

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Conference Room 101, Fountain Valley, California
December 6, 2023, 8:30 a.m.

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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. 2143

PRESENTATION/DISCUSSION ITEMS

1. PRESENTATION BY METROPOLITAN STAFF ON THE PURE WATER SOUTHERN CALIFORNIA COST RECOVERY ALTERNATIVES

Recommendation: Review and discuss the information presented.

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (SDA)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)

Recommendation: Review and discuss the information presented.

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

Recommendation: Receive input and discuss the information presented.

INFORMATION ITEMS

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

- a. MET's Finance and Rate Issue
- b. MET's Water Supply Condition Update
- c. MET's Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

Recommendation: Review and discuss the information presented.

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

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

Recommendation: Review and discuss the information presented.

CLOSED SESSION

6. CONFERENCE WITH LABOR NEGOTIATORS

Agency Representative: Legal Counsel, Joe Byrne
Unrepresented Employee: General Manager

OPEN SESSION

7. CONSIDER APPROVAL OF GENERAL MANAGER CONTRACT

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.



DISCUSSION ITEM
December 6, 2023

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Melissa Baum-Haley

**SUBJECT: PRESENTATION BY METROPOLITAN STAFF ON THE PURE WATER
SOUTHERN CALIFORNIA COST RECOVERY ALTERNATIVES**

STAFF RECOMMENDATION

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

REPORT

The Pure Water Southern California (PWSC) Program is a partnership between Metropolitan and the Los Angeles County Sanitation Districts. The PWSC program would create a new water supply to help meet the region's needs by providing up to 150 mgd or 155,000 AFY.

As the Metropolitan Board further considers the PWSC program, they requested an evaluation of conceptual cost recovery alternatives be developed. Metropolitan retained Raftelis to complete the evaluation and study.

Key objectives of the Study were to:

- 1) Analyze and recommend different cost recovery alternatives that reflect the benefits provided by PWSC and the potential usage of PWSC.
- 2) Complete a conceptual functionalization and allocation of revenue requirement to cost components based on cost recovery alternatives.

In October 2023, an overview of alternative cost recovery options for the PWSC project was presented to the Metropolitan Board for deliberation and discussion. Attached is "Pure Water Southern California Conceptual Cost Recover Alternatives Report," which details Raftelis' initial conceptual alternatives for the recovery of PWSC program costs. Based on initial Metropolitan Board feedback, in November additional cost recovery options were also developed.

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):			

This is not an exhaustive list of PWSC cost recovery alternatives that could be considered by the Metropolitan Board. Additional alternatives may be incorporated into a new rate structure/business model through the ongoing Climate Adaptation Master Plan for Water (CAMP4W) planning processes. Further, discussion of the impacts of the PWSC cost recovery alternatives on the SDCWA-MWD Exchange Agreement payments will also be considered.

In addition to the development of the cost recovery alternatives for Metropolitan Board consideration, additional next steps for program advancement will include refinement of program cost estimates, continued pursuit of federal/state grants, and negotiation of agreements/contributions with both in/out-of-region partners.

MWDOC has invited Metropolitan financial staff to present the six alternatives developed thus far, shown below. The first three were developed by Raftelis and the second three developed by Metropolitan staff following Board feedback.

Cost Recovery Alternative 1 – Existing Rates and Charges

Cost	Component	Approx % ⁽¹⁾	Rate or Charge	Billing Basis
Capital Financing	Supply (Advanced Water Treatment (AWT))	52%	T1 Supply (\$/AF)	Water Sales
	Transportation (Conveyance)	19%	SAR (\$/AF)	All Transactions
		13%	RTS	Existing RTS
		16%	CC (\$/CFS)	Existing CC
O&M	AWT Power, Labor, Overhead	67%	T1 Supply (\$/AF)	Water Sales
	Pumping System Power, Labor, Overhead	33%	SAR (\$/AF)	All Transactions

SAR = System Access Rate, RTS = Readiness to Serve, CC = Capacity Charge

- › Relatively simple approach and simple to administer
- › Consistent with cost recovery principles
- › Common recovery approach for water resiliency projects

(1) The allocation percentages when the project is completed and fully operational were estimated using the full program cost from the 2020 Regional Recycled Water Program White Paper No. 2. The actual percentages will vary from year to year and be based on the actual project costs including grant awards and contractual contributions.

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Cost Recovery Alternative 2 – Functionalized Fixed Charge

Cost	Component	Approx % ⁽¹⁾	Rate or Charge	Billing Basis
Capital Financing	Supply Portion (Advanced Water Treatment (AWT))	52%	New Fixed charge (\$)	10-Yr Avg Sales
	Transportation Portion (Conveyance)	48%		10-Yr Avg Transactions
O&M	AWT Power, Labor, Overhead	67%	T1 Supply (\$/AF)	Water Sales
	Pumping System Power, Labor, Overhead	33%	SAR (\$/AF)	All Transactions

- › Relatively simple approach and simple to administer
- › Consistent with cost recovery principles
- › Helps align fixed cost with fixed cost recovery
- › Common recovery approach for water resiliency projects

(1) The allocation percentages when the project is completed and fully operational were estimated using the full program cost from the 2020 Regional Recycled Water Program White Paper No. 2. The actual percentages will vary from year to year and be based on the actual project costs including grant awards and contractual contributions.
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Cost Recovery Alternative 3 – Members Subscribe as Direct Investors

Project Cost Recovery Portions	Description	Cost Recovery Mechanism
Direct Investment Portion	Portion of project subscribed by direct investors.	Fixed cost recovery in proportion to each investor's share of the project. Take-or-Pay contract.
Remaining Portion	Remaining project costs allocated to Member Agencies after subtracting the Direct Investment Portion	Alternative 1 = Existing Rate Elements Alternative 2 = New Fixed Charge

- › Aligns fixed cost with fixed cost recovery
- › Provides Member Agencies with a direct investment option
- › Consistent with cost recovery principles – Direct linkage between cost recovery and benefits received

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Finance, Audit, Insurance, and Real Property Committee

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Alternative 4: PWSC Surcharges

Cost	Component	Approx % ⁽¹⁾	Rate or Charge	Billing Basis
Capital Financing and O&M Costs	Supply – Advanced Water Treatment (AWT) and AWT Power, Labor, and Overhead	52%	PWSC Supply Surcharge (\$/AF)	Water Sales
	Transportation – Distribution, Pumping System Power, Labor, and Overhead	48%	PWSC Transportation Surcharge (\$/AF)	All Transactions

- PWSC costs are recovered on new, separate volumetric surcharges for supply and transportation

(1) The allocation percentages when the project is completed and fully operational were estimated using the full program cost from the 2020 Regional Recycled Water Program White Paper No. 2. The actual percentages will vary from year to year and be based on the actual project costs including grant awards and contractual contributions.

