit innovation in order to recommend regulatory reforms.
Governance	AB 703 B. Rubio (D) Sponsor: Three Valleys Municipal Water District	Amended 04/29/2021 Assembly Local Government Died in Committee	Open meetings: local agencies: teleconferences Amends the Ralph M. Brown Act to allow a local agency to use teleconferencing and removes certain noticing provisions for each teleconferencing location, requires the local agency to allow all members of the public to observe the meeting and address the legislative body in person and remotely by teleconference or internet option, and requires a quorum of members participate in person from a location noticed in the meeting agenda.	SUPPORT Based upon Board Action on 3/9/2021	Metropolitan currently hosts teleconferencing public meetings in accordance with Executive Order, N-29-20. AB 703 allows the option to hold teleconferenced meetings into the future after the COVID-19 public health emergency is over and the Executive Order is lifted as long as a quorum of the Board's directors participate in person, give notice and post agendas as prescribed, and the public can address the Board in person or by teleconference.



DISCUSSION ITEM
March 2, 2022

TO: Board of Directors

FROM: Robert Hunter, General Manager

Staff Contact: Melissa Baum-Haley

SUBJECT: PRESENTATION REGARDING MET'S INTEGRATED RESOURCES PLAN (IRP) NEEDS ASSESSMENT FINDINGS

STAFF RECOMMENDATION

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

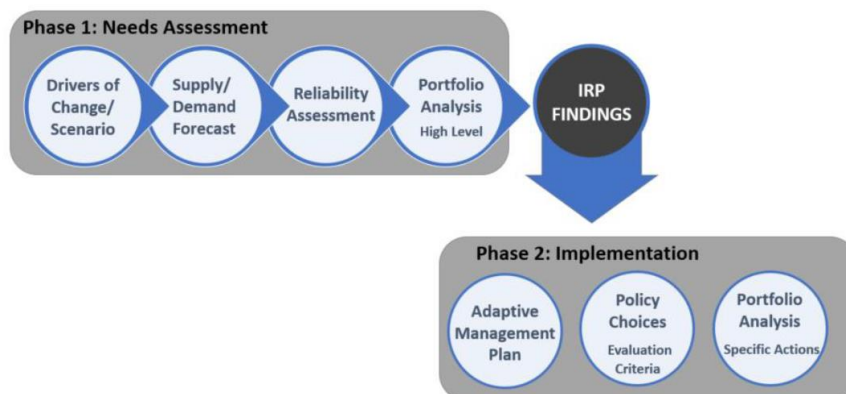
REPORT

Over the past two years, Metropolitan has worked on a new formulation of the Integrated Water Resources Plan (IRP). This first phase of the 2020 IRP incorporates scenario planning and features findings from a regional needs assessment. The findings will inform the selection and implementation of actions to address risks to Metropolitan's reliability. The 2020 IRP process is divided into two phases the (Phase 1) Needs Assessment and (Phase 2) Implementation Plan.

The technical-level process of Phase 1 will transition to a collaborative process with member agencies and stakeholders focused on implementation and adaptive management. The post-IRP Implementation Plan is expected to commence spring of 2022. This will be used to develop a decision support strategy for thinking through timing and the basis for adaptive management actions, using available information and evaluation. The post-IRP Implementation process will likely consider various projects and programs to meet the scenario gaps with recognition of factors such as cost, supply yield, and timing.

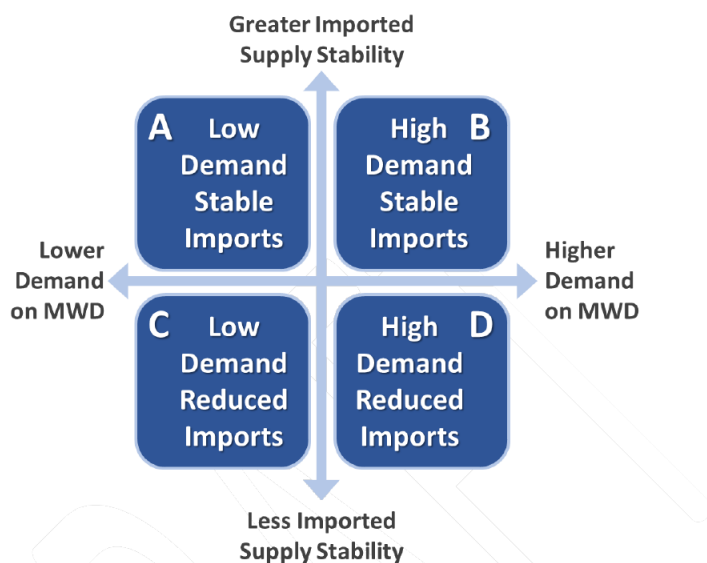
General Manager Hagekhalil has explained that the IRP will capture Metropolitan's potential supply gaps and guide the district during the post-IRP Implementation Plan process of identifying what alternatives (such as projects or programs) to invest in. This process may also be tied to a Financial Plan.

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):			



IRP SCENARIO FRAMEWORK

The 2020 IRP is based on four scenarios characterized by divergent outcomes of greater or lesser imported supply stability, and higher or lower wholesale imported water demands on Metropolitan. Key drivers of change such as climate change, regulatory requirements, and the economy will have uncertain but potentially significant effects on both water supply and demands. These and other drivers of change were identified through a collaborative process. The impacts of these drivers within each scenario was quantified using Metropolitan's models.



Scenario A: Low Demand & Stable Imports

Scenario A is driven by a combination of plentiful regional and local supplies, a struggling economy, low population growth, and a continuing water use ethic across the region. It is the least challenging overall reliability outlook of the four IRP scenarios.

- Shortages are addressed with existing resources and storage programs/supplies
- Unable to manage up to 770 TAF of surplus supply 50% of the time
- End of year storage is above 4.5 MAF 89% of the time by 2045

Key takeaways from Scenario A include:

- No new investments in Core, Flexible or Storage are necessary provided the assumed demand and supply levels are maintained
- Combination of lower demand and stable supplies are end-user initiated without additional intervention from Metropolitan

Scenario B: High Demand & Stable Imports

Scenario B reflects increasing retail demands across the region resulting from relatively high population growth and a strong economy. Fortunately, climate change impacts are manageable and imported supplies remain stable.

- Shortages occur between 1-5% of the time through planning horizon
- Up to 300 TAF of shortage in 2045
- End of year storage is above 4.5 MAF 90% of the time by 2045

Development would be needed of each portfolio category alone to achieve reliability. An additional 500,000 AF of new SWP storage capacity with a 250,000 AFY put/take capacity will eliminate shortage (except for 1% in 2045), if that storage can reach the “SWP-Only” areas.

Key takeaways from Scenario B include the following:

- Challenges are due mostly to increasing demands
- A combination of Core, Flexible and Storage will optimize how we eliminate shortages
- 150 TAF of Core supply need is feasible, however time to develop near-term supply must be considered
- Up to 300 TAF of Flexible supply need is identified that would require both new supply and demand response actions
- All shortages experienced in “SWP-Only” areas, adding CRA storage will not reduce frequency or magnitude of shortage

Scenario C: Low Demand & Reduced Imports

Scenario C combines modest population and economic growth with successful efforts among local agencies to manage water use behavior. Rapid onset of climate change effects and regulatory constraints impact imported supplies and local supplies.

- Shortages occur between 1-5% of the time through planning horizon
- Up to 200 TAF of shortage in 2045
- End of year storage is above 4.5 MAF 52% of the time by 2045

Development would be needed of each portfolio category alone to achieve reliability. An additional 500,000 AF of new SWP storage capacity with a 250,000 AFY put/take capacity will eliminate shortages.

Key takeaways from Scenario C include the following:

- Challenges are due mostly to decreasing local and imported supplies
- A combination of Core, Flexible and Storage will optimize how we eliminate shortages
- 100 TAF of Core supply need is reasonable, however the lead time to develop near-term Core supply must be considered
- Up to 200 TAF of Flexible supply need is identified that would require both new supply and demand response actions

- All shortages experienced in “SWP-Only” areas, adding CRA Storage will not reduce frequency or magnitude of shortage

Scenario D: High Demand & Reduced Imports

Scenario D is affected by higher demands, unstable imported and diminishing local supplies. Drivers of change on both demand and supply-side conspire to present serious threats to water reliability. High retail demands reflect strong economic and demographic growth and a rebound of water using behaviors. Severe climate change and regulatory constraints impact both imported and local supplies. Scenario D is the most challenging overall reliability outlook of the four IRP scenarios.

- Risk of shortage increasing substantially through the planning horizon (2-66%)
- Up to 1.22 MAF of shortage in 2045
- End of year storage is above 4.5 MAF 52% of the time by 2045

Development would be needed of each portfolio category alone to achieve reliability and no amount of additional storage capacity will eliminate shortage on its own. However, combining categories optimizes outcomes. The addition of 1 MAF of SWP storage with 500,000 AFY put/take capacity reduces the need for 100-250 TAF of Core Supply in years 2036-2045.

