



## **Proposed Staff Recommendation Consent Calendar for October 26, 2017**

### **ENGINEERING AND OPERATIONS COMMITTEE**

- 9-1. Professional services contract with CH2M HILL Inc. for design of the Mission Trails Flow Regulatory Structure II and Flow Control Facility project.  
Authorize the General Manager to award a professional services contract to CH2M HILL, Inc., for a not-to-exceed amount of \$1,870,629, to provide engineering services for the Mission Trails Flow Regulatory Structure II and Flow Control Facility project for a period of three and one half years.
- 9-2. Services contract with Hydro Consulting and Maintenance Services, Inc., for specialized mechanical preventative and corrective maintenance, inspection, testing, and repair services for Lake Hodges Pumped Storage Hydroelectric Facility.  
Authorize the General Manager to execute a services contract with Hydro Consulting and Maintenance Services, Inc., for specialized mechanical preventative and corrective maintenance, inspection, testing, and repair services through November 20, 2019, with an option to extend the contract for an additional two years, for a total not-to-exceed amount of \$1,300,000.

### **WATER PLANNING COMMITTEE**

- 9-3. Professional services agreement with WSA Marketing to administer the Qualified Water Efficiency Landscape (QWEL) Program.  
Authorize the General Manager to award a three-year professional services contract with an option to renew for an additional two years to WSA Marketing for the administration of the QWEL program in an amount not to exceed \$247,500.
- 9-4. Professional services agreement with Signature Control Systems, Inc., to administer the WaterSmart Landscape Efficiency Program.  
Authorize the General Manager to execute a three-year professional services agreement, with an option for a two-year extension, in an amount not to exceed \$420,000 with Signature Control Systems, Inc., for program administration services related to the WaterSmart Landscape Efficiency Program.
- 9-5. Professional Services Contract for the Crossover Pipeline Study.  
Authorize the General Manager to award a professional services contract to Brown and Caldwell, in an amount not to exceed \$215,162 to complete the Crossover Pipeline Study.

### **ADMINISTRATION AND FINANCE COMMITTEE**

- 9-6. Monthly Treasurer's Report on Investments and Cash Flow.  
Note and file monthly Treasurer's Report.
- 9-7. Establish 2018 Board meeting dates.  
Combine the November and December Board meeting dates to December 6, 2018 and approve the 2018 Board meeting dates calendar.



- 9-8. Approve the extension of the Bank of America liquidity facility supporting the Water Authority's Commercial Paper Series 9.  
Approve the extension of the Bank of America liquidity facility agreement and adopt Resolution 2017-\_\_\_ authorizing the amendment of the Bank of America agreement.

October 25, 2017

**Attention: Imported Water Committee**

**Metropolitan Water District Delegates' Report (Discussion)**

**Background**

This report summarizes key discussions held and actions taken at the Metropolitan Water District (MWD) committee and Board meetings, as reported by the Water Authority Delegates. This report includes MWD Board activities for October 2017. The MWD committees and Board met on October 9 and 10, and meet next on November 13 and 14.

**Discussion**

The key action at the October MWD Board meeting was the authorization of MWD's participation in California WaterFix (WaterFix), including entering into agreements for the project's two Joint Powers Authorities (JPA). This action was composed of three main pieces: 1) expressing support for the WaterFix project and authorizing MWD's participation in the project, including financial payments, "consistent" with its 25.9 percent share of the project, or \$4.3 billion;<sup>1</sup> 2) authorizing the General Manager to execute agreements related to the project's adaptive management program, Construction JPA, and Finance JPA; and 3) authorizing the General Manager, as a member of the Finance JPA, to purchase "private placement bonds" from the Department of Water Resources and issue public bonds by the Finance JPA "consistent with MWD's share of 25.9 percent" of the project. This action passed with 68.97 percent of the Board vote. Although supportive of a Delta fix, the Delegates did not support this action because key questions surrounding the project's benefits, costs, and risks to MWD have not been adequately addressed, including those raised in the California State Auditor's recent report.<sup>2</sup> Three of Los Angeles' five MWD representatives (Directors Gold, Murray, and Quiñonez) and Director Abdo (Santa Monica) opposed the action. Attachment 1 summarizes the Board's discussion of this action.

During the Water Planning & Stewardship (WP&S) Committee, California Fish and Wildlife Director Charles Bonham reported on the state's current Bay-Delta habitat restoration efforts. Although much of the current and planned restoration in California EcoRestore is required under the existing Biological Opinions, Bonham opined it is better to have a smaller restoration target that is implemented rather than having a larger restoration requirement that may never be achieved. Attachment 2 summarizes Bonham's presentation and subsequent discussion.

In its Water Surplus and Drought Management report, MWD staff reported that its supplies are projected to exceed demands by about 1.3 million acre-feet in calendar year 2017. MWD forecasts it will be able to store 1.0 million acre-feet, breaking MWD's previous record for the most water added to storage in a single year and ending the year with 2.3 million acre-feet of dry-year storage supplies. This will leave MWD unable to store about 300,000 acre-feet of

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<sup>1</sup> In 2017 dollars

<sup>2</sup> State Auditor's October 2017 report, *The Unexpected Complexity of the California WaterFix Project Has Results in Significant Cost Increases and Delays*, found here [http://www.auditor.ca.gov/pdfs/repois\\_rts/2016-132.pdf](http://www.auditor.ca.gov/pdfs/repois_rts/2016-132.pdf)

excess supplies. Staff reported that MWD continues to try to exceed put limits in its Central Valley storage accounts. When asked, staff said it could not payback early any of the 330,000 acre-feet previously borrowed water.

The WP&S Committee also received a presentation on MWD's conservation program. MWD has engaged a Program Advisory Committee composed of member and sub agencies to address suggestions made by the peer review group. Moving forward, MWD plans to focus on expanding programs to disadvantaged communities, developing a new "landscape transformation program" that will include turf removal, surveying residential customers about participation and programs of interest, and undertaking a device saturation study.

### **Overview**

Overall, the Water Authority Delegation supported nine of the 10 action items approved by the MWD Board in October. MWD inducted new Board member Barry Pressman, who replaces Robert Wunderlich as Beverly Hills' MWD representative. The MWD Board expressed support, if amended, for S. 1272 (Feinstein, D-CA) – Drone Federalism Act of 2017. Attachment 3 is a copy of MWD's October 2017 committee and Board meeting agendas and summary report.