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Alternative 5: New GO Bond Ad-Valorem Property Tax

Cost	Component	Approx %	Rate or Charge	Billing Basis
Capital Financing	Supply and Transportation	100%	New GO AV Tax	AV Tax on properties within service area
O&M	AWT Power, Labor, Overhead	67%	T1 Supply (\$/AF)	Water Sales
	Pumping System Power, Labor, Overhead	33%	SAR (\$/AF)	All Transactions

- Metropolitan may pursue a new property tax to cover PWSC capital costs
 - Tax collected = GO bond debt service payments for PWSC Program
 - As the project is building and GO Bonds are issued, tax will be adjusted annually to recover for GO Bond debt service payments
 - 2/3 majority vote requirement – of all voters in MWD service area
- O&M costs will be recovered T1 Supply and SAR rates (\$/AF)

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Alternative Scenario 6 (Proposed by FAIRP Committee Chair)

Cost	Component	Approx %	Rate or Charge	Billing Basis
Capital Financing and O&M Costs	Advanced Treated Recycled Water	78% (90mgd, Phase 1)	PWSC Recycled + PWSC Recycled Surcharge	PWSC Recycled Sales + New PWSC Recycled Surcharge
	Direct Potable Reuse Water	22% (25mgd; Phase 1)	PWSC DPR + PWSC DPR Surcharge	PWSC DPR Sales + New PWSC DPR Surcharge

$$\text{PWSC Recycled Surcharge (Allocated 100\% to Supply)} = \frac{\text{PWSC Recycled Costs} - \text{PWSC Recycled Sales}}{\text{MWD Water Sales}}$$

$$\text{PWSC DPR Surcharge (Allocated 100\% to Supply)} = \frac{\text{PWSC DPR Costs} - \text{PWSC DPR Sales}}{\text{MWD Water Sales}}$$

PWSC Recycled Rate = Use Current Full Service Untreated Volumetric Cost (Tier 1)

PWSC DPR Rate = Use Negotiated Contracted Amounts (at cost or negotiated at market or Direct Investment or Full Service Untreated Volumetric Costs (Tier 1))

Attachments:

Attachment A – [Pure Water Southern California: White Paper No. 2, Addendum to White Paper No. 2 and Conceptual Cost Recovery Alternatives Report by Raftelis](#)

Attachment B – [Pure Water Southern California Cost Recovery Alternatives Presentation \(October 10, 2023\)](#)

Attachment C – [Pure Water Southern California Cost Recovery Alternatives Presentation \(November 14, 2023\)](#)

NATURAL RESOURCE RESULTS

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

From: Natural Resource Results

RE: Monthly Board Report – November 2023

Appropriations

On November 15th, President Biden signed a CR into law, temporarily averting a government shutdown. The “laddered” CR, provides funding for four of the twelve appropriations bills through January 19th and funding for the remaining eight appropriations bills through February 2nd. The Energy and Water bill, which funds Reclamation, is include in the group of bills that are funded through January 19th.

The logic behind the laddered approach is that it gives Congress some additional time to negotiate the more challenging spending bills (those bills that will expire at the later date) and prevent those bills from delaying action on the bills that, in theory, should be easier to negotiate (those that expire on January 19th).

While Congress was able to avoid another shutdown, this temporary CR simply kicks the can down the road once again. The House has had significant challenges moving spending bills with only Republican votes, as moderates balk at some of the more conservative riders that the Freedom caucus has demanded in exchange for their support. The issues that caused Congress to fall back on a CR two weeks ago are not going away and will still need to be resolved before the laddered CR expires.

The two most obvious paths forward at this point are:

- 1) Speaker Johnson continues his attempts to appease the right flank of his caucus by making spending cuts beyond those that were agreed to by former Speaker McCarthy, President Biden, and Leader Schumer to avert a debt-limit crisis. This approach will surely lead to a standoff with the White House and the Senate and would significantly increase the chances of a government shutdown.
- 2) Speaker Johnson chooses to stick to the spending levels mentioned above, which will likely increase the odds of Democratic support for the bills and make final passage much more attainable. However, that approach is ultimately what cost former Speaker McCarthy his job and could lead to a similar fate for Speaker Johnson.

Central Valley Project Biological Opinion

On November 9th, Reclamation transmitted the biological assessment for the reinitiation of consultation on the Long-Term Operation (LTO) of the Central Valley Project (CVP) and the State Water Project (SWP) to the U.S. Fish and Wildlife Service (FWS) and the National Marine Fisheries Service (NMFS). This document, which outlines Reclamation's proposed action (operation of the state and federal projects) and the anticipated impacts of the proposed action, will provide the foundation for FWS and NMFS to develop biological opinions.

Of note, both Sites and the Delta Conveyance Project were included in the biological assessment. We understand that both of those projects are going to be included in the LTO biological opinion at a "programmatic level," which means at a high-level analysis, followed by a project specific consultation once the LTO biological opinion is completed.

Sites Reservoir

On November 17th, the Sites Project Authority board voted to certify the final EIR for the project, marking a significant milestone. In advance of the certification, the Authority and Reclamation did a briefing for congressional staff on what this steps means for the project, and what is include in the EIR.

To:	Municipal Water District of Orange County
From:	Syrus Devers Advocacy LLC
Date:	November 28, 2023
Re:	Monthly Report

Legislature

The Legislature remains in recess until January 3rd and the “Swing Space” building where members have their offices is like a ghost town. The focus of activity is now in the district offices as advocates and constituents pitch their bill ideas and funding requests.

There is, however, some activity in Sacramento due to policy committees holding informational hearings on topics of interest to the chair, which is one of the main perks of chairing a committee. So far no hearings have touched upon water policy issues, but Assembly Member Irwin did hold a hearing on cybersecurity funding and covered the issue of transitioning government websites to a “.gov” domain.

AB 1637 by Irwin would have required all levels of local government to migrate to a .gov domain, but the bill was amended to exclude special districts and only applies to cities and counties. The informational hearing revealed that only 30% of the websites maintained by cities and counties use the .gov domain and that there was limited funding available to assist with the effort. The takeaway is that Irwin will not likely pursue requirements for special districts to transition to the .gov domain with so much work yet to do at the city and county level.

And now for the big news—Assembly Speaker Rivas appointed new committee chairs. Few things in Sacramento spark more gossip and speculation than which members got what committees. Here are the changes most relevant to MWDOC:

The biggest winner: Jesse Gabriel as Chair of the Budget Committee. Gabriel replaces long-term Budget Chair Phil Ting, who is termed out next year. Gabriel represents Encino and north L.A. County.

Runner up: Diane Papan takes over Water, Parks, & Wildlife (WP&W) from Rebecca Bauer-Kahan. This is big. Bauer-Kahan is the author of the most controversial water rights bill, AB 460. She will take over the Privacy and Consumer Protection Committee, which virtually guarantees her focus will turn from water policy.

Papan chairing WP&W is a minor win for the clients of SDA Government Relations. The lobbyists who pushed for negotiating with Papan on AB 755 (cost of service disclosures) warned others at the time that she was close to Speaker Rivas—little did they know.

Here is a short bio on Papan:



Age: 60

Education: B.A. from UCLA and J.D. from Hasting Law School

Major Interests: Climate change and affordable housing.

District: AD 21 runs from South San Francisco to Redwood City.

She is newly elected but not new to politics. Besides being the former Mayor of San Mateo, she is the daughter of political icon Lou Papan who served in the State Assembly twice, the first time from 1972 to 1986 and again 1996 to 2002.

Honorable mention: Isaac Bryan took over the Natural Resources Committee from Luz Rivas, who recently announced she is running for Congress. Natural Resources is of secondary importance since water issues got to WP&W, but bills of interest to MWDOC do occasionally end up there. Here is a short primer on Bryan:



Age: 31

Education: B.A. from Univ. of Arizona, MPP from U.C.L.A.

Major interest: Criminal justice reform.

District: AD 55 is centered on Culver City and Inglewood and extends to just east of Santa Monica and south of Beverly Hills.

He was elected to the Assembly in 2021 in a special election to replace Sydney Kamlager who was elected to the Senate.