Key takeaways from Scenario D include the following:

- Challenges are due to both increasing demands and decreasing local and imported supplies
- Investments in a combination of Core, Flexible and Storage are necessary to address shortages
- Additions to Core Supply and Storage work together in tandem
 - More storage reduces how much core supply is needed
 - More core supplies are needed to stockpile in storage over time
- Shortages affect Metropolitan’s “blended” areas in the out-years, not just attributed to the “SWP-Only” areas

PORTFOLIO ANALYSIS APPROACH

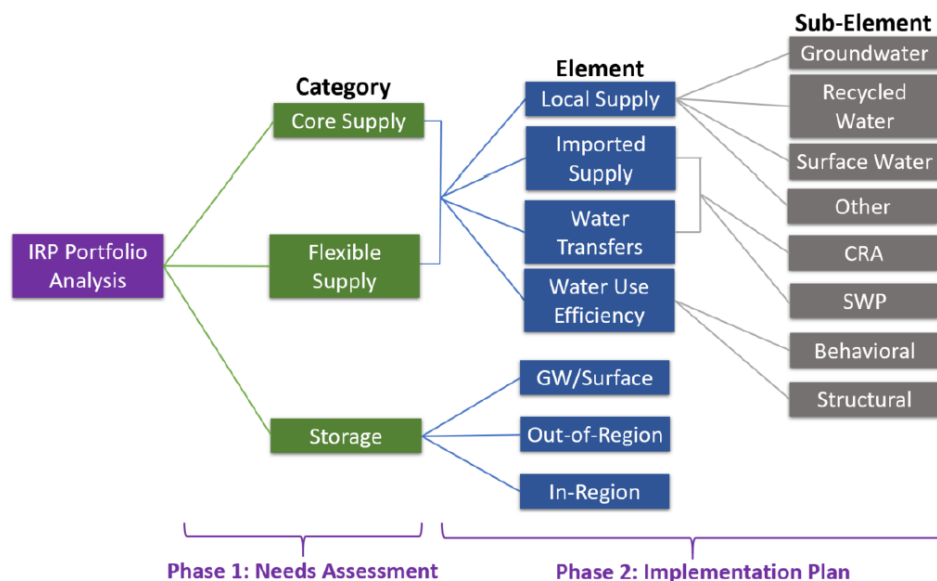
The portfolio planning approach began with the assessment of categories of investments at a high level. A portfolio is the result of a set of investments and actions to meet given objectives over a period of time. It consists of existing supplies and programs, and future investments or actions. For the 2020 IRP, water reliability has been identified as a primary goal, with a time frame of 25 years (to the year 2045).

Three portfolio planning categories are identified: Core Supply, Flexible Supply, and Storage.

1. **Core supply/Demand reduction** is generally available and used every year to meet demands under normal conditions. It has a high level of reliability and value if used often, otherwise it is expensive.
2. **Flexible supply/Demand response** is implemented on an as-needed basis and may or may not be available for use each year. It would be considered expensive if used too much or too often, resulting in better value if only used occasionally.
3. **Storage** is the capability to save water supplies to meet demands at a later time. It is the means to convert a core supply into a flexible supply, thereby evening out variability in supply and demand. The portfolio planning categories can be broken into building blocks as illustrated below.

Additionally, a successful portfolio will address reliability challenges, such as areas of the system that are constrained to only State Water Project water, and may need a combination of all three categories.

The portfolio modeling incorporates Metropolitan's Water Surplus and Drought Management (WSDM) Plan, taking into account the programs, facilities, and operations that are currently in place. Considerations include: WSDM actions; put and take capabilities; total storage capacities; and distribution system constraints such as areas only served by SWP water.



INITIAL NEEDS ASSESSMENT FINDINGS

The IRP's goal in guiding Metropolitan's investments is to avoid retail water shortages and mandatory end-user cutbacks. The 2020 IRP Needs Assessment highlights important areas of risk to Metropolitan's reliability goal. The draft findings from the 2020 IRP Needs Assessment fall within five key focus areas:

1. SWP Dependent Areas
2. Storage
3. Demand Management
4. MWD Imported Supplies
5. Local Supply

These findings are summarized below. The scenario analyses found plausible reliability outcomes by the year 2045, with potential annual supply-demand gaps ranging from none under Scenario A to as high as 1.2 MAF under Scenario D. As Metropolitan proceeds towards implementation in the next phase of the IRP, specific actions must address these gaps in a manner consistent with the portfolio category analysis.

Finding Area 1: SWP Dependent Areas

- Vulnerabilities in the SWP Dependent Areas are more severe given reduced reliability of SWP supplies. Actions identified in the implementation phase must prioritize addressing the SWP Dependent Area's reliability challenges.
- New core supplies must be accessible to the SWP Dependent Areas. Access to existing core supplies can increase SWP Dependent Area reliability.
- Investments to increase system flexibility within Metropolitan's distribution system and increase the capability to deliver non-SWP supplies and storage can increase SWP Dependent Area reliability by increasing accessibility to new and existing core supplies and new and existing storage.
- Storage capacity, put/take capabilities, and accessibility are critical considerations for the SWP Dependent Areas. New storage must be accessible to the SWP Dependent Areas.

Water demand in Metropolitan's service area is met through a combination of its imported supplies via the SWP and Colorado River Aqueduct, storage reserves, and local supply production. These spatially diversified water supplies increase reliability by buffering supply impacts that may occur with any one source. In general, when one or more supply sources is challenged, the other sources are depended on more to satisfy the region's demand. Portions of Metropolitan's service area, however, cannot receive water from both imported supply sources and do not have enough local supply to meet demand. Those portions of Metropolitan's service area where Colorado River supply cannot access, referred to as "SWP Dependent Areas", are of particular concern if low SWP Table A Allocations become more frequent.

A crucial finding of this IRP is the recognition that SWP Dependent Areas present a serious vulnerability to regional water reliability. Across scenarios, this vulnerability emerges as a common thread among foreseeable risks. Whenever shortages occur in any scenario, they involve mismatch between accessible supplies and demands in the SWP Dependent Areas. This puts additional pressure on the Colorado River, local, and storage supplies to satisfy a larger proportion of the regional demand. Consequently, resolving reliability issues for the SWP Dependent Areas will address the larger reliability issues for the entire region.

As SWP core supplies become less reliable over time, as analyzed in the IRP scenarios, the risks to reliability posed by the SWP Dependent Areas are exacerbated. Because of these vulnerabilities, actions identified in the Implementation Phase should prioritize addressing SWP Dependent Areas. New core supplies and new/or existing storage must first address and reach SWP Dependent Areas. However, investing in conveyance and distribution to improve core, local and storage supply access to the SWP Dependent Areas should also be evaluated to determine if overall system reliability is compromised. Additionally, potential shortages in the Colorado River, as seen in Scenario D, can limit the effectiveness of system improvements.

Finding Area 2: Storage

- Storage capacity, put/take capabilities, and accessibility are critical considerations in maintaining reliability under current and future conditions for the region including the SWP Dependent Areas.

- Expanding existing or developing new storage programs along with investments in distribution improvements will be needed to help balance new core supply development in order to meet potential future shortages.
- Put/take capabilities are an important factor and should be incorporated when evaluating storage options, however, even storage programs with modest put/take capabilities help reduce the need for flexible supply.

Storage is vital to reliability under current and plausible future conditions. Core supplies and storage capabilities work together in tandem; dependable core supplies are needed to fill and refill storage before and after dry years, and ample storage capacity is needed to make the most of opportunities for core supplies when they become available. Three major findings related to storage emerge from the IRP analysis:

1. Expanding existing or developing new storage programs will be needed to help balance new core supply development and mitigate future shortages. This may include policies and programs enabling Metropolitan's use of local storage during drought conditions.
2. A holistic approach is important when evaluating storage options. Evaluation of put and take capabilities should take into account not only the amounts and timing of water that can be moved but also spatial considerations, such as the source of water and access to the various parts of Metropolitan's distribution system. New storage development and or expanding distribution flexibility to move existing storage to the SWP Dependent Areas should be investigated in the implementation phase.
3. Furthermore, several of Metropolitan's existing storage programs will be expiring over the next 15 years, within the planning horizon of the 2020 IRP. Without further action to extend these agreements, Metropolitan will lose access to more than 1.6 MAF of capacity by 2037. The IRP reliability analyses assume that these programs will remain in place, but their possible expiration remains a threat to regional reliability until such programs are extended or replaced with equivalent or expanded capabilities. This is an example of the active management that is constantly required and highlights the ongoing need for collaboration with Metropolitan's banking partners. These known administrative risks are apart from other, more uncertain operational risks, such from contamination, new regulatory restrictions, and seismic disturbances.

Finding Area 3: Demand Management

- Metropolitan's future reliability is susceptible to increases and decreases in demands.
- It is important to pay attention to demand rebound, demand growth, and demand reductions and intervene as necessary.
- Managing demands through the efficient use of water reduces dependency on supplies, helps preserve storage, and helps avoid the need for extraordinary conservation measures.

Conservation has long underpinned Metropolitan's long-term water supply reliability strategy. Metropolitan administers regional conservation programs and co-funds member agency conservation programs designed to achieve greater water use efficiency and bolster water conserving ethics. Conservation comes from two areas of change: structural conservation which involves increases in water use efficiency, and behavioral conservation which involves modifying consumer water-using behavior through messaging, education, pricing, and mandates. Of these two forms of conservation, structural conservation is more permanent,

akin to a core supply. Water-efficient device retrofits, landscape conversions, plumbing codes, and leak prevention all contribute to ongoing structural water savings. Conservation device retrofits help to recover storage in future years by lowering demands in all years, not only drought years. In contrast, behavioral conservation is less permanent and can wax and wane due to various influences that may be outside of Metropolitan's direct ability of control. The IRP recognizes water use behavior, represented by per capita water use, as a major uncertainty for regional demands over time.