Prepared by: Liz Mendelson-Goossens, Senior Water Resources Specialist  
Reviewed by: *Communications and Legislation Committee* by Keith Lewinger  
*Conservation and Local Resources Committee* by Michael Hogan and Fern Steiner  
*Engineering and Operations Committee* by Fern Steiner  
*Finance and Insurance Committee* by Keith Lewinger  
*Legal and Claims Committee* by Fern Steiner  
*Water Planning and Stewardship Committee* by Keith Lewinger and Fern Steiner

Attachment 1: Discussion Summary of MWD's Participation in California WaterFix

Attachment 2: Discussion Summary of MWD California Fish and Wildlife Director's Presentation

Attachment 3: MWD's committee and Board meeting agendas and Board summary, dated October 9 and 10, 2017

## Discussion Summary of MWD's Participation in California WaterFix

At its October 2017 meeting, the MWD Board authorized MWD's participation in, and funding of California WaterFix (WaterFix) consistent with MWD's projected share of 25.9 percent of the estimated \$16.7 billion<sup>1</sup> project. The action included authorizing the General Manager to enter into various agreements related to the project's adaptive management program, Finance Joint Powers Authority (JPA), and Construction JPA. Despite MWD holding four meetings on the project, including three that focused on specific aspects of the project – its infrastructure, operations, and financing and cost allocation – several key questions about WaterFix's costs, benefits, and risks to MWD remained unanswered due to lack of certainty on project participants.<sup>2</sup>

During MWD's October Finance and Insurance Committee meeting, Director Lewinger sought further clarification<sup>3</sup> on WaterFix's proposed financing and how it would impact MWD's financial position. Chief Financial Officer Breaux said the Finance JPA would issue debt, then use that debt to buy bonds from the Department of Water Resources (DWR) so that DWR has cash. DWR would repay the Finance JPA by collecting debt service payments for the bonds issued to the Finance JPA through the State Water Project's annual Statement of Charges. These collections would be remitted to the Finance JPA, which would in turn remit that to the original "investors" who bought the Finance JPA's bonds. Breaux said regardless of the outcome of DWR's validation suit<sup>4</sup> this would be the initial financing strategy.<sup>5</sup> However, Breaux said, that if DWR's validation suit is successful then it will be able to refund all the debt issued by the Finance JPA. According to Breaux, MWD's participation in the Finance JPA would not change MWD's net position or impact its ability to issue debt. Breaux also said that all SWP contractors, even those not participating in the Finance JPA, would be obligated to repay the project debt issued by the Finance JPA.

Later, at the Water Planning and Stewardship Committee meeting, Director Steiner asked if MWD was discussing picking up other contractors' project shares, specifically Kern County

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<sup>1</sup> In 2017 dollars

<sup>2</sup> MWD's 25.9 percent share is premised on the State Water Project and Central Valley Project sharing the project cost at 55 and 45 percent, respectively. In September, Westlands Water District – the largest Central Valley Project contractor – declined to participate, placing a question on the viability of the project as it is currently envisioned.

<sup>3</sup> Previously, Directors Steiner and Hogan requested copies of the implementation agreements – rather than a summary of terms – be provided before Board action so Board members may review the draft agreements and assess potential risks. Hogan made his requests and discussed his concerns in his two letters to MWD. Hogan's September 30, 2017 letter found here: <http://www.mwdfacts.com/wp-content/uploads/2017-09-30-WA-Request-for-CWF-Agreements.pdf>

Hogan's October 4, 2017 letter found here: <http://www.mwdfacts.com/wp-content/uploads/2017-10-04-WA-2nd-request-for-WaterFix-Agreements.pdf>

<sup>4</sup> DWR filed a lawsuit seeking validation that it can issue bonds to finance WaterFix.

<sup>5</sup> In an attachment to WaterFix memo, staff of Santa Clara Valley Water District described the voluntary nature of participating in the Finance JPA and said "[t]he District, however, may choose to join the Finance JPA as a SWP contractor. In doing so, the District would take on the risk of having to back a portion of the SWP share of the bonds issued by the Finance JPA *should DWR not be able to proceed with the WaterFix.*" (emphasis added) It goes on to say "[a]n example of the financial exposure the District may face with this alternative path is that a portion of the costs up to the full construction costs of the Project may have been expended, but the Project is not operable or is significantly delayed due to protracted legal proceedings..." See Santa Clara's Attachment 5: WaterFix Financial Risks found here: <http://www.mwdfacts.com/wp-content/uploads/2017-09-12-SCVWD-Att-5.pdf>

Water Agency's.<sup>6</sup> Assistant General Manager Patterson responded that there is discussion among the state water contractors on "a framework for an exchange." In response to Director Paskett (Los Angeles), Patterson said that Westlands Water District (Westlands), the largest Central Valley Project (CVP) contractor that opted-out of the project, is "not formally" scheduled to reconsider its position and that the project's cost caused it to not participate.

At the following day's Board meeting, 43 speakers made comments on the project with 19 expressing support for it and 24 opposing it. General Manager Kightlinger reviewed staff's recommended actions, starting with supporting the project and committing \$4.3 billion for its funding. He described the recommendation that MWD participate in the Construction JPA as allowing MWD to "have a direct seat and a direct voice in the design and construction of" WaterFix, adding that MWD has "a long and proven track record" "of delivering complex large-scale projects on time and on budget." Since MWD would have the largest share of the project, Kightlinger said that staff also recommends MWD participate in the Finance JPA to "have a direct seat" at the table and to determine "when and how to issue bonds." Similarly, staff recommended participation in the Adaptive Management Program to allow MWD to "have a voice" in how project operations address ecosystem concerns.

Kightlinger then responded to questions he heard over the past few weeks. Regarding Westlands' decision to opt-out of WaterFix, Kightlinger said that there are "two courses of action:" 1) Governor Brown's administration working "with the Department of Interior" to develop "a financing plan" to "enable" the CVP contractors to take-up their 45 percent of the project; or 2) implementing a "phased program" if the currently proposed project is not fully subscribed. Kightlinger described this phased approach as "building a smaller set of facilities" that would "eventually, probably" result in the complete project. If this approach was taken, then staff would return to the Board for action. Later, Kightlinger surmised that a phased project would result in different regulations governing the two water projects.

