



Proposed Staff Recommendation Consent Calendar for July 25, 2013

WATER PLANNING COMMITTEE

- 9- 1. Annual Water Supply Report for distribution pursuant to Administrative Code Section 8.00.050.
Approve the Annual Water Supply Report for distribution pursuant to Administrative Code 8.00.050.
- 9- 2. Approve the list of proposed projects to be analyzed in a Supplemental Program Environmental Impact Report prepared for the 2013 Regional Water Facilities Optimization and Master Plan Update.
Approve the list of proposed projects to be analyzed in a Supplemental Program Environmental Impact Report prepared pursuant to the California Environmental Quality Act for the 2013 Regional Water Facilities Optimization and Master Plan Update. Direct staff to complete the Initial Draft of the 2013 Regional Water Facilities Optimization and Master Plan Update and distribute it to member agencies for review and comment.

ADMINISTRATIVE AND FINANCE COMMITTEE

- 9- 3. Treasurer's report.
Note and file the monthly Treasurer's report.
- 9- 4. Professional services contract to upgrade the Maximo Computerized Maintenance and Asset Management System.
Authorize the General Manager to award a professional services contract to Electronic Data, Inc., in an amount not-to-exceed \$538,000 for consulting services to upgrade the Maximo Computerized Maintenance and Asset Management System from version 6.2 to version 7.5. The time frame of this contract will be August 2013 through April 2014.
- 9- 5. Agreement with Oracle USA, Inc. to renew the Enterprise Resource Planning System software maintenance and support agreements.
Authorize the General Manager to renew the Enterprise Resource Planning System software annual maintenance and support agreements with Oracle USA, Inc. for four fiscal years at a total cost of \$867,000. The cost per fiscal year is \$203,000 for 2014; \$213,000 for 2015; \$221,000 for 2016, and \$230,000 for 2017. Funds for fiscal years 2016 and 2017 would be contingent on approval of the corresponding bi-annual budget.



IMPORTED WATER COMMITTEE

- 9- 6. Amend agreement for Consulting Services with SCN Strategies.
Amend the agreement with SCN Strategies for continued consulting services to the Water Authority through June 30, 2014 for a period of 12 additional months, and increasing total contract funding to an amount not-to-exceed \$527,050.

ENGINEERING AND OPERATIONS COMMITTEE

- 9- 7. Professional services contracts with Beyaz and Patel, Inc and Tetra Tech, Inc. for as-needed structural engineering services.
Authorize the General Manager to award two separate professional services contracts in the amount of \$300,000 each to Beyaz and Patel, Inc. and Tetra Tech, Inc. for structural engineering as-needed services for a total of \$600,000 for a period of three years.
- 9- 8. Notice of Completion for Miramar Pump Station Meter Vault.
Authorize the General Manager to accept the Miramar Pump Station Meter Vault project as complete, record the Notice of Completion, and release funds held in retention to L.H. Woods & Sons, Inc., following the expiration of the notice of completion period.
- 9- 9. Professional services contract with Pure Technologies US Inc. to provide welded steel pipeline nondestructive testing services.
Authorize the General Manager to award a professional services contract in the amount of \$1,119,000 to Pure Technologies US Inc. to provide nondestructive testing services and condition assessment of Pipeline 4 from Twin Oaks Water Treatment Plant to Paint Mountain.
- 9- 10. Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP - San Vicente Dam Raise and Carryover Storage project.
Accept Amendments 4 and 5 for \$200,198, and approve Amendment 6 in the amount of \$3,156,491 to provide extended construction management, inspection, and materials testing services for the ESP – San Vicente Dam Raise and Carryover Storage project, due to delayed construction contract completion, extended main dam coring program, and marina facilities construction support, increasing the contract amount from \$31,667,595 to \$35,024,284.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

- 9- 11. Adopt a position of Oppose Unless Amended on AB 37(Perea).
Adopt a position of Oppose Unless Amended on AB 37 (Perea).
- 9-12. Small Contractor Outreach and Opportunities Program Committee recommendation for program goal.
Recommend a SCOOP program goal of 30 percent for fiscal years 2014 and 2015.



July 24, 2013

Attention: Imported Water Committee

Metropolitan Water District Delegates' Report (Information)

Background

The MWD committees and board met on July 8 and 9. The next regular MWD board and committee meetings are scheduled for August 19 and 20.

Discussion

This section summarizes discussions held and key decisions made at the July MWD committee and board meetings, as reported by the MWD delegates. The Water Authority delegation supported 11 of 13 action items approved by the MWD board. The delegates abstained on an item heard in closed session related to the existing rate litigation with the Water Authority. In addition, the delegates submitted a letter expressing opposition to MWD awarding new Local Resource Project (LRP) subsidies to the city of Anaheim for a water recycling demonstration project. Similar to past actions related to other LRPs, the delegates opposed MWD's LRP action due to: the lack of demonstrated need for the project by continuing to rely on outdated planning documents; lack of demonstrated benefits to all MWD ratepayers other than the recipient agency; and the continued denial of access by the Water Authority's ratepayers to this type of program (for the Water Authority's letter to MWD, see Attachment 1). The Water Authority's delegates requested their letter be entered into the administrative record of the respective committee and board meetings.

Attachment 2 is a copy of MWD's July committee and board meeting agendas.

Communications and Legislation Committee

The committee received a report on H.R. 1927 (Costa, D-CA), the More Water and Security for Californians Act. This bill would provide congressional direction for implementation of the Endangered Species Act as it relates to operation of the Central Valley Project and the California State Water Project, and for water relief in the State of California. General Manager Kightlinger commented that staff is not recommending a position at this time because the bill is still evolving.

The committee also received reports on state and federal legislative activities.

Engineering and Operations Committee

The committee and board approved seven action items, including rehabilitation of the San Jacinto East Adit on the Colorado River Aqueduct, which is the primary access point into the San Jacinto Tunnel and is experiencing cracks in its concrete lining, increasing its vulnerability to seismic events. The committee also received part two of a three part series on MWD's energy management program. Last May, MWD staff gave an overview of MWD's overall energy operations and management program and small hydro and solar power generation facilities. This month, focus was on the State Water Project (SWP) activities, including its pumping load and power generation strategy, as well as the drivers for the SWP's energy costs. Staff also described DWR's effort to manage SWP energy costs by utilizing design aspects that afford flexibility, such as excess pumping capabilities, excess peaking capacity and storage at strategic locations, and managing the on/off peak energy operations. Staff also reported that two long-term energy contracts are expiring – Reid Gardner (this month) and

Morgan Stanley (in late-2015). DWR has replaced some of its energy needs with other long-term contracts, such as one with Lodi Energy. Staff said that DWR is meeting the state regulations and on track to conform to meet the 2020 greenhouse gas emissions target. In addition, DWR is working with the SWP contractors in updating the Power Integrated Resources Plan, which addresses current and future energy needs. Director Lewinger pointed out that DWR often leverages its SWP resources by pumping water during off-peak times and generating hydropower for sale during peak hours; he asked on a dollar basis what the relationship between the two is. Chief Operating Officer Man said that the rule of thumb is that the SWP energy cost about 50 cents on the dollar because of this ability to leverage SWP power resources; Kightlinger added that staff would return with the differential between dollars per acre-foot (as opposed to kilowatts) produced and spent.