ACKERMAN CONSULTING

Legal and Regulatory

December 6, 2023

1. **Redwoods Return:** A recent study led by researchers from the University of Nevada Las Vegas and Northern Arizona University show that the giant redwoods in California have made a remarkable recovery after the Lightning Complex fire. This study centered around the Big Basin Redwoods State Park in the Santa Cruz mountains. Many of these trees were over 250 feet high and dated back over 1500 years. Photographs taken after the fire showed extensive brown and burned areas in the Redwood trees. A photo was taken two years later along with the inspections of the trees by the researchers showed that they had recovered up to 90% in green and bushy leaves. The research showed that the coast redwoods are very well adapted to fire and prepared for this type of event. Other parts of the forest were not so lucky. It's streams and fish have still not recovered. The fires and subsequent rains produced significant sediment which created blockages in the creeks and rivers. This inhibited the repopulation of the steelhead trout and Coho salmon. Also, the bird species activity has similarly not recovered.
2. **Kern Fish Order:** The city of Bakersfield, agricultural interests and farmers, local water districts and environmental groups are engaged in litigation in Kern County as to how much water should flow in the Kern river. The judge in the case ordered all parties to ensure that 40% of the Kern River water was maintained through Bakersfield for fish. The water districts maintained that they have superior rights based on 135 years of contracts and rulings to their previous share of the river. While the Kern river has been somewhat dry the last few years, it is known to have significant ups and downs in flow ranging from 15% of a normal year to 400% of a normal year. Some of the parties to the lawsuit maintain that the city of Bakersfield has not operated it's 6 weirs on the river properly to maintain the fish population. The water districts also maintain that the city of Bakersfield is being given superior rights to the river water which they are not entitled to. In addition, their allocation has been increased because of this order. They have indicated they intend to appeal the decision.
3. **Ridgecrest Pipeline:** The city of Ridgecrest sits in the Mojave Desert and it is part of the Indian Wells Valley Groundwater Basin Authority. This basin is one of the most drastically overdrawn aquifers in the entire state. It is also home to the Naval Air Weapons Station China Lake base and many farming and mining concerns. The authority is presently considering a 50-mile-long pipeline from the California aqueduct in California City to Ridgecrest at a cost of \$200 million. The federal government would pay 150 million with the remaining being passed on to ratepayers' farmers and mining operations. The farmers and mining companies have started litigation against this proposal. The reason being they will be paying a groundwater replenishment fee of over \$2000 per acre foot. Presently they are getting this water from underground aquifers. The Naval Air Station is a giant presence in the area and is slated to undergo \$4 billion worth of upgrades in the immediate future. Ridgecrest is very much dependent on the Air Station for their livelihood. As a side note, this case is being heard in Orange County Superior Court to avoid claims of bias in the local courts.

4. **Groundwater Levels Up:** For many years California groundwater levels have been decreasing at alarming rates. After our last storms studies done by the California Department of Water Resources have shown that those levels have flattened or actually increased. The majority of wells examined by the state show them better position with only about 9% of the thousands inspected dropped. Much of this increase is due to the large rain and snow deposits but some of it is the result of increased aquifer recharge. Our actual condition in the state may be better since there is a lag in reporting to the state particularly since water could take months or years to recharge an aquifer. We still have a long way to go to replenish our aquifers groundwater levels across the state. Some of our areas were not able to take advantage of the groundwater discharge such as the Tulare lake region. There was not significant recharge as a result of the clay floor of the lakebed which inhibits recharge. The estimate of statewide recharge the last water year was 3.8-million-acre feet. Estimated groundwater capacity is 1-billion-acre feet. This compares to the approximate 50-million-acre feet of capacity of our above ground reservoirs.
5. **Saltwater Wedge:** Presently New Orleans is experiencing drought conditions which could influence their fresh water supply. The Mississippi River has been operating at very low levels for many years. This is resulting in saltwater coming up the New Orleans delta and coming dangerously close to fresh water supplies. This is like the conditions in our delta when there is insufficient water to keep the San Francisco Bay out of our freshwater system. The difference in California is that we can turn off the pumps so that salt water tainted fresh water will not be supplied to Southern California. Unfortunately, New Orleans does not have that option. California is still exploring options such as the twin/single tunnels to solve our situation.
6. **Clean Snow:** Scientists are enthusiastic regarding the snowpack melt in the northern hemisphere for the rest of this century. The reason is that our snow is getting cleaner and cleaner. Snow that contains dirt and other pollutants tends to melt faster. Since overall we are cleaning up our environment and having less pollution, these scientists estimate that our future snow will be much cleaner and will therefore be slower to melt. This is good news for the over 2 billion people worldwide dependent on snow melt for their water supply. Some less developed areas of the world will not recognize the same positive results that we will. But even in those areas their future leans toward less pollution, less wood burning and therefore more sustained snow packs.
7. **Tequila Fights Droughts:** California farmers and entrepreneurs are looking at growing agave which is used to produce a form of tequila. Agave grows with little or no water and is growing in popularity in the spirit industry due to the pandemic and other factors. Interestingly enough they cannot sell their product under the word "tequila" since tequila is protected by treaties as "champagne" is in France. However, the drink is almost identical and is growing very much in popularity. Many farmers are exploring this product to combat drought and also maintain their agricultural business. Next time someone asks what they can do to help the drought you will have a suggestion for them.
8. **San Diego Split Up:** we have been following the efforts of Fallbrook and Rainbow water districts attempt to separate themselves from the San Diego County Water Authority. As a part of this process elections were required in each of the water districts voting areas. Both districts voted overwhelmingly two detach from San Diego. The votes were 95 percent to five in both districts. The estimated savings to the two districts was almost \$8 million per year. The exit fee paid to San Diego is approximately \$25 million over the next five years for the two districts.

As a result of this issue the state has changed their law in such circumstances now to require a vote of all voters in the parent district as opposed to only voters in the impacted district. I am sure that this was an effort to negate this effort, but the legislation is not retroactive.

9. **Desert Shrub Makes Water:** Scientists in the United Arab Emirates have discovered a process in a desert plant native to their land which may help in the world drought situation. This plant excretes salt on its surface to extract and condense water. This shrub, tamarix aphelia, can survive in conditions with little or no water using aerial humidity which it converts to real water. This process can help the development of new technologies and improve existing ones such as cloud seeding. Scientists are very excited about this discovery as they think the principles, learned maybe used in other areas to combat drought conditions.
10. **Lake Tahoe Blooms:** It seems that there are always articles about Lake Tahoe impacting waterworld and gathering media attention. This is primarily because Lake Tahoe is somewhat isolated and a relatively pristine body of water. It is also easily susceptible to various conditions flora and fauna which can disrupt its natural condition. The latest condition to impact the lake is two kinds of algae bloom paraphilic algae which is slimy green and hangs on rocks and free-floating metaphysic algae which floats on top of the water. The general reason for both of these blooms is increased water temperature and change in plant life. However, it turns out that this secondary bloom is caused by invasive Asian clams which have been in the lake since 2002. These clams eat the ordinary algae but then create through their byproducts nutrients which cause other algae to grow beyond their normal means. The lake is trying to eliminate these clams through various processes but thus far have not been totally successful. They are also trying to clean up the algae with water vacuum cleaners and other means. Tahoe is an oligotrophic lake meaning it is deep, cold, clear, and generally low in nutrients. Each time a new variable is introduced it causes problems with our beautiful lake. Good news is the Lake is pushing back.

December 6, 2023

TO: MWDOD Board of Directors

FROM: Peter Whittingham

SUBJECT: November 2023 Report

The month of November saw numerous changes at the highest levels of many Orange County cities and agencies. Following are a few of the more notable developments and issues of the month:

- The Orange County Water District Board of Directors appointed John Kennedy as General Manager, effective January 27, 2024. Kennedy, who currently serves as the District's Executive Director of Engineering and Water Resources, was selected by the Board to succeed Mike Markus, who retires after more than 35 years with OCWD. Kennedy has served at OCWD since 1995 and has been responsible for a number of critical programs, including long-term financial projections, capital improvement programs, and serving as liaison to 19 local cities and retail water districts.
- The MWDOD Board of Directors has appointed Harvey De La Torre as its General Manager. De La Torre has worked at MWDOD for more than 15 years, serving as Assistant General Manager since 2020.
- Voters in Santa Ana's 3rd Ward rejected an effort to recall City Council member Jessie Lopez. The contentious special election was made even more controversial due to the recall proponents and County Registrar of Voters use of outdated maps that excluded roughly 1,200 registered voters in the current 3rd Ward.
- Two of Orange County's City Managers announced their resignation this month. The City of Tustin parted ways with Matt West, and Huntington Beach City Manager Al Zelinka announced his retirement. Elsewhere, the Santa Ana City Council appointed former Costa Mesa City Manager Tom Hatch to serve as Interim City Manager while it conducts a search for a replacement for Kristine Ridge, who resigned in October, and former Irvine City Manager Sean Joyce is currently serving as Interim City Manager in Laguna Beach while that Council considers candidates to replace former City Manager Shohreh Dupuis.

