#### 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 June 4, 2025, 8:30 a.m.

Teleconference Sites: 25652 Paseo De La Paz, San Juan Capistrano, CA 92675 17420 Walnut Street, Fountain Valley, CA 92708 2800 Keller #301, Tustin, CA 92782

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

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(669) 900 9128 fees may apply (877) 853 5247 Toll-free 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 Website, accessible at <u>http://www.mwdoc.com</u>.

#### **NEXT RESOLUTION NO. 2158**

## PRESENTATION/DISCUSSION ITEMS

## 1. LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (NRR)

- b. State Legislative Report (SDA)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)
- e. MWDOC Legislative Matrix
- f. MET Legislative Matrix

Recommendation: Review and discuss the information presented.

## 2. WHITTINGHAM PUBLIC AFFAIRS ADVISORS CONTRACT – HIGHLIGHTS FOR FISCAL YEAR 2024-25 AND OUTLOOK FOR 2025-26

Recommendation: Review and discuss the information presented.

#### 3. ACKERMAN CONSULTING CONTRACT - HIGHLIGHTS FOR FISCAL 2024-25 AND OUTLOOK FOR 2025-26

Recommendation: Review and discuss the information presented.

### 4. METROPOLITAN WATER SUPPLY UPDATE AND POTENTIAL SALE OF WATER OUTSIDE THE SERVICE AREA

Recommendation: Review and discuss the information presented.

### 5. 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.

## ACTION ITEM

## 6. APPOINTMENT OF MWDOC DISTRICT SECRETARY

Recommendation: Adopt Resolution appointing Angela Crespi as the District Secretary, effective June 4, 2025.

# 7. H.R. 2766 (FALLON, R-TX) – THE SPECIAL DISTRICT GRANT AND ACESSIBILITY ACT

Recommendation: Adopt a Support position on H.R. 2766 (Fallon, R-TX).

## **INFORMATION ITEMS**

- 8. 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.

## 9. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

Recommendation: Review and discuss the information presented.

#### ADJOURNMENT

Note: <u>Accommodations for the Disabled.</u> 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 accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodations.



**To:** Board of Directors, *Municipal Water District of Orange County* **From:** Natural Resource Results **RE:** Monthly Board Report – May 2025

## **Appropriations**

We are still awaiting the arrival of President Trump's FY26 budget request. It was originally expected in mid-May but now we are hearing mid-June. Even in the absence of a budget request, appropriators have set an ambitious timeline to complete the FY26 process, especially in the House. Subcommittee markups will begin next week, followed by full committee markups starting in late June, with a goal of passing all twelve bills through the House by the August recess.

Based on the limited detail provided by the Administration's FY26 "skinny budget," we know the Administration is proposing a significant cut to Reclamation and many of MWDOC's priority programs, such as WaterSMART, could get zeroed out in the budget. However, these proposed cuts will likely face some degree of bipartisan pushback in Congress.

## **Cabinet Nominations**

Andrea Travnicek, President Trump's nominee to be the Assistant Secretary of Water and Science, was approved by the Senate Energy and Natural Resources Committee on May 8<sup>th</sup> and received bipartisan support. Her nomination has not been taken up by the full Senate, but we expect that to occur in the coming weeks.

Still no news on a Commissioner for the Bureau of Reclamation.

Kate MacGregor was confirmed by the Senate on May 14<sup>th</sup> to be Deputy Secretary of the Department of Interior.

## **Budget Reconciliation**

On May 22<sup>nd</sup>, the House passed its version of "One Big, Beautiful Bill". Included in the bill was \$2 billion to increase storage capacity at existing Bureau of Reclamation owned surface storage facilities (this is intended to be for the Shasta raise). There is also \$500 million to increase conveyance capacity at Bureau of Reclamation owned canals and conveyance systems.

The bill now heads to the Senate where GOP Senators will make changes to it, including potentially cutting the storage and conveyance funding.



To:	MWDOC Workshop
From:	Syrus Devers
Date:	April 4th, 2025
Re:	State Legislative Report

## **Administrative Report**

Although the Legislative Report typically comes first in this report, the main event of the last few weeks is the Newsom administration releasing proposed budget trailer bill language in support of the Delta Conveyance Project as part of the May Revise. Proposed budget trailer bill language from the administration has a number of unique aspects–let's cover those first.

What is a Budget Trailer Bill (BTB)? BTBs are legislative vehicles like SB's and AB's, but they are supposed to serve one specific purpose, which is to impose controls on how budget allocations will be spent. The Governor can "blue pencil" (strikeout) items in the Budget Bill, but not control language in BTBs. BTBs do not have to meet policy committee or other deadlines, and are not required to be heard in policy committees at all. For that reason, they are very attractive vehicles to slip in controversial policy matters late in the process. Policy issues unrelated to controlling budget allocations are routinely put into BTBs, objections to sidestepping the policy committee process are routinely raised, and the objections are routinely ignored.

What does it mean to lobby in support of a budget trailer bill language? The administration can propose trailer bill language, but only the Legislature can put the language into a bill or into the budget. This means Newsom has to negotiate with legislative leaders to get his language adopted and passed, and that means he has to give legislators (mostly leadership) something they want in return. Lobbyists, including yours truly, are dispatched to generate support for the Governor's proposed language to lower the political cost of getting the language adopted. Ultimately, however, the Governor has to make it a priority or it will not matter what the lobbyists do.

What's in the Delta Conveyance Project BTB? The four main issues covered in the language intended to reduce delay: 1) allow the Department of Water Resources (DWR) to negotiate directly with landowners for necessary easements without going through the eminent domain process, 2) moot the litigation over the DWR's authority to issue bonds for the DCP, 3) streamline some permitting processes by eliminating issues related to time limits on DWR's water rights, and 4) limiting the remedies available to a court in response to legal challenges. On that last point, specifically, a court would not be able to order construction to halt in the face of a legal challenge.

That is the "what" and the "why" of the BTB. Reporting on the "how", which is the lobbying campaign in support and what we're against, would be better left to the oral presentation.

## **Legislative Report**

The dreaded Suspense File has come and gone, and the list of priority bills on the Bill Matrix is now a shadow of its former size. Before turning to the suspense file results, please recall what "2-year bill" means. A 2-year bill is dead for all practical purposes for the rest of this year. Depending on where the bill was held in the process, it will have a short window at the opening of the session next year to keep moving. The further a bill advanced before being stopped, the longer it has to move next year. Bills that were held in the first policy committee have a mere 30 days to move when session recovennes in 2026. (Almost never happens.) Bills held on suspense in the first fiscal committee have several more weeks to move next year before they are dead. (Happens sometimes.)

With that, here are the winners and losers from the priority bill list:

SB 601 (Allen): Oppose–This bill seeks to restore environmental protections to wetlands that are no longer protected under federal law following the U.S. Supreme Court ruling in 2023 in Sackett v. EPA. Prior to that case, a wetland could be protected under federal law even if there was no surface connection to a federally protected waterway, if damaging the wetland would impact the navigable waterway. The bill was **passed** off of suspense with a cryptic requirement to take an amendment to conform it to existing California law. This consultant is unable to explain what that means.

AB 514 (Petrie-Norris): Support–This bill would have enacted a definition of an emergency water supply. Although it is hard to see how this would impact general fund revenues, it was <u>held</u> on suspense nonetheless and is now a 2-year bill.

SB 496 (Hurtado): Support–This bill would clarify exemptions for Advanced Clean Fleet waiver requests, and provide a review process in the event of a denial. This bill was <u>held\_on</u> suspense and is now a 2-year bill.

SB 72 (Caballero): Support–This bill is a reintroduction of the "Solve the Water Crisis" bill from last year. Redubbed "Water for All", the bill seeks to modify the California Water Plan to include discrete water supply goals and a process to meet them. To no one's surprise since the author chairs the Appropriations Committee, this bill was **passed** off the suspense file.

Not all priority bills are on this list because not every bill goes to the Appropriation Committee. "Non fiscal" bills avoid the entire process.

# **ACKERMAN CONSULTING**

Item No. 1c

## **Legal and Regulatory**

June 4, 2025

- 1. **Snowmelt Hastens:** The National Integrated Drought Information System, recently released a report on the drought conditions for the West. They examined snow telemetry and snow water equivalent values in determining the snow melt estimates for the western states. They studied the Columbia River Basin, the Colorado River Basin, and the Rio Grande basins, which include the states of Arizona, California, Colorado, Idaho, Montana. Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. Snowfall in most of the regions has been about average. However, higher than normal temperatures and lack of follow-on rainfall are causing earlier than normal snow melt in practically all areas. As a result of these conditions, they are predicting that drought conditions are likely to persist in the majority of these basins. This brings with it enhanced fire risk for various parts of the West.
- 2. Yorba Linda WD Recognized: Yorba Linda Water District and the Orange County Water District have been recognized in a publication's newsletter. Governing's Daily newsletter have a feature story on PFAS efforts in Orange County. Yorba Linda has the largest PFAS treatment facility of its kind in the country. Their plant uses ion exchange to remove the PFAS and its effective rate is almost 100%. This process puts a negative charge on the PFAS matter, which is then separated by the positive charge in the beads which act as magnets to remove the PFAS. OCWD is recognized as being one of the leaders in PFAS treatment with the most aggressive treatment policy. They are also commended for the financial plan used to attack this problem.
- 3. **More Fluoride Ban:** Florida has now become the second state in the USA to ban fluoride in its water system. This measure prohibited local governments from adding fluoride and other additives to the water systems. Some local governments in Florida have voted to remove fluoride ahead of the Statewide ban. Many dental associations and public health advocates still claim that fluoride should be part of the water system. Other people believe that citizens should have a choice on what medication the government forces on them.
- 4. **Snow Temperatures:** MIT and others are studying the temperature of snow. Using experimental infrared devices, scientists are measuring the snow temperature from the top of the snow to the ground. They believe this will help water managers in determining the time and duration of snow melt. As we have seen in the articles above and prior articles, the predictions regarding snow melt is very important. Having better information as to when the snow will melt and at what rate can be critical in water management.
- 5. Cities Sinking: Studies in the 28 most populous cities in the United States have shown that all of them are sinking. Particular attention has been given to New York, Dallas, Seattle, Los Angeles, Las Vegas, San Francisco and Washington, DC. Groundwater depletion has been responsible for approximately 80% of the subsidence in these cities. Total impacted buildings are over 30,000 and approximately 34 million people. The most impacted city is Houston, which has over 40% of its area sinking at rates up to 1/5 of an inch per year. As is to be expected, the subsidence is not universal across an entire city, but is concentrated in certain areas. We are all aware of the

agricultural areas in California some of which have dropped nearly 30 feet. There are some places in Mexico City that are sinking at a rate of 20 inches over time. Roads and airports which cover long distances are also being impacted by this subsidence. New York's LaGuardia Airport is sinking 1/5 of an inch per year. This is also impacting levies around the US and in particular those on the East Coast. Attempting to recharge aquifers is one solution, but many of the areas have no solution.

- 6. Arrowhead Water Saga: The Arrowhead Water battle continues. There are currently three separate lawsuits going through the court system. A court has recently ruled in favor of Arrowhead and against California regulators who had ordered Arrowhead to stop using water. The court in this case stated that the State Water Resources Control Board went beyond the limits of its delegated authority. The other two cases involve the US Forest Service denial of a new permit to allow Arrowhead to continue. This case is continuing. The other case is by an environmental group who is suing the Forest Service to try and stop Arrowhead from taking water because of its negative environmental impact. You may recall that Arrowhead was formally owned by Blue Triton. Blue Triton has recently merged with Primo Water Corp to form a new company called Primo Brands Corp. It appears that private industry still thinks that Arrowhead Water has value.
- 7. SGMA Impacts: The Valley Ag Voice, a Central Valley agricultural publication, recently discussed a couple of aspects of the Sustainable Groundwater Management Act. The first article was based on research from CSU Water, a study involving 23 of the California State University campuses. They studied the participation of farmers in the Central Valley as far as awareness and effectiveness of the Act. While 90% of the farmers responding to the survey were aware of SGMA, approximately 1/3 thought they were poorly represented, 1/3 were neutral and 1/3 felt they were positively represented. The larger farmers with greater resources felt they were represented and more often than not had positive results. Smaller farmers felt left out of the process. 70% of the respondents felt that they would have a negative long term financial condition under the Act. The second article examined the value of farmland in the Central Valley. The overall result was a significant decline in the value of farmland property. This was caused by many factors including low commodity prices, high farming cost, high interest rates, SGMA, lender pressure, distressed sales, and bankruptcies. The type of crop a farmer grew was also a factor. Almonds, pistachios, and fruit seemed to do better than other products. Wine and table grapes took a significant hit.
- 8. Volcano Impact: The University of Auckland recently completed a study of the volcanic eruption in Tonga which occurred in 2022. The eruption occurred underwater and was a major event. The eruption had two major impacts. First, billions of tons of steam were put into the atmosphere in a single hour with the vapor reaching a height of 35 miles above the Earth. This had a result of cooling the southern hemisphere sphere and causing a range of other climate impacts which are still being discovered. The second impact was the release of sulfur dioxide into the ocean. This was the largest eruption occurring in our modern era. The long-term impacts of this eruption are still being studied by the University.
- 9. Lake Shasta Peaks: Lake Shasta was constructed in the 1940s and can hold approximately 4.5-million-acre feet of water. It is the largest California reservoir. During the drought years, its water level shrunk greatly and in 2022 the reservoir was at 40% of capacity. However, during the recent rainy years, Shasta has achieved full capacity. This

condition has not been hit in over 13 years. Our second largest reservoir, Lake Oroville, is also nearing capacity for the third year in a row.

- 10. **Moon Ice:** The University of Hawaii is providing new information regarding the ice status on the Moon. Water ice has previously been discovered in shaded regions of the Moon. The University has been using a Shadow Cam, which provides more precise identification and evaluation of this type of ice. This shadow Cam was recently placed in service on a Korean Lunar Pathfinder Orbiter. Certain areas on the moon are in permanent shadows, making it more difficult to evaluate. Another source of ice on the Moon is buried ice deposits near the Moon's poles. The University has been using natural occurring cosmic rays to study this type of ice. The ultra-high energy rays see into the moon. These radar waves bounce back off the ice and rock layers, which makes it easier to analyze.
- 11. **Himalayan Snow Low:** The Hindu Kush Himalayan range stretches from Afghanistan to Myanmar. It holds the largest amounts of ice and snow next to the Arctic and Antarctic in the world. It also holds the principal amount of water for nearly 2 billion people in the world. Presently, it is 24% below normal, which is its lowest condition in more than 23 years. This means there will be increased reliance on groundwater and increased drought risk in the future for that region.
- 12. **Salton Sea Wetlands:** The State is near completion of a \$200 million project which will create new wetlands along the shores of the Salton Sea. The intention is to control dust and provide additional habitat for birds and fish. This part of the plan will cover 4100 acres and the bulk of the construction has been completed. The state is proposing an additional \$245 million project to expand the total acreage to over 9000. This additional money will come from the federal government. The water for this project in Imperial County is coming from an adjacent supply called the East Pond. Time will tell if this project will reverse the severe decline of the Salton Sea and its environment.