Man gave an update on the SWP Repair and Rehabilitation program. She said that Hyatt-Thermolito and Dos Amigos pumping plants are now operating as planned, and staff anticipates no impact to this year's supply deliveries.

Finance and Insurance Committee

The committee and board tabled an item related to the selection and authorization to execute an agreement with an Other Post-Employment Benefits (OPEB) trust provider California Employer's Retiree Benefit Trust (CERBT), which is managed by CalPERS. Several directors, Director Evans (Western Municipal Water District), Director Barbre (Municipal Water District of Orange County), and Director Touhey (Upper San Gabriel Valley Municipal Water District) raised concerns associated with CalPERS' responsiveness to customer needs. Kightlinger said that given MWD's Cargill litigation and lack of support from CalPERS during that time, he was initially reluctant to support staff's choice. However, due to CalPERS' size, which can be leveraged to lower its costs and can be used to invest in areas the other providers cannot, Kightlinger supported staff's recommendation. CERBT costs significantly less than other providers reviewed (15 basis points when compared with the others at 61 and 98 basis points). In light of the concerns expressed, Director J. Murray (Los Angeles) moved to table this item, and it was tabled by the committee and board. Evans and Lewinger requested that the trust administrators provide the board with more detailed information on what comprises their annual costs and respond to other issues raised by directors. Director Steiner suggested that the directors' concerns or questions be forwarded to the providers to give time to respond to these issues. Chief Financial Officer Breaux asked that any questions be sent to staff by the end of the week, which would then be forwarded to the providers; the providers will be requested to make presentations to the committee on their experience, expertise, investment options and on their administration and investment management fees.

Staff also presented on MWD's investment activity and reported that two notes associated with Hartford Life (secured corporate bonds in MWD's Long-Term Portfolio) have been downgraded by Standard & Poor's from A- to BBB+. Staff said that the downgrade was triggered by the change in the rating agency's methodology, rather than the financial condition of the subsidiary or the likelihood of Hartford not being able to repay the bond. It is anticipated that Moody's may follow suit; staff reported that MWD's long term portfolio manager would prefer to keep the securities, and since the manager is responsible for the return of the portfolio, MWD's practice is to allow the manager to make decisions in situations such as this. Chair Grunfeld (Los Angeles) requested that the long-term portfolio manager provide a presentation to the committee on its assessment of MWD's investment performance and expectations for future performance.

Breaux reported that the end of the fiscal year water sales is tracking about 1.857 million acre-feet (MAF), 156.8 thousand acre-feet (TAF) above the budgeted amount of 1.7 MAF and resulting in revenues tracking above budget at about \$99.1 million. Breaux said that external auditors, KPMG, will begin auditing MWD's books and have preliminary results of the audit by the August committee meeting.

Breaux also responded to questions posed by Lewinger from the June committee meeting related to impacts resulting from not fully funding OPEB and Pay-As-You-Go (PAYGo) liabilities. Breaux reviewed the growth of unfunded liability per OPEB Actuarial Studies since 2005 (2005 - \$310.5 million; 2007 - \$393.5 million; 2009 - \$404.2 million; and 2011 - \$545.5 million). He said MWD has always made its PAYGo payments, which in recent years amount to about \$15 million a year for the retirees. However, MWD has not set assets aside, which is part of the source of the unfunded liability growth, until last fiscal year when MWD prefunded \$5 million toward its OPEB liability. Breaux showed an illustration that examined MWD pre-funding the Annual Required Contribution (ARC) at a 7.25% discount rate, which would reduce the unfunded liability to about \$367.4 million over the next 50 years (because it assumes that money is being set aside to pre-fund MWD's ARC). Breaux said that MWD's plan is to slowly ease into fully funding its ARC (increasing pre-funding by \$5 million each year until funding equals the ARC), but offered that during the next biennial budget process, the committee and board may want to consider fully funding the ARC. Lewinger requested that staff return next month and cover how much of the OPEB liability should be borne by current and future customers. Breaux said he would confer with the actuary and report back to the committee. Touhey reiterated that because MWD is underfunding the ARC, the unfunded liability continues to grow.

As far as MWD's PAYGo funding for Capital Investment Program, Breaux said that comparing the PAYGo actuals to the budget from 2003-2013, MWD reduced its PAYGo by about \$394 million, which resulted in additional bonds being issued to make up the difference. He said that PAYGo reduction equates to approximately \$23 million in annual additional debt service costs, which are now shifted to future ratepayers. In response to Lewinger's inquiry, staff said that MWD at one time funded its PAYGo based on about 20 percent of the Capital Investment Program (CIP) cost, and later through the Long Range Finance Plan changed to a practice of setting PAYGo at \$95 million to match MWD's replacement and refurbishment costs (and \$95 million was approximately 20 percent of PAYGo funding). Hearing that explanation, Lewinger asked that staff update the PAYGo shortfall slide to include the actual expenditures of the CIP. Since MWD also reduced its CIP expenditures, Lewinger suggested that MWD review the PAYGo "shortfall" through that lens; the shortfall should be less. Breaux agreed and said staff will review PAYGo as a percent of MWD's CIP. Director Morris (San Marino) expressed concern that the board is losing the "true nexus on why MWD has PAYGo." He said that its original intent was to fund repair and replacement (R&R) through PAYGo, as opposed to bond dollars (which he asserted should be used for "betterment" of MWD's facilities and water delivery system).

Review of MWD's Swap Policy and Outstanding Swaps was deferred to August. In addition, Grunfeld said that discussion of options on the update of the Long Range Finance Plan, as well as setting details for a workshop focused on the use of reserves is on the August agenda.