The IRP scenarios confirm that Metropolitan's future reliability is highly sensitive to changes in water demands. Under Scenario A, with low demands and stable imports, no net shortages are anticipated through the year 2045. Demands also remain low in Scenario C, with low frequencies of net shortages occurring throughout the planning horizon. Meanwhile, Scenarios B and D consider what might happen if per capita water demands rebound to levels approaching historical usage. While Scenario B shows similar frequencies of net shortages as Scenario C, the magnitudes of such shortages are greater. Under Scenario D, where there is both increase in demands on Metropolitan and significant loss of imported core supply, there is a high risk of shortage and an inability to ever refill storage to capacity by the year 2045.

Increased demands, whether from growth or from per capita use, represent a major risk to reliability. Demands can increase from rebounding per capita water use, but even with efficient use, total demands can still increase as the population and economy grow over time. Baseline conservation programs help with every scenario. Monitoring demands and intervening as appropriate will be critical. Managing demands through efficient use of water reduces dependency on costly supplies, helps preserve storage, and defers the need for disruptive extraordinary conservation measures such as emergency declarations and water supply allocations. Conservation programs should be scalable and adaptive to changing condition and consider the financial stability of volumetric-based revenues in light of changing demands.

Finding Area 4: Metropolitan Imported Supplies

- Existing imported supplies are at risk from various drivers of uncertainty.
- Maintaining existing imported supply reliability reduces the need for new core supply development and leverages years of investments.
- SWP supplies are highly susceptible to varying hydrologic conditions and provide opportunities to store water during wet periods. Metropolitan's ability to distribute or store these supplies when they materialize will enhance the region's reliability, in particular the SWP Dependent Areas.
- Colorado River Aqueduct supplies are more constant from year to year, however these supplies are finite and shortages can occur and must be addressed to maximize the effectiveness of existing and new system flexibility investments.

Imported supplies remain essential as core supplies to the region. They are a valuable legacy of decades of planning and investment. As source waters, they provide good water quality and supply benefits that, once lost, are very difficult to replace. Metropolitan's core supplies from the Colorado River Aqueduct are generally less susceptible to volatility from year-to-year hydrologic conditions than Metropolitan's core supplies from the SWP. However, all of the region's imported supplies face significant risk from various drivers of uncertainty, including climate change. While there is little scope for obtaining new additional

imported core supplies, taking action to preserve the region's legacy imported supplies is crucial for several reasons.

Imported supplies, primarily the SWP supplies, uniquely reinforce reliability by their ability to leverage Metropolitan's storage capacity in wet periods for use in dry years and by diversifying supply sources across multiple watersheds. Because water resources available to the Metropolitan service area come from three geographically distinct regions—Northern California, the Colorado River, and local resources—a relatively dry year affecting one of these three regions can be offset by relatively abundant supplies from the other two regions. For example, a year of ample precipitation within Metropolitan's service area tends to depress demand and enhances local water resources, further reducing demands on imported supplies. A wet year in the Sacramento-San Joaquin watersheds increases the SWP Table A allocation, facilitating reduced diversions from the Colorado River in favor of storing supplies in Lake Mead or in the Desert Water Agency/Coachella Valley Water District Advanced Delivery Account.

Conversely, a shortfall on the SWP may require system operational modifications to maximize Colorado River diversions and the delivery of Colorado River supplies to the SWP Dependent Areas. Each increment of existing imported supply reliability that is prevented from being lost offsets a need to develop new alternative core and flexible supplies that may be more costly, may take considerable lead time to bring online, and may not be easily integrated into the region's water distribution system. SWP Dependent Areas are so-called because they currently rely on SWP water to meet at least part of their demands; any practical alternative supplies to meet SWP Dependent Area demands would also have to be potable and accessible to those relatively isolated portions of Metropolitan's distribution system.

Finding Area 5: Local Supply

- Maintaining existing and developing new local supplies is critical in helping manage demands on Metropolitan, which increases sustainability and the diversity of the region's water supply portfolio.
- Impacts to reliability occur if local supply assumptions are not achieved; therefore, it is important to track progress of local supply development as one of the signposts in the Adaptive Management Plan.
- Additional actions may be needed should existing and future local supply levels deviate from IRP assumptions.

Demand on Metropolitan's imported supplies are a function of total regional demands and the local supplies available within the region to meet them. Local supplies are the front line in securing regional reliability. Local supplies regularly meet roughly half of the region's total urban demands; in some years it can be more than 60 percent. Because imported core supplies cannot be expected to increase even in the face of population and economic growth, the region's reliance on existing and new local supplies relative to imported supplies will only grow in the future. The IRP scenarios reveal that safeguarding the region's vast inventory of existing local supplies is as crucial as preserving existing imported supplies.

Continued performance of local supplies cannot be taken for granted, for as with imported supplies, many factors can impede local supply development and production, including funding, contamination, changing regulatory requirements, and climate change. For example, there has been a decline in groundwater production in the past 20 years, affected by limited availability of imported supplies for replenishment, variability in natural

replenishment from rainfall, and emerging contaminants. At the same time, the region has made substantial gains in recycled water development, but continued success will be more difficult moving forward. This is due to the reduction of available of wastewater effluent, which stems from conservation, constraints in distribution systems, and rising costs from increasing salinity.

The region's reliability is highly sensitive to local supplies, as it comprises such a large portion of the region's total supply. As a part of the Needs Assessment, Metropolitan engaged with member agencies and basin managers to identify the potential timing and implementation of planned projects and operation of groundwater basins appropriate for each IRP scenario. Impacts to reliability will occur if local supply assumptions are not achieved; therefore, it will be important to track progress of local supply development as part of the signposts in the Implementation Phase. Metropolitan currently fosters local supplies through various programs and funding support, including its Local Resources Program. Modified actions by Metropolitan may be warranted should existing and future local supply levels deviate up or down from IRP assumptions. As Metropolitan increases its commitments to enhancing local supplies, Metropolitan's business model may also need to be reconsidered to ensure financial sustainability.

NEXT STEPS

The Metropolitan Board will discuss the updated findings at the March 22 IRP Special Committee and seek Board adoption of the 2020 IRP Regional Needs Assessment Report at the April 12 Board meeting. Once adopted, Metropolitan will begin a collaborative IRP implementation phase and adaptive management plan to identify specific actions informed by the needs assessment findings. This One Water approach will bring together imported and local supplies, storage, and demand management.



INFORMATION ITEM

March 2, 2021

TO: Board of Directors

FROM: Robert Hunter, General Manager

Staff Contact: Kevin Hostert

SUBJECT: WATER SUPPLY CONDITIONS UPDATE

STAFF RECOMMENDATION

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

SUMMARY REPORT

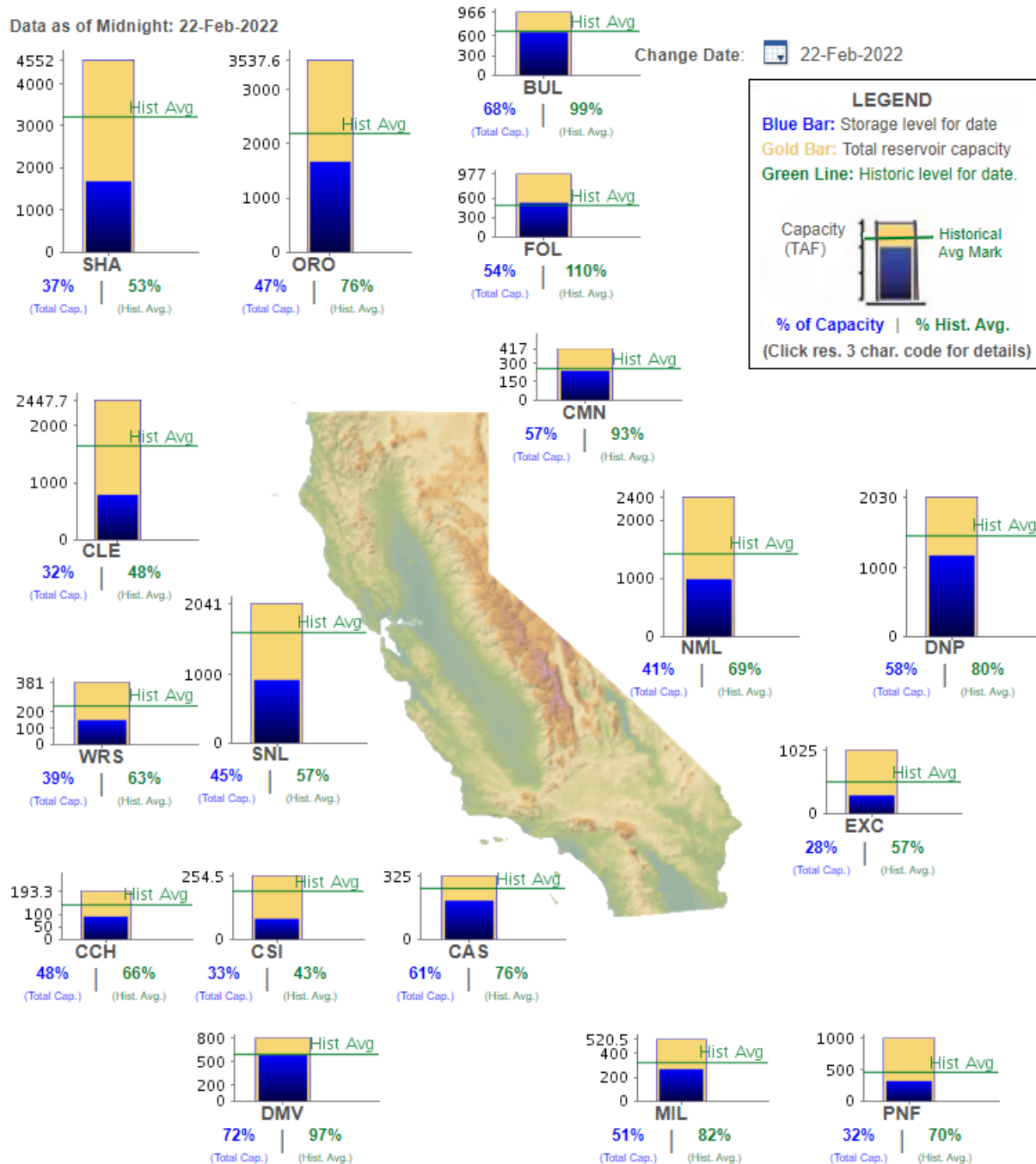
The 2021-22 Water Year (2021-22 WY) officially started on October 1, 2021. Thus far, Northern California accumulated precipitation (8-Station Index) reported **31.71 inches or 95% of normal** as of February 22nd. For 2021-22 WY, the Northern Sierra Snow Water Equivalent was at **14.9 inches on February 22nd**, which is **61% of normal** for that day. Due to the increase in precipitation/snowfall in December 2021, the Department of Water Resources (DWR) has increased the State Water Project (SWP) **“Table A” allocation to 15%**. This allocation provides Metropolitan with approximately **286,725 AF in SWP deliveries this water year**. DWR's SWP Allocation considers several factors including existing storage in SWP, conservation reservoirs, SWP operational regulatory constraints, and the 2022 contractor demands.