Item No. 1d

June 4, 2025

TO:MWDOC Board of DirectorsFROM:Peter Whittingham

SUBJECT: June 2025 Report

A variety of noteworthy events occurred in the month of May - following is a few of the more interesting developments and issues of the month:

- Oliver Chi, who has served as Irvine's City Manager since 2021, will be leaving the City to become the new City Manager in the City of Santa Monica. Mr. Chi, who was the sixth City Manager in the city's history, has served previously as City Manager in the cities of Huntington Beach and Monrovia. He is currently scheduled to depart Irvine in mid-July.
- A majority of the Costa Mesa City Council voted to terminate the contract of City Manager Lori Ann Farrell Harrison, who had served in that capacity since 2019. In addition to Costa Mesa and Irvine, the cities of La Palma, Orange, and Placentia are also currently in the process of identifying and selecting a new City Manager.
- A motion by new Rancho Santa Margarita City Councilmember Keri Lyn Baert to investigate the costs and options related to livestreaming City Council meetings failed to receive a second at the Council's May 12 meeting. Rancho Santa Margarita and La Palma are the only two of the county's 34 cities that only offer audio of Council meetings. Five Orange County water districts do not currently provide video or audio livestream of their meetings – Moulton Niguel Water District, Mesa Water District, East Orange County Water District, Laguna Beach County Water District, and Emerald Bay Service District.
- Statistics released by the State Water Resources Control Board show Orange County water use in February of 2025 was up nearly 25 percent over the same month in 2023 and 2024. The increase in Orange County from an average of 61 gallons per day per resident to 75 gallons per day was consistent with increases in Los Angeles, San Bernardino, and Riverside Counties. The first four months of 2025 saw roughly half the rainfall of the two prior years, which fostered the increased outdoor water use.

- Former Irvine City Councilmember Tammy Kim pleaded not guilty to 11 criminal charges related to her residency during last November's mayoral election and the 5<sup>th</sup> District special election earlier this year. Prosecutors allege Kim perjured herself repeatedly by claiming she lived at multiple addresses in the city's fifth district while she was actually living elsewhere in the city. She is charged with three felony counts of perjury, three felony counts of filing false documents, and additional felonies, including aiding the illegal casting of votes, filing false nomination papers, and voter registration fraud.
- Global data analytics company J.D. Power awarded Irvine Ranch Water District with its top honor for Customer Satisfaction for the fourth consecutive year. Customers surveyed independently by J.D. Power rated IRWD the best midsize water utility in the Western United States. Nationwide, only eight water agencies earn that top honor, and IRWD received the highest customer reviews of any water agency in the nation.
- The City of Anaheim has received the first \$15 million payment from Disney for addressing affordable housing needs throughout the city. The payment, part of the \$100 million community benefits agreement associated with the DisneylandForward expansion project, will be matched by a similar payment in 2030.
- The City of Mission Viejo has paused development of the Los Osos Core project directly opposite the city's civic center. The City will conduct additional due diligence on the project, which includes a partnership with Santa Margarita Water District and its Oso Creek Water Reclamation Plant Improvement Project.

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

Sincerely,

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Peter Whittingham

## **MWDOC Workshop**

Prepared by SDA Government Relations April. 2025

#### A. High

#### AB 259 (Rubio, Blanca, D) Open meetings: local agencies: teleconferences.

Location: 05/14/2025 - Senate Local Government

**Summary:** The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would extend the alternative teleconferencing procedures until January 1, 2030. (Based on 04/21/2025 text)

Position: support Priority: A. High Notes: Support - March 5th Workshop

#### AB 523 (Irwin, D) Metropolitan water districts: proxy vote authorizations.

Location: 05/21/2025 - Senate Local Government

**Summary:** Under the Metropolitan Water District Act, the board of a metropolitan water district is required to consist of at least one representative from each member public agency, as prescribed. The act authorizes each member public agency to appoint additional representatives not exceeding one additional representative for each 5% of the assessed valuation of property taxable for district purposes within the entire district that is within the boundaries of that member public agency. This bill would, until January 1, 2030, authorize a representative of a member public agency that is entitled to designate or appoint only one representative to the board of directors to assign a proxy vote authorization to a representative of another member public agency to be exercised when the assigning representative is unable to attend a meeting or meetings of the board, as provided. The bill would require the proxy vote authorization to be memorialized by a written instrument, as specified. The bill would prohibit a proxy vote authorization from authorizing the assumption of the assigning representative's officer position at the designated meeting and would limit a proxy vote authorization's effectiveness to no more than 6 board meetings in a calendar year. (Based on 05/05/2025 text)

Position: B. Watch Priority: A. High

#### AB 532 (Ransom, D) Water rate assistance program.

Calendar: 05/27/25 #338 A-SECOND READING FILE -- ASSEMBLY BILLS Location: 05/23/2025 - Assembly SECOND READING

**Summary:** Current federal law, the Consolidated Appropriations Act, 2021, among other things, requires the federal Department of Health and Human Services to carry out a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program, which is also known as the Low Income Household Water Assistance Program, for making grants to states and Indian tribes to assist low-income

households that pay a high proportion of household income for drinking water and wastewater services, as provided. Current law requires the Department of Community Services and Development to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to the above-described federal law. The Low Income Household Water Assistance Program was only operative until March 31, 2024. This bill would repeal the above-described requirements related to the Low Income Household Water Assistance Program. (Based on 05/23/2025 text)

**Position:** B. Watch **Priority:** A. High

#### AB 580 (Wallis, R) Surface mining: Metropolitan Water District of Southern California.

#### Location: 05/23/2025 - Senate Rules

**Summary:** The Surface Mining and Reclamation Act of 1975 prohibits a person, with exceptions, from conducting surface mining operations unless, among other things, a permit is obtained from, a specified reclamation plan is submitted to and approved by, and financial assurances for reclamation have been approved by, the lead agency for the operation of the surface mining operation. Current law authorizes the Metropolitan Water District of Southern California (MWD) to prepare a master reclamation plan, as provided, that identifies each individual surface mining operation in specified counties and satisfies all reclamation plan requirements for each individual surface mining site. Current law requires the State Mining and Geology Board to act as the lead agency for surface mining operations conducted by the MWD and authorizes the board to conduct an inspection of an individual surface mining operation once every 2 calendar years during a period when that individual surface mining operation is idle or the site has no mineral production. Current law requires the MWD to be the lead agency for any environmental review of the master reclamation plan. Existing law repeals the provisions authorizing the preparation and approval of the master reclamation plan for the MWD on January 1, 2026. This bill would extend the operation of those provisions until January 1, 2051. (Based on 03/26/2025 text)

Position: support Priority: A. High Notes: Support - March 5th Workshop

#### SB 31 (McNerney, D) Water quality: recycled water.

#### Calendar: 05/27/25 #259 S-SENATE BILLS -THIRD READING FILE

Location: 05/23/2025 - Senate THIRD READING

**Summary:** The Water Recycling Law generally provides for the use of recycled water. Existing law requires any person who, without regard to intent or negligence, causes or permits an unauthorized discharge of 50,000 gallons or more of recycled water in or on any waters of the state to immediately notify the appropriate regional water board. This bill would, for the purposes of the above provision, redefine "recycled water" and provide that water discharge d from a decorative body of water during storm events is not to be considered an unauthorized discharge if recycled water was used to restore levels due to evaporation. (Based on 05/12/2025 text)

Position: B. Watch Priority: A. High Notes: Sponsored by WateReuse

#### <u>SB 72</u> (Caballero, D) The California Water Plan: long-term supply targets.

Calendar: 05/27/25 #274 S-SENATE BILLS -THIRD READING FILE

Location: 05/23/2025 - Senate THIRD READING

**Summary:** Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling,

desalination, conjunctive use, and water transfers, that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to expand the membership of the advisory committee to include, among others, tribes, labor, and environmental justice interests. The bill would require the department, as part of the 2033 update to the plan, to update the interim planning target for 2050, as provided. The bill would require the target to consider the identified and future water needs for all beneficial uses, including, but not limited to, urban uses, agricultural uses, tribal uses, and the environment, and ensure safe drinking water for all Californians, among other things. The bill would require the plan to include specified components, including a discussion of the estimated costs, benefits, and impacts of any project type or action that is recommended by the department within the plan that could help achieve the water supply targets. (Based on 04/10/2025 text)

Position: support Priority: A. High Notes: Support position taken on 2/5

#### SB 394 (Allen, D) Water theft: fire hydrants.

Calendar: 05/27/25 #160 S-SENATE BILLS -THIRD READING FILE Location: 04/22/2025 - Senate THIRD READING

**Summary:** Current law authorizes a utility to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts certain acts, including, diverting or causing to be diverted, utility services by any means whatsoever. Current law creates a rebuttable presumption that there is violation of these provisions if, on premises controlled by the customer or by the person using or receiving the direct benefit of utility service, certain actions occur, including that there is an instrument, apparatus, or device primarily designed to be used to obtain utility service without paying the full lawful charge for the utility. This bill would add to the list of acts for which a utility may bring a civil cause of action under these circumstances to include tampering with a fire hydrant, fire hydrant meter, or fire detector check, or diverting water, or causing water to be diverted, from a fire hydrant with knowledge of, or reason to believe, that the diversion or unauthorized connection existed at the time of use for nonfirefighting purposes or without authorization from the appropriate water system or fire department. (Based on 02/14/2025 text)

Position: support Priority: A. High Notes: Support - March 5th Workshop

#### <u>SB 601</u> (Allen, D) Water: waste discharge.

Calendar: 05/27/25 #78 S-SENATE BILLS - SECOND READING FILE

Location: 05/23/2025 - Senate SECOND READING

**Summary:** (1)Under existing law, the State Water Resources Control Board and the 9 California regional water quality control boards regulate water quality and prescribe waste discharge requirements in accordance with the Porter-Cologne Water Quality Control Act (act) and the National Pollutant Discharge Elimination System (NPDES) permit program. Under the act, the State Water Resources Control Board is authorized to adopt water quality control plans for waters for which quality standards are required by the federal Clean Water Act, as specified, and that in the event of a conflict, those plans supersede regional water quality control plans for the same waters. This bill would delete the limitation on the state board's authorization, and instead would authorize the state board to adopt water quality control plans for any waters of the state, which would include nexus waters, which the bill would define as all waters of the state that are not also navigable, except as specified. The bill would require any water quality standard applicable to nexus waters, which was submitted to, and approved by, or is awaiting approval by, the United States Environmental Protection Agency or the state board as of January 19, 2025, to remain in effect, except where the state board. The bill would require the state board and regional boards to include nexus waters in all processes pursuant to the federal Clean Water Act, including, but not limited to, the

California Integrated Report and the establishment of total maximum daily loads, as specified. (Based on 05/23/2025 text)

Position: oppose Priority: A. High Notes: Oppose adopted May 7th.

#### B. Watch

#### AB 93 (Papan, D) Water resources: demands: data centers.

Calendar: 05/27/25 #30 A-SECOND READING FILE -- ASSEMBLY BILLS

Location: 05/23/2025 - Assembly SECOND READING

**Summary:** Would require the Department of Water Resources and the State Energy Resources Conservation and Development Commission to develop guidelines and best practices, as specified, to maximize the use of natural resources to address the developing and emerging needs of technology in California that are consistent with urban water use objectives, as provided, and specified federal law. (Based on 05/05/2025 text)

Position: B. Watch Priority: B. Watch

#### <u>AB 367 (Bennett, D)</u> Water: County of Ventura: fire suppression.

Calendar: 05/27/25 #327 A-SECOND READING FILE -- ASSEMBLY BILLS

Location: 05/23/2025 - Assembly SECOND READING

**Summary:** Would, beginning July 1, 2027, require a water supplier that supplies water that is used for the suppression of fire in either a high or very high fire hazard severity zone to more than 20 total residential dwellings in those zones in the County of Ventura to have access to sufficient backup energy sources to operate critical wells and water pumps needed to supply water for at least 24 hours for the purpose of fire suppression in those zones, as provided. The bill would require the Ventura County Fire Department to annually inspect critical wells, water pumps, and generators, as specified. The bill would require a water supplier to take various actions, including notifying the Ventura County Office of Emergency Services within 3 business days of any reduction in its water delivery capacity that could hinder firefighting operations or significantly delay the replenishment of reservoirs. The bill would require, if any fire damages and makes uninhabitable more than 10 residential dwellings within the service area of a water supplier, a report be made by the Ventura County Fire Department in cooperation with the water supplier, as specified. By levying new requirements on the Ventura County Fire Department, this bill would create a state-mandated local program. (Based on 05/23/2025 text)

Position: B. Watch Priority: B. Watch

#### AB 615 (Davies, R) Power facilities: emergency response and action plans.

Calendar: 05/27/25 #495 A-CONSENT CALENDAR 2ND DAY-ASSEMBLY BILLS Location: 05/21/2025 - Assembly CONSENT CALENDAR

**Summary:** Current law requires an application to be filed with the State Energy Resources Conservation and Development Commission for certification of a site and related facility which includes an electric transmission line or thermal powerplant, or both. Current law requires the application to contain, among other things, safety and reliability information, including planned provisions for emergency operations and shutdowns, as specified. Current law authorizes a person proposing an energy storage system to file an application for certification with the commission in lieu of any permit, certificate, or similar document required by any state, local, or regional agency, or federal agency, as provided. This bill would require that those applications also contain emergency response and action plans, to be paid for by the applicant, that incorporate impacts to the surrounding areas in the event of an emergency and that would be conducted and coordinated with local emergency management agencies, unified program agencies, and

local first response agencies. The bill would require that applications for an energy storage system also contain emergency response and action plans to be paid for by the applicant. (Based on 05/05/2025 text)

Position: B. Watch Priority: B. Watch

#### <u>AB 794</u> (Gabriel, D) California Safe Drinking Water Act: emergency regulations.

Calendar: 05/27/25 #159 A-SECOND READING FILE -- ASSEMBLY BILLS Location: 05/23/2025 - Assembly SECOND READING