- Officials vowed to fully explore the potential environmental health impacts of a devastating fire that demolished one of two iconic hangars at the former Tustin MCAS. The South Coast AQMD continues to monitor neighborhoods adjacent to the hangars after detecting elevated levels of asbestos following the blaze.
- The San Diego County Water Authority Board of Directors voted to drop a lawsuit against Rainbow Municipal Water District and Fallbrook Public Utilities District. The Water Authority Board publicly directed its lawyers to enter into a settlement agreement with the two districts and San Diego LAFCO, which had voted to allow the two agencies to separate from the Authority and receive their water from Eastern Municipal Water District.
- John Wayne Miller resigned from the Yorba Linda Water District Board of Directors; the agency is currently accepting applications, with the anticipation that the Board will appoint a replacement in January. Elsewhere, Fred Adjarian was appointed to the El Toro Water District Board to replace Jose Vergara, who resigned after moving out of the service area. Adjarian previously served on the ETWD Board from 2014-2018.
- Major sand replenishment projects will be getting underway in the next several weeks, with boats bringing in pipes near the San Clemente Pier last week, trucks staging along Newport Beach's coastline, and equipment being prepped for work at the Surfside-Sunset beaches. The sand projects have been years in the making — for San Clemente more than two decades — with severe erosion becoming rapidly apparent in recent years along stretches of beach throughout the county's coastline. As part of the project, which began last week, an estimated 100,000 cubic yards of sand will be taken from the Santa Ana River and placed between jetties in West Newport, which were built in the 1960's to keep the beach from eroding when homes nearly fell into the ocean. In San Clemente, sand is being dredged from Oceanside and will be placed in sections between T-Street and Linda Lane, with the project expected to start in December.

It is a pleasure to work with you and to represent the Municipal Water District of Orange County.

Sincerely,



Peter Whittingham



DISCUSSION ITEM

December 6, 2023

TO: Board of Directors

**FROM: Harvey De La Torre,
Interim General Manager**

Staff Contact: Melissa Baum-Haley
Alex Heide
Kevin Hostert

**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. Water Supply Condition Update
- c. Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

ISSUE BRIEF #A**SUBJECT: MET Finance and Rate Issues****RECENT ACTIVITY**

Water Transactions for September 2023 (for water delivered in July 2023) totaled 113.4 thousand acre-feet (TAF), which was 34.8 TAF lower than the budget of 148.2 TAF and translates to \$114.7 million in receipts for September 2023, which was \$35.8 million lower than the budget of \$150.5 million.

Year-to-date water transactions through September 2023 (for water delivered in May 2023 through July 2023) were 296.6 TAF, which 109.0 TAF lower than the budget of 405.6 TAF. Year-to-date water receipts through September 2023 were \$308.8 million, which was \$111.3 million lower than the budget of \$420.1 million.

Metropolitan finance staff presented board information reports on the 2023 Long-Range Finance Plan Needs Assessment at the September 12th Finance, Audit, Insurance, and Real Property (FAIRP) Committee and September 26th Long-Term Regional Planning Processes and Business Modeling Subcommittee. The presentations focused on explaining the methodology and insights gleaned from Finance's analysis of the rate impacts of scenarios used in the 2020 IRP Needs Assessment. Moreover, Metropolitan finance staff clarified the range of funding and financing tools available to Metropolitan when addressing the capital investments required to meet the projected resource supply gaps under four primary scenarios.

ISSUE BRIEF #B

SUBJECT: MET's Supply Condition Update

RECENT ACTIVITY

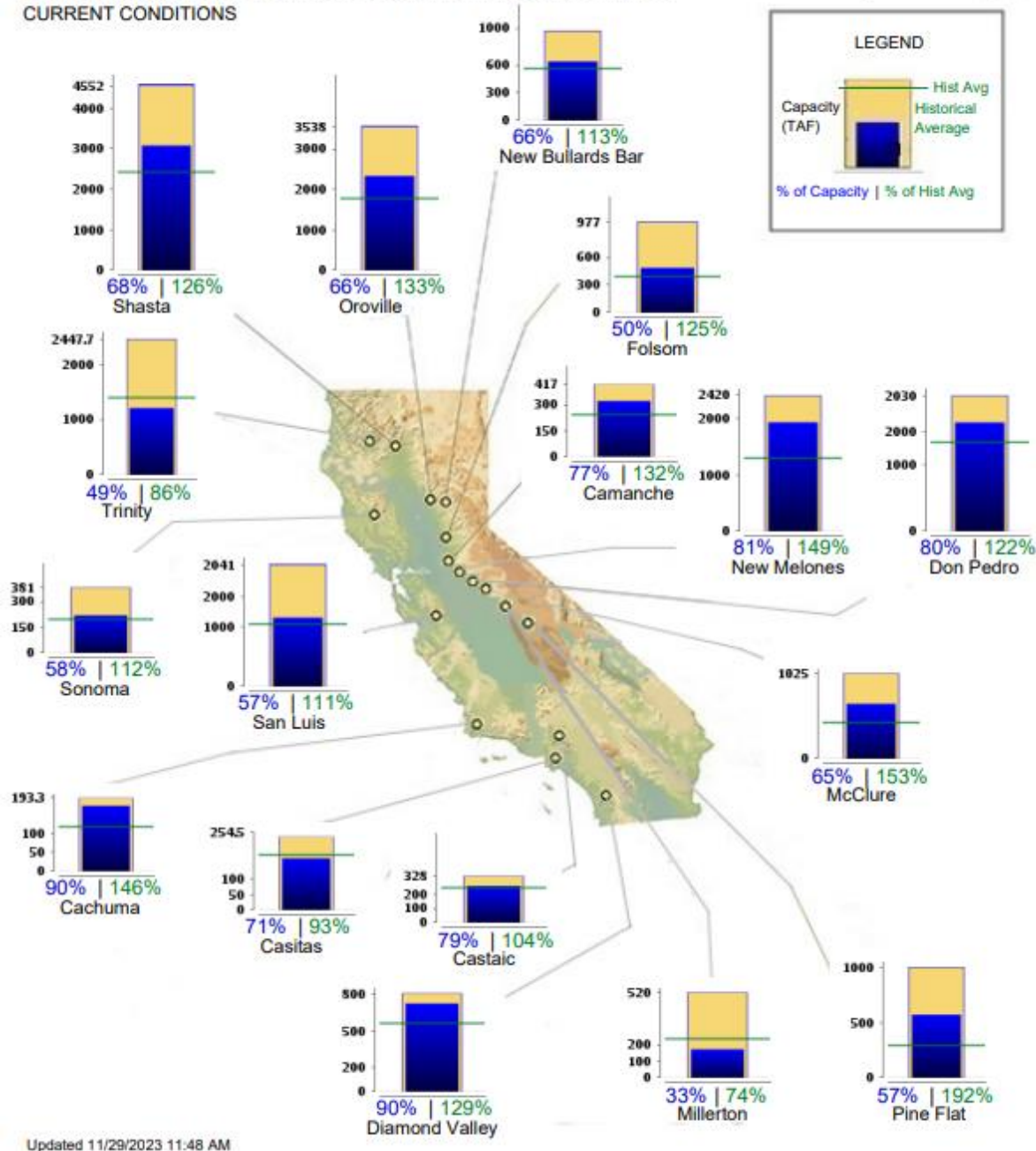
The 2023-24 Water Year (2023-24 WY) officially started on October 1, 2023. Thus far, Northern California accumulated precipitation (8-Station Index) reported **3.9 inches or 44% of normal** as of November 27th. The Northern Sierra Snow Water Equivalent was **0.0 inches on November 27th**, which is **0% of normal** for that day. The Department of Water Resources (DWR) has not set the State Water Project (SWP) initial **"Table A" allocation for WY 2023-24**.