Regarding how MWD will pay for the project, Kightlinger said that MWD will use its "existing rate structure and [its] existing financing," so about 85 percent of the project will be paid for through volumetric rates while the remaining 15 percent will be funded through MWD's fixed revenues sources, the Readiness-to-Service charge and property taxes. Kightlinger stated that MWD would not increase taxes to fund this project, adding that MWD has not increased taxes in

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<sup>6</sup> MWD's third white paper, "*WaterFix Finance & Cost Allocation*," issued in August 2017 stated that "[w]ith the exception of five north of Delta contractors that would not receive direct California WaterFix benefits, all SWP Contractors are expected to pay for the SWP share of project costs," and that "[c]osts are assumed to be recovered in proportion to each SWP Contractor's baseline Table A contract amount." The same paper also noted that "the existing State Water Contracts offer flexibility to allow individual SWP Contractors to adjust their level of water reliability and financial responsibility through voluntary water transfers and other arrangements." A member unit of Kern County Water Agency (KCWA) reported to its Board in September that KCWA was negotiating with MWD to develop an agreement on any unappropriated WaterFix water from KCWA. Two days after MWD's WaterFix vote, the KCWA Board approved a letter to DWR stating it is interested in pursuing a 6.5 percent share in the project, which represents slightly less than half its current Table A allocation. MWD's *WaterFix Finance & Cost Allocation* white paper is found here:

[http://www.mwdh2o.com/DocSvcsPubs/WaterFix/assets/cawaterfix\\_finance\\_costallocation\\_whitepaper\\_factsheet.pdf](http://www.mwdh2o.com/DocSvcsPubs/WaterFix/assets/cawaterfix_finance_costallocation_whitepaper_factsheet.pdf)

more than 40 years.<sup>7</sup> MWD will pass through the charges from DWR's Statement of Charges based on how DWR allocates project costs between transportation and conservation (supply), which Kightlinger said DWR has not finalized how it would bill for the facilities.<sup>8</sup>

After Kightlinger's presentation, Record said he would consider action on staff's recommendation only and that he would not "take" substitute motions, amendments to motions, or motions to table the vote or delay the vote unless staff's recommendation failed to pass. Director De Jesus (Three Valleys) moved staff's recommendation with Director Camacho (Inland Empire Utilities Agency) seconding. Although her agency is "interested in reducing our dependency on imported water," Director Gray (West Basin) said local projects are important "but that they are not meant to replace the State Water Project." Gray considered the project "affordable" for West Basin's ratepayers and expressed support for the motion.

Director Hogan voiced "disappointment" with Record's decision to not allow substitute motions since he was prepared to make one to allow MWD to express its support to participate in a water fix project but delay the authorization for funding and to enter into various agreements related to the project, including the Finance JPA until further information is provided. Record responded that he felt staff's recommendation was "prudent" and would not expose MWD to risks.

Noting Los Angeles' goals to reduce its reliance on imported water and his concerns with WaterFix's impact on the Bay-Delta ecosystem, Director Gold (Los Angeles) expressed his support for a one tunnel project. Record responded that after understanding which agencies are "in or out" of WaterFix, there may be opportunity to consider of a smaller project.

Suggesting that without WaterFix, all MWD's previous investments in the State Water Project would be wasted, Director Barbre (Municipal Water District of Orange County) supported the motion. In contrast, Director Murray (Los Angeles) noted that it will take several years to construct WaterFix and in the meantime Southern California will continue its conservation efforts and to implement "innovative projects," and thus he supported Gold's proposal for a one tunnel project. Additionally, Murray pointed out that Los Angeles is investing in repairing its aging infrastructure and stormwater capture – all of which will impact rates – and suggested the project as proposed may hinder local supply development. Later, Director Abdo (Santa Monica) said she had "similar concerns about this particular project" and she was "not ready to vote for it." Voicing concern that low-income ratepayers will "have to foot [WaterFix's] bill" and considering Westlands' decision to opt-out of the project, Director Quiñonez echoed Gold and Murray hoped that "other proposals" would be brought before the Board.

Although agreeing that a smaller project is "preferable," Paskett said she supports staff's recommendation with the understanding that MWD's share of the project would be capped at 25.9 percent and that MWD would pursue a "holistic approach" that includes local supply

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<sup>7</sup> While MWD has held its ad valorem tax rate constant since fiscal year 2013, MWD's overall tax revenues have increased. MWD Act Section 124.5 limits MWD's collection of ad valorem taxes to pay for its General Obligation Bond and its share of the State Water Project debt issued prior to fiscal year 1991, and as those debts are paid off, the intent of the Act is for MWD's ad valorem tax rate to be phased out. The Act allows the MWD Board to suspend the tax rate limitation if it determines it is necessary for MWD's "fiscal integrity" to do so.

<sup>8</sup> In analyzing the "Average Cost Increase per AF" MWD's third white paper, *WaterFix Finance & Cost Allocation*, spread the cost over MWD's transportation rate (Table 4).

development. Via teleconference, Director Blois (Calleguas) also expressed support for the motion. Directors Morris (San Marino) and McKenney (Municipal Water District of Orange County) voiced support for staff's recommendation with McKenney adding that a smaller project would be better than no project but "an inferior settlement." Like Paskett, McKenney said he supported "our all-of-the-above approach" that included WaterFix, conservation, and local supply development. McKenney surmised that costs would be greater if the project were to be phased and that without the project as currently envisioned in its environmental documents the expected "ecological improvements" would not be achieved.

Also expressing support for the motion, Director Vásquez-Wilson (Central Basin) said the project was affordable for her ratepayers and that even though her agency is making efforts to reduce dependence on imported water, it remains reliant on it. Concerned food prices would go up and the region may be ill-positioned to fight fires without WaterFix, Director Dick (Municipal Water District of Orange County) supported staff's recommendation. After expressing her support for the motion, Director Martinez (Santa Ana) said she hoped that "if something does change, that we're able to bring everyone to the table and have agreement." She called it "unfortunate" that two of MWD's largest member agencies (Los Angeles and the Water Authority) "are not really essentially on board" with staff's recommendation, based on comments she heard.

Switching focus to the motion on the floor, Lewinger pointed out staff's recommendation was broken down into three distinct parts and asked if Record would allow separate votes on these parts. Record reiterated that the first vote would be the original motion to approve staff's entire recommendation. Lewinger echoed Hogan's disappointment that MWD does not follow Robert's Rules of Order.

Director Treviño (Upper San Gabriel) noted his agency's efforts to diversify its supplies and supported the motion to "honor the people that started the State Water Project, whose vision was reliability." Like Treviño, Director Cordero (Long Beach) highlighted her city's supply diversification efforts and supported staff's recommendation. Record called for the vote and ultimately, the Board approved staff's recommendation, which gained 68.97 percent support.