Summary: The California Safe Drinking Water Act (state act) requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The state board's duties include, but are not limited to, enforcing the federal Safe Drinking Water Act (federal act) and adopting and enforcing regulations. Current law authorizes the state board to adopt as an emergency regulation, a regulation that is not more stringent than, and is not materially different in substance and effect than, the requirements of a regulation promulgated under the federal act, with a specified exception. This bill would provide that the authority of the state board to adopt an emergency regulation pursuant to these provisions includes the authority to adopt requirements of a specified federal regulation that was in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent. The bill would prohibit an emergency regulation adopted pursuant to these provisions from implementing less stringent drinking water standards, as provided, and would authorize the regulation to include monitoring requirements that are more stringent than the requirements of the federal regulation. The bill would prohibit maximum contaminant levels and compliance dates for maximum contaminant levels adopted as part of an emergency regulation from being more stringent than the maximum contaminant levels and compliance dates of a regulation promulgated pursuant to the federal act. (Based on 04/10/2025 text)

Position: B. Watch Priority: B. Watch

#### AB 1146 (Papan, D) Water infrastructure: dams and reservoirs: water release: false pretenses.

Calendar: 05/27/25 #236 A-SECOND READING FILE -- ASSEMBLY BILLS

Location: 05/23/2025 - Assembly SECOND READING

**Summary:** Would prohibit the release of stored water from a reservoir in this state if the release is done under false pretenses, which the bill would define to mean a release of water from a reservoir in a manner that is knowingly, designedly, and intentionally under any false or fraudulent representation as to the purpose and intended use of the water. The bill would authorize the State Water Resources Control Board to issue an interim relief order, as specified, to a reservoir operator to prohibit the release of stored water in violation of the above-described prohibition. The bill would authorize the board to commence an interim relief proceeding on its own motion. The bill would make any person who violates these provisions civilly liable in an amount not to exceed \$10,000 for each day in which the violation occurs. The bill would also require these penalties to apply to the United States to the extent authorized under federal law, as specified. (Based on 05/01/2025 text)

Position: B. Watch Priority: B. Watch

#### <u>AB 1413 (Papan, D)</u> Sustainable Groundwater Management Act: groundwater adjudication.

Calendar: 05/27/25 #472 A-THIRD READING FILE - ASSEMBLY BILLS

Location: 05/15/2025 - Assembly THIRD READING

**Summary:** The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Current law requires the department to periodically review the groundwater sustainability plans developed by groundwater sustainability agencies pursuant to the act to evaluate whether a plan conforms with specified laws and is likely to achieve the sustainability goal for the basin covered by the plan. Existing law authorizes a groundwater sustainability agency that adopts a groundwater sustainability plan to file a court action to determine the validity of the plan no sooner than 180 days following the adoption of the

plan, as provided. This bill would instead authorize groundwater sustainability agencies to file those actions within 180 days following the adoption of the plan. (Based on 04/10/2025 text)

Position: B. Watch Priority: B. Watch

#### SB 224 (Hurtado, D) Department of Water Resources: water supply forecasting.

Calendar: 05/27/25 #22 S-SENATE BILLS - SECOND READING FILE Location: 05/23/2025 - Senate SECOND READING

Location: 05/23/2025 - Senate SECOND READING

Summary: Current law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop. Current law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan."This bill would require the department, on or before January 1, 2027, to adopt a new water supply forecasting model and procedures that better address the effects of climate change and implement a formal policy and procedures for documenting the department's operational plans and the department's rationale for its operating procedures, including the department's rationale for water releases from reservoirs. The bill would also require the department to establish, and publish on the department's internet website, the specific criteria that it will employ to determine when its updated water supply forecasting model has demonstrated sufficient predictive capability to be ready for use in each of the watersheds. The bill would require the department, on or before January 1, 2028, and annually thereafter, to prepare and submit to the Legislature a report on its progress toward implementing the new forecasting model and to post the report on the department's internet website. The bill would also require the department, on or before January 1, 2028, and annually thereafter, to prepare and submit to the Legislature a report that explains the rationale for the department's operating procedures specific to the previous water year. (Based on 05/23/2025 text)

**Position:** B. Watch **Priority:** B. Watch

#### SB 239 (Arreguín, D) Open meetings: teleconferencing: subsidiary body.

Calendar: 05/27/25 #194 S-SENATE BILLS -THIRD READING FILE

#### Location: 05/08/2025 - Senate THIRD READING

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified. Current law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions, as specified This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified. (Based on 04/07/2025 text)

Position: B. Watch Priority: B. Watch

#### SB 614 (Stern, D) Carbon dioxide transport.

Calendar: 05/27/25 #380 S-SENATE BILLS -THIRD READING FILE Location: 05/23/2025 - Senate THIRD READING

Summary: Under the Elder California Pipeline Safety Act of 1981, the State Fire Marshal exercises safety regulatory jurisdiction over intrastate pipelines used for the transportation of hazardous or highly volatile liquid substances. The act imposes various requirements in relation to the regulation of these intrastate pipelines. A person who willfully and knowingly violates the act or a regulation adopted pursuant to the act is, upon conviction, subject to a fine, imprisonment, or both a fine and imprisonment, as provided. This bill would expand the regulation of intrastate pipelines under the act to intrastate pipelines used for the transportation of carbon dioxide by revising the definition of "pipeline" for purposes of the act to also include intrastate pipelines used for the transportation of carbon dioxide. The bill would require the State Fire Marshal, by April 1, 2026, to adopt regulations to regulate the transportation of carbon dioxide by a pipeline, with safety standards that, at a minimum, meet the standards proposed by certain draft federal regulations proposed by the federal Pipeline and Hazardous Materials Safety Administration. The bill would require the regulations to require a project applicant to demonstrate that the transportation of carbon dioxide in a pipeline complies with certain state laws. The bill would require the regulations to require pipelines permitted to transport carbon dioxide to be newly constructed and not converted from existing pipelines. The bill would authorize the State Fire Marshal to require additional safety standards, as specified. The bill would authorize the State Fire Marshal to require an operator of a pipeline transporting carbon dioxide to cease operation of the pipeline if the operator is found to be in violation of the specified requirements or if continued pipeline operations present an immediate danger to the health, welfare, or the environment. Because a violation of the above provisions would be a crime, this bill would impose a state-mandated local program. (Based on 05/05/2025 text)

Position: B. Watch Priority: B. Watch

#### SB 742 (Pérez, D) Water systems and water districts.

Location: 02/21/2025 - Senate Rules

**Summary:** The California Water District Law provides for the establishment of water districts, and grants a district the power to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes. This bill would state the intent of the Legislature to enact subsequent legislation related to the regulation of water systems and water districts. (Based on 02/21/2025 text)

Position: B. Watch Priority: B. Watch

Total Measures: 18 Total Tracking Forms: 18

Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 259 B. Rubio (D – Baldwin Park)	Amended in Assembly Local Government Committee on 4/10/2025.	<b>Open meetings: local agencies: teleconferences.</b> This bill eliminates the sunset on provisions added to the Brown Act by AB 2449, a bill that provided additional flexibility with Brown Act meeting	<b>Support</b> Based on 2025 Legislative	By removing the sunset on the Brown Act provisions, AB 259 preserves flexibility for Metropolitan and Member Agency board members to meet remotely and continue providing the public with essential services.
Sponsors: California Special Districts Association, Three Valleys Municipal Water District	Assembly Floor	procedures in the event of a board member's physical absence in connection with a "just cause" or "emergency circumstances," allowing those members to participate in the meeting remotely consistent with the process detailed in the bill.	Policies and Principles.	-
AB 532 R. Ransom (D – Stockton) Sponsor: California Municipal Hrilities	Amended in Assembly Environmental Safety and Toxic Materials on 4/22/2025	Water rate assistance program This bill seeks to revamp the State's Low Income Household Water Assistance Program (LIHWAP), upon appropriation by the Legislature, to provide water rate assistance to ratenavers of water systems	Support Based on 2025 Legislative Policies and	This bill would provide clarity in existing law to ensure that water agencies are able to establish local LIRA programs without fear of legal consequences given the provisions of Proposition 218.
Association	Assembly Utilities and Energy Committee	with under 3,000 connections, or systems serving disadvantaged communities. The bill also would expressly allow urban retail water suppliers to establish a local low-income rate assistance (LIRA) program using voluntary contributions or other non- ratepayer funds.	Principles.	The bill would also establish a path to revamp the LIHWAP program to ensure statewide resources are provided for small and disadvantaged communities.

Metropolitan Water District of Southern California State Legislative Matrix: First Year of Legislative Session May 12, 2025
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Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
AB 580 G. Wallis (R – Bermuda Dunes) Sponsor: Metropolitan Water District of Southern California	Amended in Assembly Natural Resources Committee on 3/24/2025. Assembly Appropriations	Surface Mining: Metropolitan Water District of Southern California This bill extends the sunset date until January 1, 2051 on Metropolitan's ability to operate under a single Master Reclamation Plan for repairs using earth- moving activities under the Surface Mining and Reclamation Act for the maintenance of the Colorado River Aqueduct (CRA).	<b>Sponsor</b> Based on December 2024 Board Action.	Ensuring Metropolitan can continue operating under a single Master Reclamation Plan will maintain environmental oversight without delays and prevent duplicative compliance.
AB 794 J. Gabriel (D – Encino) Sponsors: Clean Water Action, Environmental Working Group	Amended in Assembly Environmental Safety and Toxic Materials Committee on 4/10/2025. Assembly Suspense File	<b>California Safe Drinking Water Act: emergency regulations</b> This bill would authorize the State Water Resources Control Board (SWRCB) to adopt an emergency regulation for water quality based on federal regulations in effect on January 19, 2025, regardless of whether the requirements were repealed or amended to be less stringent. The bill would prohibit an emergency regulation adopted pursuant to these provisions from implementing less stringent drinking water standards, as provided, and would authorize the regulation to include requirements that are more stringent than the requirements of the federal regulation. The bill would require, on or before January 1, 2026, the SWRCB to adopt an emergency regulation and to initiate a primary drinking water standard for perfluoroalkyl and polyfluoroalkyl substances (PFAS).	<b>Oppose unless</b> <b>Amended</b> Based on 2025 Legislative Policies and Principles.	While AB 794 aims to protect public health, its approach circumvents the established regulatory process for setting Maximum Contaminant Levels (MCLs). Metropolitan's Legislative Priorities and Principles call for using the best available science to protect public health and improve water quality when setting MCLs. The broad scope of this bill, which would allow the SWRCB to set through emergency action primary and secondary MCLs for any chemical with a federal MCL, sets a dangerous precedent and fails to align with well- established regulatory principles.

		-		
Bill Number and Amen Author and L	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
	Amended in	Water infrastructure: dams and reservoirs:	Oppose	This bill would create uncertainty for both
an (D – San	Assembly Water,	water release: false pretenses		Metropolitan and the Member Agencies that own
Mateo) Parks, and	, and		Based on 2025	and operate reservoirs. The releases are often
Wildlife	ife	This bill adds language to the Water Code	Legislative	based on water supply needs, operational
Comn	Committee on	prohibiting the release of stored water from a	<b>Policies and</b>	flexibility, and constraints, as well as scheduled
3/17/2025.	2025.	reservoir in California if the release is done under	Principles.	and emergency maintenance and/or inspection.
		false pretenses and would authorize the State Water		
Assen	Assembly Water,	Resources Control Board to issue an interim relief		The bill's definition of "false pretenses" is unclear
Parks, and	, and	order to prohibit such release of stored water. This		and does not specify what would qualify as "false
Wildlife	ife	bill would define "false pretenses" as a release of		or fraudulent representation," nor does it indicate
Committee	nittee	water from a reservoir in a manner that is knowingly		how intent would be determined. Therefore, this
		and designedly under a false or fraudulent		definition would make it difficult to understand
		representation or assumption as to the purpose and		when a reservoir release could result in an
		intended use of the water.		interim relief order.
SB 31 Amen	Amended in	Water quality: recycled water	Support	Supporting the use of recycled water in non-
J. McNerney Senate	e			potable applications such as irrigation, decorative
(D – Stockton) Envire	Environmental	SB 31 aims to enhance California's water		water features, and industrial processes reduces
Qualit	Quality Committee	sustainability by increasing the use of recycled	Based on 2025	the demand for potable water while enhancing
Sponsor: on 4/2	on 4/21/2025.	water in non-potable applications. This bill	Legislative	drought resilience.
WateReuse		modernizes outdated regulations and expands the	<b>Policies and</b>	
California		permissible uses of recycled water to reduce	Principles.	
Senate	e	dependence on potable sources. The bill would		
Envire	Environmental	make updates to Title 22 of the Code of Regulations		
Qualit	Quality Committee	to expand the use of recycled water in parks,		
		schools, and food handling and processing facilities.		