Legal and Claims Committee

The committee and board approved two items, including an item related to the rate litigation with the Water Authority; the delegates did not participate in this discussion. The delegates along with

Wunderlich abstained on the rate litigation item. General Counsel Scully also reported on litigation against the Delta Stewardship Council (DSC) challenging the validity of its Delta Plan under the Delta Reform Act of 2009 and the adequacy of the Programmatic Environmental Impact Report (PEIR). Scully said there are seven lawsuits with a total of 26 petitioners that were filed in Sacramento, San Francisco and San Joaquin County Superior Courts alleging similar causes of action against the DSC.

Organization, Personnel and Technology Committee

The committee and board approved MWD's Salary Schedule pursuant to CalPERS, which as a result of recent law change, is necessary in order for MWD employee's salary to be considered as compensation for retirement calculation purposes. Staff also reported on the Equal Employment Opportunities outreach and recruitment efforts to-date, particularly with estimates of increased retirements in the next five years. Staff said that between April 1, 2012 and March 31, 2013, MWD hired 88 regular full-time employees, offsetting vacancies resulting from recent retirements and employee separation from MWD.

The committee also received an update on the Information Technology Strategic Plan.

Water Planning and Stewardship

Congressman Jim Costa, representing the 16th District of California (which includes all of Merced County, as well as parts of Fresno and Madera Counties), addressed the committee on the importance of the Bay Delta Conservation Plan (BDCP) and Governor Brown's efforts in trying to improve the state's water system. He said that when looking at California's challenges for the 21st century "there is probably no more important effort than investing in the state's infrastructure." Costa also said that the BDCP may need to be "rebranded" because while Southern California and the "Valley" understand the importance of the state's plumbing system, to try to encourage larger support statewide requires raising awareness on the expected outcomes of the BDCP, such as water reliability and protecting, restoring, and enhancing the Delta ecosystem, as well as communicating the value of these outcomes to the various regions of the state.

The committee received reports on Bay-Delta and Colorado River matters. Assistant General Manager of Strategic Water Initiatives Roger Patterson indicated that economist Dr. David Sunding will be addressing the Bay-Delta Subcommittee on July 23 and may preview the Draft Statewide Economic Impact Report prepared by Sunding. Colorado River Program Manager Bill Hasencamp reported on the hydrologic conditions in the Colorado River Basin, which is experiencing record dry conditions. Combined, Lake Mead and Lake Powell are at the lowest level since they were filled – currently 47% of capacity. Because of dry conditions, a lower Lake Powell release into Lake Mead will likely be triggered, which could mean by the end of next summer, Lake Mead may drop by 20 feet in elevation (Lake Mead is currently 30 feet above shortage criteria at 1,105 feet above sea level; if Lake Mead drops below elevation 1,075 feet above sea level shortage declaration on the lower Colorado would then apply to the following year's water allocation). Hasencamp added that the Imperial Irrigation District (IID) has agreed to offset its 2010 deliveries of water to the Salton Sea and submitted a plan to the Bureau of Reclamation that included following additional land to make up the water. Reclamation had earlier indicated that IID's 2010 action was not consistent with the Quantification Settlement Agreement nor the Colorado River water rights. IID anticipates initiating its following plans to offset the 2010 water deliveries made to the Salton Sea in 2015, completing the work in 2016. Reclamation accepted IID's plan, ending the 2010 dispute over the delivery of water to the Salton Sea.

The committee and board also approved two items – entering into a Local Resources Program agreement with the city of Anaheim and authorizing payment for support of the Colorado River Board and the Colorado River Authority for fiscal year 2013/14.

Board Meeting

The board held a public hearing on the proposed standby charge levy supporting Meadowood Annexation to San Diego County Water Authority and Metropolitan. The Board Secretary said there were no protests to the annexation.

Prepared by: Debbie Discar-Espe, Senior Water Resources Specialist

Approved by: *Communications and Legislation Committee* by Vincent Mudd

Finance and Insurance Committee by Keith Lewinger

Engineering and Operations Committee by Fern Steiner

Legal and Claims Committee by Vincent Mudd and Fern Steiner

Organization, Personnel and Technology Committee by Keith Lewinger and Fern Steiner

Water Planning and Stewardship Committee by Keith Lewinger and Fern Steiner

Attachment 1: Opposition Letter to Board Item 7-1, July 5, 2103

Attachment 2: MWD Committee and Board meetings, July 8 and 9, 2013



San Diego County Water Authority

4677 Overland Avenue • San Diego, California 92123-1233
(858) 522-6600 FAX (858) 522-6568 www.sdcwa.org

July 5, 2013

John V. Foley, Chairman, and
Members, Board of Directors
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153

MEMBER AGENCIES

Carlsbad
Municipal Water District

City of Del Mar

City of Escondido

City of National City

City of Oceanside

City of Poway

City of San Diego

Fallbrook
Public Utility District

Helix Water District

Lakeside Water District

Olivenhain
Municipal Water District

Otay Water District

Padre Dam
Municipal Water District

Camp Pendleton
Marine Corps Base

Rainbow
Municipal Water District

Ramona
Municipal Water District

Rincon del Diablo
Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center
Municipal Water District

Vista Irrigation District

Yuima
Municipal Water District

OTHER REPRESENTATIVE

County of San Diego

Re: Board Item 7-1 – OPPOSE: Authorize entering into a Local Resources Program agreement with the city of Anaheim for the Anaheim Water Recycling Demonstration Project

Dear Chair Foley and Members of the Board:

The Water Authority’s delegates OPPOSE Board Item 7-1 on the following grounds.

Under California law, including Proposition 26, passed by the voters in November 2010, the Metropolitan Water District (MWD) is required to set rates that do not exceed the reasonable and proportionate costs of providing the particular service for which the rate is charged. MWD will ultimately bear the burden of showing affirmatively that its allocation of costs to its water rates and charges provide proportional benefits to all MWD ratepayers.

MWD has failed entirely to make such a showing in Board Memo 7-1. Its assertion that MWD’s payment of these local water supply costs – which will provide recycled water for toilet flushing at Anaheim’s Civic Center West Tower and landscape irrigation within Anaheim’s service area – “benefit all member agencies regardless of individual project location,” is not substantiated by any evidence and is untrue. There is no demonstration in the Board Memo or otherwise that any water supply or transportation costs are, or will be, avoided by MWD as a result of making these payments. MWD has abandoned even the pretense of claiming any such benefits exist; and, a passing reference to “board approved policy goals” is no substitute for this factual showing.

