

The Metropolitan Water District of Southern California

Agenda

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

Board of Directors - Final - Revised 2

March 10, 2026

2:00 PM

Tuesday, March 10, 2026 Meeting Schedule
08:30 a.m. FAAME 11:30 a.m. BREAK 12:00 p.m. LEGAL 02:00 p.m. BOD

Written public comments received by 3:00 p.m. the business day before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>.

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 815 2066 4276 or to join by computer [click here](#).

Disclaimer: Written and oral public comments are received in compliance with the Ralph M. Brown Act. Please note that Metropolitan does not endorse or ensure the accuracy or reliability of the information provided as public comment or by third parties.

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

Teleconference Locations:

3008 W. 82nd Place • Inglewood, CA 90305

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

Santa Ana City Hall • 20 Civic Center Plaza, 8th Floor • Santa Ana, CA 92701

11973 Fuerte Drive • El Cajon, CA 92020

Scripps Institution of Oceanography • MESOM 208 • 8885 Biological Grade • La Jolla, CA 92037

Allendale Insurance Agency • 337 West Foothill Boulevard • Glendora, CA 91740

1. Call to Order

- a. Invocation: Chair Adán Ortega, Jr., City of San Fernando
- b. Pledge of Allegiance: Vice Chair Barry D. Pressman, City of Beverly Hills

2. Roll Call

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

PUBLIC HEARING

- a. Public Hearing regarding the proposed water rates and changes for calendar years 2027 and 2028 necessary to meet the revenue requirements for fiscal years 2026/27 and 2027/28 [21-5504](#)
- b. Public Hearing to receive staff and recognized employee organizations presentations on the status of job vacancies and recruitment/retention efforts, as required by Government Code Section 3502.3 (Assembly Bill 2561), and to receive public comment [21-5452](#)

Attachments: [03102026 BOD 4b B-L](#)
[03102026 BOD 4b Presentation](#)
[03102026 BOD 4b2 Presentation](#)

5. **OTHER MATTERS AND REPORTS**

- A. Report on Director's Metropolitan Expenses [21-5459](#)
Attachments: [03102026 BOD 5A Report](#)
- B. Chair's Monthly Activity Report [21-5460](#)
Attachments: [03102026 BOD 5B Report](#)
- C. General Manager's summary of activities [21-5455](#)
Attachments: [03102026 BOD 5C Report](#)
- D. General Counsel's summary of activities [21-5461](#)
Attachments: [03102026 BOD 5D Report](#)
- E. General Auditor's summary of activities [21-5456](#)
Attachments: [03102026 BOD 5E Report](#)

- F. Ethics Officer's summary of activities [21-5457](#)

Attachments: [03102026 BOD 5F Report](#)

- G. Presentation of 5-year Service Pin to Director Dennis Erdman, Municipal Water District of Orange County [21-5501](#)

- H. Presentation of 5-year Service Pin to Chair Adán Ortega, Jr., City of San Fernando [21-5502](#)

**** CONSENT CALENDAR ****

6. BOARD CONSENT ITEMS

- A. Approval of the Minutes of the Special Joint Meeting of the Executive Committee and Board of Directors of November 18, 2025 and December 9, 2025; and Board of Directors of January 13, 2026. [21-5458](#)

Attachments: [03102026 BOD 6A \(11182025 - Exec and BOD\) Minutes](#)
[03102026 BOD 6A \(12092025 - Exec and BOD\) Minutes](#)
[03102026 BOD 6A \(01132026 BOD\) Minutes](#)

- B. Approve Committee Assignments [21-5523](#)

7. BOARD LETTERS CONSENT

- 7-1 Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) [21-5446](#)

Attachments: [03102026 LC 7-1 B-L](#)
[03102026 LC 7-1 Presentation](#)

- 7-2 Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) [21-5507](#)

Attachments: [03102026 LC 7-2 B-L](#)
[03102026 LC 7-2 Presentation](#)

- 7-3** Authorize an increase in the maximum amount payable under contract with Van Ness Feldman, LLP, for legal advice on Colorado River matters by \$250,000 to an amount not-to-exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) [21-5450](#)

Attachments: [03102026 LC 7-3 B-L](#)
[03102026 LC 7-3 Presentation](#)