Metropolitan Water District of Southern California State Legislative Matrix: First Year of Legislative Session

		State Legislative Matrix: First Year of Legislative Session May 12, 2025	egislative Sessio	u
	-		-	
Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
SB 72 A. Caballero (D – Merced)	Amended in Senate Appropriations	The California Water Plan: long-term supply targets	Support	The intent of this bill is to help modernize California's water management practices and provide long-term reliable supplies in response to
Sponsor:	Committee on 4/10/2025.	This measure would revise the California Water Plan to require the Department of Water Resources	Based on 2025 Legislative	the current climate challenges.
California Municipal Utilities		(DWR) to update the California Water Plan by December 31, 2028, and every five years after, to	Policies and Principles.	Metropolitan supported a similar version of this bill in 2024, SB 366 (Caballero), which passed
Association	Senate Suspense File	include a long-term water supply target for 2050 and discussion on the development of specified water supply sources to meet demand.		the Legislature and was vetoed by the Governor.
SB 394 B. Allen	Introduced	Water theft: fire hydrants	Support	Metropolitan Member Agencies and subagencies that provide local water services could adopt
(D – Santa Monica)	Senate Floor	SB 394 would allow a local agency that provides water service the ability to increase fines and	Based on 2025	ordinances with enhanced penalties for water theft from a fire hydrant.
<b>Sponsor:</b> Las Virgenes		penalues for water then from fire hydrants. The build also adds tampering with a fire hydrant, fire hydrant meter, or fire detector check, or the unauthorized	Legislative Policies and Principles.	
Municipal Water District		diversion of water from a fire hydrant to the list of acts for which a utility may bring a civil cause of action.	4	

Metropolitan Water District of Southern California

		State Legislative Matrix: First Year of Legislative Session May 12, 2025	egislative Sessio	u
Bill Number and Author	Amended Date and Location	Title – Summary	Metropolitan Position	Effects on Metropolitan
SB 454 J. McNerney (D = Stockton)	Amended in Senate Fuvironmental	State Water Resources Control Board: PFAS Mitigation Program	Support	The proposed bill would be highly beneficial to Metropolitan, its Member Agencies, and other water and wastewater agencies currently
Sponsor:	Quality Committee on 4/8/2025.	SB 454 would establish a PFAS Mitigation Fund to address PFAS contamination in California's drinking	Based on 2025 Legislative	grappling with increased PFAS-related regulations and source contamination issues. By
Association of California Water		water and wastewater systems. Administered by the SWRCB, the fund will provide financial support	Principles.	allowing for grants, loans, and contracts unrougn the PFAS Mitigation Fund, and the provision of
Agencies	Senate Suspense File	through grants, loans, and contracts to water suppliers and wastewater operators to cover or reduce treatment and disposal costs, ensuring safe and clean water across the state with a focus on disadvantaged communities.		assistance services, the bill provides much-needed financial relief and assistance to support treatment and mitigation efforts.
SB 601 B. Allen	Amended in Senate	Water: waste discharge	Oppose	Currently, AB 601 poses risks to Metropolitan and its member agencies by: adopting EPA's
(D - Santa)	Environmental	The intent of this bill is to restore Clean Water Act		drinking water standards for PFAS/PFOS,
монса	Quanty Commuted on $4/21/2025$ .	protections in California that were removed per the U.S. Supreme Court's 2023 Sackett v.	Legislative	bypassing the state rulemaking process; increasing costs of waste discharge requirements
Sponsors: California		Environmental Protection Agency (EPA) decision. However, the bill goes beyond restoring statute and	Policies and Principles.	(WDRs) permits for discharges of water when dewatering or operating water supply
Coastkeeper Alliance,	Senate Judiciary Committee	includes several provisions that expand regulatory requirements without the benefit of scientific	I	infrastructure, potentially requiring all such water to be recycled regardless of cost to comply;
Defenders of Wildlife		analysis.		exposing Metropolitan and its Member Agencies to citizen suits in state court, and, for certain
				nexus waters, both state and federal court; and creating uncertainty in discharge permitting as the
				bin a subjection provisions and implications are likely to be litigated.

Metropolitan Water District of Southern California



#### DISCUSSION ITEM June 4, 2025

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Heather Baez, Director of Governmental Affairs

SUBJECT: WHITTINGHAM PUBLIC AFFAIRS ADVISORS CONTRACT – HIGHLIGHTS FOR FISCAL YEAR 2024-25 AND OUTLOOK FOR 2025-26

#### STAFF RECOMMENDATION

It is recommended that the Board of Directors review and discuss the information presented.

#### **COMMITTEE RECOMMENDATION**

Committee recommends (To be determined at Committee Meeting)

#### SUMMARY

In March 2023, MWDOC retained the services of Whittingham Public Affairs Advisors to provide assistance related to local issues and opportunities for engagement, including, but not limited to, the Board of Supervisors, city councils, member agencies, and regional interest groups. This replaced the county advocacy contract that MWDOC previously had with John Lewis, which expired at the end of 2021, with added emphasis on LAFCO-related work.

In March 2025, the Focused Municipal Service Review and Sphere of Influence Update for the Orange County Water District (OCWD), along with a Feasibility Analysis of the Potential Consolidation of the Orange OCWD and MWDOC, was received and filed by the OC LAFCO Commission. This will result in a lighter workload; therefore, a change in the Scope of Services for Fiscal Year 2025-26.

Peter Whittingham of Whittingham Public Affairs Advisors will provide an overview and highlight some key aspects of his work on behalf of the District in Fiscal Year 2024-25, as well as his proposed Scope of Services for the upcoming year, Fiscal Year 2025-26.

Budgeted: ⊠ Yes □ No	Budgeted amount:		Core: 🖂	Choice: 🗆
Action item amount: n/a	l	Movement between fu	ınds: 🗆 Yes	⊠ No

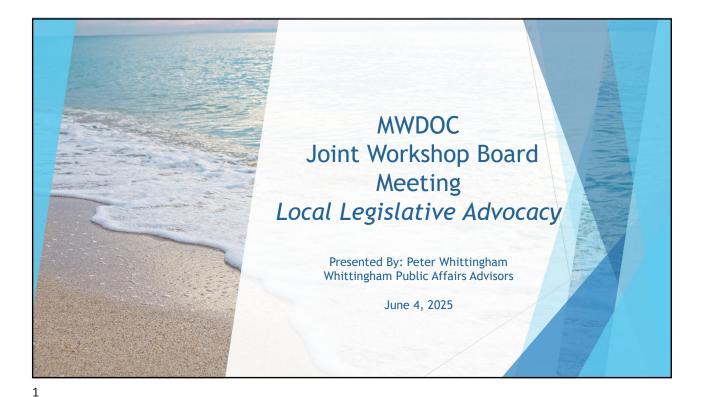
This item is for the purpose of discussion only. The contract will be considered at the Administration and Finance Committee on June 11, 2025.

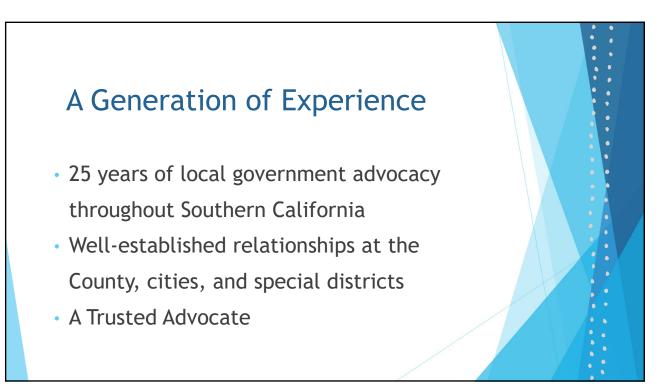
#### ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

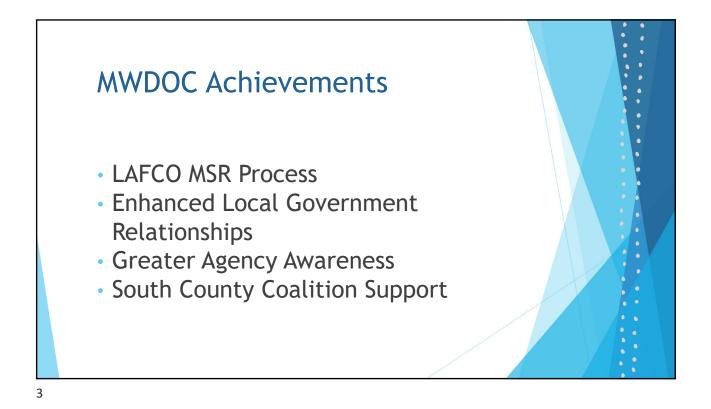
- Clarifying MWDOC's mission and role; defining functions and actions.
- Balance support for Metropolitan's regional
   mission and Orange County values and interests.
- Strengthen communications and coordination of messaging.
- □ Work with member agencies to develop water supply and demand objectives.
- Solicit input and feedback from member agencies.
- ☐ Invest in workforce development and succession planning.

#### List of Attachments/Links:

Attachment 1: Whittingham Public Affairs Advisors Presentation











#### DISCUSSION ITEM June 4, 2025

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Heather Baez, Director of Governmental Affairs

SUBJECT: ACKERMAN CONSULTING CONTRACT – HIGHLIGHTS FOR FISCAL YEAR 2024-25 AND OUTLOOK FOR 2025-26

#### STAFF RECOMMENDATION

It is recommended that the Board of Directors review and discuss the information presented.

#### COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

#### SUMMARY

Ackerman Consulting has provided legal and regulatory consulting services to the Municipal Water District of Orange County (MWDOC) since 2009. This contract was issued for a competitive bid in 2018 for a one-year term, commencing in Fiscal Year (FY) 2018-19, with the option to renew annually for four additional years. At that time, we received only one other proposal. Although the bidder was fully qualified in the legal and regulatory fields, the review committee agreed that this other proposal was more extensive in scope and cost than MWDOC required.

Due to the nature of the services provided by Mr. Ackerman, particularly in the legal and regulatory fields, his extensive contacts and relationships in Orange County and with the MWDOC member agencies, as well as other intangibles, the Board approved a two-year sole-source contract with Ackerman Consulting in 2023.

Dick Ackerman of Ackerman Consulting will provide an overview and highlight some key aspects of his work on behalf of the District in FY 2024-25, as well as his proposed Scope of Services for FY 2024-25.

Budgeted: ⊠ Yes □ No	Budgeted amount:		Core: 🛛	Choice: 🗆
Action item amount: n/a		Movement between fu	ınds: 🗆 Yes	⊠ No

This item is for the purposes of discussion only. The contract will be considered at the Administration and Finance Committee on June 11, 2025.

#### ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWDOC's mission and role; defining functions and actions.
- Balance support for Metropolitan's regional mission and Orange County values and interests.
- Strengthen communications and coordination of messaging.
- □ Work with member agencies to develop water supply and demand objectives.
- Solicit input and feedback from member agencies.
- ☐ Invest in workforce development and succession planning.

#### List of Attachments/Links:

Attachment: N/A



#### DISCUSSION ITEM June 4, 2025

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Alex Heide, Senior Water Resources Analyst

SUBJECT: METROPOLITAN WATER SUPPLY UPDATE AND POTENTIAL SALE OF WATER OUTSIDE THE SERVICE AREA

#### STAFF RECOMMENDATION

It is recommended that the Board of Directors review and discuss the information presented.

#### COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

#### SUMMARY

On February 11, 2025, the Metropolitan Board authorized the General Manager to execute transfers, exchanges, and other State Water Project (SWP) management transactions for the years 2025 and 2026. The terms outlined in the attached Metropolitan Board Letter included single-year transactions priced to recover the water supply rate element.

With the SWP Allocation currently at 50%, Metropolitan anticipates adding to, or spilling, stored supplies accessible by the SWP-dependent areas. Metropolitan is exploring the potential for 2025 Water Sales Outside its Service Area. Metropolitan staff continues to monitor, evaluate, and report on the efficacy and impact of this program as it progresses.

The following potential transactions are under development with pricing sensitive to quantity and SWP allocation. Water sales agreements are drafted with:

- Semitropic Water Storage District; and
- Westside Districts.

Budgeted: □ Yes ⊠ No	Budgeted amount:		Core: 🖂	Choice: 🗆
Action item amount: n/a		Movement between fu	ınds: 🗆 Yes	⊠ No

MWDOC invited Brandon Goshi, Metropolitan Water Resources Management Group Manager, to give a presentation on the current water supply outlook and an overview of the potential for 2025 water sales outside the service area.

### ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWDOC's mission and role; defining functions and actions.
- Balance support for Metropolitan's regional mission and Orange County values and interests.
- Strengthen communications and coordination of messaging.
- □ Work with member agencies to develop water supply and demand objectives.
- Solicit input and feedback from member agencies.
- □ Invest in workforce development and succession planning.

#### List of Attachments/Links:

# **Attachment 1:** Metropolitan Board Action 8-1, 2/11/2025: Authorize the General Manager to execute transfers, exchanges, and other State Water Project management transactions during 2025 and 2026



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

# **Board** Action

# Board of Directors One Water and Stewardship Committee

#### 2/11/2025 Board Meeting

## 8-1

## Subject

Authorize the General Manager to execute transfers, exchanges, and other State Water Project management transactions during 2025 and 2026; grant final decision-making authority to the General Manager subject to the terms set forth in this letter; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## **Executive Summary**

Staff seeks authorization for the General Manager to execute transfers, exchanges, and other State Water Project (SWP) water management transactions that will protect long-term water supply reliability while offering the opportunity to achieve Metropolitan's financial objectives for the current budget cycle. Staff have identified the potential to sell water supply in excess of currently stored water over calendar years 2025 and 2026 to other contractors, their members, and landowners that can receive transferred water from the SWP. It is estimated that SWP sales will help generate the estimated \$120 million target for new revenues identified in the Metropolitan budget and rates adopted in April 2024. On the other hand, if hydrologic conditions in calendar year 2026 turn out to be dry, thus increasing the need for additional supplies, staff have identified the potential need to purchase up to 100,000 acre-feet at a cost of up to \$50 million from sellers that can convey water via the SWP. These purchases would be used to help manage potential shortage conditions.

Staff presented information letters on this subject to the One Water and Stewardship Committee in January 2025 and December 2024 and received board feedback on the proposal to sell SWP supplies outside of the service area. Key areas of discussion included the need to ensure Metropolitan's water supply reliability and the potential to achieve current budget objectives. **Attachment 1** details staff responses to board feedback and questions received at these two meetings. Based on this feedback, staff proposes to limit outside water sales transactions only to conditions that maintain or enhance Metropolitan's water supply outlook and financial reliability. Currently, Metropolitan is in a unique position to generate new revenue from outside water sales because of record-high storage conditions at the end of 2024. Staff recommends potential single-year water sales over the next two years as long as SWP allocations are sufficient to allow Metropolitan to maintain or add to current record-high storage reserves. If hydrologic conditions do not support sufficient SWP allocations during 2025 and 2026, and Metropolitan is no longer able to maintain or add to current record storage levels, then staff will not pursue the SWP water sales. Board authorization for the General Manager to execute transfers, exchanges, and other SWP management transactions over the next two calendar years will provide Metropolitan with the flexibility to nimbly make water transactions relative to changing hydrologic, water market, and financial conditions.

## Proposed Action(s)/Recommendation(s) and Options

#### **Staff Recommendation: Option #1**

#### **Option #1**

Authorize the General Manager to execute transfers, exchanges, and other State Water Project management transactions during 2025 and 2026 and grant final decision-making authority to the General Manager subject to the terms set forth in this letter.

**Fiscal Impact:** Revenue of up to \$120 million through sale of SWP water or cost of up to \$50 million for water purchases in 2026 to be conveyed via the SWP.

**Business Analysis:** Sale and exchange of potential surplus SWP supply will help generate the new revenue assumed in the budget adopted by the Board in April 2024. Obtaining transfer supplies and implementing water exchanges will improve future regional water supply reliability and help mitigate impacts should dry conditions prevail.

#### **Option #2**

Do not authorize the General Manager to enter into transfers, exchanges, and other State Water Project water management agreements during 2025 and 2026.

**Fiscal Impact:** Decreased likelihood of meeting new revenue targets in FY 25/26 budget and rates. **Business Analysis:** Not authorizing the water transfers and exchanges with various water districts could result in a lost opportunity to generate new revenue or to secure additional water supplies in 2025 and 2026.