The Upper Colorado River Basin accumulated precipitation is reporting **13.0 inches or 98% of normal as of February 22nd**. 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 **12.5 inches as of February 22nd**, which is **87% of normal** for that day. Due to the below average precipitation/snowfall in 2020-21 WY, the United States Bureau of Reclamation **declared a shortage at Lake Mead starting January 1st, 2022**. There is and a 94% chance of shortage continuing in 2023.

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

As of February 22nd Lake Oroville storage is at **47% of total capacity and 76% of normal**.
 As of February 22nd San Luis Reservoir has a current volume of **45% of the reservoir's total capacity and is 57% of normal**.

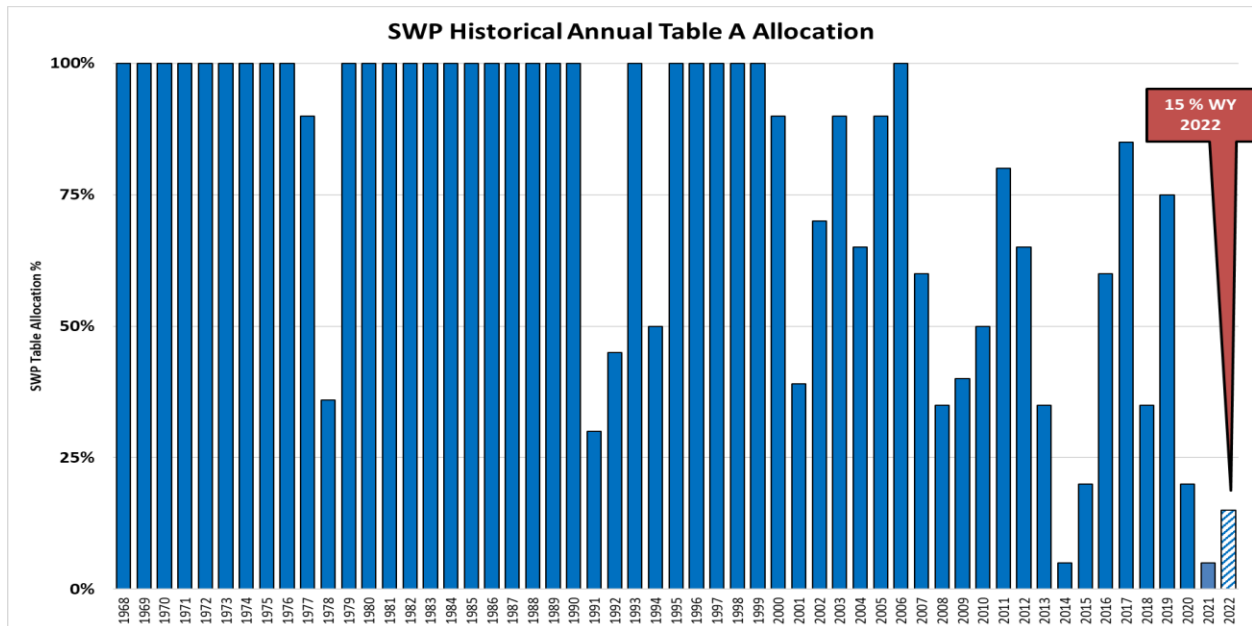
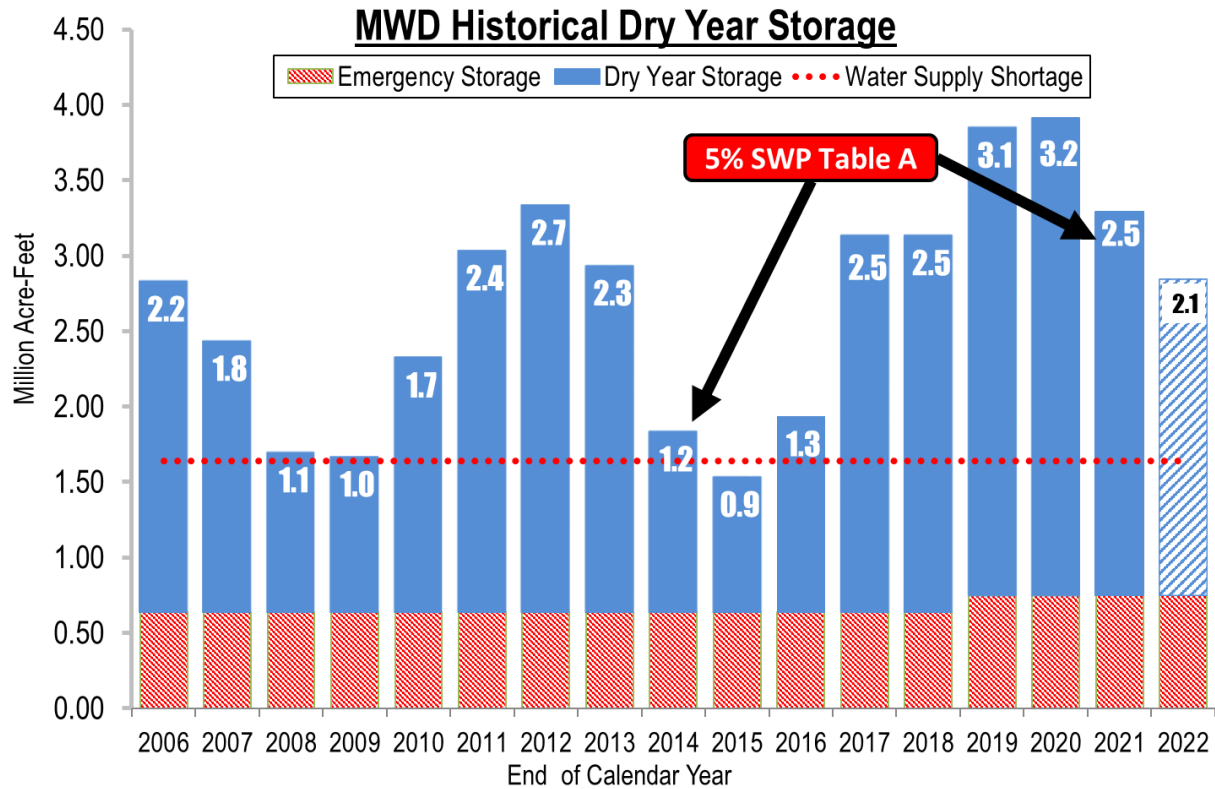
CURRENT CONDITIONS MAJOR WATER SUPPLY RESERVOIRS: 22-FEB-2022



It is very early in CY 2022, but with early estimated total demands and losses of 1.755 million acre-feet (MAF) and with a 15% SWP Table A Allocation, Metropolitan is projecting that demands will exceed supply levels in Calendar Year (CY) 2022. Based on this,

estimated total dry-year storage for Metropolitan at the end of **CY 2022 will go down to approximately 2.072 MAF.**

A projected dry-year storage supply of **2.072 MAF would still be about 1.00 MAF above where MWD has historically declared a water supply allocation.** A large factor in maintaining a high water storage levels are lower than expected water demands. Metropolitan is seeing regional water demands reaching a 38-year low.