## **Discussion Summary of MWD California Fish and Wildlife Director's Presentation**

California Fish and Wildlife (CFW) Director Charles Bonham addressed MWD's October 2017 Water Planning and Stewardship Committee. Bonham said the purpose of his presentation was "to tell you how the Brown Administration has been getting things done, and confirm for you that restoration has not been left behind." Stating first that 80 percent of scientists working in the Bay-Delta "conclude restoring habitat is as important as restoring flows," Bonham conveyed that the Bay-Delta is a highly altered ecosystem. He described the concept of "reconciliation ecology," which aims to protect and restore species "in the context of where people live, work, and play" rather than focusing on restoring habitats to what they were centuries ago. Bonham then detailed habitat restoration activities since 2015 and provided an update on the implantation of California EcoRestore (EcoRestore), which he said launched in 2017.

Following Bonham's presentation, the committee engaged in discussion about Bay-Delta habitation restoration. Director Lewinger asked if the activities Bonham discussed were in addition to the restoration required in the 2008 and 2009 Biological Opinions (Bi Ops). Confirming that a significant amount of the restoration he discussed is required in the Bi Ops, Bonham focused on the state's progress in restoring or preparing to restore a large chunk of this requirement. Turning to EcoRestore, Bonham noted the "chatter" about the amount of habitat restoration decreasing from 100,000 acres (as envisioned in the Bay Delta Conservation Plan (BDCP)) to 30,000 acres. He opined that "30 done is better than perpetual conversation about 100" and stressed that the state has "freed up the ability to get restoration moving" over the past few years.

Focusing on EcoRestore, Director Paskett (Los Angeles) asked how much of that program's funding would come from WaterFix participants. Bonham described some of EcoRestore's funding sources, focusing on Proposition 1 (water bond), and said that mitigation for any Bay-Delta conveyance project could not receive funding from the water bond or the currently pending parks and water bond. Paskett clarified her question to ask how much of WaterFix's projected costs would go to "supplement or fund" EcoRestore. Chief Financial Officer Breaux said about \$800 million for capital investment and studying and monitoring restoration efforts, and General Manager Kightlinger added that those activities would "dovetail" with EcoRestore. Noting there were "concerns" when BDCP was bifurcated into WaterFix and EcoRestore because through a Habitat Conservation Plan there is "a greater amount of certainty of funding" since "participants are getting guarantees for their permits" over a longer period,<sup>1</sup> Kightlinger expressed his understanding that CFW is creating a plan to ensure funding through 2050. Bonham described this strategy as pulling together discrete projects into plans or commitments and then overlapping funding.

In response to Paskett's question if the restoration efforts are enforceable beyond the current administration, Bonham said any infrastructure project would require permits from CFW, and thus mitigation. In addition to required restoration, Bonham said voluntary projects are being done "collaboratively" to restore Bay-Delta habitat that are not enforceable "in the legal lawyer sense," but he believes the current success will cause a "trajectory" for continued restoration.

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<sup>1</sup> HCP permitting process requires funding be identified and secured for a project to receive permit clearance.

Replying to Director Gold's (Los Angeles) question about how climate change considerations are factored into fishery management, Bonham said it's hard to project out 50 or 75 years. He suggested a better approach is to plan habitat restoration projects based on a shorter timeframe and incorporate adaptive management. Additionally, Bonham indicated the state will need to invest in providing "cold, clean water habitat" and reintroducing fish to their historic waterways.

On a different note, Director Peterson (Las Virgenes) alluded to the possibility of doing restoration projects on MWD's Delta Islands. Bonham said he was "reticent" to "take any good partnership off the table prematurely." Chairman Record (Eastern) indicated interest in pursuing a partnership, saying "any guidance in that regard would be appreciated very much."



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## **F&I Committee**

B. Barbre, Chair  
R. Wunderlich, V. Chair  
S. Blois  
G. Dake  
D. Dear  
D. De Jesus  
S. Faessel  
W. Gedney  
C. Kurtz  
K. Lewinger  
M. Martinez  
L. McKenney  
L. Paskett  
M. Ramos  
E. Saxod  
Z. Sinanyan

## **Finance and Insurance Committee**

Meeting with Board of Directors\*

**October 9, 2017**

**9:30 a.m. -- Room 2-145**

### Monday, October 9, 2017 Meeting Schedule

9:30 a.m.	Rm. 2-145	F&I
11:00 a.m.	Rm. 2-456	WP&S
12:30 p.m.	Rm. 2-145	E&O
1:30 p.m.	Rm. 2-456	C&L

**MWD Headquarters Building**

**700 N. Alameda Street**

**Los Angeles, CA 90012**

\* The Metropolitan Water District's Finance and Insurance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Finance and Insurance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Finance and Insurance Committee will not vote on matters before the Finance and Insurance Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))
  
2. **Approval of the Minutes of the meeting of the Adjourned Finance and Insurance Committee held September 11, 2017**
  
3. **CONSENT CALENDAR ITEMS — ACTION**  
None
  
4. **OTHER BOARD ITEMS — ACTION**  
None

**5. BOARD INFORMATION ITEMS**

None

**6. COMMITTEE ITEMS**

- a. Year-End Financial Review
- b. External Investment Manager Presentations
  - Reams Asset Management
  - Hillswick Asset Management
- c. Review of Performance by External Investment Advisor
- d. Oral Report on Investment Activities

**7. MANAGEMENT REPORT**

- a. Chief Financial Officer's review

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEMS**

**10. ADJOURNMENT**

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

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

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 <http://www.mwdh2o.com>.

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.