#### **Alternatives Considered**

Not applicable

## **Applicable Policy**

By Minute item 52273, dated February 9, 2021, the Board reviewed and considered the Department of Water Resources' certified Final Environmental Impact Report, took related California Environmental Quality Act (CEQA) actions and approved the State Water Project Contract Amendment for Water Management.

By Minute item 20984, dated November 1, 1960, the Board adopted Resolution 5838 and approved execution of the State Water Project Contract with the Department of Water Resources (DWR).

Metropolitan Water District Administrative Code Section 4200: Water Availability

Metropolitan Water District Administrative Code Section 4203: Water Transfer Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Act Section 132: Sale of Surplus Water

## California Environmental Quality Act (CEQA)

#### **CEQA determination for Option #1:**

The proposed action is not defined as a project under CEQA because it involves the tentative approval of and funding for water transfers, exchanges, and other SWP management transactions in 2025 and 2026 but does not involve a commitment to any specific actions at this time that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Prior to final authorization of any water transactions by the General Manager, CEQA documentation will be prepared by the Lead Agency and reviewed and processed in accordance with CEQA and the State CEQA Guidelines.

#### **CEQA determination for Option #2:**

None required

## **Details and Background**

#### Background

Staff brought information letters to the Board in December 2024 and January 2025 on developing new SWP water management actions that generate new revenue via the sale of surplus supply and also potential actions that reduce the risk of future water supply shortages via water purchases. Historically, staff has come to the Board annually and on a case-by-case basis for authorizations to buy additional supply.

Staff is seeking additional authority to sell SWP water to other contractors and parties that can receive transfers of SWP water for the first time. This flexibility is primarily afforded by the Water Management Amendment to the SWP contract, approved by the Board in February 2021. Sale of Metropolitan's SWP supply is consistent with Metropolitan Water District Act Section 132 that allows for the sale of surplus water not needed for domestic or municipal use within the district. Administrative Code Section 4200 requires that the sale of water outside of Metropolitan's service area be approved by the Board. Sale of Metropolitan's SWP supply within the next two calendar years could help contribute to the estimated \$120 million in unrealized annual revenue assumed in the budget and rates adopted by the Board in April 2024.

The following discussion describes the type of transactions that staff is contemplating to pursue to meet revenue and water supply goals, possible transaction parameters, key considerations, and potential partners.

#### **Potential Transactions under Surplus Conditions**

Metropolitan can pursue several types of transactions to generate revenue, including non-permanent Table A transfers to other SWP contractors, transfers of SWP carryover supply, and transfers of previously stored SWP supply in banking programs outside of the service area. The 2021 water management amendment provides that buyers and sellers can determine the cost compensation for these types of transfers. SWP contractors can also execute balanced or unbalanced water exchanges with cost compensation determined by the buyer and seller, and DWR views these exchanges as "Transfer Packages." An example of a potential unbalanced exchange Metropolitan would consider under surplus conditions would be transfer of Metropolitan surplus SWP supply in exchange for the future return of lesser supply, with potential cost compensation to reflect the dry-year value of water. DWR also procures annual Change in Place of Use permitting that can enable additional parties to participate in transfer transactions.

#### **Pricing for Water Sales**

The potential pricing for single-year SWP sales would be dependent on hydrologic conditions, time of year, and overall supply versus demand. In general, demand and price tends to increase in drier years and decrease in wetter years. In this past year, there were relatively few buyers and several potential sellers with above-average supplies coming off a wet 2023, and the price of Table A sales generally went down as the year progressed. Pricing in 2024 ranged from approximately \$250 to \$600 per acre-foot. In a wet year like 2023, there were sales at approximately \$100 to \$200 per acre-foot; and in a dry year like 2022, there were sales ranging from approximately \$500 to \$2,000 per acre-foot. Staff recommends that the price for Metropolitan SWP supply sales to other parties be an amount greater than the Supply Rate element charged for water sales to Metropolitan member agencies (approximately \$300 per acre-foot in 2024). Charging a price greater than the Supply Rate element will ensure the recovery of Metropolitan's overall supply cost per acre-foot and ensure that Metropolitan's member agencies have access to supply for a lower amount than outside agencies.

#### Protection of Water Supply Reliability

Staff is not proposing to sell water in conditions that may lead to future challenges in meeting reliability for its member agencies. Thus, Metropolitan's willingness to sell water in 2025 or 2026 would be constrained by the need to maintain water supply reliability, in particular for the SWP dependent area. Staff proposes water sales outside of the service area only if projected SWP allocations are high enough that current high storage levels are maintained and that additional puts to storage may be made. In 2025, under projected Colorado River supplies and current trend demands, balanced conditions are estimated to occur at a SWP allocation of approximately 30 percent. Therefore, water sales outside of the service area would not be pursued in 2025 unless the allocation is

at or above approximately 30 percent. In 2026, staff is proposing water sales only if Metropolitan is able to maintain current high levels of storage, and that year's supply and demand balance requires additional puts to storage. Staff recommends that the Board authorize the General Manager to sell surplus SWP supply over the next two calendar years in the event of wet conditions on the SWP to help generate revenue and minimize unmanaged SWP supplies.

#### **Potential Partners**

Potential buyers of Metropolitan SWP supply under the water management amendment are other SWP contractors, their members, or landowners. Potential sale of water to a non-SWP contractor (e.g., Central Valley Project contractor) could also occur to the extent that DWR petition the State Water Resources Control Board to allow a transfer of SWP water outside of the SWP place of use. Staff intends to identify potential partners for water sales within the SWP place of use and with partners whose place of use is compliant and consistent with State Water Resources Control Board petitions. The regulatory challenges for exchanging SWP water with CVP contractors are less onerous and managed via annual petitions to the SWRCB for consolidation of the SWP and CVP place of use. As such, staff will evaluate and potentially pursue mutually beneficial exchanges with both SWP and CVP contractors and their member agencies or landowners.

#### **Potential Transactions under Shortage Conditions**

2025 is not projected to be severely dry, and staff will not be pursuing water purchases to augment water supplies. However, if 2026 is dry, staff anticipates a potential need to purchase water transfer supplies in addition to those already approved for purchase by the Board. The Board has already authorized the potential purchase of surface water transfer supplies under the Yuba Accord through 2025, and the potential purchase of water transfer supplies from Western Canal Water District and Richvale Irrigation District through 2027. Staff requests authority to purchase single-year water transfers if needed from other sellers north and south of the Delta, including other SWP contractors as allowed under the water management amendment. Under shortage conditions, Metropolitan may also consider unbalanced water exchanges to secure dry-year supply in exchange for the obligation to return greater quantities in wetter years, with potential cost compensation to reflect the dry-year value of water. A broad portfolio of water transfer options will help Metropolitan meet its future water supply needs in the most cost-effective manner.

The quantity of water that Metropolitan would purchase under shortage conditions in 2026 would be dependent on the overall supply and demand balance, price, and whether Metropolitan purchases water from other sellers such as Yuba Water Agency, Western Canal Water District, and Richvale Irrigation District. To provide the flexibility to supplement these existing water purchase programs, staff recommends that the Board authorize the General Manager to buy up to 100,000 acre-feet of additional supply from willing sellers in 2026, if needed.

Potential partners for the purchase of water by Metropolitan include public water agencies, private water utilities and companies, water rights holders, and state and federal agencies located north or south of the Delta that can move water via SWP facilities.

#### Administrative Requirements for Potential Transactions

For any potential SWP water sale, Metropolitan would need to enter into at least two agreements, one with the purchasing entity covering the terms of the transaction, and another with DWR, Metropolitan, and the partner contractor (may also be the purchasing entity). For any transaction under the water management amendment, DWR will require compliance with transparency requirements enumerated in Article 57(g) of the SWP contract, including that Metropolitan provide relevant terms to all other contractors via the State Water Contractors organization. DWR will require CEQA documentation to process each transfer and exchange agreement requested by Metropolitan.

Purchase of SWP water from other entities will also likely require at least two agreements, one with the seller and another with DWR to convey the transfer supply. No commitment to any given transfer would be made by the General Manager unless and until all applicable CEQA requirements have been met.

### Feedback and Questions Received from the Board

Staff received feedback and questions from the Board during the discussions pertaining to the two Information Letters delivered in December 2024 and January 2025. The following is a categorized listing of the feedback and questions. **Attachment 1** contains the questions and detailed responses.

#### Legal Questions and Comments:

- 1. Request for written legal analysis regarding the applicability of MWD Act Section 131.
- 2. Are any changes to the MWD Act or MWD Administrative Code necessary?
- 3. Metropolitan should not sell water that will be wasted.
- 4. Metropolitan should sell its Colorado River water to users in other states.

#### Price / Finance Questions and Comments:

- 5. Request that member agencies be able to purchase water at the same price offered to outside agencies.
- 6. Metropolitan's costs need to be covered.
- 7. Recovery of a price equal to only the budgeted supply rate for member agencies is too low. How do we maximize the value for Metropolitan?
- 8. Does the budgeted water supply rate cover our transportation costs, even if we don't transport the water?
- 9. Are we potentially selling low and buying high?
- 10. How would water sales impact long-term reliability and investments in DCP, Sites, and Pure Water?
- 11. Where are we with respect to water sales versus budget?

#### **Approach Questions and Comments:**

- 12. The Board should approve individual transactions and hold special meetings to approve individual transactions if needed.
- 13. The general public needs to know that Metropolitan is not taking chances with the future reliability of the region. The public may not understand the current status of storage conditions.
- 14. There seems to be a new threshold for dry-year storage reliability four years instead of three. The Climate Adaptation Master Plan for Water planning process has not yet addressed these risk and hydrology details.

### **Delegation of Authority to General Manager**

Accordingly, staff requests that the General Manager be delegated the authority to determine whether to move forward with these water sales, purchases, transfers, and exchanges following completion of, and based upon, any environmental reviews that may be necessary under CEQA. No commitment to any given transaction would be made by the General Manager unless and until all applicable CEQA requirements have been met. Any such commitment would be subject to and consistent with the terms and conditions set forth above.

2/4/2025 Brandon J. Goshi Date Interim Manager, Water Resource Management 2/4/2025 Deven N. U Date General Mahager

### Attachment 1 – Staff Responses to Metropolitan Director Questions and Comments on Proposed SWP Water Sale Transactions

Ref# wrm12700628

# Staff Responses to Metropolitan Director Questions and Comments on Proposed SWP Water Sale Transactions

Written responses to feedback received from Board directors during the January 13, 2025, One Water and Stewardship Committee, summarized by subject area, are detailed below.

### Legal Questions and Comments:

1. Request for written legal analysis regarding the applicability of MWD Act section 131.

Response: MWD Act section 131 does not apply to the sale of surplus water; rather, it applies to the sale of water: (a) to the United States or the State of California; or (b) to a private corporation or public agency regarding the generation of electric power. The sale of surplus water by Metropolitan is authorized by MWD Act section 132.

2. Are any changes to the MWD Act or MWD Administrative Code necessary?

Response: No. MWD Act section 132 authorizes Metropolitan to sell surplus water. Under MWD Administrative Code section 4200, Metropolitan may sell water outside of its service area as approved by the Board. See also MWD Administrative Code section 4401(b).

3. Metropolitan should not sell water that will be wasted.

Response: Article 10, section 2 of the California Constitution requires that water be beneficially used and prohibits the waste and unreasonable use of water. Individual water users are responsible for complying with these requirements.

4. Metropolitan should sell its Colorado River water to users in other states.

Response: The sale of Metropolitan's Colorado River water to users in other states is not currently authorized under the Law of the River.

### Price / Finance Questions and Comments:

5. Request that member agencies be able to purchase water at the same price offered to outside agencies.

Response: Metropolitan sets rates for member agency deliveries to recover the cost of service and ensure the continued financial viability of the district. The elements of the full-service volumetric water rates for member agencies include: Supply, System Access, System Power, and Treatment Surcharge. The sale price of surplus water to outside agencies may be at a lower amount than the member agency full-service rate because the costs associated with surplus water are limited to supply costs. Metropolitan does not anticipate incurring transportation, power, or treatment costs associated with the other rate elements and therefore, is using its overall supply rate element as a guide for the selling price of its surplus water to third parties. However, any additional costs incurred by Metropolitan will also be considered in the sale price. At this time, Metropolitan does not have a program for selling surplus water to member agencies. Staff and member agencies engaged in several workshops and board discussion during 2023 to 2024 on such a program, and is now continuing to evaluate it through the ongoing CAMP4W and business model process.

- 6. Metropolitan's costs need to be covered.
- 7. Recovery of a price equal to only the budgeted supply rate for member agencies is too low. How do we maximize the value for Metropolitan?
- 8. Does the budgeted water supply rate cover our transportation costs, even if we don't transport the water?

Response: The price proposed for outside water sales would at a minimum recover Metropolitan's cost of water supply assumed in the rates established in the budget and rates adopted by Metropolitan's Board in April 2024 for sales to member agencies. The Supply Rate covers the cost of water supply for Metropolitan and not transportation costs, which are collected through the System Access Rate. Recovery of water supply cost is a minimum guardrail, and staff would pursue sales at higher prices than minimum cost recovery. One strategy for maximizing the price and potential revenue for Metropolitan is to execute transactions early enough in the year when potential buyers may place higher value on the certainty of supplemental water supply. In 2024, SWP contractors entered into water transactions with a price of approximately \$500 per acre-foot early in the calendar year and a price of \$250 per acre-foot late in the calendar year.

9. Are we potentially selling low and buying high?

Response: Staff is proposing outside water sales only to the extent that Metropolitan is maintaining current high storage balances and further adding to storage according to the projected water supply and demand balance for the year. With this reliability guardrail, staff does not anticipate the need to replace water being sold through future purchases or exchanges thus eliminating the potential of selling low and buying high.

10. How would water sales impact long-term reliability and investments in DCP, Sites, and Pure Water?

Response: Water sales to outside agencies over the next two years would not affect long-term reliability or future investment decisions. Staff is proposing single year water transactions over a finite two-year period to generate new revenues. Staff is proposing safeguarding water reliability by ensuring that outside water sales are surplus to member agency demands and dry-year storage targets. Staff is also proposing outside water sales only as long as Metropolitan maintains current record high levels of storage and is projecting to add to storage based on the supply and demand balance of that year. Water sales as a future long-term water management tool is being evaluated in the CAMP4W and business model process.

11. Where are we with respect to water sales versus budget?

Response: Revenues are not currently meeting the estimated revenue assumed in the budget adopted by the Board in April 2024. Water sales are also tracking lower than projected. Additional details will be provided in the February Finance and Asset Management Committee meeting.

### **Approach Questions and Comments:**

12. The Board should approve individual transactions and hold special meetings to approve individual transactions if needed.