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

8. BOARD LETTERS ACTION

- 8-1** Authorize the General Manager to develop and enter into an Agreement with the Los Angeles Department of Water and Power and the Los Angeles County Department of Public Works for Multi-Benefit Program Funding Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWA) [21-5451](#)

Attachments: [03102026 OWA 8-1 B-L](#)
[03102026 OWA 8-1 Presentation](#)

- 8-2** Report on litigation in Systems Integrated, LLC v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 21STCV18292 and consider authorizing settlement [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Government Code Section 54956.9(d)(1)] (LC) [21-5518](#)

- 8-3** Report on litigation in Encarnacion Gutierrez v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 23STCV11052; and authorize an increase in the maximum amount payable under contract for legal services with BDG Law Group, APLC, in the amount of \$400,000 for a total amount not to exceed \$900,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Government Code Section 54956.9(d)(1)]. [SUBJECT REVISED on 3/3/2026] (LC) [21-5506](#)

- 8-4** Report on litigation in Katano Kasaine v. Metropolitan Water District of Southern California; Adel Hagekhalil, an individual; Los Angeles Superior Court Case No. 25STCV05250, and authorize increase in the maximum amount payable under a contract for legal services with Davis Wright Tremaine LLP in the amount of \$500,000 for a total amount not to exceed \$750,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]. [SUBJECT ADDED on 3/6/2026] (LC) [21-5692](#)

9. BOARD INFORMATION ITEMS

- 9-1** Capital Investment Plan Quarterly Report for period ending December 2025 (EOT) [21-5454](#)
Attachments: [03102026 EOT 9-1 B-L](#)
[03102026 EOT 9-1 Presentation](#)
- 9-2** Equal Employment Opportunity activities [21-5519](#)
Attachments: [03102026 BOD 9-2 Equal Employment Opportunity activities](#)
- 9-3** Diversity, Equity, and Inclusion activities [21-5505](#)
Attachments: [03102026 BOD 9-3 Diversity, Equity, and Inclusion activities](#)
- 9-4** Information on Implementing a Modified Operational Shift Cost Offset Program (OWA) [21-5486](#)
Attachments: [03102026 OWA 9-4 B-L](#)
[03102026 OWA 9-4 Presentation](#)
- 9-5** Information on Facilities Naming Criteria and Procedures (LEG) [21-5481](#)
Attachments: [03102026 LEG 9-5 B-L](#)

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

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

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

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



● Board of Directors

3/10/2026 Board Meeting

4b

Subject

Public Hearing to receive staff and recognized employee organizations presentations on the status of job vacancies and recruitment/retention efforts, as required by Government Code §3502.3 (Assembly Bill 2561), and to receive public comment

Executive Summary

Section 3502.3 (Assembly Bill 2561) of Government Code, Chapter 10, Section 3500 more commonly known and cited as the Meyers-Milias-Brown Act was added last year. It is intended to address the following items:

- (a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.
- (b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.
- (c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

To address these, this section requires Metropolitan to present the status of vacancies and recruitment and retention efforts in a public hearing before our Board of Directors. If the Board of Directors will be adopting an annual or multiyear budget during the fiscal year, then the presentation must occur prior to the adoption of the final budget. During this public hearing before the Board of Directors, Metropolitan shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. Additionally, our recognized bargaining units shall be entitled to make a presentation at the same public hearing before the Board of Directors, where Metropolitan is presenting this information.

Applicable Policy

Metropolitan Water District Administrative Code Section 6207: Positions Authorized.

Metropolitan Water District Operating Policy H-10 Recruitment and Selection.

Details and Background

Background

Assembly Bill 2561 adds Section 3502.3 of the Government Code chapter more commonly cited as the “Meyers-Milias-Brown Act.” This section states:

- (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.
- (2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

- (1) The total number of job vacancies within the bargaining unit.
- (2) The total number of applicants for vacant positions within the bargaining unit.
- (3) The average number of days to complete the hiring process from when a position is posted.
- (4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, “recognized employee organization” has the same meaning as defined in subdivision (a) of Section 3501. This is defined as either: (1) Any organization that includes employees of a public agency and represents them in their relations with that public agency, or (2) Any organization that seeks to represent employees of a public agency.

ANALYSIS:

An analysis of vacancies of regular budgeted positions was conducted on February 9, 2026. The following chart shows the results of that analysis.