Attachment: PowerPoint on Water Supply Conditions



Water Supply Conditions

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

March 2nd 2022

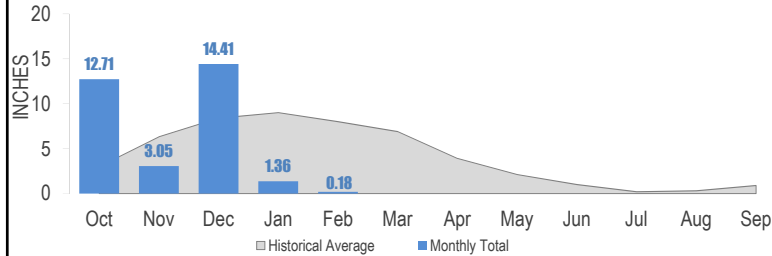


Regional Weather and Water Supply Conditions

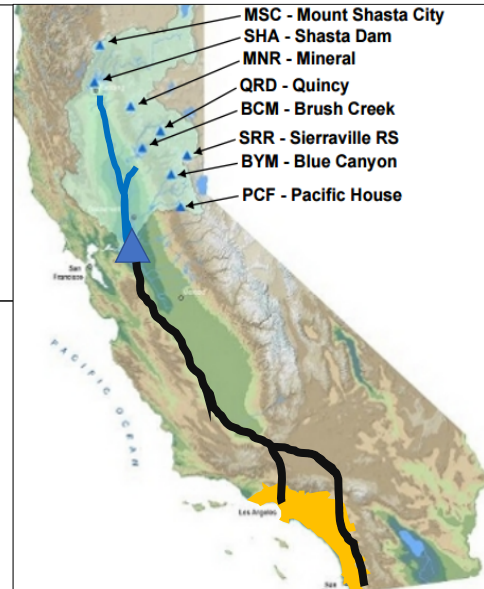
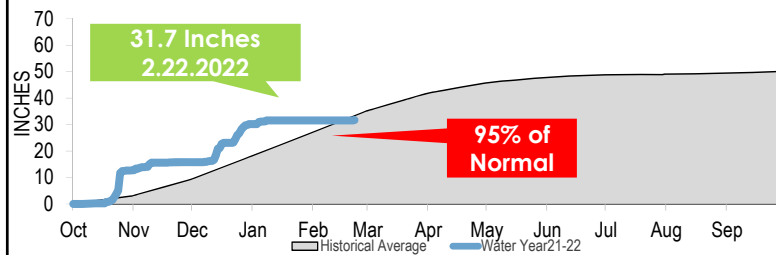
Insight to regional weather conditions that affect California's water supply

Northern California Accumulated Precipitation WY 2022

Monthly Precipitation (8 Station Precip Index)

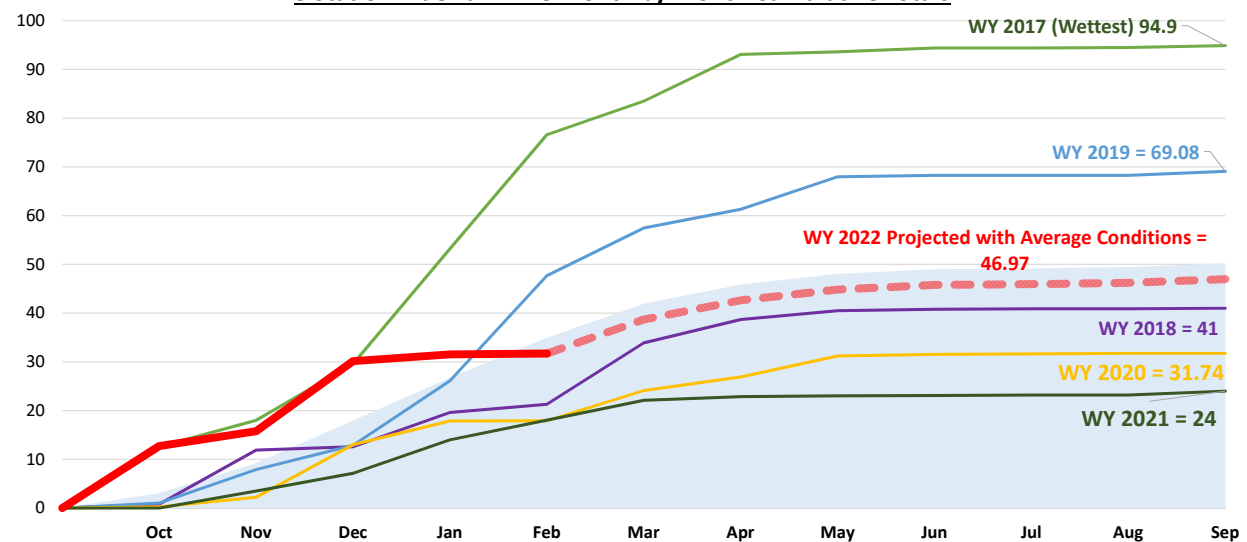


Accumulated Precipitation (8-Station Precip Index)



Northern California Accumulated Compared to Last 5 Water Years

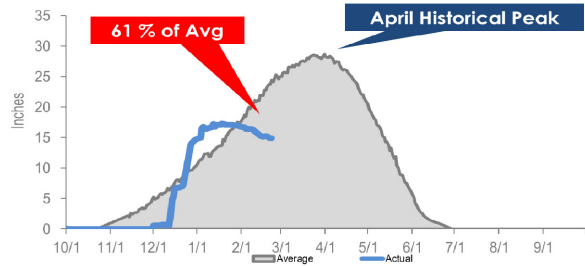
8 Station Index all Time Month by Month Cumulative Totals



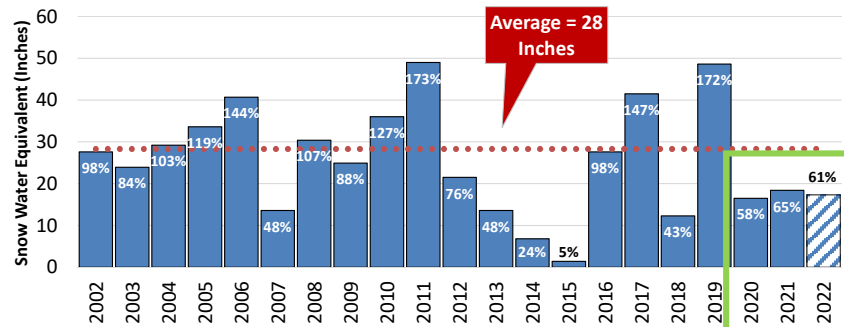
Snow Water Equivalent Northern California



Northern Sierra Snowpack Water Equivalent



Historical Northern California April 1st Peak Snow Water Equivalent

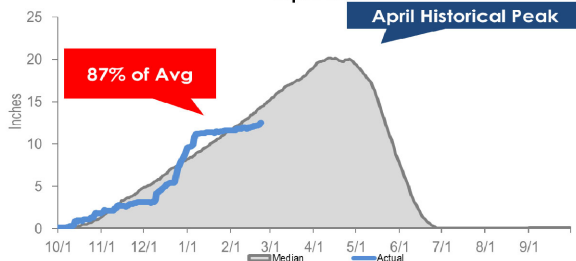


Snow Water Equivalent Upper Colorado River Basin

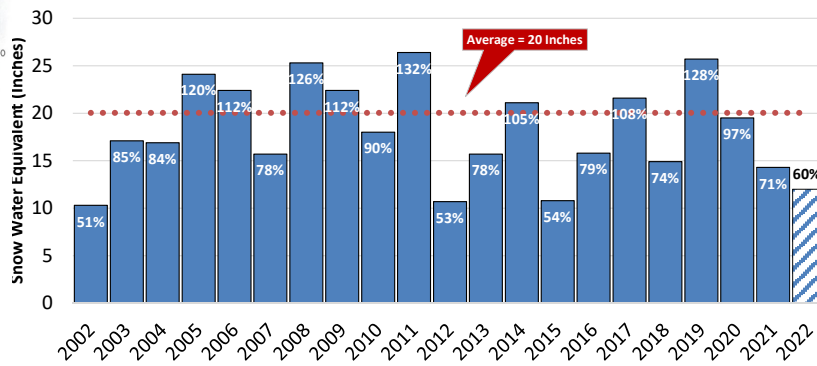
Colorado River Basin



Colorado River Basin Snowpack Water Equivalent



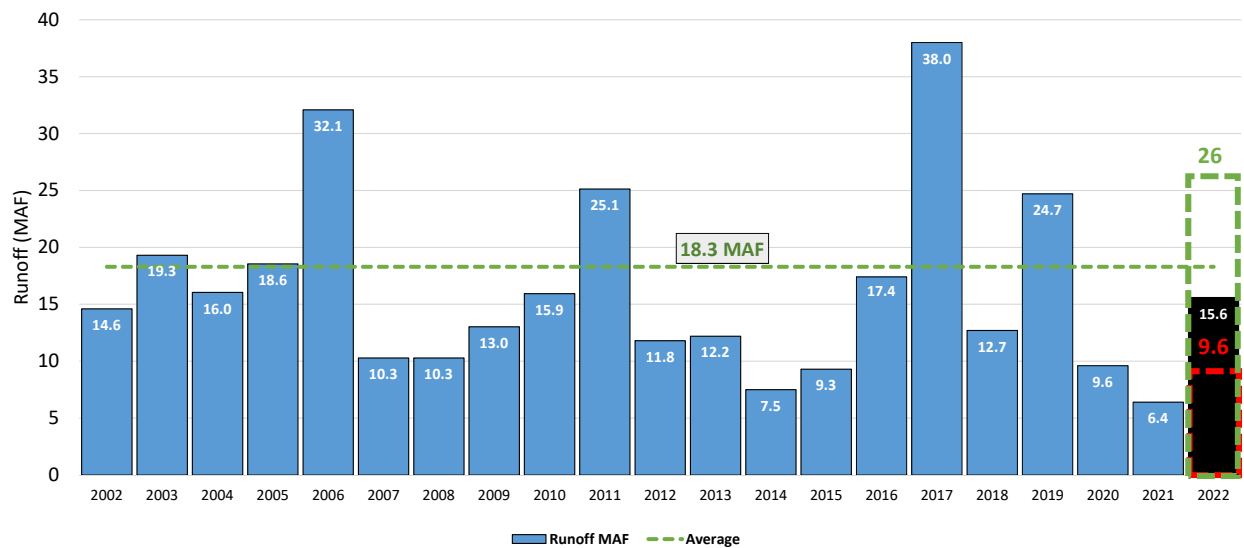
Historical Colorado Basin April 15th Peak Snow Water Equivalent