Response: The lead time to bring most items to the Board for action is three months. In order to negotiate favorable terms in a timely matter, it would be better if the Board granted the general manager

authority to enter into surplus SWP sales transactions subject to protections for water reliability, including meeting service area demands and regional storage targets. Staff would update the Board in future months on water transactions, if any, executed under the authority granted.

13. The general public needs to know that Metropolitan is not taking chances with the future reliability of the region. The public may not understand the current status of storage conditions.

Response: Metropolitan would not be taking chances with reliability by pursuing transactions subject to guardrails, including meeting service area demands and regional storage targets and recovering costs. The public's understanding of current water supply conditions can be challenged by the extreme ups and downs we face year after year with respect to water supply conditions. Adding surplus water sales to our water management toolbox will help Metropolitan better manage that weather whiplash.

14. There seems to be a new threshold for dry year storage reliability – four years instead of three. The Climate Adaptation Master Plan for Water planning process has not yet addressed these risk and hydrology details.

Response: Staff was considering four consecutive dry years as a conservative assumption in previous discussion. Under the proposed approach and reliability guardrail, staff will not execute agreements to sell water unless the SWP allocation is projected to be sufficient to maintain or increase the current record high storage levels. For a two-year pilot implementation of this new water management tool, this more conservative approach is proposed to ensure that water sales outside of the district do not negatively impact regional reliability.



### ACTION ITEM

June 4, 2025

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Angela Crespi, Executive Assistant to the GM/ Board Secretary

### SUBJECT: APPOINTMENT OF MWDOC DISTRICT SECRETARY

### STAFF RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution appointing Angela Crespi as District Secretary, effective June 4, 2025.

### COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

### REPORT

In accordance with Division 20 of the California Water Code, which governs Municipal Water Districts, the Municipal Water District of Orange County (MWDOC) appoints and maintains the position of District Secretary. As detailed in MWDOC's Administrative Code §1305, the District Secretary shall:

"...post all notices and agendas required by law, shall keep a record of all proceedings had at meetings of the Board, and shall be custodian of the MWDOC Seal and all documents pertaining to MWDOC affairs. In accordance with California Code of Regulations, Title 2, Section 18227, the Secretary shall serve as filing officer or filing official, responsible for receiving, forwarding or retaining statements of economic interest or campaign statements. The Secretary, in addition to the duties imposed by law, shall perform such duties as may be assigned by the Board."

In preparation for the impending retirement of the current District Secretary, Maribeth Goldsby, MWDOC conducted an open recruitment for her replacement. Upon completion of the competitive recruitment process, General Manager Harvey De La Torre selected Angela Crespi as the next Executive Assistant to the General Manager and Board Secretary.

Budgeted:  Yes  No  N/A	Budgeted amount: N/A		Core: 🗆	Choice: 🗆	
Action item amount: N/A		Movement between funds: $\Box$ Yes $\Box$ No			

Therefore, it is now recommended that the Board adopt a resolution appointing Angela Crespi as the official District Secretary, effective June 4, 2025.

### ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWDOC's mission and role; defining functions and actions.
- Balance support for Metropolitan's regional
   mission and Orange County values and interests.
- Strengthen communications and coordination of messaging.
- □ Work with member agencies to develop water supply and demand objectives.
- Solicit input and feedback from member agencies.
- Invest in workforce development and succession planning.

### **BOARD OPTIONS**

**Option #1:** Adopt a Resolution appointing Angela Crespi as District Secretary, effective June 4, 2025.

### Fiscal Impact: None.

**Option #2:** Do not adopt a Resolution appointing Angela Crespi as District Secretary and provide direction to staff. (An action foregoing an appointment would result in a vacancy in the required position, leaving the District unable to fulfill its legal responsibilities until the position is filled.)

### Fiscal Impact: None.

List of Attachments/Links: Attachment: Draft Resolution No. 2158

## RESOLUTION NO. 2158 MUNICIPAL WATER DISTRICT OF ORANGE COUNTY APPOINTING DISTRICT SECRETARY

BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County that Angela Crespi is hereby appointed as Secretary of the Board of the Municipal Water District of Orange County (District Secretary) to commence on June 4, 2025, her term of office to be at the pleasure of the Board.

Said Resolution was adopted, on roll call, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution No. 2158, adopted by the Board of Directors of the Municipal Water District of Orange County at its meeting of June 4, 2025.

> Angela Crespi, District Secretary Municipal Water District of Orange County



### ACTION ITEM June 4, 2025

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Heather Baez, Director of Governmental Affairs

SUBJECT: H.R. 2766 (FALLON, R-TX) – THE SPECIAL DISTRICT GRANT AND ACCESSIBILITY ACT

### STAFF RECOMMENDATION

It is recommended that the Board of Directors vote to adopt a support position on H.R. 2766 (Fallon, R-TX).

### BILL SUMMARY

H.R. 2766 - The Special District Grant Accessibility Act defines a "special district" as follows:

The term "special district" means a political subdivision of a State, with specified boundaries and significant budgetary autonomy or control, created by or pursuant to the laws of the State, for the purpose of performing limited and specific governmental or proprietary functions that distinguish it as a significantly separate entity from the administrative governance structure of any other form of local government unit within a State.

This measure would require Federal agencies to recognize special districts as local government for the purpose of Federal financial assistance determinations. In addition, it would codify in Federal law a first-ever, formal definition of "special district."

### ARGUMENTS IN SUPPORT

Despite the significant presence of special districts in the United States, Federal law lacks a consistent definition and reference to special-purpose units of local government.

As a result, special districts:

• May have difficulties directly accessing funding opportunities.

Budgeted:  Yes  No	Budgeted amount:		Core: 🖂	Choice: 🗆
Action item amount:		Movement between funds: $\Box$ Yes $\Box$ No		

- Are commonly omitted as eligible in the definitions of "local government" for proposed legislation and laws intended to assist all local governments.
- Are mistaken for small businesses or nonprofit corporations.
- Lack official population figures, as they are not federally recognized as "geographic units of government."

### **ARGUMENTS IN OPPOSITION**

None on file.

### ADDITIONAL COMMENTS

This bill proposal is a priority for CSDA again this year, and they are encouraging all their members to support it. Last year's proposal, H.R. 7525, was approved by the House by a vote of 352-27, however it was held up in the Senate at the end of the year by Senator Rand Paul (R-KY).

This year's co-sponsors include:

Rep. Brittany Petterson, (D-CO) Rep. Young Kim, (R-CA) Rep. Doug LaMalfa, (R-CA) Rep. Dan Newhouse, (R-WA) Rep. David Valadao, (R-CA) Rep. Jay Obernolte, (R-CA) Rep. Josh Harder, (D-CA) Rep. Suzanne Bonamici, (D-OR)

### ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

- Clarifying MWDOC's mission and role; defining functions and actions.
- □ Balance support for Metropolitan's regional mission and Orange County values and interests.
- Strengthen communications and coordination of messaging.
- Work with member agencies to develop water supply and demand objectives.
- Solicit input and feedback from member agencies.
- Invest in workforce development and succession planning.

### **BOARD OPTIONS**

**Option #1:** Adopt a support position on H.R. 2766 (Fallon, R-TX)

Fiscal Impact: None

Option #2: Take no action

Fiscal Impact: None

List of Attachments/Links: Attachment 1: H.R. 2766 Full Text

### <sup>119TH CONGRESS</sup> 1ST SESSION H.R. 2766

To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.

### IN THE HOUSE OF REPRESENTATIVES

### April 9, 2025

Mr. FALLON (for himself, Ms. PETTERSEN, Mr. VALADAO, Mrs. KIM, Mr. LAMALFA, Mr. NEWHOUSE, and Mr. OBERNOLTE) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

# A BILL

- To require the Director of the Office of Management and Budget to issue guidance to agencies requiring special districts to be recognized as local government for the purpose of Federal financial assistance determinations.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,

### **3** SECTION 1. SHORT TITLE.

- 4 This Act may be cited as the "Special District Fair-
- 5 ness and Accessibility Act".

# 1SEC. 2. AGENCY FINANCIAL ASSISTANCE GUIDANCE ON2SPECIAL DISTRICTS.

3 (a) REQUIREMENTS FOR AGENCY ACKNOWLEDG4 MENT OF SPECIAL DISTRICTS AS GRANT RECIPIENTS.—
5 (1) OMB GUIDANCE.—Not later than 180 days

after the date of the enactment of this Act, the Director shall issue guidance that clarifies how an
agency recognizes a special district as a unit of local
government for the purpose of being eligible to receive Federal financial assistance.

11 (2) AGENCY REQUIREMENTS.—Not later than 1 12 vear after the date on which the guidance is issued 13 pursuant to paragraph (1), the head of each agency 14 shall implement the requirements of such guidance and conform any policy, principle, practice, proce-15 16 dure, or guideline relating to the administration of 17 the Federal financial assistance programs of the 18 agency.

(3) REPORTING REQUIREMENT.—Not later than
2 years after the date of the enactment of this Act,
the Director shall submit to the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report
that evaluates agency implementation of and con-

formity to the guidance issued pursuant to para-

2	graph (1).
3	(b) DEFINITIONS.—In this section:
4	(1) AGENCY.—The term "agency" has the
5	meaning given the term in section 552 of title 5,
6	United States Code.
7	(2) DIRECTOR.—The term "Director" means
8	the Director of the Office of Management and Budg-
9	et.
10	(3) FEDERAL FINANCIAL ASSISTANCE.—The
11	term "Federal financial assistance"—
12	(A) means assistance that a non-Federal
13	entity receives or administers in the form of a
14	grant, loan, loan guarantee, property, coopera-
15	tive agreement, interest subsidy, insurance, food
16	commodity, direct appropriation, or other as-
17	sistance; and
18	(B) does not include an amount received as
19	reimbursement for services rendered to an indi-
20	vidual in accordance with guidance issued by
21	the Director.
22	(4) Special district.—The term "special dis-
23	trict" means a political subdivision of a State, with
24	specified boundaries and significant budgetary au-
25	tonomy or control, created by or pursuant to the

laws of the State, for the purpose of performing lim ited and specific governmental or proprietary func tions that distinguish it as a significantly separate
 entity from the administrative governance structure
 of any other form of local government unit within a
 State.

7 (5) STATE.—The term "State" means each of
8 the several States, the District of Columbia, each
9 commonwealth, territory, or possession of the United
10 States, and each federally recognized Indian Tribe.

 $\bigcirc$ 

Item No. 8



### INFORMATION ITEM June 4, 2025

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Melissa Baum-Haley, Assistant General Manager Alex Heide, Senior Water Use Resources Analyst Kevin Hostert, Senior Water Use Resources Analyst

### 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 May 2025 (for water delivered in March 2025) totaled 80.5 thousand acre-feet (TAF), which was 2.2 TAF lower than the budget of 82.7 TAF and translates to \$89.2 million in receipts for May 2025, which were \$1.1 million higher than the budget of \$88.1 million.

Year-to-date water transactions through May 2025 (for water delivered in May 2024 through March 2025) were 1.23 MAF, which was 2 TAF higher than the budget of 1.23 MAF.

Year-to-date water receipts through May 2025 were \$1,348.3 million, which was \$46.2 higher than the budget of \$1,302.1 million.

M	onth	Acre-Feet	: (AF) <sup>2</sup>	Variand	e	Revenue (\$) <sup>1</sup>		Variance	
Delivered/	To be								
Billed In	Collected in	Budget	Actual	AF	%	Budget	Actual	\$	%
May	July	111,381	93,988	(17,393)	-16%	115,411,844	111,844,425	(3,567,419)	-3%
June	August	119,830	101,259	(18,571)	-15%	142,766,424	100,440,378	(42,326,046)	-30%
July	September	133,150	113,715	(19,435)	-15%	141,775,001	121,901,017	(19,873,984)	-14%
August	October	136,454	116,650	(19,804)	-15%	145,410,622	129,047,328	(16,363,294)	-11%
September	November	127,137	114,291	(12,846)	-10%	133,836,426	124,663,850	(9,172,576)	-7%
October	December	123,989	115,743	(8,246)	-7%	128,665,932	122,055,973	(6,609,959)	-5%
November	January	124,881	99,081	(25,800)	-21%	125,782,252	110,437,861	(15,344,391)	-12%
December	February <sup>3</sup>	104,337	240,153	135,816	130%	103,324,010	265,305,379	161,981,369	157%
January	March	88,988	85,355	(3,633)	-4%	95,074,177	97,849,866	2,775,689	3%
February	April	77,291	67,202	(10,089)	-13%	81,911,825	75,548,551	(6,363,274)	-8%
March	May	82,757	80,579	(2,178)	-3%	88,153,603	89,256,411	1,102,808	1%
YTD	Total	1,230,195	1,228,016	(2,179)	0%	1,302,112,116	1,348,351,039	46,238,923	4%
April	June	107,565	-	-	0%	116,431,176	-	-	0%
FY Total		1,337,760	1,228,016	N/A	N/A	1,418,543,292	1,348,351,039	N/A	N/A

### **ISSUE BRIEF #B**

### SUBJECT: MET's Supply Condition Update

### **RECENT ACTIVITY**

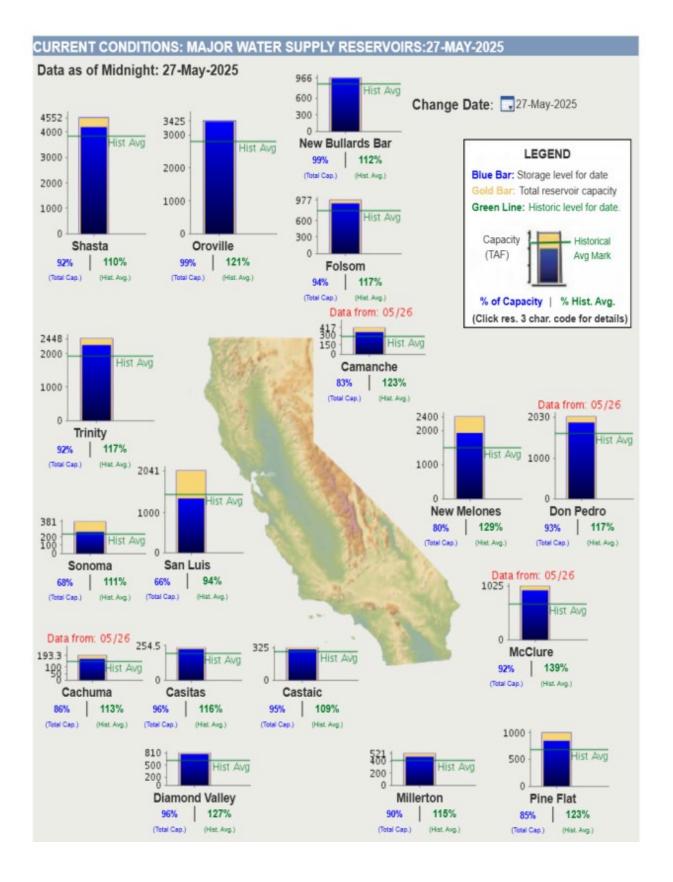
The 2024-25 Water Year (WY) officially started on October 1, 2024. Thus far, Northern California accumulated precipitation (8-Station Index) reported **54.8 inches or 115% of** *normal as of May 28th*. The Northern Sierra Snow Water Equivalent peaked at **31.7** *inches on April 4<sup>th</sup>*, which is **112% of normal** for that day. The Department of Water Resources (DWR) has increased the State Water Project (SWP) *"Table A" allocation to 50% as of May 2025.* 