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## WP&S Committee

G. Gray, Chair  
R. Atwater, Vice Chair  
J. Abdo  
L. Ackerman  
M. Camacho  
D. De Jesus  
L. Dick  
K. Lewinger  
J. Morris  
L. Paskett  
G. Peterson  
J. Quiñonez  
F. Steiner  
R. Wunderlich

## **Water Planning and Stewardship Committee**

Meeting with Board of Directors\*

**October 9, 2017**

**11:00 a.m. –Room 2-456**

October 9, 2017 Meeting Schedule		
9:30 a.m.	Rm. 2-145	F&I
11:00 a.m.	Rm. 2-456	WP&S
12:30 p.m.	Rm. 2-145	E&O
1:30 p.m.	Rm. 2-456	C&L

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

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\* The Metropolitan Water District's Water Planning and Stewardship Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Water Planning and Stewardship Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committees as advisory to the Board, members of the Board who are not assigned to the Water Planning and Stewardship Committee will not vote on matters before the Water Planning and Stewardship Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))
  
2. **APPROVAL OF MINUTES**
  - a. Approval of the Minutes of the Joint Meeting of the Special Committee on Bay-Delta and Water Planning and Stewardship Committee held on August 14, 2017 (subject to additional approval by the Special Committee on Bay-Delta)
  
  - b. Approval of the Minutes of the Water Planning and Stewardship Committee held September 11, 2017

### 3. **CONSENT CALENDAR ITEMS — ACTION**

None

October 9, 2017

**4. OTHER BOARD ITEMS — ACTION**

None

**5. BOARD INFORMATION ITEMS**

None

**6. COMMITTEE ITEMS**

- a. Presentation by California Fish and Wildlife Director Charles Bonham on California Eco Restore and Bay-Delta Restoration Efforts
- b. Water Surplus and Drought Management Update

**7. MANAGEMENT REPORTS**

- a. Bay-Delta Matters
- b. Colorado River Matters
- c. Water Resource Management Manager's report

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEMS**

**10. ADJOURNMENT**

October 9, 2017

Water Planning and Stewardship Committee Agenda  
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**NOTE:** At the discretion of the committees, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committees.

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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## E&O Committee

G. Peterson, Chair  
S. Blois, Vice Chair  
B. Barbre  
P. Beard  
M. Camacho  
G. Dake  
D. De Jesus  
L. Dick  
S. Faessel  
D. Galleano  
W. Gedney  
R. Lefevre  
J. Morris  
F. Steiner  
C. Treviño  
J. Zurita

## Revised Agenda

## Engineering and Operations Committee

Meeting with Board of Directors\*

**October 9, 2017**

**12:30 p.m. – Room 2-145**

October 9, 2017 Meeting Schedule		
9:30 a.m.	Rm. 2-145	F&I
11:00 a.m.	Rm. 2-456	WP&S
12:30 p.m.	Rm. 2-145	E&O
1:30 p.m.	Rm. 2-456	C&L

**MWD Headquarters Building**

**• 700 N. Alameda Street •**

**Los Angeles, CA 90012**

\* The Metropolitan Water District's Engineering and Operations Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Engineering and Operations Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Engineering and Operations Committee will not vote on matters before the Engineering and Operations Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))
2. **Approval of the Minutes of the meeting of the Engineering and Operations Committee held September 11, 2017**
3. **CONSENT CALENDAR ITEMS — ACTION**
  - 7-1 Adopt CEQA determination and appropriate \$200,000; and authorize preliminary design of security and erosion control improvements at the Henry J. Mills Water Treatment Plant (Appropriation No. 15479). (E&O)

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

**Adopt the CEQA determination that the proposed action is categorically exempt from CEQA; and**

- a. Appropriate \$200,000; and**
- b. Authorize preliminary design of security and erosion control improvements at the Mills plant.**

- 7-2** Adopt CEQA determination and appropriate \$900,000; and authorize design of Stage 3 improvements for West Valley Feeder No. 1 (Appropriation No. 15377). (E&O)

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

**Adopt the CEQA determination that the proposed actions are categorically exempt; and**

- a. Appropriate \$900,000; and**
- b. Authorize design of Stage 3 improvements for West Valley Feeder No. 1.**

- 7-3** Adopt CEQA determination and appropriate \$1.12 million; and authorize: (1) design and procurement to replace valves on the West Orange County Feeder; and (2) preliminary design to rehabilitate Service Connection OC-09 (Appropriation No. 15480). (E&O)

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

**Adopt the CEQA determination that the proposed actions are exempt from CEQA; and**

- a. Appropriate \$1.12 million;**
- b. Authorize design and procurement to replace valves on the West Orange County Feeder; and**
- c. Authorize preliminary design to rehabilitate Service Connection OC-09.**

- 7-4** Adopt CEQA determination and appropriate \$1.4 million; and award \$787,906 contract to Environmental Construction, Inc. to relocate the turnout for Service Connection OC-76 on the Allen-McColloch Pipeline (Appropriation No. 15480) (E&O)

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

**Adopt the CEQA determination that the proposed action is exempt from CEQA; and**

- a. **Appropriate \$1.4 million; and**
- b. **Award \$787,906 contract to Environmental Construction, Inc. to relocate the turnout for Service Connection OC-76 on the Allen-McColloch Pipeline.**

**4. OTHER BOARD ITEMS — ACTION**

- 8-1** Adopt CEQA determination and appropriate \$4.41 million; and authorize: (1) agreement with Project Partners, LLC in an amount not to exceed \$2,722,000 for deployment of Metropolitan's Project Controls and Reporting System; and (2) agreement with Oracle Corporation in an amount not to exceed \$600,000 for procurement of application licenses; and authorize the General Manager to amend the agreement with Project Partners by up to \$250,000 (Appropriation No. 15490). (E&O)

**Added****Recommendation:****Option #1**

**Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and**

- a. **Appropriate \$4.41 million;**
- b. **Authorize agreement with Project Partners, LLC in an amount not to exceed \$2,722,000 for deployment of the Project Controls and Reporting System;**
- c. **Authorize the General Manager to amend the agreement with Project Partners by up to \$250,000; and**
- d. **Authorize agreement with Oracle Corporation in an amount not to exceed \$600,000 for procurement of application licenses.**

**5. BOARD INFORMATION ITEMS**

None

**6. COMMITTEE ITEMS**

- Added**
- a. Procurement of Valves and Specialized Equipment
  - b. Update on Quagga Mussel Management Plan

**7. MANAGEMENT REPORTS**

- a. Water System Operations Manager's report
- b. Engineering Services Manager's report

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEMS****10. ADJOURNMENT**

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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## C&L Committee

C. Kurtz, Chair  
G. Gray, Vice Chair  
J. Abdo  
L. Ackerman  
S. Ballin  
B. Barbre  
M. Camacho  
D. Galleano  
M. Gold  
R. Lefevre  
K. Lewinger  
J. Morris  
J. Murray, Jr.  
G. Peterson  
E. Saxod  
L. Vasquez

## **Communications and Legislation Committee** Meeting with Board of Directors\*

**October 9, 2017**

**1:30 p.m. -- Room 2-456**

October 9, 2017 Meeting Schedule		
9:30 a.m.	Rm. 2-145	F&I
11:00 a.m.	Rm. 2-456	WP&S
12:30 p.m.	Rm. 2-145	E&O
1:30 p.m.	Rm. 2-456	C&L