The Water Authority’s delegates have repeatedly raised concerns with MWD’s calculated, continued reliance on outdated planning documents to justify subsidies for select member agency local projects. Board Memo 7-1 once again relies on the badly outdated Local Resources Plan (LRP) goal, set more than five years ago in 2007, under materially different circumstances. It is clear from Board Memo 7-1 that MWD’s payment for this local supply project will benefit only those ratepayers who will, through the implementation of this project, cease being customers of or reduce water purchases from MWD and thus no longer

A public agency providing a safe and reliable water supply to the San Diego region

Chair Foley and Members of the Board

July 5, 2013

Page 2

be required to pay its water rates and charges. MWD's continued practice of forcing cross-subsidies is a violation of cost of service statutory and Constitutional requirements.


In addition to these grounds, the Water Authority objects to being charged a "Water Stewardship Rate" (WSR) to pay for this project because its ratepayers have been barred by the MWD board's August 2010 action from receiving any WSR benefits, assuming there are any (which there are not, for the reasons described above). The WSR is discriminatory, violates California law and may not be collected from the Water Authority's customers.

The Water Authority will seek to be relieved of any financial responsibility for this and other WSR projects approved by the MWD board of directors as to which prior objection has been made. Agencies that do not object may agree voluntarily to pay for the projects of other member agencies (although even that is questionable given the Constitutional mandate of Proposition 26).

Sincerely,



Keith Lewinger
Director



Vincent Mudd
Director



Fern Steiner
Director

cc: Jeff Kightlinger, MWD General Manager
San Diego County Water Authority Board of Directors and Member Agencies



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

AGENDA

F&I Committee

A. Grunfeld, Chair
B. Barbre, V. Chair
R. Apodaca
T. Babcock
D. De Jesus
T. Evans
C. Kurtz
K. Lewinger
E. Little
G. Pringle
M. Touhey
L. Vasquez
D. Wilson
R. Wunderlich

Finance and Insurance Committee

Meeting with Board of Directors*

July 8, 2013

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

Monday, July 8, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	F&I
10:00 a.m.	Rm. 2-456	WP&S
12:00 p.m.	Rm. 2-145	E&O
1:00 p.m.	Rm. 2-456	OP&T

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 Finance and Insurance Committee held June 10, 2013**
3. **MANAGEMENT REPORTS**
 - a. Report on investment activity
 - b. Financial highlights
4. **CONSENT CALENDAR ITEMS — ACTION**

None

5. OTHER BOARD ITEMS — ACTION

- 8-1** Approve the selection of a third party Other Post Employment Benefits (OPEB) trust provider; and authorize execution of an agreement(s) with the board-approved provider. (F&I)

Recommendation:

Option #1:

Adopt the CEQA determination that the project is not subject to CEQA and authorize the General Manager, with approval of the General Counsel, to execute a contract with CERBT to administer and invest Metropolitan's pre-funding of OPEB benefits.

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

- a. Review of Swap Policy and Outstanding Swaps

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

D. De Jesus, Chair
D. Fleming, V. Chair
L. Ackerman
G. Brown
L. Dick
J. Edwards
G. Gray
D. Grisct
K. Lewinger
S. Lowenthal
J. Morris
K. Murray
G. Peterson
J. Quiñonez
R. Record
F. Steiner
M. Touhey

REVISION 2

Water Planning and Stewardship Committee

Meeting with Board of Directors*

July 8, 2013

10:00 a.m. – Room 2-456

Monday, July 8, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	F&I
10:00 a.m.	Rm. 2-456	WP&S
12:00 p.m.	Rm. 2-145	E&O
1:00 p.m.	Rm. 2-456	OP&T

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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 committee 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.

- Added 1. Presentation by Congressman Jim Costa regarding Bay Delta Conservation Plan**
- 2. 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))**
- 3. Approval of the Minutes of the meeting of the Water Planning and Stewardship Committee held June 10, 2013**
- 4. CONSENT CALENDAR ITEMS — ACTION**
- 7-1** Authorize entering into a Local Resources Program agreement with city of Anaheim for the Anaheim Water Recycling Demonstration Project. (WP&S)

Recommendation:**Option #1:**

Review and consider information in the Mitigated Negative Declaration and Addendum prepared by the city of Anaheim as Lead Agency, adopt the Lead Agency's findings, and authorize the General Manager to enter into a Local Resources Program Agreement for the Anaheim Water Recycling Demonstration Project with the city of Anaheim for up to 110 acre-feet per year of recycled water under terms included in the board letter.

- 7-2** Authorize payment up to \$571,056 for support of the Colorado River Board and the Colorado River Authority of California for fiscal year 2013/14. (WP&S)

Recommendation:**Option #1:**

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt and, by a two-thirds vote, authorize the General Manager to make payment of up to \$571,056 for the CRB/Six Agency Committee and Authority for FY 2013/14.

5. OTHER BOARD ITEMS — ACTION

- Withdrawn 8-8** ~~Authorize the General Manager to negotiate and execute an agreement with Imperial Irrigation District for participation in the Minute 319 Binational Pilot Project. (WP&S) **(To be mailed separately)**~~

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

None

8. MANAGEMENT REPORTS

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

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

REVISED AGENDA

E&O Committee

T. Evans, Chair
G. Brown, V. Chair
T. Babcock
B. Barbre
M. Camacho
D. De Jesus
A. Grunfeld
E. Little
S. Lowenthal
J. Morris
G. Peterson
R. Record
D. Sanchez
F. Steiner

Engineering and Operations Committee

Meeting with Board of Directors*

July 8, 2013

12:00 p.m. -- Room 2-145

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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 June 10, 2013**
3. **CONSENT CALENDAR ITEMS — ACTION**
 - 7-3** Appropriate \$550,000; and authorize replacement of turbidimeters at the Robert A. Skinner Water Treatment Plant (Approp. 15485). (E&O)

Recommendation:**Option #1:**

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

- a. Appropriate \$550,000; and**
- b. Authorize procurement and installation of turbidimeters at the Skinner plant.**

- 7-4** Appropriate \$1.9 million; and authorize: (1) preliminary design, permitting, and right-of-way planning for access and pipeline protection improvements within the western San Bernardino County operating region; (2) preliminary investigations of similar improvements within the Los Angeles, Riverside, and San Diego County operating regions; and (3) professional services agreement with CH2M Hill, Inc. in an amount not to exceed \$250,000 (Approp. 15474). (E&O)

Recommendation:**Option #1:**

Adopt the CEQA determination that the proposed action is statutorily and categorically exempt and

- a. Appropriate \$1.9 million;**
- b. Authorize preliminary design, permitting, and right-of-way planning for access improvements and pipeline protection within the western San Bernardino County operating region;**
- c. Authorize detailed investigations of improvements for the Los Angeles County, Riverside County, and San Diego County regions; and**
- d. Authorize professional services agreement with CH2M Hill, Inc. in an amount not to exceed \$250,000.**