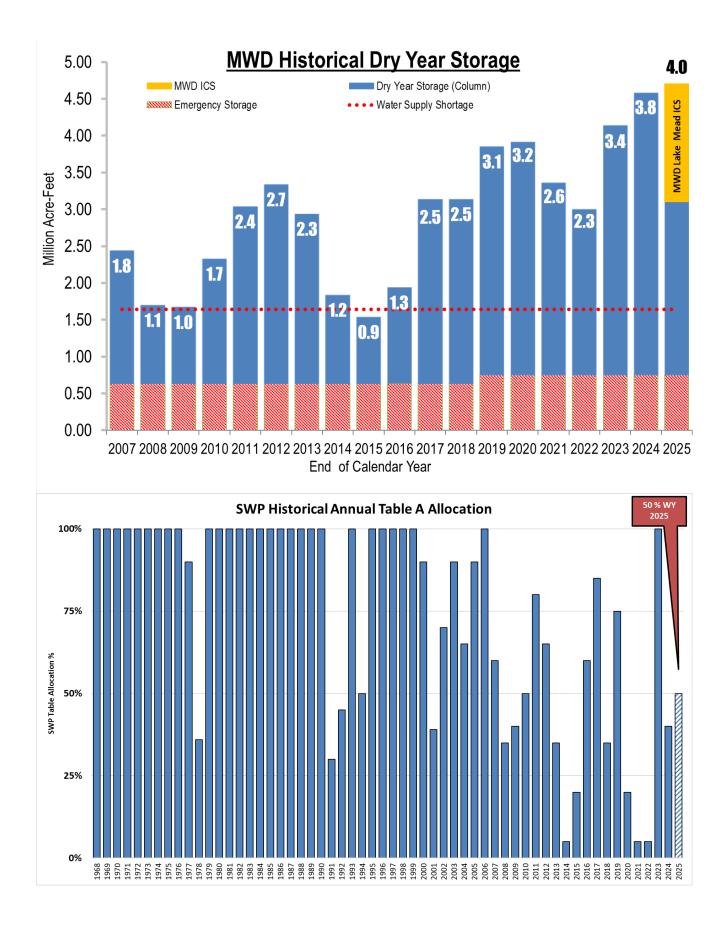
The Upper Colorado River Basin accumulated precipitation is reporting **19.3 inches or 87% of normal as of May 26**<sup>th</sup>. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent peaked at **14.2 inches on March 24th**, which is **98% 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 <u>declared a shortage at Lake Mead that has been</u> <u>ongoing since January 1<sup>st</sup>, 2022 (below 1,075 feet storage level)</u>. As of May 2025, <u>there</u> <u>is a 93% chance of shortage continuing in Calendar Year (CY) 2026, an 87% chance in CY 2027 and a 80% chance in CY 2028. In addition, there is a 3% chance of a <u>California (below 1,045 feet storage level) shortage in 2027.</u></u>

As of May 27<sup>th</sup> Lake Oroville storage is at **99% of total capacity and 121% of normal.** As of May 27<sup>th</sup> San Luis Reservoir has a current volume of **66% of the reservoir's total capacity and is 94% of normal.** 

With CY 2025 estimated total demands and losses of 1.545 million acre-feet (MAF) and with a 50% SWP Table A Allocation, Metropolitan is projecting that supplies will exceed demand levels in CY 2025. Based on this, estimated total dry-year storage for Metropolitan at the end of **CY 2025 will remain at approximately 4.0 MAF.** 

A projected dry-year storage supply of 4.0 MAF would be approximately 3.0 MAF from a typical level where Metropolitan's goes into Water Supply Allocations. A large factor in maintaining a high water storage level is 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 with still a 5-year shortage projection at Lake Mead, there remains a lot of uncertainty about where supply balances will be in the future. In addition, Colorado River Basin States have been meeting for months to negotiate new post 2026 operations at Glen Canyon Dam at Lake Powell and Hoover Dam at Lake Mead.





WSDM Storage	1/1/2025 Estimated Storage Levels <sup>1</sup>	CY 2025 Maximum Put Capacity <sup>2</sup>	2025 Total Storage Capacity
Colorado River Aqueduct Delivery System	1,544,000	78,000	1,622,000
Lake Mead ICS	1,544,000 <sup>3</sup>	78,000	1,622,000 <sup>3</sup>
SWP System	1,163,000	311,000	2,338,000
MWD & DWCV Carryover	380,000	149,000	529,000 <sup>4</sup>
MWD Articles 14(b) and 12(e)	3,000 3	0	0
Castaic and Perris DWR Flex Storage	219,000	0	219,000
Arvin-Edison Storage Program	100,000	0 6	350,000
Semitropic Storage Program	227,000	67,000	350,000
Kern Delta Storage Program	142,000	48,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	45,000	47,000	280,000
In-Region Supplies and WSDM Actions	1,060,000	60,000	1,246,000
Diamond Valley Lake	788,000	22,000	810,000
Lake Mathews and Lake Skinner	188,000	38,000	226,000
Conjunctive Use Programs (CUP)	84,000	0	210,000 7
Other Programs	762,000	223,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	381,000	223,000	800,000
Total	4,529,000	673,000	6,387,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) <sup>8</sup>	3,779,000	673,000	5,637,000

<sup>1</sup> Preliminary start of year balances, subject to DWR adjustments and USBR final accounting in May 2025.

<sup>2</sup> Put capacity assumed under a 40 percent SWP Table A Allocation. Storage program losses included where applicable.

<sup>3</sup> This amount is net of the water Metropolitan stored for IID in Lake Mead in an ICS sub-account.

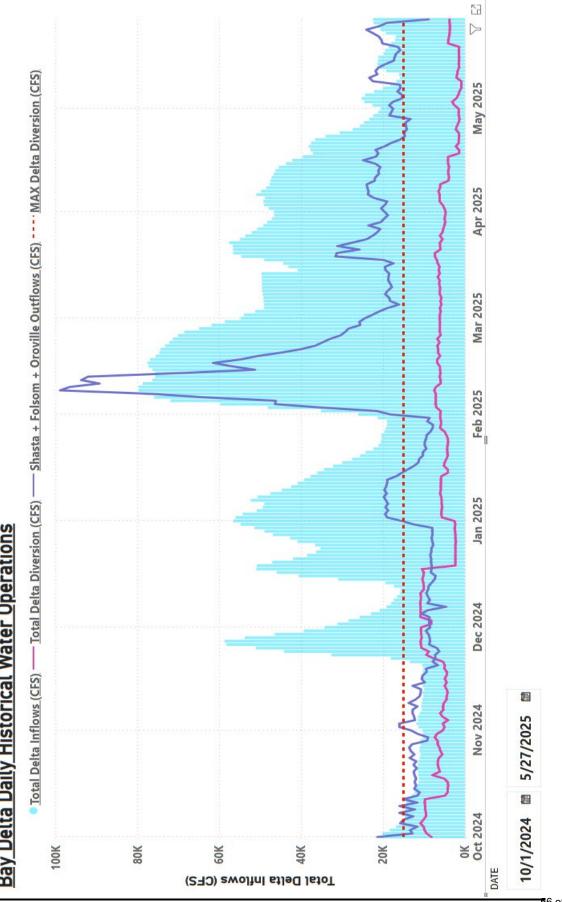
<sup>4</sup> Total storage capacity varies year-to-year as the contractual annual storage limit, based on the SWP Table A allocation, is combined with the remaining balance from the previous year. There is a potential risk that Metropolitan's stored water be converted to SWP contractor water if San Luis Reservoir approaches full capacity.

<sup>5</sup> DWR has approved carryover supplies under Article 14 (b) of the State Water Project Contract for delivery in 2025.

- <sup>6</sup> Puts are limited due to water quality considerations.
- <sup>7</sup> Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western. On April 8, 2025, the Board authorized the termination of six inactive CUP agreements, effectively decreasing the CUP storage capacity to 115,000 AF by July 1, 2025. Future WSDM reports will reflect the decreased capacity once the termination agreements have been executed.

\* Total WSDM Storage level subject to change based on accounting adjustments. Total may not sum due to rounding.





# **Bay Delta Daily Historical Water Operations**

### **ISSUE BRIEF #C**

### SUBJECT: MET's Water Quality Update

### **RECENT ACTIVITY**

### Water System Operations

Metropolitan member agency water deliveries were 122,000 acre-feet (AF) for April, with an average of 4,100 AF per day, which was about 1,800 AF per day higher than in March. Treated water deliveries were 35,100 AF higher than in March, for a total of 73,700 AF, or 60 percent of total deliveries for the month. This increase was primarily due to the activation of service connection LA-25 by LADWP due to a scheduled outage of their filtration plant. The Colorado River Aqueduct (CRA) is back in service after a regular shutdown and pumped a total of 71,800 AF in April. State Water Project (SWP) imports averaged 2,500 AF per day, totaling about 75,500 AF for the month. The target SWP blend increased to 25 percent for Diemer and Weymouth to accommodate Lake Mathews tower chlorination, while Skinner remained at 0 percent.

Metropolitan has sufficient SWP, Colorado River, and storage supplies to meet demands in 2025 while putting additional water into storage. Water continues to be managed according to Water Surplus and Drought Management principles and operational objectives with an emphasis on positioning SWP supplies to meet future demands in the SWP-dependent area. The California Department of Water Resources increased the SWP Allocation from 35 percent to 40 percent in late March. Metropolitan is continuing to minimize the use of Table A supplies to preserve supplies for the SWP-dependent area. At the same time, Metropolitan is shifting operations to manage surplus supplies, including starting deliveries to member agency cyclic programs and to Desert Water Agency and Coachella Valley Water District.

### Water Treatment and Distribution

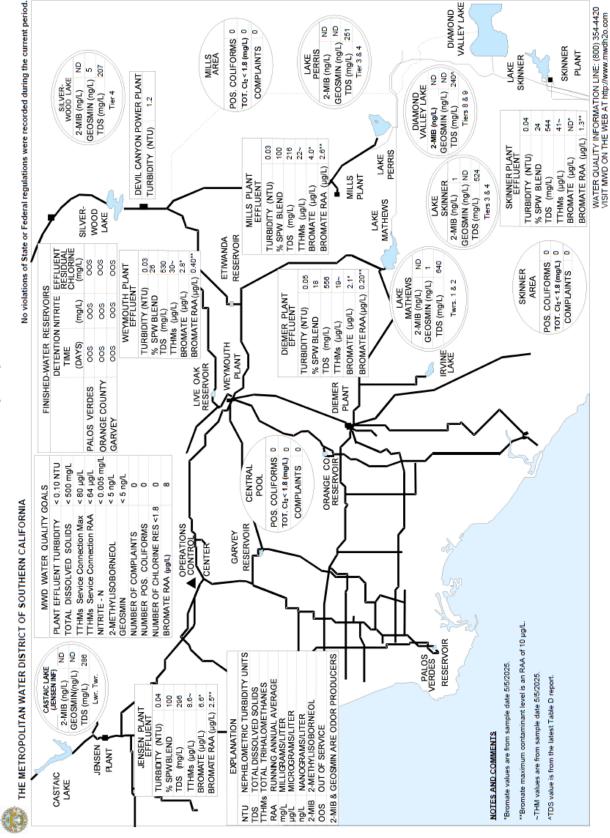
The SWP target blend entering the Weymouth and Diemer plants increased from zero to 25 percent in April 2025. The SWP blend target for Lake Skinner is zero percent; however, due to an unscheduled temporary outage on the CRA, the SWP blend entering Lake Skinner increased to 40 percent in April 2025 for a period of time.

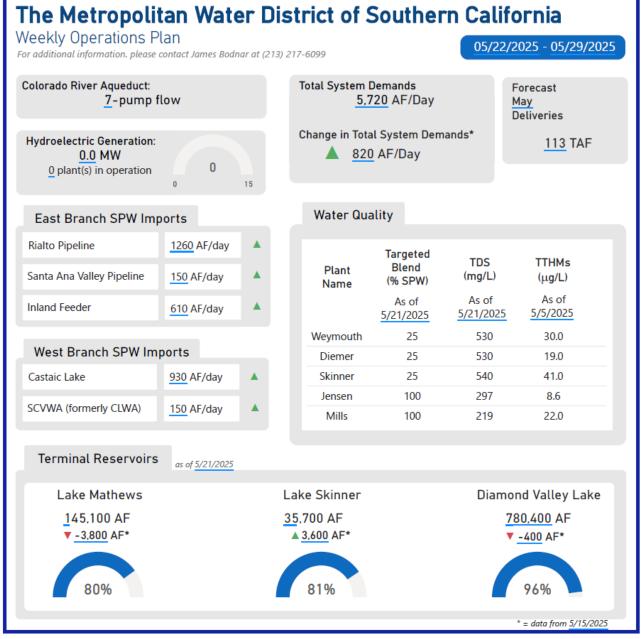
Flow-weighted running annual averages for total dissolved solids from February 2024 through January 2025 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the CRA were 590 mg/L, 579 mg/L, and 569 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.



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### **ISSUE BRIEF #D**

### SUBJECT: Colorado River Issues

### **RECENT ACTIVITY**

### **Bard Seasonal Fallowing Program**

The System Conservation Implementation Agreement funding amendment was executed on April 10, and it authorized the Bard Seasonal Fallowing program to proceed with up to 6,000 fallowed acres. The 2025 fallowing season started on April 1 and will end on July 31, 2025. This season, there are seven farmers participating in the program, with approximately 4,900 acres fallowed. This would yield approximately 9,300 acre-feet of Colorado River water savings, and Metropolitan will invoice Reclamation for \$3.7 million. During the first week of April, Metropolitan staff conducted inspections at all participating sites to ensure compliance with program requirements. A second inspection is planned for the end of July 2025 to verify continued compliance with the fallowing requirements.