Northern CA Runoff

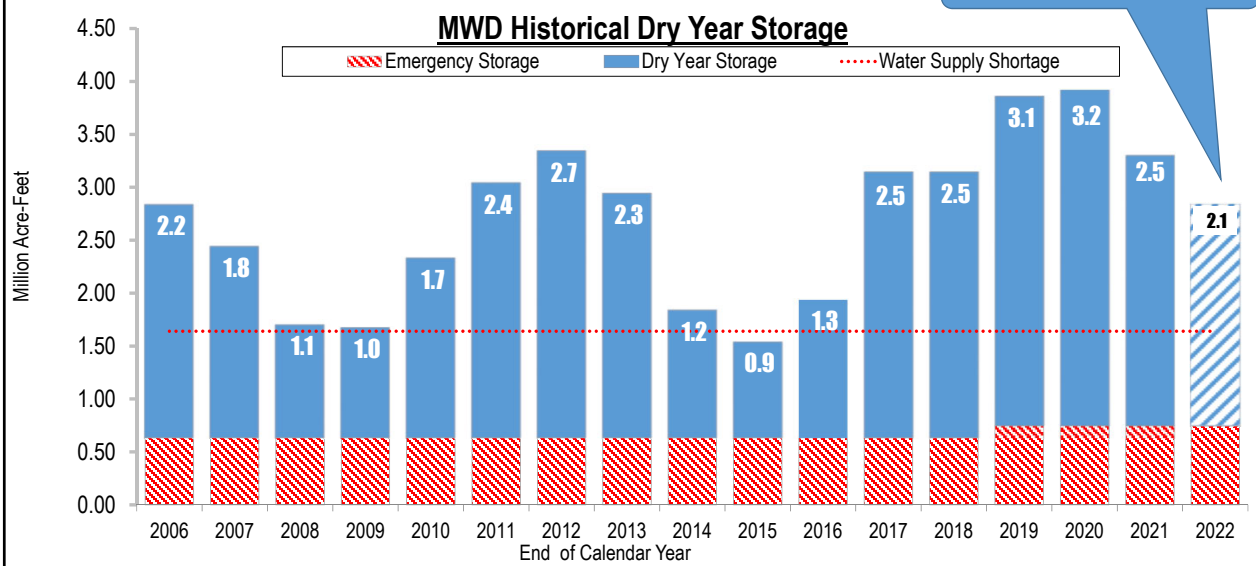


4 River Index Historical Runoff



MWD 2021 Water Storage

MWD 2021 Estimated Water Storage



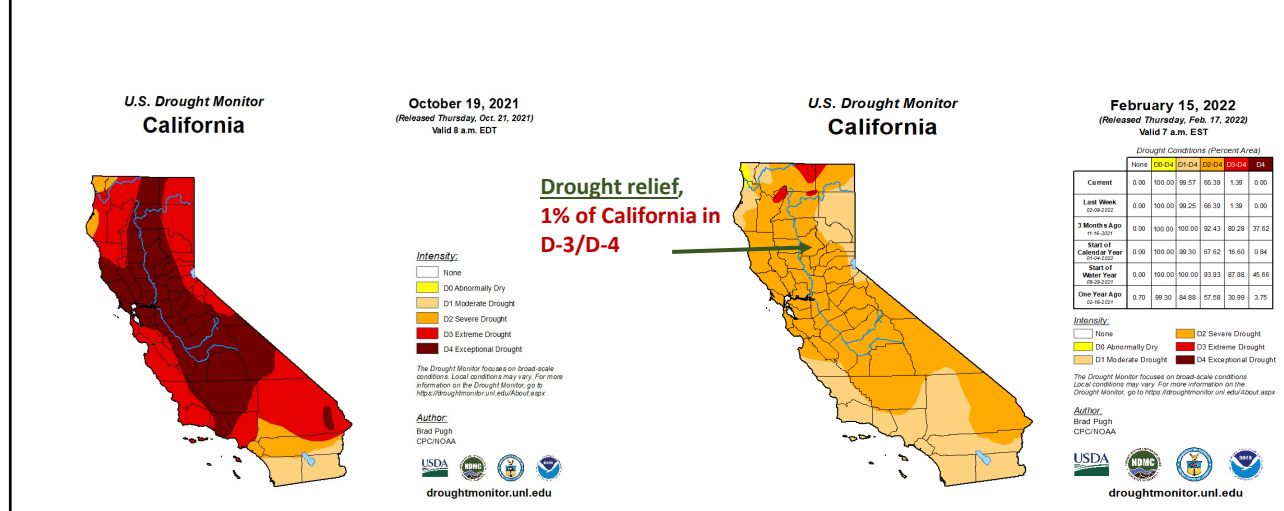
Regional Drought Conditions

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

California Drought Monitor

October 19, 2021

February 15, 2022



Water Supply Conclusions



- Accumulated Precipitation is **below** the historical average in Northern California.
- Accumulated Precipitation in Northern California the **last two years** was **extremely low.**
- Northern California Snowfall is **below average.**
- Key State/Federal Reservoirs Levels are **below historical averages.** More snow and precipitation is needed.
- The Colorado River System is still in **decline** and conditions are about normal so far in WY 2022.
- A repeat of December 2021 conditions in **March would be highly desirable** to help improve water supply conditions.

*I-80 @Donner Summit, Ca 12-23-2021

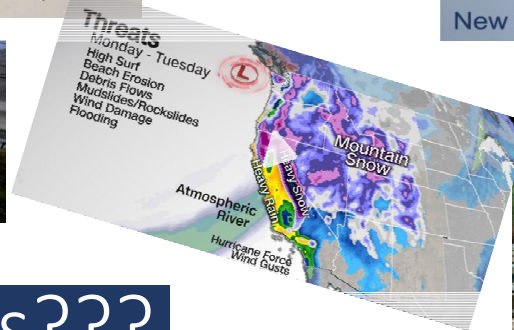


Lake Tahoe slammed by record breaking snowfall in December
 With more possibly on the way, this snowfall shatters the previous record of 179 inches from 1976.

*UC Berkley Central Sierra Snow Lab, Ca 12-27-2021



*San Diego, Ca 12-14-2021



*Silverado Canyon, Ca 12-14-2021

Questions???



DISCUSSION ITEM

March 2, 2022

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 Integrated Resources Plan Update
- c. MET's Water Supply Conditions
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

ISSUE BRIEF #A

SUBJECT: MET Finance and Rate Issues

RECENT ACTIVITY

Current Update

Water Transactions for December 2021 totaled 130.5 thousand acre-feet (TAF), which was 7.6 TAF higher than the budget of 122.9 TAF. This translate to \$111.8 million in revenues for December 2021, which were \$5.0 million higher than budget of \$106.8 million. Year-to-date water transactions through December 2021 were 920.1 thousand acre feet (TAF), which was 65.4 TAF higher than the budget of 854.7 thousand acre-feet (TAF). Year-to-date water revenues through December 2021 were \$825.9 million, which were \$46.8 million higher than the budget of \$779.1 million. As of December 31, 2021, Metropolitan's investment portfolio balance was \$1.48 billion.

Biennial Budget Process

Every two years Metropolitan embarks on its biennial budget along with the associated rates and charges including a ten-year forecast. The Proposed Biennial Budget appropriates \$2.200 billion for FY 2022/23 and \$2.293 billion for FY 2023/24, requiring revenue from rates and charges of \$1.732 billion and \$1.812 billion in each year, respectively. The revenue requirements for the proposed water rates and charges for CYs 2023 and 2024 are based on the FYs 2022/23 and 2023/24 proposed budgets, respectively. The \$1.732 billion revenue requirement for FY 2022/23 is an increase of \$25 million from the FY 2021/22 budget. The FY 2023/24 revenue requirement of \$1.812 billion is an increase of \$79 million from the FY 2022/23 proposed budget. Revenue requirements represent the amount of revenue to be recovered from rates and charges, after the application of property taxes, investment income, and other sources of revenue.