The Upper Colorado River Basin accumulated precipitation is reporting **3.0 inches or 75% of normal as of November 27th**. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent was **1.1 inches as of November 27th**, which is **52% of normal** for that day. Due to the below average inflows into Lake Powell over the past several years, the United States Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1st, 2022**. As of November 2023, **there is a 100% chance of shortage continuing in Calendar Year (CY) 2024, a 93% chance in CY 2025 and a 77% chance in CY 2026**.

As of November 27th Lake Oroville storage is at **66% of total capacity and 132% of normal**. As of November 27th San Luis Reservoir has a current volume of **57% of the reservoir's total capacity and is 112% of normal**.

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS CURRENT CONDITIONS

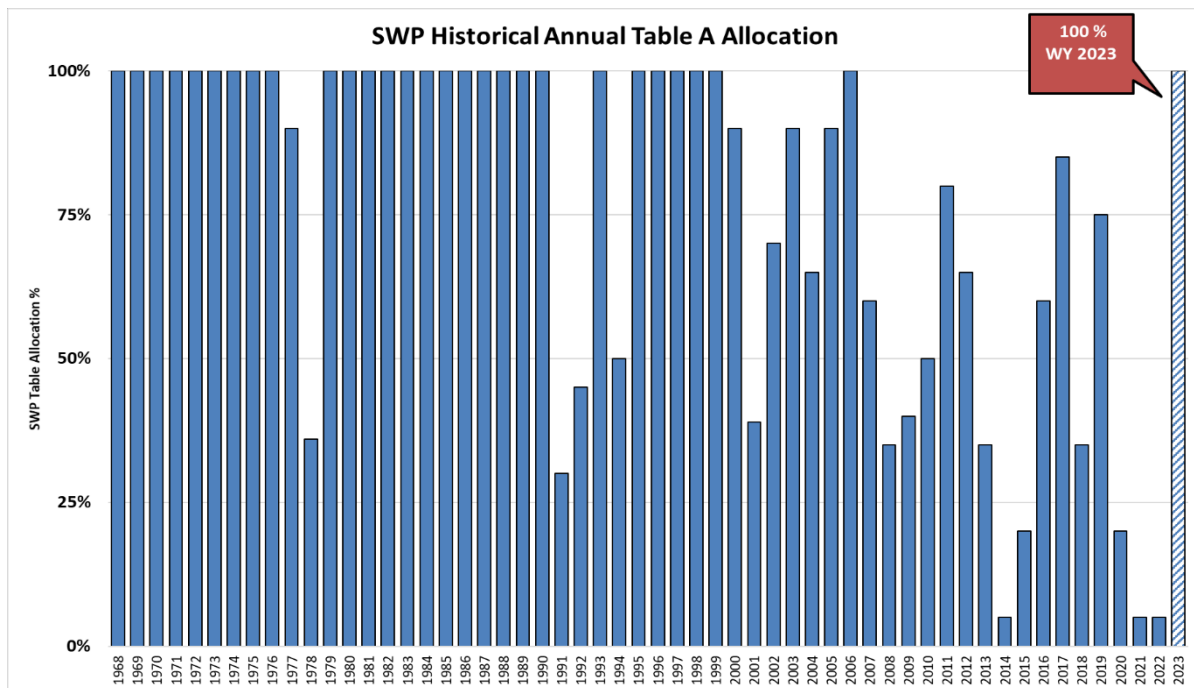
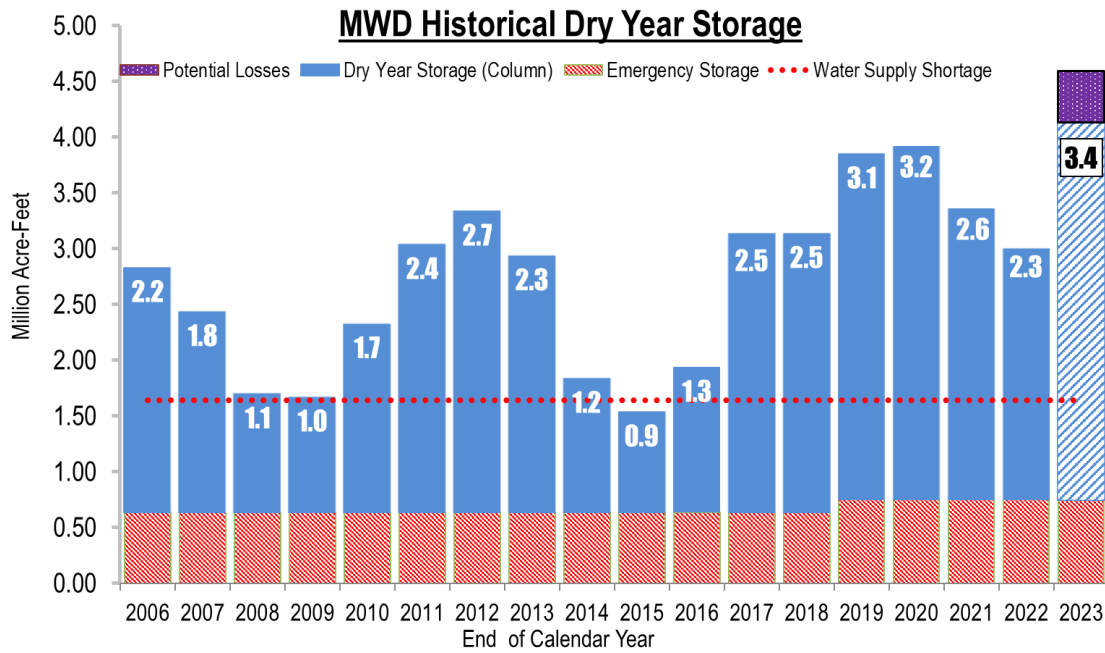
Midnight - November 28, 2023



With CY 2023 estimated total demands and losses of 1.54 million acre-feet (MAF) and with a 100% SWP Table A Allocation, MWD is projecting that supplies will exceed demands levels in CY 2023. Based on this, estimated total dry-year storage for Metropolitan at the end of **CY 2023 will increase to approximately 3.4 MAF.**

A projected dry-year storage supply of **3.4 MAF would be the highest level in MWD History. Unfortunately, due to the 100% SWP Table A Allocation, there is potential that MWD will not be able to store approximately 570 TAF.** In addition to a high water supply, a large factor in maintaining high water storage levels rely on lower than expected

water demands. We are seeing regional water demands reaching a 40-year low. **However, with a majority of MWD's water supplies stored in Lake Mead and still a 5-year shortage projection at Lake Mead, there remains a lot of uncertainty to where supply balances will be in the future.**



ISSUE BRIEF #C**SUBJECT: MET's Water Quality Update****RECENT ACTIVITY**

Water System Operations

Metropolitan member agency water deliveries were 135,700 acre-feet (AF) for October with an average of 4,400 AF per day, which was about 100 AF per day higher than in September. In addition, Metropolitan delivered 23,500 AF to Cyclic and Conjunctive Use Programs. Treated water deliveries were 4,400 AF higher than September for a total of 65,300 AF, or 48 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 45,200 AF in October. Repairs have been made to both the Desert Water Agency and Coachella Valley Water District recharge facilities and the Whitewater River conveyance system. Metropolitan maintained a three-pump flow along the CRA for most of the month. State Water Project (SWP) imports averaged 3,800 AF per day, totaling about 118,800 AF for the month. The target SWP blend is about 80 percent for the Weymouth Plant, 35 percent for the Diemer Plant, and 50 percent for the Skinner Plant.