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90012**

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\* The Metropolitan Water District's Communications and Legislation Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Communications and Legislation Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Communications and Legislation Committee will not vote on matters before the Communications and Legislation Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))
2. **Approval of the Minutes of the meeting of the Communications and Legislation Committee held September 11, 2017**
3. **CONSENT CALENDAR ITEMS — ACTION**  
  
None
4. **OTHER BOARD ITEMS — ACTION**  
  
8-2 Adopt CEQA determination and express support, if amended, for S. 1272 (Feinstein, D-CA) – Drone Federalism Act of 2017. (C&L)

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA; and**

**Authorize the General Manager to express support, if amended, for S. 1272.**

**5. BOARD INFORMATION ITEMS**

None

**6. COMMITTEE ITEMS**

- a. Report on activities from Washington, D.C.
- b. Report on activities from Sacramento

**7. MANAGEMENT REPORT**

- a. External Affairs Management report

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEMS**

**10. ADJOURNMENT**

October 9, 2017

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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## L&C Committee

J. Quiñonez, Chair  
L. McKenney, V. Chair  
R. Atwater  
M. Camacho  
G. Cordero  
D. Dear  
L. Dick  
J. Murray, Jr.  
L. Paskett  
Z. Sinanyan  
F. Steiner  
R. Wunderlich

## Revised Agenda

### Legal and Claims Committee

Meeting with Board of Directors\*

**October 10, 2017**

**9:00 a.m. -- Room 2-145**

October 10, 2017 Meeting Schedule		
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&LR
12:00 p.m.	Boardroom	Board Meeting

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

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\* The Metropolitan Water District's Legal and Claims Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Legal and Claims Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Legal and Claims Committee will not vote on matters before the Legal and Claims Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code Section 54954.3(a))
2. **Approval of the Minutes of the meetings of the Legal and Claims Committee held September 12, 2017**
3. **MANAGEMENT REPORTS**
  - a. General Counsel's report of monthly activities
4. **CONSENT CALENDAR ITEMS — ACTION**
  - 7-5 Adopt CEQA determination and approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices and regulations. (L&C)

October 10, 2017

**Added**

**Recommendation:**

**Option #1:**

**Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and**

**Approve amendments to the Administrative Code set forth in Attachment 2 to reflect the changes recommended by this letter**

**5. OTHER BOARD ITEMS — ACTION**

None

**6. BOARD INFORMATION ITEMS**

None

**7. COMMITTEE ITEMS**

- a. Report on *Palo Verde Irrigation District v. Metropolitan Water District*, Riverside County Superior Court Case No. RIC1714672  
**[Conference with legal counsel – existing and anticipated litigation (one potential case); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1) and (d)(2)]**
  
- b. Report on *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004 and CPF-16-515282; the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266, and California Supreme Court Case No. S243500; and Los Angeles County Superior Court Case No. BS169881  
**[Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

**Withdrawn**

- ~~6.~~ ~~Discussion of Department Head Performance and Goal Setting~~  
~~**[Public employees' performance evaluations – General Counsel; to be heard in closed session pursuant to Gov. Code Section 54957(b)]**~~

October 10, 2017

**8. FOLLOW-UP ITEMS**

**9. FUTURE AGENDA ITEMS**

**10. ADJOURNMENT**

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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## C&LR Committee

M. Gold, Chair  
J. Abdo, V. Chair  
L. Ackerman  
S. Blois  
G. Gray  
M. Hogan  
C. Kurtz  
R. Lefevre  
L. McKenney  
F. Steiner  
L. Vasquez Wilson

## **Conservation and Local Resources Committee** Meeting with Board of Directors\*

**October 10, 2017**

**10:00 a.m. – Room 2-456**

October 10, 2017 Meeting Schedule		
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&LR
12:00 p.m.	Boardroom	Board Meeting

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

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\* The Metropolitan Water District's Conservation and Local Resources Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Conservation and Local Resources Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to the Conservation and Local Resources Committee will not vote on matters before the Conservation and Local Resources Committee.

1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code 54954.3(a))**
2. **Approval of the Minutes of the meeting of the Conservation and Local Resources Committee held September 12, 2017**
3. **CHAIRMAN'S REPORT**
4. **BOARD INFORMATION ITEMS**

**9-1** Update on Conservation Program

**5. COMMITTEE ITEMS**

None

**6. FOLLOW-UP ITEMS**

None

**7. FUTURE AGENDA ITEMS****8. ADJOURNMENT**

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

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

## Revised Agenda

## Board Meeting

**October 10, 2017**

**12:00 p.m. – Boardroom**

October 10, 2017 Meeting Schedule		
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&LR
12:00 p.m.	Boardroom	Board Meeting

### Videoconference Participation (Added):

1557 Bosak Dr.  
Brighton, MI 48114

Viking Sea at Boston Harbor  
Business Center  
70 Rowes Wharf, Boston, MA 02110-3354

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### 1. Call to Order

- (a) Invocation: Marcia Ferreira, Associate Resource Specialist, Water Resource Management
- (b) Pledge of Allegiance: Director Mark Gold, City of Los Angeles

### 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

- A. Approval of the Minutes of the Regular Meeting on September 12, 2017, and Special Board Meeting on September 26, 2017  
(A copy has been mailed to each Director)  
Any additions, corrections, or omissions

- B. Report on Directors' events attended at Metropolitan expense for month of September
- C. Induction of new Director Barry D. Pressman, from the City of Beverly Hills
  - (a) Receive credentials
  - (b) Report on credentials by General Counsel
  - (c) File credentials
  - (d) Administer Oath of Office
  - (e) File Oath
- D. Approve Commendatory Resolutions for Director Robert Wunderlich, representing the City of Beverly Hills
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report

## **6. DEPARTMENT HEADS' REPORTS**

- A. General Manager's summary of activities for the month of September
- B. General Counsel's summary of activities for the month of September
- C. General Auditor's summary of activities for the month of September
- D. Interim Ethics Officer's summary of activities for the month of September

## **7. CONSENT CALENDAR ITEMS — ACTION**

- 7-1** Adopt CEQA determination and appropriate \$200,000; and authorize preliminary design of security and erosion control improvements at the Henry J. Mills Water Treatment Plant (Appropriation No. 15479). (E&O)

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

**Adopt the CEQA determination that the proposed action is categorically exempt; and**

- a. Appropriate \$200,000; and**
- b. Authorize preliminary design of security and erosion control improvements at the Mills plant.**

- 7-2** Adopt CEQA determination and appropriate \$900,000; and authorize design of Stage 3 improvements for West Valley Feeder No. 1 (Appropriation No. 15377). (E&O)