Barg Unit	No. of positions	No. filled	No. vacant	% filled	% vacant
AFSCME - 02	1357	1216	141*	90%	10%
SA - 03	98	94	4	96%	4%
MAPA - 04	359	334	25	93%	7%
ACE - 05	144	126	18	88%	13%
Total	1958	1770	188	90%	10%

*18 of these are apprentice positions. Offers have been extended.

Metropolitan is below the 20 percent threshold by bargaining unit and overall. For calendar year 2025, 208 full-time equivalent positions were filled.

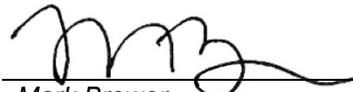
Barg Unit	No. of Pos Filled by External Hire	No. of Pos Filled by Internal Job Bid	No. of Pos Filled by Transfer	Total by BU
Unrep – 00/01	2	6	0	8
AFSCME - 02	85	19	14	118
SA - 03	2	13	2	17
MAPA - 04	13	32	0	45
ACE - 05	13	6	1	20
Total	115	76	17	208

On average, 45 percent of all recruitments completed result in an internal hire. This includes both positions filled by an internal job bid and a transfer. Calendar year 2025 remained consistent with this average with 45 percent of positions being filled internally. This provides internal advancement; however, it does not impact the overall vacancy rate. When a vacancy is filled by an internal applicant, it creates a new vacancy in the area the employee moved from. In most cases, this initiates another recruitment.

On average, Metropolitan has had a 5.19 percent turnover, including both retirements and other separations. Retirements account for 3.94 percent, and other separations account for 1.25 percent. For calendar year 2025, Metropolitan’s turnover was 4.04 percent. Retirements accounted for 2.84 percent, and other separations accounted for 1.20 percent. The relatively low turnover rate can be attributed to our meaningful work, pension plan, competitive wages, and stable benefits.

Recruitment has been making changes to fill vacancies in a reduced timeframe. In October 2022, Metropolitan created revised Recruitment and Selection Procedures as well as updated Operating Policy H-10 Recruitment and Selection. In addition, the new Memorandum of Understanding language has created the opportunity to use eligibility lists. These lists will shorten the time it takes to fill those positions with a high number of vacancies.

Additional measures are being taken to significantly reduce the vacancies and position ourselves to fill future vacancies as they arise. Last year, Human Resources conducted a staffing analysis of the recruitment function to determine what resources are needed to achieve this goal. Based on this analysis, Human Resources ramped up with surge staffing to increase the number of recruiters and support staff, resulting in a positive impact and bringing our vacancy rate down to near zero. There will always be a certain level of vacancies due to the nature of turnover. However, the above proactive measures will position Metropolitan to address vacancies as they occur in a timely manner. As part of the budget process, Human Resources will also be requesting additional full-time regular positions to stabilize the minimum ongoing staffing needs of the recruitment team. The minimum ongoing staff is currently supplemented with temporary employees. The recent staffing analysis of the recruitment function supports the need for these additional full-time regular employees in addition to the surge staffing referenced earlier.



Mark Brower
Human Resources Group Manager

3/5/2026
Date



Shivaji Deshmukh
General Manager

3/5/2026
Date

Ref# hr12706302



Board of Directors Committee

Update on Assembly Bill 2561 – Public Agency Vacancy Reporting Requirements

Item 4b

March 10, 2026

Presented by: Brandon Patrick

Item 4b Vacancy Reporting

Subject

Public Hearing to receive staff and recognized employee organizations presentations on the status of job vacancies and recruitment/retention efforts, as required by Government Code Section 3502.3 (Assembly Bill 2561) and to receive public comment

Purpose

Update on Vacancies

Background

- Assembly Bill 2561 (AB 2561), effective January 1, 2025
 - Amends Government Code, Chapter 10, Section 3500 with addition of Section 3502.3
 - Objective is to address staffing shortages, promote transparency, improve recruitment and retention efforts, and ensure that recognized employee organizations have a platform to voice concerns.

Requirements

- Public hearing before the Board of Directors
 - At least once per fiscal year.
 - Must be done before budget adoption.
 - Status of job vacancies by Bargaining Unit.
 - Discuss ongoing recruitment and retention efforts.
- Bargaining Units
 - Recognized Bargaining Units have the right to make presentations at the public hearing related to the vacancies in their respective bargaining units.