# Metropolitan's Support for Community Investment Programs in the Palo Verde Valley

In November 2024, Metropolitan received \$93.6 million from the United States Bureau of Reclamation (USBR) for water conserved through the Palo Verde Irrigation District (PVID) Fallowing Program in Years 1 and 2 of the System Conservation Implementation Agreement (SCIA). Of that amount, a total of \$5.2 million is earmarked for community investment in PVID's service area. Metropolitan and PVID agreed to equally split the community funds with each agency storing the funds in separate interest-bearing accounts. As community projects are awarded, Metropolitan and PVID will equally share in the disbursement of funds towards community investment projects, as well as any related administrative costs. After Metropolitan's board authorized the agreement between Metropolitan and PVID outlining the management of community funds in February 2025, Metropolitan was able to send PVID its share of the funds, plus interest. On April 1, Metropolitan wired PVID a payment of \$2.6 million, which included \$33,093 of interest accrued since Metropolitan received the funds from USBR. Currently, Metropolitan and PVID are finalizing membership in an advisory committee that will assist in the review of funding applications. Additionally, PVID and Metropolitan will host a kick-off event on May 21 at the Blythe Chamber of Commerce to advertise the funding program to the community. Metropolitan will receive a final payment from USBR for Year 3 of the SCIA in Fall 2025, which will include an additional \$2.6 million designated for the community funding program.

### Reduction in Staff for Lower Colorado River Multi-Species Conservation Program

The Lower Colorado River Multi-Species Conservation Program (LCR MSCP) provides compliance with the Endangered Species Act for water and power operations in the Lower Colorado River Basin. The 50-year program is funded by equal contributions from the federal government and non-federal water and power contractors. Now in its 20th year, the program has created over 7,000 acres of habitat and stocked thousands of native fish in the river. USBR manages the program with oversight from a Steering Committee comprised of the permittees and other stakeholders. In accordance with recent efforts to reduce the federal

workforce, USBR has offered early retirement and buyout packages to its employees. USBR announced that nine members of the LCR MSCP staff have accepted the offer, comprising approximately one-quarter of the total staff. The employees that have left federal service include the program manager, Terry Murphy. A freeze on federal hiring will preclude the replacement of staff members in the near term, which will affect some species monitoring and other work. Terry Murphy requested that Metropolitan assist the LCR MSCP with the management of the farm leases on recently acquired land within PVID. The land will ultimately be used for new aquatic habitat but remains under cultivation while planning is ongoing. Metropolitan's Land Management staff will continue discussions with USBR on terms for providing these services.

### ISSUE BRIEF #E

### SUBJECT: Delta Conveyance Activities and State Water Project Issues

### **RECENT ACTIVITY**

### Sites Reservoir

At the Joint Meeting of the Reservoir Committee and Sites Authority Board on March 21, 2025, both entities approved a term sheet between the Sites Project Authority (Authority) and the California Department of Water Resources (DWR) for the operation of the Knights Landing Outfall Gates.

The term sheet outlines the shared understanding between the Authority and DWR regarding key terms and guiding principles for developing a formal operations agreement. This future agreement will be necessary before Sites Reservoir water can be released to the Lower Colusa Basin Drain.

### **Delta Island Activities**

The California Department of Fish & Wildlife (CDFW) submitted comments on Metropolitan's Draft Statutory Exemption for Restoration Projects (SERP) application for the Webb Tract Wetland Restoration Project. Staff are preparing the final SERP application for submittal later in April.

Metropolitan staff met with permitting agencies including: CDFW, US Fish & Wildlife Service, Army Corps of Engineers, Regional Water Quality Control Board, and the State Lands Commission, to discuss upcoming permit applications for the Webb Tract Wetland Restoration Project.

The Webb Tract Ecocultural Working Group hosted a site visit on Webb Tract, which was attended by two tribal members from the Confederated Villages of Lisjan. The Confederated Villages of Lisjan are providing a letter of support for the Webb Tract Wetland Restoration Project.

Metropolitan staff presented updates on the Webb Tract Rice Conversion and Wetland Restoration Projects to the Delta Protection Commission and the Contra Costa Resource Conservation District and is preparing for meetings with Contra Costa County and an update to the Delta Counties Coalition where we will ask for a support letter for the projects.

Water meter installations on Bouldin Island and Webb Tract to comply with SB 88 were completed in early April.

A request for proposals was released for farming operations on Bacon Island. A site walk on Bacon Island with interested parties was conducted on April 10.

### Summary Report for The Metropolitan Water District of Southern California Board Meeting May 13, 2025

### **CONSENT CALENDAR ITEMS – ACTION**

Approved amending the list of Metropolitan officials required to take AB 1234 state ethics training to include all Form 700 filers. (Agenda Item 7-1)

Amended the Capital Investment Plan for fiscal years 2024/25 and 2025/26 to include the ozone contactor expansion joint improvements at the F.E. Weymouth Water Treatment Plant. (Agenda Item 7-2)

Authorized on-call agreements with Hazen and Sawyer, Jacobs Engineering Group Inc., and Mott MacDonald Group Inc. in amounts not to exceed \$1 million each to support engineering planning services. (Agenda Item 7-3)

Awarded a \$457,498 construction contract to IPI Construction for upgrades to the heating, ventilation, and air conditioning systems in the control rooms at the Joseph Jensen Water Treatment Plant. (Agenda Item 7-4)

- a. Approved the draft of Appendix A (Attachment 1) attached to this board letter.
- b. Authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A.
- c. Authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale and/or remarketing of bonds.
   (Agenda Item 7-5)

Authorized an amendment to LRP Agreement to extend the start of operation deadline for San Diego Pure Water North City Project Phase 1; adopted CEQA determination that the proposed action was previously addressed in the City of San Diego's adopted 2018 Final EIR/EIS and that no further CEQA review is required. (Agenda Item 7-6)

### **OTHER BOARD ITEMS - ACTION**

- a. Awarded a \$131 million procurement contract to Siemens Energy Inc. to furnish 35 high-voltage power transformers.
- b. Authorized the General Manager to execute change orders for the CRA transformer procurement contract up to an aggregate amount not to exceed \$42.5 million.
- c. Authorized an increase of \$6.5 million to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$8.2 million for final engineering design services to replace the high-voltage power transformers at all five CRA pumping plants. (Agenda Item 8-1)

Adopted CEQA determination that the proposed action was previously addressed in the adopted 2017 Mitigated Negative Declaration, Addenda Nos. 1, 2 and 3 and related CEQA actions; and adopted a resolution that: (1) authorizes the execution and delivery of an amended and restated agreement between Antelope Valley-East Kern Water Agency and Metropolitan for the High Desert Water Bank Program, (2) approves the project financing, and (3) authorizes the General Manager and the Assistant General Manager/Chief Financial Officer and Treasurer to negotiate, execute, and deliver various related agreements and documents. (Agenda Item 8-2)

Adopted a resolution authorizing a Master Equipment Lease-Purchase Program of up to \$35 million outstanding balance from time to time and providing for related documents and actions and set up an ad hoc committee to direct communications with the California Air Resources Board regarding Electric Vehicle regulations and Metropolitan's role as an emergency responder. (Agenda Item 8-3)

Adopted resolution to continue Metropolitan's Water Standby Charge for fiscal year 2025/26. (Agenda Item 8-4)

Authorized the General Manager to amend the Delivery and Exchange Agreement between Metropolitan and Coachella Valley Water District for 35,000 acre-feet. (Agenda Item 8-5)

### **OTHER MATTERS - ACTION**

Authorized (1) the Ad Hoc Committee to begin vetting recruiting firms, and (2) authorize Organization, Personnel, and Effectiveness Committee to hire the selected firm to participate in a meeting with the Board in June regarding the recruitment of the general manager.. (Agenda Item 10-3)

# 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: <u>https://mwdh2o.legistar.com/Calendar.aspx</u>

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

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.

**Board of Directors - Final** 

June 10, 2025

1:00 PM

Tuesday, June 10, 2025 Meeting Schedule		
FAAME		
LC		
Break		
BOD		
CWC		

Ager

Written public comments received by 5:00 p.m. the business day before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: https://mwdh2o.legistar.com/Legislation.aspx.

The 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 teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 815 2066 4276 or to join by computer <u>click here.</u>

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012 Teleconference Locations: Conference Room • 1545 Victory Boulevard • Glendale, CA 91201 Hotel Raphael • Largo Febo Piazza Navona • Rome, Italy

### 1. Call to Order

- a. Invocation: TBD
- b. Pledge of Allegiance: TBD
- 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))
- 5. OTHER MATTERS AND REPORTS

of Directors

Α.	Report on Directors' Events Attended at Metropolitan's Expense	<u>21-4581</u>
	Attachments: 06102025 BOD 5A Report	
В.	Chair's Monthly Activity Report	<u>21-4582</u>
C.	General Manager's summary of activities	<u>21-4583</u>
D.	General Counsel's summary of activities	<u>21-4585</u>
E.	General Auditor's summary of activities	<u>21-4586</u>
F.	Ethics Officer's summary of activities	<u>21-4587</u>
G.	Presentation of 5-year Service Pin to Director Ardy Kassakhian, City of Glendale	<u>21-4607</u>
Н.	Presentation of 10-year Service Pin to Director Stephen Faessel, City of Anaheim	<u>21-4608</u>
	** CONSENT CALENDAR ITEMS ACTION **	
CO	NSENT CALENDAR OTHER ITEMS - ACTION	
Α.	Approval of the Minutes of the Board of Directors Meeting for May 13, 2025	<u>21-4588</u>
В.	Approve Committee Assignments	<u>21-4589</u>
C.	Approve Resolution confirming Director Jacque McMillan for the Association of California Water Agencies Region 8 Board Member	<u>21-4609</u>
CO	NSENT CALENDAR ITEMS - ACTION	
7-1	Approve General Auditor's Internal Audit Plan for fiscal year 2025/26; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (Audit)	<u>21-4592</u>
7-2	Authorize \$1,500,000 increases to existing on-call agreements with Mangan Inc., and Burns & McDonnell Western Enterprises Inc., for new not-to-exceed amounts of \$3,750,000 to provide technical services to enhance arc flash protection at Metropolitan's facilities; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)	<u>21-4594</u>
7-3	Award an \$807,004 procurement contract to B&K Valves and Equipment Inc. for the replacement of globe valves at the Rio Hondo Pressure Control Structure; the General Manager has determined that the proposed action is categorically exempt or otherwise not subject to CEQA (EOT)	<u>21-4596</u>

6.

7.

Page 3

- 7-4 Authorize the General Manager to execute a funding agreement extension for support of the Colorado River Board of California, Six Agency Committee, and Colorado River Joint Powers Authority; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME)
- 7-5 Adopt a resolution declaring three parcels of real property located in the County of Riverside as exempt surplus land under the Surplus Land Act and authorize their disposal under Metropolitan's surplus land disposal policies and procedures; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Properties located at 12000 West 14th Avenue in the City of Blythe, California and 3137 Wicklow Drive in the City of Riverside, California] (FAAME)
- 7-6 Approve Metropolitan's Statement of Investment Policy for fiscal year 2025/26, delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2025/26 (FAAME)
- 7-7 Approve up to \$2.485 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program for fiscal year 2025/26; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME)
- 7-8 Authorize the amendment of an existing license agreement with Duke Realty Corporation to adjust the license fee and extend the term for up to twenty additional years, thereby allowing continued ingress and egress rights across Metropolitan's Colorado River Aqueduct right of way in Perris, California; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME)
- 7-9 Authorize an amendment to LRP Agreement to extend the start of operation deadline for the Oceanside Pure Water and Recycled Water Expansion Phase I Project (Pending CEQA) (FAAME)

### Page 4

7-10 Adopt a resolution declaring approximately 5,497 acres of 21-4606 Metropolitan-owned real property in the Sacramento-San Joaquin Delta, commonly known as Webb Tract, also identified as Contra County Assessor Parcel Costa Numbers: 026-070-001-8. 026-080-006-5, 026-080-009-9, 026-080-007-3, 026-080-008-1, 026-080-004-0, 026-008-005-7, 026-070-006-7, 026-070-013-3, 026-070-012-5, 026-070-011-7, 026-070-010-9, 026-060-019-2, 026-060-018-4, 026-060-008-5, 026-090-007-7, 026-060-003-6, 026-060-016-8, 026-060-017-6, 026-060-015-0, and 026-060-005-1 as exempt surplus land under the Surplus Land Act; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME)

### \*\* END OF CONSENT CALENDAR ITEMS \*\*

### 8. OTHER BOARD ITEMS - ACTION

- Authorize a new agricultural lease agreement with Bouldin Farming 8-1 Company for rice farming and related uses on portions of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Webb Tract; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiators; properties totaling approximately 2,159 gross acres in the area commonly known as Webb Tract, also identified as Contra Costa County Assessor Parcel Numbers: 026-070-001-8, 026-080-006-5, 026-080-009-9, 026-080-007-3, 026-080-008-1, 026-080-004-0, 026-008-005-7; agency negotiators: Steven Johnson, Kevin Webb, and Kieran Callanan; negotiating parties; John Winther dba Bouldin Farming Company; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8] (FAAME)
- 8-2 Report on litigation in Systems Integrated, LLC v. Metropolitan Water District of Southern California, Los Angeles County Superior Court, Case No. 21STCV18292; authorize an increase in maximum amount payable under contract for legal services with Internet Law Center, Ltd., in the amount of \$TBD for a total amount not to exceed \$TBD; and authorize an increase in maximum amount payable under contract for legal services with Kronenberger Rosenfeld, LLP in the amount of \$TBD for a total amount not to exceed \$TBD; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [Conference with legal counsel existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)] (LC)

### 9. BOARD INFORMATION ITEMS

Page 5

9-1	Report on Conservation Program		
9-2	Bay-Delta Management Report		
9-3	Sustainability Resilience, and Innovation Report		
9-4	Colorado River Management Report	<u>21-4612</u>	
9-5	Overview of Potential Business Model Financial Refinements (FAAME)	<u>21-4661</u>	

### **10. OTHER MATTERS**

10-1 Update on labor negotiations. [Conference with Labor Negotiators; 21-4655 to be heard in closed session pursuant to Gov. Code 54957.6. Metropolitan representatives: Katano Kasaine, Assistant General Manager, Chief Financial Officer, Adam Benson, Finance Group Manager, Gifty J. Beets, Human Resources Section Manager and Mark Brower, Human Resources Group manager. Employee Organization(s): The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the and Professional Management Employees Associations MAPA/AFSCME Chapter 1001; the Supervisors Association; and the Association of Confidential Employees.]

### 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.