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

**Adopt the CEQA determination that the proposed actions are categorically exempt; and**

- a. Appropriate \$900,000; and**
- b. Authorize design of Stage 3 improvements for West Valley Feeder No. 1.**

- 7-3** Adopt CEQA determination and appropriate \$1.12 million; and authorize: (1) design and procurement to replace valves on the West Orange County Feeder; and (2) preliminary design to rehabilitate Service Connection OC-09 (Appropriation No. 15480). (E&O)

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

**Adopt the CEQA determination that the proposed actions are exempt; and**

- a. Appropriate \$1.12 million;**
- b. Authorize design and procurement to replace valves on the West Orange County Feeder; and**
- c. Authorize preliminary design to rehabilitate Service Connection OC-09.**

- 7-4** Adopt CEQA determination and appropriate \$1.4 million; and award \$787,906 contract to Environmental Construction, Inc. to relocate the turnout for Service Connection OC-76 on the Allen-McColloch Pipeline (Appropriation No. 15480) (E&O)

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

**Adopt the CEQA determination that the proposed action is exempt; and**

- a. Appropriate \$1.4 million; and**
- b. Award \$787,906 contract to Environmental Construction, Inc. to relocate the turnout for Service Connection OC-76 on the Allen-McColloch Pipeline.**

- 7-5** Adopt CEQA determination and approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices and regulations. (L&C)

**Added****Recommendation:****Option #1:**

**Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and**

- Approve amendments to the Administrative Code set forth in Attachment 2 to reflect the changes recommended by this letter**

**END OF CONSENT CALENDAR****8. OTHER BOARD ITEMS — ACTION**

- 8-1** Adopt CEQA determination and appropriate \$4.41 million; and authorize: (1) agreement with Project Partners, LLC in an amount not to exceed \$2,722,000 for deployment of Metropolitan's Project Controls and Reporting System; and (2) agreement with Oracle Corporation in an amount not to exceed \$600,000 for procurement of application licenses; and authorize the General Manager to amend the agreement with Project Partners by up to \$250,000 (Appropriation No. 15490). (E&O)

**Added****Recommendation:****Option #1**

**Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and**

- a. Appropriate \$4.41 million;**
- b. Authorize agreement with Project Partners, LLC in an amount not to exceed \$2,722,000 for deployment of the Project Controls and Reporting System;**
- c. Authorize the General Manager to amend the agreement with Project Partners by up to \$250,000; and**
- d. Authorize agreement with Oracle Corporation in an amount not to exceed \$600,000 for procurement of application licenses.**

- 8-2** Adopt CEQA determination and express support, if amended, for S. 1272 (Feinstein, D-CA) – Drone Federalism Act of 2017. (C&L)

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

**Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA; and**

**Authorize the General Manager to express support, if amended, for S. 1272.**

- 8-3** Withdrawn

- 8-4** Adopt CEQA determination and express Metropolitan's support for California WaterFix; authorize participation in the construction of California WaterFix including payment of costs consistent with Metropolitan's 25.9 percent share of overall costs; authorize the General Manager to execute the following agreements having terms as described in this board letter: (1) Agreement for Implementation of an Adaptive Management Program for Project Operations, (2) Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority, and (3) Joint Powers Agreement Forming the Delta Conveyance Financing Joint Powers Authority; and adopt a Resolution authorizing the General Manager to participate in the Financing Joint Powers Authority, authorizing the purchase of private placement bonds from the California Department of Water Resources and issue public bonds by the Financing Joint Powers Authority, consistent with Metropolitan's share of 25.9 percent of the California WaterFix project costs, including an agreement to secure payment of Metropolitan's share.

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

**Adopt the CEQA determination that the Board has reviewed and considered BDCP/California WaterFix environmental documentation; adopt the lead agency's findings, SOC, and MMRP; and**

- a. Express Metropolitan's support for California WaterFix and authorize participation in the construction of California WaterFix including payment of costs consistent with Metropolitan's 25.9 percent share of overall project costs;**
- b. Authorize the General Manager to Execute the following agreements having terms as described in the board letter dated October 10, 2017:**
  - (i) Agreement for Implementation of an Adaptive Management Program for Project Operations (AMP Agreement);**
  - (ii) Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority (Construction JPA Formation Agreement);**
  - (iii) Joint Powers Agreement Forming the Delta Conveyance Financing Joint Powers Authority (Financing JPA Formation Agreement); and**
- c. Adopt Resolution authorizing the General Manager to, as a member of the Financing Joint Powers Authority, authorize the purchase of private placement bonds from the California Department of Water Resources and issue public bonds by the Financing Joint Powers Authority, consistent with Metropolitan's share of 25.9 percent of the California WaterFix project costs, including an agreement to secure payment of Metropolitan's share.**

**9. BOARD INFORMATION ITEMS**

- 9-1** Update on Conservation Program

**10. OTHER MATTERS**

- Withdrawn      **10-1**      ~~Report on 2017 Department Head Salary Survey~~
- Withdrawn      **10-2**      ~~Adopt the CEQA determination and discuss and approve compensation recommendations for General Manager, General Counsel, and General Auditor~~

**11. FOLLOW-UP ITEMS****12. FUTURE AGENDA ITEMS****13. ADJOURNMENT**

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

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

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**Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
October 10, 2017**

**COMMITTEE ASSIGNMENTS**

None. (**Agenda Item 5E**)

**ENGINEERING AND OPERATIONS COMMITTEE**

Appropriated \$4.41 million; authorized agreement with Project Partners, LLC in an amount not to exceed \$2,722,000 for deployment of the Project Controls and Reporting System; authorized the General Manager to amend the agreement with Project Partners by up to \$250,000; and authorized agreement with Oracle Corporation in an amount not to exceed \$600,000 for procurement of application licenses. (Appropriation No. 15490). (**Agenda Item 8-1**)

**COMMUNICATIONS AND LEGISLATION COMMITTEE**

Authorized the General Manager to express support, if amended, for S.1272.  
(**Agenda Item 8-2**)