The proposed rate increase includes: the 5 percent previously forecasted to catch-up for the loss of the Water Stewardship Rate (WSR) revenue, increased costs, and the effect of the latest water demand projections showing a downward trend. Water demands are projected to decrease 60 thousand acre-feet (TAF) over the proposed biennial budget period, from 1.60 million acre-feet (MAF) to 1.54 MAF, and are expected to continue to decline to 1.51 million MAF by FY 2025/26. These lower projected water demands have resulted in higher rate increases than previously forecasted.

To mitigate the rate impacts, the Proposed Biennial Budget incorporates actions to reduce the projected overall rate increases due to increased costs to 3 percent per year, well below the rate of inflation. In total, the proposed overall rate increase for 2023 and 2024 is 8 percent per year. The remainder of the ten-year forecast projects overall rate increases of 5 percent annually. The current adopted budget had estimated overall rate increases of 5 percent for 2023 and 5 percent for 2024.

ISSUE BRIEF #B

SUBJECT: MET Integrated Resources Plan Update

RECENT ACTIVITY

For information on the Integrated Resources Plan, please refer to the *Information Item: Presentation Regarding MET's Integrated Resources Plan*.

ISSUE BRIEF #C

SUBJECT: MET's Water Supply Conditions

RECENT ACTIVITY

For information on current Water Supply Conditions, please refer to the *Information Item: Water Supply Conditions Update*.

ISSUE BRIEF #D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

500+ Plan Memorandum of Understanding

The 500+ Plan is agreement among the U.S. Bureau of Reclamation, Southern Nevada Water Authority, Colorado River Commission of Nevada, Arizona Department of Water Resources, Central Arizona Water Conservation District, and Metropolitan to add or retain 500,000 acre-feet or more of water to Lake Mead each year in 2022 and 2023 in order to reduce the risk of Lake Mead declining below critical reservoir elevations. Since signing the 500+ Plan MOU in December, the Parties began developing the implementation and funding agreement and have continued to work on identifying and in some instances started contracting for sources of system water to meet the goals of the 500+ Plan. In California, the parties continue to fund the additional fallowing in Palo Verde Irrigation District (PVID) for system water, and Metropolitan reduced its diversions at the end of 2021, both of which have raised Lake Mead's levels. Metropolitan staff is in discussions with PVID, Coachella Valley Water District (CVWD), and Imperial Irrigation District (IID) to explore opportunities for additional conservation activities in California. If a new program or programs are developed, they would be brought to Metropolitan's Board for consideration and approval. The parties in Arizona are close to finalizing some fallowing agreements in Arizona which would be funded by the Parties. Metropolitan staff will keep the Board updated as the 500+ Plan is implemented.

Upper Basin Drought Contingency Plan Implementation Update

The Upper Colorado River Commission and U.S. Bureau of Reclamation (Reclamation) Upper Colorado River Basin Region hosted a webinar to provide public information regarding implementation of the Drought Response Operations Agreement (DROA). The DROA is part of the 2019 Colorado River Drought Contingency Plan in the Upper Basin that allows changes in the timing of monthly releases at Lake Powell and increased releases from upstream Colorado River Storage Project Initial Unit reservoirs within their existing operational ranges. One key objective of the releases is to reduce the risk of Lake Powell falling below minimum power pool, which could happen later this year or next year with very dry conditions. Any water released from the upstream Initial Units will be later recovered in those Units when conditions allow First Year of Shortage Highlights Beneficial Partnerships.

Last August, Reclamation made its first ever shortage declaration for calendar year 2022, and announced that Arizona, Nevada, and Mexico would take a first ever shortage this year. But the shortage also effects operational flexibility that is key on the Colorado River. For example, in a shortage, inadvertent overruns are not allowed, and agencies that did not sign the Colorado River Drought Contingency Plan (DCP) do not have approval to access their storage reserves in Lake Mead. For IID, which did not sign the DCP, these restrictions can be quite limiting. However, IID and Metropolitan entered in a storage agreement over the last decade, and IID has nearly 200,000 acre-feet of water stored with Metropolitan, so that if IID

were to need additional water this year to avoid an overrun, Metropolitan could return that water to IID, retaining the flexibility IID needs to operate their system. Metropolitan has a similar agreement with CVWD to help ensure they avoid overrun in shortages. These agreements highlight the multiple benefits from partnerships on the Colorado River.

ISSUE BRIEF #E**SUBJECT: Delta Conveyance Activities and State Water Project Issues****RECENT ACTIVITY**

Delta Conveyance

The California Department of Water Resources (DWR) is continuing to develop an Environmental Impact Report (EIR) under the California Environmental Quality Act). The U.S. Army Corps of Engineers (USACE), as part of its permitting review under the Clean Water Act and Rivers and Harbors Act, has started preparation of an Environmental Impact Statement (EIS) to comply with the National Environmental Policy Act. DWR and USACE are planning to release draft environmental documents for public review in mid-2022.

Field activities under the Initial Study/Mitigated Negative Declaration for Soil Investigations in the Delta (including cone penetration tests, soil borings, and geophysical surveys) are proceeding but have been temporarily paused for the winter. DWR and the Delta Conveyance Design and Construction Authority (DCA) are continuing work to obtain temporary entry for additional soil surveys on private lands and permits for soil survey sites that fall under the jurisdiction of the Rivers and Harbors Act. 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.

As part of DWR's efforts to work with the community to develop a Community Benefits Program, DWR conducted a case study workshop on November 17, 2021. The workshop provided an opportunity to learn about other programs. Three panelists spoke about the insights and lessons learned from implementing other programs and answered questions from the public. The meeting materials and videos (in English and Spanish) are available on DWR's website ([Community Benefits Program \[ca.gov\]](https://www.water.ca.gov/communitybenefits/)).

Joint Powers Authority

During the DCA Special Board of Director's Meeting on January 14, the DCA extended a resolution authorizing virtual board and committee meetings pursuant to AB 361.

At its regularly scheduled January 20 DCA Board of Directors meeting, the Board of Directors approved a resolution to sunset the Stakeholder Engagement Committee (SEC). This direction recognized that the SEC was formed to solicit and incorporate stakeholder feedback for the DCA's conceptual design work, and this work has now been largely provided to the DWR environmental team. The DCA held a final SEC meeting in December to review its general work to date, its input in the conceptual design, and future outreach efforts by the DCA and DWR. In addition to this action, DCA staff recognized the SEC's valuable participation in representing their communities as part of the DCA's commitment to community outreach.

The DCA Board also approved an increase of the adopted fiscal year 2021/2022 budget from \$23.5M to \$24.48M. The budget reflects rolling over the final portion of the underspend from the fiscal year 2020/2021 budget in the amount of \$978,396.

During the Delta Conveyance Finance Authority (DCFA) regularly scheduled January 20 meeting, the DCFA adopted a resolution to continue remote teleconference meetings pursuant to the Brown Act Section 54953(e) for meetings of the DCFA.

Sites Reservoir

The public comment period for the Sites Reservoir Project Revised Draft EIR/Supplemental Draft EIS was extended to January 28.

In their January meetings, the Sites Project Authority Board and the Sites Reservoir Committee approved several administrative amendments to the standard consulting contracts with the Executive Director and Authority Agents related to indemnification and limitation of liability.

Science Activities

Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). In January, activity focused on the two projects addressing improvement of Delta smelt and salmon. The technical working group for the Delta Smelt Structured Decision-Making Project is currently developing draft portfolios of management actions to benefit Delta smelt. The CSAMP Policy Group and CAMT were briefed on the portfolios and provided input. The portfolios of management actions will be evaluated using a combination of quantitative life-cycle models and expert judgement to characterize predicted Delta smelt outcomes. The costs and benefits of management approaches will be evaluated as well once the management approaches are refined.

Metropolitan staff also continued collaboration with NGO non-government environmental organizations and public water agencies on the CSAMP Salmon Recovery Initiative. CAMT and the CSAMP Policy Group received briefings in January from the science team leading the project. The briefings addressed the objectives and metrics developed in Phase 1 to help define salmon recovery in quantitative terms and the progress for scheduling outreach to stakeholders throughout the Central Valley watershed, including tribes, to make them aware of this effort and to ask for their participation in Phase 2 of the process. Phase 2 is focused on engaging with these stakeholders to solicit actions planned for salmon recovery, and in Phase 3 those actions will be analyzed to help determine which actions may best achieve salmon recovery while meeting other objectives (e.g. cost, water supply, ag production, etc.).

Metropolitan staff continued work on the Delta smelt and Native Species Preservation Project, which will use Delta island properties currently owned by Metropolitan to support Delta smelt supplementation efforts. Monitoring studies initiated in October 2021 are underway to characterize water quality and biological factors in the existing impoundments on the Delta islands properties. In December, additional funding to continue the monitoring studies in spring and summer 2022 was secured from the SWC. Metropolitan staff is continuing to meet

with state and federal agencies, non-government organizations, and university researchers to develop partnerships and scope out the next phases of the project.

Delta Levee Stability and Monitoring Efforts

The Delta Levee Stability and Monitoring efforts support the Delta Islands Instrumentation and Monitoring Assessment and Bouldin Island Pilot Project to ensure the integrity of freshwater conveyance and Delta Island levees and to support real time levees monitoring of Delta Islands and broader Delta regional levees. Metropolitan's consultant installed remote erosion sensors on Bouldin Island's westside levee. Additional reception antenna extenders were also installed on previously installed levee sensor probes that measure changes in soil moisture and pressures in zones above high-water tides. Real time monitoring is collecting data that will be analyzed as a part of the evaluation process. The overall progress for the draft levee stability assessment report will be available in the summer of 2022.