- 7-5** Appropriate \$1.15 million; and authorize: (1) final design of filter outlet conduit seismic upgrades at the Robert B. Diemer Water Treatment Plant; and (2) amendment to agreement with URS Corporation (Approp. 15380). (E&O)

Recommendation:**Option #1:**

Adopt the CEQA determination that the proposed action is defined as both categorically exempt and not a project under CEQA and

- a. Appropriate \$1.15 million;**
- b. Authorize final design of seismic upgrades to the Diemer filter outlet conduit; and**
- c. Authorize an increase of \$880,000 to the existing agreement with URS Corporation, for a new not-to-exceed total of \$1,125,000.**

4. OTHER BOARD ITEMS — ACTION

- Revised** **8-2** Appropriate \$4.53 million; and authorize final design and pipe fabrication for prestressed concrete cylinder pipe repairs on the Second Lower Feeder (Approp. 15471). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the projects are categorically and statutorily exempt and

- a. **Appropriate \$4.53 million;**
- b. **Authorize final design and pipe fabrication for urgent PCCP repairs at the First and Second Sites on the Second Lower Feeder; and**
- c. **Authorize final design for urgent PCCP repairs at the Third Site.**

- 8-3** Appropriate \$4.2 million; and authorize final design of two electrical upgrade projects at the Joseph Jensen Water Treatment Plant (Approps. 15442 and 15371). (E&O)

Recommendation:

Option #1:

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

- a. **Appropriate \$4.2 million;**
- b. **Authorize final design of the first stage of electrical upgrades at the Jensen plant; and**
- c. **Authorize final design of control panel upgrades for the Model No. 1 filter valves.**

- 8-4** Appropriate \$2.7 million; award \$1,877,777 contract to L. H. Woods & Sons, Inc. for rehabilitation of the San Jacinto East Adit on the Colorado River Aqueduct; and authorize amendment to agreement with Jacobs Associates (Approp. 15373). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously determined to be categorically exempt and

- a. **Appropriate \$2.7 million;**
- b. **Award \$1,877,777 contract to L. H. Woods & Sons, Inc. for rehabilitation of the San Jacinto East Adit; and**
- c. **Authorize increase of \$210,000 to the existing agreement with Jacobs Associates, for new not-to-exceed total of \$575,000.**

- Revised** **8-5** Appropriate \$1.5 million; and award \$878,500 contract to Minako America Corp., dba Minco Construction to install cathodic protection on the Sepulveda Feeder (Approp. 15441). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$1.5 million; and**
- b. Award \$878,500 contract to Minako America Corp., dba Minco Construction for cathodic protection of the Sepulveda Feeder.**

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Energy Management for the State Water Project

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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OP&T Committee

- J. Murray Jr., Chair
- M. Camacho, V. Chair
- S. Ballin
- L. Dick
- J. Edwards
- T. Evans
- L. Friedman
- G. Gray
- E. Little
- G. Pringle
- J. Quiñonez
- D. Sanchez
- D. Wilson
- R. Wunderlich

AGENDA

**Organization, Personnel and
Technology Committee**

Meeting with Board of Directors*

July 8, 2013

1:00 p.m. -- Room 2-456

Monday, July 8, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	F&I
10:00 a.m.	Rm. 2-456	WP&S
12:00 p.m.	Rm. 2-145	E&O
1:00 p.m.	Rm. 2-456	OP&T

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

* The Metropolitan Water District's meeting of the Organization, Personnel and Technology 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 Organization, Personnel and Technology 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 Organization, Personnel and Technology Committee will not vote on matters before the meeting of the Organization, Personnel and Technology Committee.

1. **Opportunity for members of the public to address the committee on matters within the committees' jurisdiction** (As required by Gov. Code Section 54954.3(a))
2. **Approval of the Minutes of the meeting of the Organization, Personnel and Technology Committee held May 13, 2013**
3. **CONSENT CALENDAR ITEMS — ACTION**

7-6 Board approval of Metropolitan Water District of Southern California's Salary Schedule pursuant to CalPERS regulations. (OP&T)

Recommendation:

Option #1:

Adopt the CEQA determination that the project is not subject to CEQA and approve the salary schedule attached to the board letter.

4. OTHER BOARD ITEMS — ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. ITSP oral update (period ending March 2013)
- b. EEO Outreach Efforts

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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L&C Committee

- D. Fleming, Chair
- R. Wunderlich, V. Chair
- L. Ackerman
- S. Ballin
- M. Camacho
- L. Dick
- J. Edwards
- D. Griset
- V. Mudd
- J. Quiñonez
- R. Record
- F. Steiner
- L. Vasquez

REVISED AGENDA

Legal and Claims Committee

Meeting with Board of Directors*

July 9, 2013

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

Tuesday, July 9, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&L
12:00 p.m.	Board Room	Board Meeting

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

* 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 meeting of the Legal and Claims Committee held June 11, 2013**

3. **CONSENT CALENDAR ITEMS — ACTION**

None

4. OTHER BOARD ITEMS — ACTION

- 8-6 Report on existing litigation; *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case No. CPF-10-510830 and No. CPF-12-512466; and authorize increase in maximum amount payable under contracts with (1) Bingham McCutchen LLP for legal services by \$1,000,000 to an amount not to exceed \$5,000,000; (2) Morrison & Foerster LLP for legal services by \$1,000,000 to an amount not to exceed \$3,000,000; (3) Hanson Bridgett LLP for legal services by \$200,000 to an amount not to exceed \$800,000; (4) Executive Presentations, Inc. for trial and other graphics services by \$250,000 to an amount not to exceed \$350,000; and (5) Raftelis Financial Consultants, Inc. for assistance in litigation by \$100,000 to an amount not to exceed \$200,000. (L&C) **Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**
- 8-7 Report on existing litigation, *The Navajo Nation v. United States Department of the Interior, et al.*, United States District Court for the District of Arizona, Case No. CV 03-0507 JWS; and authorize increase in maximum amount payable under contract with Best, Best & Krieger for legal services by \$100,000 to an amount not to exceed \$185,000. (L&C) **[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. General Counsel's report of monthly activities
- b. Report on *Consolidated Delta Smelt Cases*, USDC Case No. 1:09-CV-407 LJO-DLB; and *Consolidated Salmonid Cases*, USDC Case No. 1:09-CV-1053 LJO-DLB. **[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**
- Added c. Report on status of *Solano County Water Agency, et al. v. Department of Water Resources*, Sacramento Superior Court Case No. 34-2008-0001338 CU-BC-GDS. **[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