Water Treatment and Distribution

The SWP target blends entering the Weymouth and Diemer plants were 80 and 35 percent, respectively, during October. The Mills plant switched from a blend of Silverwood Lake and Lake Perris water to solely Silverwood Lake water on October 5, because alkalinity in the East Branch SWP increased above a target level of 60 milligrams per liter (mg/L). The SWP blend target entering Lake Skinner fluctuated to accommodate multiple operational needs and to maximize water delivery from the SWP. It was approximately 60 percent in early October and was lowered to 50 percent mid-month. The SWP blend leaving Lake Skinner was relatively stable at 55 and 65 percent.

Flow-weighted running annual averages for total dissolved solids from August 2022 through July 2023 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the CRA were 503, 511, and 583 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.

Metropolitan staff continued to adjust treatment and distribution operations to control nitrification in the distribution system, along with flushing at key locations to maintain water quality. Nitrification was generally under control in the Orange County area by the end of October. However, some parts of the Central Pool distribution system still had elevated nitrite levels and flushing continued at a few sites to maintain water quality. The treatment plants maintained increased plant effluent pH and total chlorine targets of 2.70 to 2.75 mg/L to help manage nitrification. Extensive monitoring continued throughout the distribution system. Overall, conditions have significantly improved, highlighting the dedication and collaboration of Metropolitan staff in ensuring delivery of reliable, high-quality water supplies.

Future Legislation and Regulation

On October 5, Cal/OSHA published a second 15-Day Notice of Modifications to the Lead Standards for general industry and construction. The proposal lowers the Permissible Exposure Level (PEL) for lead from 50 to 10 $\mu\text{g}/\text{m}^3$, lowers the Action Level (AL) from 30 to 2 $\mu\text{g}/\text{m}^3$, and increases the need for blood lead level (BLL) testing when an employee's BLL is at or above 10 $\mu\text{g}/\text{dL}$. The key updates in the latest revision include new exceptions to medical surveillance/blood lead testing requirements, and updates specifications on types of personal protective equipment (PPE) required. Comments were due October 25. Metropolitan staff will work with Phylmar Regulatory Roundtable on addressing concerns on the recently proposed amendments.

On October 9, Governor Newsom signed AB 1594 (Garcia)—Medium- and heavy-duty zero-emission vehicles: public agency utilities. The bill, co-sponsored by California Municipal Utilities Association (CMUA), modifies California Resources Board's (CARB) recently adopted Advanced Clean Fleets (ACF) rule, which generally requires all fleet owners to purchase zero-emission vehicles (ZEV) starting in 2024. AB 1594 allows water districts, among others, to access four key existing accommodations in the rule: 1) the Daily Usage Exemption, 2) the ZEV Purchase Exemption, 3) the Site Electrification Delay, and 4) the Infrastructure Construction Delay. Metropolitan staff is determining how best to implement the ACF's requirements for Metropolitan's medium- and heavy-duty vehicles.

On October 12, Environmental Protection Agency (EPA) withdrew its cybersecurity memorandum that directed Safe Drinking Water Act state primacy agencies to assess cybersecurity resilience of public water systems as part of either the sanitary survey process or other state programs. EPA now asks states to "voluntarily" review public water system cybersecurity programs. Metropolitan staff worked with American Water Works Association (AWWA) to express its concerns that the Sanitary Survey Program was not the right tool to address cybersecurity issues and that many state primacy agencies have neither the resources nor technical expertise to evaluate and address cybersecurity issues and safeguard the sensitive information.

On October 19, Metropolitan staff presented an update to the Safe Drinking Water Act Committee of the AWWA's California-Nevada Section on the Division of Drinking Water's proposed update of the notification level (NL) and response level (RL) for manganese in treated drinking water. The update will reduce the manganese NL from 500 to 20 micrograms per liter ($\mu\text{g}/\text{L}$) and the RL from 5,000 to 200 $\mu\text{g}/\text{L}$ and could potentially trigger increased monitoring, reporting, and public notification requirements that would affect public water systems throughout the state, including Metropolitan. The update is expected in Spring 2024.

Metropolitan staff worked with the Section's Water Utility Council to provide written comments from a coalition of associations (California Water Association, California Municipal Utilities Association, and the Association of California Water Agencies) on the State Water Board's draft Cross-Connection Control Policy Handbook. The revision considered over 1,200 comments from various stakeholders and represents a collaborative approach to developing a technically sound guidance document. The Water Board intends to adopt the updated handbook by the end of 2023.

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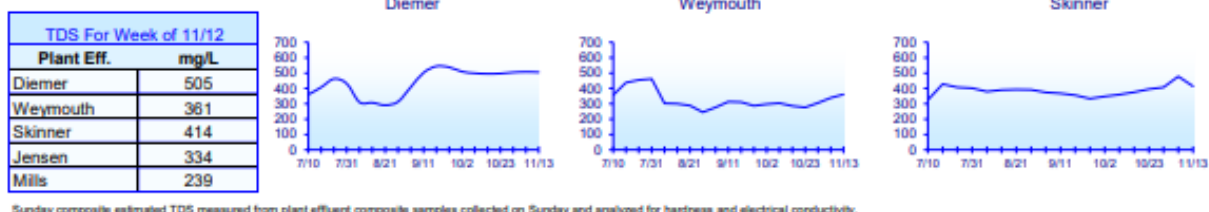


Water Quality Section Weekly TDS Report

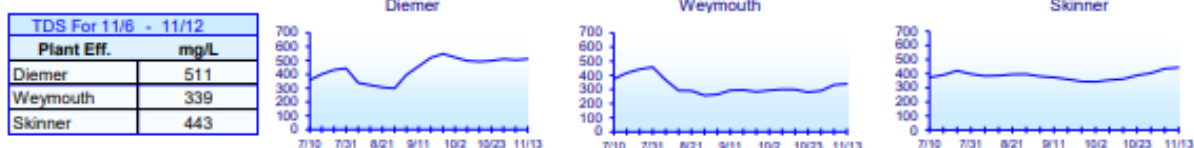
For the week of 11/12/2023

Percent SPW Needed to Achieve TDS Goal of 500 mg/L				Estimated TDS for Reservoirs		
Source Water TDS		SPW Required		Reservoir (Effluent)	Date	mg/L
Plant	CRW	SPW	Percent			
Weymouth	638	223	33%	Lake Havasu (Table D)	8/2/23	634
Diemer	638	223	33%	Lake Mathews (DFP/LWR/FDR)	11/13/23	638
Skinner-Silverwood	647	223	35%	Lake Skinner (Outlet Structure)	11/13/23	396
Skinner-Perris	647	NS*	NA	Castaic Lake (JFPI)	11/12/23	317
CRW for Diemer and Weymouth is Lake Mathews and San Jacinto - West Portal for Skinner.				Silverwood (Mills Int)	11/12/23	223
				Lake Perris	11/12/23	NS*
				DVL Outlet (Table D)	8/14/23	237

SUNDAY COMPOSITE ESTIMATED TDS FOR 07/09/23 - 11/12/23



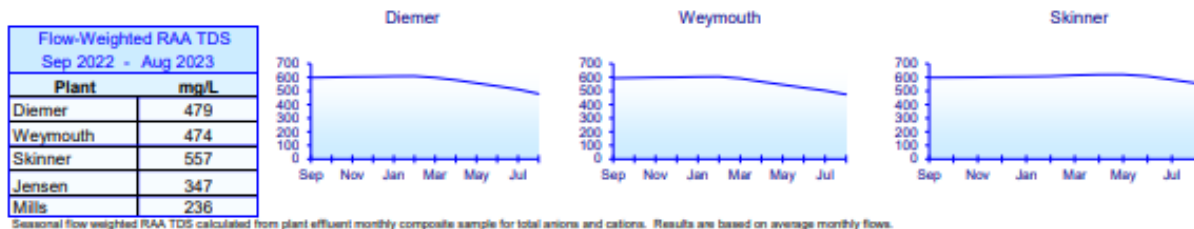
WEEKLY COMPOSITE ESTIMATED TDS FOR 07/09/23 - 11/12/23