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
February 8, 2022**

CONSENT CALENDAR ITEMS – ACTION

The Board:

Set a combined public hearing on March 8, 2022, regarding: (1) the proposed water rates and charges for calendar years 2023 and 2024 necessary to meet the revenue requirements for fiscal years 2022/23 and 2023/24; and (2) review of the applicability of the MWD Act Section 124.5 ad valorem property tax limitation for fiscal years 2022/23 through 2025/26. **(Agenda Item 7-1)**

(a) Authorized an agreement with Parsons Transportation Group Inc. for a not-to-exceed amount of \$2,650,000 for design to replace the utilities at Iron Mountain and Gene pumping plants; (b) Authorized an agreement with Jacobs Engineering Group Inc. for a not-to-exceed amount of \$650,000 for preliminary design to improve physical security at the CRA pumping plants; (c) Authorized an agreement with Tetra Tech, Inc. in an amount not to exceed \$650,000 for preliminary design to rehabilitate the station power and lighting switchrack at the Iron Mountain pumping plant. **(Agenda Item 7-2)**

(a) Authorized an agreement with La Cañada Design Group, Inc. for a not-to-exceed amount of \$4,400,000 to provide preliminary design to upgrade the functional capabilities of Metropolitan's Water Quality Laboratory at the La Verne site; (b) Authorized an agreement with Rincon Consultants, Inc. for a not-to-exceed amount of \$550,000 to provide environmental support services for the planned facility upgrades at the La Verne site. **(Agenda Item 7-3)**

(a) Amended the current CIP to include planning and implementation of infrastructure projects to improve water supply reliability for the western service area; and (b) Authorized a new agreement with Carollo Engineers, Inc. in an amount not to exceed \$300,000 for technical investigations. **(Agenda Item 7-4)**

Reviewed and considered Addendum No. 4 to the 2017 Programmatic Environmental Impact Report; and Awarded \$4,759,000 contract to Facility Builders & Erectors, Inc. for construction of the PCCP Rehabilitation Valve and Equipment Storage Building. **(Agenda Item 7-5)**

Approved Metropolitan's annual membership in the NWRI and authorize annual dues of \$50,000, and approved Metropolitan's annual membership in CCEEB's Air Project and Climate Change Project and authorize annual dues payments of \$30,500 and \$34,000, respectively. **(Agenda Item 7-6)**

Authorized the General Manager to sign the Equity in Infrastructure Project pledge and participate in the project to support opportunities for historically underserved and underutilized businesses. **(Agenda Item 7-7) (Item was deferred)**

(a) Authorized the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2022 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and (b) Authorized making a \$5 per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not-to-exceed \$500,000. **(Agenda Item 7-8)**

Authorized the General Manager to enter into reverse-cyclic agreements with participating agencies to preserve the availability of SWP supplies to Metropolitan consistent with the terms in Attachment 1 of the Board letter. **(Agenda Item 7-9)**

CONSENT CALENDAR OTHER ITEMS – ACTION

Adopted resolution to continue remote teleconference meetings pursuant to the Brown Act Section 54953(e) for meetings of Metropolitan’s legislative bodies for a period of 30 days. **(Agenda Item 6B)**

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

All current month materials, and materials after July 1, 2021 are available on the public website here: <https://mwdh2o.legistar.com/Calendar.aspx>

This database contains archives from the year 1928 to June 30, 2021:
<https://bda.mwdh2o.com/Pages/Default.aspx>



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

Regular Board of Directors Meeting

March 8, 2022

12:00 PM

Tuesday, March 8, 2022 Meeting Schedule
08:30 am - RP&AM
09:30 am - OP&T
10:30 am - L&C
11:30 am - Break
12:00 pm - BOD

Teleconference meetings will continue until further notice. Live streaming is available for all board and committee meetings on mwdh2o.com ([Click Here](#))

A listen only phone line is also available at 1-800-603-9516; enter code: 2176868#. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and enter Code: 9601962.

MWD Headquarters Building - 700 N. Alameda Street - Los Angeles, CA 90012

1. Call to Order

- 1.1 Invocation: Pamela Tobin, ACWA President and Cathy Green, ACWA Vice President
- 1.2 Pledge of Allegiance: Director Brenda Dennstedt, Western Municipal Water District

2. Roll Call

3. Determination of a Quorum

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

PUBLIC HEARING

- a. Public hearing regarding: (1) the proposed water rates and charges for calendar years 2023 and 2024 necessary to meet the revenue requirements for fiscal years 2022/23 and 2023/24, and (2) review of the applicability of the MWD Act Section 124.5 ad valorem

[21-876](#)

5. OTHER MATTERS AND REPORTS

- A. Report on Directors' Events Attended at Metropolitan's Expense [21-941](#)
Attachments: [03082022 BOD 5A Report.pdf](#)
- B. Chairwoman's Monthly Activity Report [21-942](#)
- C. General Manager's summary of activities [21-943](#)
- D. General Counsel's summary of activities [21-944](#)
- E. General Auditor's summary of activities [21-945](#)
- F. Ethics Officer's summary of activities [21-946](#)
- G. Presentation of 20-year Service Pin to Director David D. De Jesus, representing Three Valleys Municipal Water District [21-903](#)

**** CONSENT CALENDAR ITEMS -- ACTION ****

6. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Regular Meeting for February 8, 2022 (Copies have been submitted to each Director) Any additions, corrections, or omissions [21-940](#)
- B. Adopt resolution to continue remote teleconference meetings pursuant to the Brown Act Section 54953(e) for meetings of Metropolitan's legislative bodies for a period of 30 days; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-887](#)
- C. Approve Committee Assignments

7. CONSENT CALENDAR ITEMS - ACTION

- 7-1 Authorize the General Manager to negotiate a Project Labor Agreement for application on construction contracts with a value of \$5 million or greater within Metropolitan's Capital Investment Plan; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EO) [21-880](#)

Attachments: [03082022 EO 7-1 B-L.pdf](#)

- 7-2** Authorize two professional services agreements to support radial gates replacement projects: (1) an agreement with Hazen and Sawyer in an amount not to exceed \$890,000; and (2) an agreement with LEE + RO, Inc. in an amount not to exceed \$904,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EO) [21-881](#)

Attachments: [03082022 EO 7-2 B-L.pdf](#)

- 7-3** Adopt CEQA determination that the proposed action was previously addressed in the certified 2020 Program Environmental Impact Report and related CEQA actions; and award \$677,898 contract to Jeremy Harris Construction, Inc. to construct erosion control improvements for three sites in the Western San Bernardino County region (EO) [21-882](#)

Attachments: [03082022 EO 7-3 B-L.pdf](#)

- 7-4** Authorize a professional services agreement with HDR Engineering, Inc. in an amount not to exceed \$2,800,000 for preliminary design services in support of erosion control improvements along the Colorado River Aqueduct; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EO) [21-883](#)

Attachments: [03082022 EO 7-4 B-L.pdf](#)

- 7-5** Authorize entering into a three-year contract with GP Generate, LLC for media placement services related to drought awareness and water conservation not to exceed \$10.5 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [POSTING SEPARATELY] (CL) [21-884](#)

- 7-6** Approve the General Manager's Strategic Priorities; the General Manager has determined that the proposed action is exempt of otherwise not subject to CEQA. [POSTING SEPARATELY] [21-886](#)

- 7-7** Authorize the General Manager to Sign the Equity in Infrastructure Program pledge and participate in the project to support opportunities for historically underserved and underutilized businesses; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OPT) [21-805](#)

Attachments: [03082022 OPT 7-7 B-L.pdf](#)

- 7-8** Authorize an agreement with Kennedy Jenks Consultants in an amount not to exceed \$1.5 million for design of on-site utility systems to serve the Diamond Valley Lake East Marina; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA. [POSTING SEPARATELY] (RPAM) [21-888](#)
- 7-9** Review and consider the County of Riverside's certified Final Environmental Impact Report and Addendum No. 1 and take related CEQA actions, and authorize the General Manager to grant a permanent easement to the County of Riverside for public road purposes traversing Metropolitan fee-owned property in the County of Riverside and identified as Riverside County Assessor Parcel Number 472-180-002. [POSTING SEPARATELY] (RPAM) [21-889](#)

**** END OF CONSENT CALENDAR ITEMS ****

8. OTHER BOARD ITEMS - ACTION

NONE

9. BOARD INFORMATION ITEMS

- 9-1** Report on Conservation [21-878](#)
Attachments: [03082022 BOD 9-1 Report.pdf](#)
- 9-2** Review of the applicability of the Metropolitan Water District Act Section 124.5 ad valorem property tax limitation for fiscal years 2022/23 through 2025/26. [POSTING SEPARATELY] (FI) [21-879](#)
- 9-3** Review of the Remaining Planning Process and Funding Needs for Sites Reservoir Project. [POSTING SEPARATELY] (WPS) [21-885](#)

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE:

At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item e.g. (E&O, BF&I). Committee agendas may be obtained from the Executive Secretary.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.