7. FOLLOW-UP ITEMS

None

8. FUTURE AGENDA ITEMS**9. ADJOURNMENT**

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C&L Committee

- L. Ackerman, Chair
- G. Peterson, V. Chair
- J. Abdo
- R. Apodaca
- S. Ballin
- B. Barbre
- M. Camacho
- D. Fleming
- L. Friedman
- G. Gray
- D. Griset
- C. Kurtz
- K. Lewinger
- S. Lowenthal
- J. Morris
- V. Mudd
- K. Murray
- R. Record

AGENDA

**Communications and
Legislation Committee**

Meeting with Board of Directors*

July 9, 2013

10:00 a.m. -- Room 2-456

Tuesday, July 9, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&L
12:00 p.m.	Board Room	Board Meeting

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

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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 June 11, 2013**

3. **CONSENT CALENDAR ITEMS — ACTION**

None

4. **OTHER BOARD ITEMS — ACTION**

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Report on H.R. 1927 (Costa, D-CA) the More Water and Security for Californians Act
- b. Report on activities from Washington, D.C.
- c. Report on activities from Sacramento

7. MANAGEMENT REPORT

- a. External Affairs Management report

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

REVISED AGENDA

Regular Board Meeting

July 9, 2013

12:00 p.m. -- Board Room

Tuesday, July 9, 2013 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dir. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	C&L
12:00 p.m.	Board Room	Board Meeting

MWD Headquarters Building

• 700 N. Alameda Street

• Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Director Larry Dick
- (b) Pledge of Allegiance: Director Cynthia Kurtz

2. Roll Call

3. Determination of a Quorum

PUBLIC HEARING

Comments on the standby charge levy supporting Meadowood Annexation to San Diego County Water Authority and Metropolitan

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 Meeting for June 11, 2013. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Report on Directors' meetings attended at Metropolitan expense for month of June
- C. Authorize preparation of Commendatory Resolution for former Director Bill Wright, representing the city of Torrance
- D. Adopt motion to adjourn the August Board Meeting to August 20, 2013, to establish tax rate. (Committees to meet on August 19 and 20)
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of Metropolitan's activities for the month of June
- B. General Counsel's summary of Legal Department activities for the month of June
- C. General Auditor's summary of activities for the month of June
- D. Ethics Officer's summary of activities for the month of June

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1** Authorize entering into a Local Resources Program agreement with city of Anaheim for the Anaheim Water Recycling Demonstration Project. (WP&S)

Recommendation:**Option #1:**

Review and consider information in the Mitigated Negative Declaration and Addendum prepared by the city of Anaheim as Lead Agency, adopt the Lead Agency's findings, and authorize the General Manager to enter into a Local Resources Program Agreement for the Anaheim Water Recycling Demonstration Project with the city of Anaheim for up to 110 acre-feet per year of recycled water under terms included in the board letter.

- 7-2** Authorize payment up to \$571,056 for support of the Colorado River Board and the Colorado River Authority of California for fiscal year 2013/14. (WP&S)

Recommendation:**Option #1:**

Adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt and, by a two-thirds vote, authorize the General Manager to make payment of up to \$571,056 for the CRB/Six Agency Committee and Authority for FY 2013/14.

- 7-3** Appropriate \$550,000; and authorize replacement of turbidimeters at the Robert A. Skinner Water Treatment Plant (Approp. 15485). (E&O)

Recommendation:**Option #1:**

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

- a. Appropriate \$550,000; and**
- b. Authorize procurement and installation of turbidimeters at the Skinner plant.**

- 7-4** Appropriate \$1.9 million; and authorize: (1) preliminary design, permitting, and right-of-way planning for access and pipeline protection improvements within the western San Bernardino County operating region; (2) preliminary investigations of similar improvements within the Los Angeles, Riverside, and San Diego County operating regions; and (3) professional services agreement with CH2M Hill, Inc. in an amount not to exceed \$250,000 (Approp. 15474). (E&O)

Recommendation:**Option #1:**

Adopt the CEQA determination that the proposed action is statutorily and categorically exempt and

- a. **Appropriate \$1.9 million;**
- b. **Authorize preliminary design, permitting, and right-of-way planning for access improvements and pipeline protection within the western San Bernardino County operating region;**
- c. **Authorize detailed investigations of improvements for the Los Angeles County, Riverside County, and San Diego County regions; and**
- d. **Authorize professional services agreement with CH2M Hill, Inc. in an amount not to exceed \$250,000.**

- 7-5** Appropriate \$1.15 million; and authorize: (1) final design of filter outlet conduit seismic upgrades at the Robert B. Diemer Water Treatment Plant; and (2) amendment to agreement with URS Corporation (Approp. 15380). (E&O)

Recommendation:**Option #1:**

Adopt the CEQA determination that the proposed action is defined as both categorically exempt and not a project under CEQA and

- a. **Appropriate \$1.15 million;**
- b. **Authorize final design of seismic upgrades to the Diemer filter outlet conduit; and**
- c. **Authorize an increase of \$880,000 to the existing agreement with URS Corporation, for a new not-to-exceed total of \$1,125,000.**

- 7-6** Board approval of Metropolitan Water District of Southern California's Salary Schedule pursuant to CalPERS regulations. (OP&T)

Recommendation:**Option #1:**

Adopt the CEQA determination that the project is not subject to CEQA and approve the salary schedule attached to the board letter.

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1** Approve the selection of a third party Other Post Employment Benefits (OPEB) trust provider; and authorize execution of an agreement(s) with the board-approved provider. (F&I)

Recommendation:**Option #1:**

Adopt the CEQA determination that the project is not subject to CEQA and authorize the General Manager, with approval of the General Counsel, to execute a contract with CERBT to administer and invest Metropolitan's pre-funding of OPEB benefits.