MONTHLY COMPOSITE CALCULATED TDS FOR September 2022 - August 2023



FLOW WEIGHTED RAA TDS FOR September 2022 - August 2023



ISSUE BRIEF #D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

Reclamation supports Lower Basin Water Conservation Proposal

In response to record low storage levels in Lake Powell and Lake Mead in the summer of 2022, Reclamation began a process to amend the Colorado River Interim Guidelines through 2026 in the event conditions continued to be dry and additional shortages were needed to protect critical infrastructure at Lakes Powell and Mead. The draft Supplemental Environmental Impact Statement (DSEIS) that analyzed the options was completed in spring of 2023. Two action items were included in the document: one that implemented additional shortages by the priority system and another that shared shortages equally among contractors. None of the Lower Basin States supported either alternative; therefore, in May of 2023, the Lower Basin States came up with their own proposal. That proposal was based on two important factors: first, the much-improved conditions due to the wet winter of 2022-23, and second, the availability of \$4 billion for western drought relief provided by the Inflation Reduction Act (IRA). The Lower Basin States proposed using IRA funds and existing Intentionally Created Surplus programs to conserve an additional 3 million acre-feet of water through 2026, on top of the existing shortage requirements under the 2007 Guidelines. The Lower Basin submitted that plan to Reclamation in May 2023, with support from the Upper Basin, requesting Reclamation to consider their alternative in the development of the SEIS. Reclamation agreed to suspend the process while it evaluated the Lower Basin Proposal.

On October 27, Reclamation issued a Revised DSEIS that included the two original alternatives, along with the Lower Basin Plan. The document concluded that the Lower Basin Plan was the most effective option and dropped the original two alternatives from further consideration. Reclamation is soliciting comments on the Revised DSEIS, with comments due on December 11. Reclamation plans to issue a Final SEIS in early 2024, followed by a Record of Decision approving the new plan. The Lower Basin States are ahead of the proposed water conservation schedule, with record low water use in 2023. The Lower Basin states are projected to use 5.8 million acre-feet of water this year, which is 1.7 million acre-feet less than its allocation under the 1922 Colorado River Compact. Metropolitan plans to submit comments to Reclamation supporting the Lower Basin Plan, along with highlighting specific interests our region may have in this process. Metropolitan staff will provide an overview of the Revised SEIS at the November 13 One Water and Stewardship Committee meeting.

ISSUE BRIEF #E

SUBJECT: Delta Conveyance Activities and State Water Project Issues

RECENT ACTIVITY

Delta Conveyance

The California Department of Water Resources released a draft Environmental Impact Report (EIR) to comply with the California Environmental Quality Act (CEQA) for a public review that ended on December 16, 2022. The Final EIR is expected at the end of 2023. It will include responses to all substantive comments on the Draft EIR and edits to the Draft EIR, as appropriate, to respond to the comments.

The U.S. Army Corps of Engineers (USACE), as part of its permitting review under the Clean Water Act and Rivers and Harbors Act, released a draft Environmental Impact Statement to comply with the National Environmental Policy Act for a public review that ended on March 16, 2023. USACE is in the process of developing responses to the comments received.

Delta Conveyance related Joint Powers Authorities

Comprehensive updates regarding ongoing and required Tribal consultation and public communication and outreach efforts to advance the Delta Conveyance Project were presented to the Delta Conveyance Design and Construction Authority (DCA) Board of Directors at their regularly scheduled October 19 meeting. Localized fact sheets surrounding the relevance of the State Water Project are being created, and the geotargeted social media campaign has reached over 50,000 Californians in the State Water Project area.

The October 19 regularly scheduled Delta Conveyance Finance Authority meeting was cancelled.

Sites Reservoir

At the joint Sites Project Authority Board and Sites Reservoir Committee Meeting on October 20, the Reservoir Committee and Authority Board approved actions related to the Amendment 3 Work Plan Update including an extension of the work plan to December 31, 2025, an overall program baseline schedule that would support a projected seven-year substantial construction completion, which is currently projected in 2032, and an update to the priorities. The annual budget for fiscal year 2024 and the cash call amount for fiscal year 2024 were also approved as part of the Amendment 3 Work Plan Update.

At the upcoming Joint Reservoir Committee and Sites Authority Board meeting, it is anticipated that the Final EIR and corresponding CEQA actions will be certified. Check the Sites Reservoir website [here](#) for details regarding this upcoming historic meeting. In anticipation of the certification, the Reservoir Committee and Authority Board authorized the Executive Director to post the required public notices in accordance with SB149 if the

Governor certifies that the Sites Reservoir Project is an SB149-eligible infrastructure project.

Science Activities

Metropolitan science staff submitted a proposal to the Bureau of Reclamation's WaterSMART Applied Science Grants for fiscal year (FY) 2023 to fund a two-year project that would develop publicly accessible datasets. These datasets would support improved water management planning, assessment of flow operations, and evaluate effects on fish and wildlife.

To progress the Floating Wetlands Pond Study, Metropolitan staff is evaluating options for relocating tules from a nursery location on Bouldin Island to an existing impoundment on Bouldin Island. The Floating Wetlands Pond Study will be a practical evaluation of the benefits of using native plants from the Delta as a tool in habitat restoration. The results of this study will allow Metropolitan to determine relative benefits of investing in this novel restoration tool.

Metropolitan staff is participating in a Department of Fish and Wildlife Zooplankton Monitoring Review effort for evaluating the effects of management actions on zooplankton. Zooplankton are a vital prey for listed species. Determining how best to improve zooplankton densities is important for the management of listed species.

Delta Island Activities

Metropolitan staff responded to a magnitude 4.2 earthquake centered near Brannan Island on October 18. In coordination with Reclamation District staff, all 56 miles of levees on Metropolitan's four islands were inspected within one hour. No seismic damage was reported on Metropolitan's Islands. Additionally, real-time data from the Bouldin Island Seismic Instrumentation & Monitoring Pilot Project was evaluated in the minutes following the seismic event.

Metropolitan's Board of Directors approved amending the Capital Investment Plan for FY 2022/23 and 2023/24 to include the development of a multi-benefit landscape project on Webb Tract. The Metropolitan Board also authorized professional service agreements for design, preparation of environmental documentation, permit applications, and scientific monitoring.

Metropolitan staff hosted the Sacramento-San Joaquin Delta Conservancy Board tour on Webb Tract. The tour highlighted Metropolitan's project planning in the Delta, including the Delta Conservancy grant-funded Webb Tract Landscape Mosaic Project.

Metropolitan Bay-Delta Staff participated in a panel on subsidence during the Delta Independent Science Board's October meeting. The panel provided an overview of current land inundation practices and experiments in the Delta. Metropolitan staff provided information on the current practices and ongoing studies on Metropolitan's Delta Islands.

**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
November 14, 2023**

CONSENT CALENDAR ITEMS - ACTION

Authorized professional services agreements with (1) AECOM Technical Services Inc. in an amount not to exceed \$660,000 and (2) CDM Smith Inc. in an amount not to exceed \$475,000 to perform water desalination studies in Metropolitan's service area. **(Agenda Item 7-1)**

Authorized an agreement with General Networks Corporation in an amount not to exceed \$6,609,900 for the implementation of a cloud-based Enterprise Content Management System. **(Agenda Item 7-2)**

Authorized an increase of \$3,100,000 in change order authority for the contract to replace the overhead bridge cranes at the five Colorado River Aqueduct pumping plants. **(Agenda Item 7-3)**

(a) Awarded a \$1,244,935 contract to HP Communications Inc. to construct a new fiber optic cable line from Parker Dam to the Gene Pumping Plant, and (b) Authorized an increase of \$176,000 to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$451,000 for technical support during construction. **(Agenda Item 7-4)**

Authorized the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000 in 2024 and escalated annually through 2026. **(Agenda Item 7-5)**

Expressed support for the 2023 California Resilience Challenge and approve a financial sponsorship of \$50,000 to continue as a Resilience Leader. **(Agenda Item 7-6)**