**BOARD MEETING**

Adopted the CEQA determination that the Board has reviewed and considered BDCP/California WaterFix environmental documentation; adopted the lead agency's findings, SOC, and MMRP; and expressed Metropolitan's support for California WaterFix and authorized participation in the construction of California WaterFix including payment of costs consistent with Metropolitan's 25.9 percent share of overall project costs; authorized the General Manager to execute the following agreements having terms as described in the board letter dated October 10, 2017: (i) Agreement for Implementation of an Adaptive Management Program for Project Operations (AMP Agreement); (ii) Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority (Construction JPA Formation Agreement); (iii) Joint Powers Agreement Forming the Delta Conveyance Financing Joint Powers Authority (Financing JPA Formation Agreement); and adopted Resolution authorizing the General Manager to, as a member of the Financing Joint Powers Authority, authorize the purchase of private placement bonds from the California Department of Water Resources and issue public bonds by the Financing Joint Powers Authority, consistent with Metropolitan's share of 25.9 percent of the California WaterFix project costs, including an agreement to secure payment of Metropolitan's share. (**Agenda Item 8-4**)

## **CONSENT CALENDAR**

In other action, the Board:

Appropriated \$200,000; and authorized preliminary design of security and erosion control improvements at the Mills plant. (Appropriation No. 15479) (**Agenda Item 7-1**)

Appropriated \$900,000; and authorized design of Stage 3 improvements for West Valley Feeder No. 1. (Appropriation No. 15377) (**Agenda Item 7-2**)

Appropriated \$1.12 million; authorized design and procurement to replace valves on the West Orange County Feeder; and authorized preliminary design to rehabilitate Service Connection OC-09. (Appropriation No. 15480) (**Agenda Item 7-3**)

Appropriated \$1.4 million; and awarded \$787,906 contract to Environmental Construction, Inc. to relocate the turnout for Service Connection OC-76 on the Allen-McColloch Pipeline. (Appropriation No. 15480) (**Agenda Item 7-4**)

Approved amendments to the Administrative Code set forth in Attachment 2 of the Board letter. (**Agenda Item 7-5**)

## **OTHER MATTERS**

In other action, the Board:

Inducted new Director Barry D. Pressman, representing the City of Beverly Hills. (**Agenda Item 5C**)

Approved Commendatory Resolutions for Director Robert Wunderlich, representing the City of Beverly Hills. (**Agenda Item 5D**)

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

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

<http://edmsidm.mwdh2o.com/idmweb/home.asp>

All current month materials, before they are moved to the Board Letter Archive, are available on the public website here: <http://mwdh2o.com/WhoWeAre/archived-board-meetings>



Date: October 24, 2017  
To: San Diego County Water Authority Board Members  
From: Ken Carpi, Washington Representative  
Subject: Federal Legislative Update

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### **Congress Preparing Path For Tax Cuts**

The Senate passed its version of a budget resolution designed to pave the way for tax cuts later this year. The final version, which passed 51-49, included provisions to allow the House to simply pass this version and avoid further time-consuming negotiations with the Senate. If the House adopts the measure later this week, the next goal is to have the full House vote on a package of tax cuts and reforms before Thanksgiving.

How to offset some or all of the costs of tax cuts – estimated to cost the Treasury between \$1-1.5 trillion over ten years – will be the most difficult challenge in both chambers. Tax writers have looked at repealing or capping the deduction for State and Local taxes (SALT) among other options. While removing the tax-exempt status of municipal debt (muni bonds) was not included in the first principles set to guide the debate, Members have emphasized that they should not be considered off-the-table for discussion.

Infrastructure advocates still hope that a tax bill will help pay for greater investment in water facilities and other types of infrastructure. The White House has yet to issue its infrastructure plan. President Trump made comments earlier this month that cast doubt on his commitment to public-private partnerships. These arrangements had been considered central to his infrastructure plans since January.

### **ACWA Hosts Title XVI Discussion in DC**

ACWA's DC director invited senior congressional staff to discuss a new Title XVI water recycling discretionary program created by the WIIN Act of 2016. The invitation came after several water agencies asked Senator Feinstein and Representative Ken Calvert (R-Corona) to direct the Bureau of Reclamation to combine "legacy" Title XVI funding with the new, but separate, discretionary Title XVI funding included in the WIIN Act that passed last December.

During the meeting, Senator Feinstein's senior water counsel, House Speaker Paul Ryan's senior energy and environment advisor, and Rep. Calvert's appropriations staffer discussed how they developed the new Title XVI program under the WIIN Act and reiterated that they

never intended to create a new Title XVI program to replace the program that has been in place since the 1990s. They emphasized the desire to supplement existing Title XVI funding and the WIIN program was the best they could achieve at the time. A member of Senator Harris' staff and professional staff for the Senate Committee on Energy & Natural Resources were also present at the meeting.

### **Appointments and Nominations**

President Trump nominated Kathleen Hartnett White to be the chair of the Council on Environmental Quality. CEQ is the principal federal office that oversees the NEPA and has been tasked by the President to oversee his environmental streamlining effort. White is a former chairman of the Texas Commission on Environmental Quality. She also served as Director of the Lower Colorado River Authority and the Texas Water Development Board. She is a past recipient of the Texas Water Conservation Association's President's Award and the Colorado River Foundation's friend of the river award. She earned her bachelor's and master's degrees from Stanford University.

The President also nominated Andy Wheeler to be Deputy Administrator of the Environmental Protection Agency. Wheeler is the head of the energy & environment team at Faegre Baker Daniels Consulting. He previously served for 14 years on the Senate Committee on Environment & Public Works, including time as staff director and chief counsel.

The nomination of Brenda Burman for Commissioner of Reclamation still awaits a vote by the full Senate. The President has not nominated anyone to serve as Assistant Secretary of Interior for Water & Science. The nomination of David Ross to be Assistant Administrator for Water at the EPA awaits committee approval before heading to the full Senate. The Committee on Energy & Natural Resources held his confirmation hearing on October 4.

Secretary of the Interior Ryan Zinke announced the appointment of several more senior level officials at the Department that will affect water policy. These include:

- Austin Ewell - Deputy Assistant Secretary for Water and Science. Ewell is from Fresno, earned a law degree from Loyola Law School, and did his undergraduate work at the University of Southern California.
- Jason Larrabee - Principal Deputy Assistant Secretary for Fish and Wildlife and Parks. Also a Californian, Larrabee served as Chief of Staff to Rep. Jeff Denham and previously handled former Rep. John Doolittle's Energy & Water appropriations work.
- Brian Steed - Deputy Director of the Bureau of Land Management (BLM). Dr. Steed is a native of Utah and recently served as Chief of Staff for Rep. Chris Stewart (R-UT).
- Kathleen Benedetto - Senior Advisor to BLM. Benedetto served as professional staff on the Natural Resources Committee for 13 years and previously worked as a consulting geologist.