Revised

- 8-2** Appropriate \$4.53 million; and authorize final design and pipe fabrication for prestressed concrete cylinder pipe repairs on the Second Lower Feeder (Approp. 15471). (E&O)

Recommendation:**Option #1:**

Adopt the CEQA determination that the projects are categorically and statutorily exempt and

- a. Appropriate \$4.53 million;**
- b. Authorize final design and pipe fabrication for urgent PCCP repairs at the First and Second Sites on the Second Lower Feeder; and**
- c. Authorize final design for urgent PCCP repairs at the Third Site.**

- 8-3** Appropriate \$4.2 million; and authorize final design of two electrical upgrade projects at the Joseph Jensen Water Treatment Plant (Approps. 15442 and 15371). (E&O)

Recommendation:**Option #1:**

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

- a. Appropriate \$4.2 million;**
- b. Authorize final design of the first stage of electrical upgrades at the Jensen plant; and**
- c. Authorize final design of control panel upgrades for the Model No. 1 filter valves.**

- 8-4** Appropriate \$2.7 million; award \$1,877,777 contract to L. H. Woods & Sons, Inc. for rehabilitation of the San Jacinto East Adit on the Colorado River Aqueduct; and authorize amendment to agreement with Jacobs Associates (Approp. 15373). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action has been previously determined to be categorically exempt and

- a. Appropriate \$2.7 million;**
- b. Award \$1,877,777 contract to L. H. Woods & Sons, Inc. for rehabilitation of the San Jacinto East Adit; and**
- c. Authorize increase of \$210,000 to the existing agreement with Jacobs Associates, for new not-to-exceed total of \$575,000.**

Revised

- 8-5** Appropriate \$1.5 million; and award \$878,500 contract to Minako America Corp., dba Minco Construction to install cathodic protection on the Sepulveda Feeder (Approp. 15441). (E&O)

Recommendation:

Option #1:

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

- a. Appropriate \$1.5 million; and**
- b. Award \$878,500 contract to Minako America Corp., dba Minco Construction for cathodic protection of the Sepulveda Feeder.**

- 8-6** Report on existing litigation; *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case No. CPF-10-510830 and No. CPF-12-512466; and authorize increase in maximum amount payable under contracts with (1) Bingham McCutchen LLP for legal services by \$1,000,000 to an amount not to exceed \$5,000,000; (2) Morrison & Foerster LLP for legal services by \$1,000,000 to an amount not to exceed \$3,000,000; (3) Hanson Bridgett LLP for legal services by \$200,000 to an amount not to exceed \$800,000; (4) Executive Presentations, Inc. for trial and other graphics services by \$250,000 to an amount not to exceed \$350,000; and (5) Raftelis Financial Consultants, Inc. for assistance in litigation by \$100,000 to an amount not to exceed \$200,000. (L&C) **Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

- 8-7 Report on existing litigation, *The Navajo Nation v. United States Department of the Interior, et al.*, United States District Court for the District of Arizona, Case No. CV 03-0507 JWS; and authorize increase in maximum amount payable under contract with Best, Best & Krieger for legal services by \$100,000 to an amount not to exceed \$185,000. (L&C) **[Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

- Withdrawn** 8-8 ~~Authorize the General Manager to negotiate and execute an agreement with Imperial Irrigation District for participation in the Minute 319 Binational Pilot Project. (WP&S) **(To be mailed separately)**~~

9. BOARD INFORMATION ITEMS

None

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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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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Date: July 24, 2013
To: San Diego County Water Authority Board Members
From: Jonathan Clay, Sacramento Representative
Ken Carpi, Washington Representative
Subject: Legislative Update

Sacramento

Summer Break

The Senate and Assembly are now on summer break, although with different start and ending dates. These differences in schedules have created some problems, in that when the Assembly returns from summer break on August 5 and begins legislative hearings, the Senate will still be on break. It is unclear if Senators will return early in order to present their measures in policy committee hearings or if staff will fill in to perform that function.

Budget

The only issue outstanding on the State Budget is passage of the Resources Trailer Bill that has been held up due to disagreements between the Senate and the Assembly over how to treat/deal with the California Public Utilities Commission.

Water Bond

As reported previously, discussions continue in the Assembly regarding a possible re-write of the 2014 water bond, but to date, the Senate has not shown interest in participating in those discussions. We hear rumors that this may change once the two houses return from summer break and that there may be enough motivation for a deal to be crafted on the water bond. Conversely we have heard that polling, not specific to the water bond, shows that next year may not be a good election cycle to present a bond to the voters. There are also the competing interests from the education community that would like to see a new education facilities bond placed before the voters in 2014. The only thing that is clear is that there isn't a consensus on what will happen during the final weeks of the legislative session.

Sponsored Legislation

SB 322, our sponsored legislation dealing with recycled water, passed the Assembly Environmental Safety and Toxic Materials Committee on July 2. The bill will have a second policy committee hearing on August 13 in Assembly Water, Parks and Wildlife Committee. We do not anticipate any additional amendments to the bill.

Washington, DC

EPA Chief Confirmed; More Possible

The Senate voted 59-40 to confirm Gina McCarthy as the new EPA Administrator. The vote occurred following a deal to avert the so-called “nuclear option” to end the ability to filibuster executive nominees and a lengthy delay in bringing McCarthy’s nomination to a vote. On July 23, the Senate Environment and Public Works Committee (chaired by Senator Boxer) will consider the nominations of Ken Kopocis to head EPA’s Office of Water; Avi Garbow to serve as EPA’s General Counsel; and James Jones to head the Office of Chemical Safety and Pollution Prevention.

House Clears Energy & Water Spending Bills Advance

The House approved FY 2014 Energy and Water Development Appropriations bill (H.R. 2609) by a vote of 227-198. The bill would provide a total of \$30.4 billion for the functions covered in the bill. This would be a cut of \$2.9 billion below the FY 2013 enacted level and \$4.1 billion below the President’s request. This level is approximately \$700 million below the level caused by sequestration.

President Obama threatened to veto the bill, as passed, due to cuts made to his renewable energy priorities. This funding was shifted to the Corps of Engineers primarily to boost its resources. A vote on the bill has not been scheduled in the Senate.

Senate Holds Hearing on Colorado River, Schedules Another on Aging Infrastructure

The Senate Subcommittee on Water and Power held a hearing to review the Bureau of Reclamation’s Colorado River Basin Water Demand and Supply Study. The study, released last year, examines a range of proposals to address water supplies in the basin in the future that will guide the Bureau’s approach.

Reclamation Commissioner Mike Conner testified that climate change will exacerbate problems in the basin, noting that the Colorado River is already oversubscribed in the lower basin. Connor also criticized the House-passed FY 2014 Energy and Water spending bill due to its proposed cuts in research that will help the Bureau study drought and work with localities to address water supply.

The Subcommittee will soon hold a hearing to consider the issues associated with aging water resource infrastructure.



San Diego County Water Authority

REVISED

**4677 Overland Avenue
San Diego, California 92123**

FORMAL BOARD OF DIRECTORS' MEETING

The mission of the San Diego County Water Authority is to provide a safe and reliable supply of water to its member agencies serving the San Diego region.

July 25, 2013

3:00 p.m.