Authorized an increase of \$200,000/year to a new amount not to exceed \$400,000/year for an existing agreement with WaterWise Consulting Inc. for the Large Landscape and Residential Survey Program. **(Agenda Item 7-7)**

Authorized an increase of \$350,000/year, to a new amount not to exceed \$850,000/year, for an existing agreement with WaterWise Consulting, Inc. to provide inspection services for turf removal, regional device rebates, and water savings incentive program projects for Metropolitan's conservation rebate programs. **(Agenda Item 7-8)**

Authorized the General Manager to authorize an extension of the 13 contracts to June 30, 2024. Authorized the General Manager to increase the contract amounts to \$449,000 for contracts 184359-04, 184454-02, 184470-04, and 184751-04. **(Agenda Item 7-9)**

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

Approved amendments to the Metropolitan Water District Administrative Code to conform to current law, practices, and regulations. **(Agenda Item 7-11)**

Approved amendments to Metropolitan Water District Administrative Code sections 6431 and 6453 to increase the authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 and the General Auditor to obtain professional services to an amount not to exceed \$100,000. **(Agenda Item 7-12)**

(a) Adopted a resolution providing financial assurance for the Colorado River Aqueduct Master Reclamation Plan and established the Metropolitan Reclamation Plan Trust Fund; and (b) Amended Sections 5200 and 5201 of the Metropolitan Water District Administrative Code to establish the Metropolitan Reclamation Plan Trust Fund. **(Agenda Item 7-13)**

Agenda Item 7-14 Deferred.

Authorized the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan. **(Agenda Item 7-15)**

OTHER BOARD ITEMS - ACTION

Awarded an \$18,840,000 contract to Steve P. Rados Inc. to construct a surge protection facility on the Inland Feeder near the Badlands Tunnel. This project is part of water supply reliability improvements in the Rialto Pipeline service area. **(Agenda Item 8-1)**

Adopted CEQA determination that the proposed action was previously addressed in the adopted 2003 Mitigated Negative Declaration; and awarded a \$16,055,500 contract to Northwest Pipe Company to furnish 12,500 feet of welded steel pipe to rehabilitate a portion of the Lakeview Pipeline. **(Agenda Item 8-2)**

Authorized the General Manager to enter into agreements with Coachella Valley Water District, Imperial Irrigation District, and San Diego County Water Authority to allow water to be added to Lake Mead under Reclamation's LC Conservation Program in 2023. **(Agenda Item 8-3)**

Authorized the General Counsel to opt out of the DuPont and 3M proposed settlements. **(Agenda Item 8-4) (Heard in Closed Session)**

Authorized an increase in maximum amount payable under contract for legal services with Internet Law Center, Ltd. in the amount of \$150,000 for a total amount not to exceed \$250,000; and authorize an increase in maximum amount payable under contract for legal services with Kronenberger Rosenfeld, LLP in the amount of \$100,000 for a total amount not to exceed \$250,000. **(Agenda Item 8-5)**

Authorized the General Manager to exercise discretion under Administrative Code Section 610(k) to enter into a reopener Memorandum of Understanding with AFSCME Local 1902. **(Agenda Item 8-6) (Heard in Closed Session)**

Concurred with the 2023 Long-Range Finance Plan Needs Assessment for planning purposes and to bring it back to the Board in January. **(Agenda Item 8-7)**

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

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Special Board of Directors - Final

December 5, 2023

8:30 AM

Tuesday, December 5, 2023 Meeting Schedule
08:30 a.m. Sp BOD

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmDsUWpKR1c2Zz09>

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

Teleconference Locations:

Gene Pumping Plant • 158000 MWD Road • Parker Dam, CA 92267

Alandale Insurance Agency • 337 W. Foothill Blvd • Glendora, CA 91740

3008 W. 82nd Place • Inglewood, CA 90305

2680 W. Segerstrom Avenue Unit I • Santa Ana, CA 92704

City of Fullerton City Hall • 303 W. Commonwealth Avenue • Fullerton, CA 92832

1005 South Cardiff Street • Anaheim, CA 92806-5024

1. Call to Order

- a. Pledge of Allegiance: Director Larry D. Dick, Municipal Water District of Orange County

2. Opening Remarks: Chairwoman Amelia Flores, Colorado River Indian Tribal Council

3. Roll Call

4. Determination of a Quorum

5. Opportunity for members of the public to address the Board limited to the items listed on agenda. (As required by Gov. Code §54954.3(a))

6. OTHER MATTERS AND REPORTS

- A. Report on Directors' Events Attended at Metropolitan's Expense [21-2849](#)
Attachments: [12052023 BOD 6A Report](#)
- B. Chair's Monthly Activity Report [21-2850](#)
Attachments: [12052023 BOD 6B Report](#)
- C. General Manager's summary of activities [21-2851](#)
- D. General Counsel's summary of activities [21-2852](#)
- E. General Auditor's summary of activities [21-2853](#)
- F. Ethics Officer's summary of activities [21-2854](#)

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

7. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approve Committee Assignments

8. CONSENT CALENDAR ITEMS - ACTION

- 7-1 Authorize the General Manager to enter into agreements with the U.S. Bureau of Reclamation, the Quechan Indian Tribe of the Fort Yuma Reservation, Bard Water District, and Palo Verde Irrigation District for system conservation projects under the U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program, and related forbearance and implementing agreements; and adopt CEQA determination that the environmental effects of the conservation efforts in Palo Verde Irrigation District are the subject of proposed actions that were previously addressed in various CEQA documents and related actions, and the General Manager has determined that the other proposed actions are exempt or otherwise not subject to CEQA [21-2840](#)
- 7-2 Award a \$250,974 contract to Access General Contracting, Inc. for improvements of the courtyard area located at the Metropolitan Headquarters Building; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-2841](#)

Attachments: [12052023 FAIRP 7-2 B-L](#)

- 7-3** Award a \$698,000 contract to B&K Valves & Equipment Inc. for procurement of five globe valves to be installed at four pressure control structures in the Orange County region of Metropolitan's distribution system; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-2842](#)

Attachments: [12052023 EOT 7-3 B-L](#)

- 7-4** Report on litigation in In re: Aqueous Film-Forming Foams Products Liability Litigation, Master Docket No.: 2:18-mn-2873-RMG, and proposed settlements in: (1) City of Camden, et al. v. 3M Company, Civil Action No.: 2:23-cv-03147-RMG; and (2) City of Camden, et al. v. E.I. DuPont De Nemours and Company (n/k/a EIDP, Inc.), et al., Civil Action No.: 2:23-cv-03230-RMG; authorize an increase in maximum amount payable under contract for legal services with Marten Law LLP in the amount of \$150,000 for a total amount not to exceed \$400,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel – existing litigation; may be heard in closed session pursuant to Government Code Section 54956.9(d)(1)] [21-2859](#)

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

9. BOARD INFORMATION ITEMS

- 9-1** Conservation Board Report [21-2843](#)

Attachments: [12052023 BOD 9-1 Report](#)

- 9-2** Capital Investment Plan Quarterly Report for Period Ending September 2023 [21-2846](#)

Attachments: [12052023 BOD 9-2 Report](#)

- 9-3** Update on Water Surplus and Drought Management [21-2847](#)

Attachments: [12052023 BOD 9-3 Report](#)

10. OTHER MATTERS

- 10-1** District Housing & Property Improvement Program Update [21-2845](#)

- 10-2** Discussion regarding the U.S. Bureau of Reclamation's development of post-2026 Colorado River reservoir operations guidelines and strategies for Lake Powell and Lake Mead. [Conference with legal counsel – anticipated litigation; based on existing facts and circumstances, including potential imposition of significant water use reductions in the Lower Basin under the regulatory authority of the U.S. Bureau of Reclamation could lead to litigation among the United States and one or more Colorado River water users; there is a significant exposure to litigation against Metropolitan: unknown number of potential cases; a portion to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)] [21-2844](#)

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item, e.g. (EOT). Board agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

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