1. Call to Order.
2. Salute to the flag.
3. Roll call, determination of quorum.
3-A Report on proxies received.
4. Additions to agenda. (Government code Sec. 54954.2(b)).
5. Approve the minutes of the Special meetings of the Administrative and Finance Committee of June 11, 2013 and June 13, 2013 and the Formal Board of Directors' meeting of June 27, 2013.
6. Opportunity for members of the public who wish to address the Board on matters within the Board's jurisdiction.
7. PRESENTATIONS & PUBLIC HEARINGS
 - 7-A Vallecitos Water District Overview – Dennis Lamb, General Manager.
 - 7-B Reappointment of Director. John B. Linden representing Helix Water District. Term expires July 15, 2019.
 - 7-C Reappointment of Director. DeAna Verbeke representing Helix Water District. Term expires August 18, 2019.
8. REPORTS BY CHAIRS
 - 8-A Chairs report: Chair Wornham: **Discussion of potential for earlier start time for Board and Committee meetings.**
 - 8-B Report by Committee Chairs

Water Planning Committee	Director Douglas
Administrative and Finance Committee	Director Saunders
Imported Water Committee	Director Saxod
Engineering and Operations Committee	Director Brady
Legislation, Conservation and Outreach Committee	Director Topolovac



9. CONSENT CALENDAR

- 9- 1. Annual Water Supply Report for distribution pursuant to Administrative Code Section 8.00.050.
Approve the Annual Water Supply Report for distribution pursuant to Administrative Code 8.00.050.
- 9- 2. Approve the list of proposed projects to be analyzed in a Supplemental Program Environmental Impact Report prepared for the 2013 Regional Water Facilities Optimization and Master Plan Update.
Approve the list of proposed projects to be analyzed in a Supplemental Program Environmental Impact Report prepared pursuant to the California Environmental Quality Act for the 2013 Regional Water Facilities Optimization and Master Plan Update. Direct staff to complete the Initial Draft of the 2013 Regional Water Facilities Optimization and Master Plan Update and distribute it to member agencies for review and comment.
- 9- 3. Treasurer's report.
Note and file the monthly Treasurer's report.
- 9- 4. Professional services contract to upgrade the Maximo Computerized Maintenance and Asset Management System.
Authorize the General Manager to award a professional services contract to Electronic Data, Inc., in an amount not-to-exceed \$538,000 for consulting services to upgrade the Maximo Computerized Maintenance and Asset Management System from version 6.2 to version 7.5. The time frame of this contract will be August 2013 through April 2014.
- 9- 5. Agreement with Oracle USA, Inc. to renew the Enterprise Resource Planning System software maintenance and support agreements.
Authorize the General Manager to renew the Enterprise Resource Planning System software annual maintenance and support agreements with Oracle USA, Inc. for four fiscal years at a total cost of \$867,000. The cost per fiscal year is \$203,000 for 2014; \$213,000 for 2015; \$221,000 for 2016, and \$230,000 for 2017. Funds for fiscal years 2016 and 2017 would be contingent on approval of the corresponding bi-annual budget.
- 9- 6. Amend agreement for Consulting Services with SCN Strategies.
Amend the agreement with SCN Strategies for continued consulting services to the Water Authority through June 30, 2014 for a period of 12 additional months, and increasing total contract funding to an amount not-to-exceed \$527,050.



- 9- 7. Professional services contracts with Beyaz and Patel, Inc and Tetra Tech, Inc. for as-needed structural engineering services.
Authorize the General Manager to award two separate professional services contracts in the amount of \$300,000 each to Beyaz and Patel, Inc. and Tetra Tech, Inc. for structural engineering as-needed services for a total of \$600,000 for a period of three years.
- 9- 8. Notice of Completion for Miramar Pump Station Meter Vault.
Authorize the General Manager to accept the Miramar Pump Station Meter Vault project as complete, record the Notice of Completion, and release funds held in retention to L.H. Woods & Sons, Inc., following the expiration of the notice of completion period.
- 9- 9. Professional services contract with Pure Technologies US Inc. to provide welded steel pipeline nondestructive testing services.
Authorize the General Manager to award a professional services contract in the amount of \$1,119,000 to Pure Technologies US Inc. to provide nondestructive testing services and condition assessment of Pipeline 4 from Twin Oaks Water Treatment Plant to Paint Mountain.
- 9- 10. Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP - San Vicente Dam Raise and Carryover Storage project.
Accept Amendments 4 and 5 for \$200,198, and approve Amendment 6 in the amount of \$3,156,491 to provide extended construction management, inspection, and materials testing services for the ESP – San Vicente Dam Raise and Carryover Storage project, due to delayed construction contract completion, extended main dam coring program, and marina facilities construction support, increasing the contract amount from \$31,667,595 to \$35,024,284.
- 9- 11. Adopt a position of Oppose Unless Amended on AB 37(Perea).
Adopt a position of Oppose Unless Amended on AB 37 (Perea).
- 9-12. Small Contractor Outreach and Opportunities Program Committee recommendation for program goal.
Recommend a SCOOP program goal of 30 percent for fiscal years 2014 and 2015.
- 10. ACTION / DISCUSSION
- 10-1. Appointment of Director Michael T. Hogan to the Metropolitan Water District of Southern California Board of Directors. (Action)



- 11. CLOSED SESSION(S)
- 11-A CLOSED SESSIONS:
 - Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

 - Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: State Water Resources Control Board (SWRCB)
Imperial Irrigation District and San Diego County Water Authority
Joint Petition for Modification of Revised Order WRO 2002-
(Permit 7643, Application 7482)
- 11-B CLOSED SESSION:
 - Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830 and CPF-12-512466
- 11-C CLOSED SESSION:
 - Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v City of Los Angeles Department of Water and Power;
Case No. BS136663
- 11-D CLOSED SESSION:
 - Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887
- 11-E CLOSED SESSION:
 - Public Employee Performance Evaluation, Government Code §54957
Title: General Manager
- 11-F CLOSED SESSION:
 - Public Employee Performance Evaluation, Government Code §54957
Title: General Counsel
- 12. Action following Closed Session



13. SPECIAL REPORTS
 - 13-A GENERAL MANAGER'S REPORT – Ms. Stapleton
 - 13-B GENERAL COUNSEL'S REPORT – Mr. Hentschke
 - 13-C SANDAG REPORT – Chair Wornham
SANDAG Subcommittee: Borders/Regional Planning Committee –
Director Douglas
 - 13-D AB 1234 Compliance Reports – Directors
14. OTHER COMMUNICATIONS
15. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: The agendas for the Formal Board meeting and the meetings of the Standing Committees held on the day of the regular Board meeting are considered a single agenda. All information or possible action items on the agenda of committees or the Board may be deliberated by and become subject to consideration and action by the Board.