Budgeted Vacancy Factor vs. Actual Vacant Position

Budgeted Vacancy Factor \neq Actual Vacant Position %

- Budgeted Vacancy Factor
 - This is a financial assumption, not a staffing count.
 - It represents an expected level of savings from positions being vacant at various points during the year.
 - It is applied across the budget to offset costs.
 - It does not mean a fixed percentage of positions are always intended to be vacant.
- Key Point: A 5% budgeted vacancy factor does not mean 5% of positions should be empty on any given day.

Budgeted Vacancy Factor vs. Actual Vacant Position

Budgeted Vacancy Factor \neq Actual Vacant Position %

- Actual Vacant Position % (based on operations)
 - This is a point-in-time vacancy.
 - It measures the number of unfilled positions divided by the total authorized positions.
 - It fluctuates due to:
 - Hiring timelines
 - Turnover
 - Leaves, freezes, or recruitment challenges or delays.
- Key Point: This is about what is actually vacant, not what was assumed for budgeting.

Vacancy Overview

Analysis was conducted on February 9, 2026

Barg Unit	No. of positions	No. filled	No. vacant	% filled	% vacant
DEPT HEAD - 00	4	4	0	100%	0%
UNREP - 01	46	40	6	87%	13%
AFSCME - 02	1315	1192	123	91%	9%
SA - 03	98	94	4	96%	4%
MAPA - 04	359	334	25	93%	7%
ACE - 05	144	126	18	88%	13%
Total	1966	1790	176	91%	9%

Current Recruitment Activity

Current Recruitment Status

Recruitment Status	Sum of Total	Percentage
Beginning	69	40%
Middle	19	11%
Final	39	23%
No Requisition	44	26%
Total	171	100%

Recruitment Data for Calendar Year 2025

Recruitment Data CY 2025

Barg Unit	No. of Pos Filled by External Hire	No. of Pos Filled by Internal Hire	No. of Pos Filled by Transfer	Total by BU
Dept Head & Unrep - 00/01	2	6	0	8
AFSCME - 02	85	19	14	118
SA - 03	2	13	2	17
MAPA - 04	13	32	0	45
ACE - 05	13	6	1	20
Total	115	76	17	208

Separations vs. Hires – 7 Year Trend

	Separations			Hires			
Calendar Year	Retirements	Other Separations	Total Separations	External Hire	Internal Hire	Transfer	Total Pos Filled
2019	88	32	120	155	87	14	256
2020	60	17	77	95	70	22	187
2021	98	28	126	80	56	11	147
2022	83	28	111	111	66	20	197
2023	65	19	84	121	77	18	216
2024	64	22	86	96	74	13	183
2025	57	24	81	115	76	17	208
AVG	74	24	98	110	72	16	198

Recruitment and Retention Efforts

- Surge Staffing
 - Additional Limited Term recruitment staff
 - Request for additional full-time positions through budget cycle. Achieve stabilized staffing level.
- Process Enhancements
 - Eligibility lists
 - Prioritizing recruitments for entry to mid-level
 - Establishing benchmark timelines
 - Clarifying process and order
 - i.e., PCN Administration

Recruitment and Retention Efforts

- Retention
 - Competitive compensation and benefits
 - Improvements to communication
 - Meaningful work
- Investments in employees
 - Ongoing workforce assessment
 - Tuition reimbursement
 - Employee Inspection Trips
 - Training

Active Solutions

- Next Steps
 - Surge Staffing
 - Instituted Eligibility list
 - Improvements to Communication
 - Ongoing Workforce Assessments
 - Employee Connection
 - Highlighting Benefits
 - Continued investment in Employee Training

Questions?



AFSCME Local 1902

MWD AB 2561 Hearing
March 10, 2026

Presenters:

- Alan Shanahan, Exec. President
- Amparo Munoz, Exec. Secretary





“

From the first settlers who came to our shores, from the first American Indian families who befriended them, men and women have worked together to build this nation. Too often the women were unsung and sometimes their contributions went unnoticed. But the achievements, leadership, courage, strength and love of the women who built America was as vital as that of the men whose names we know so well.

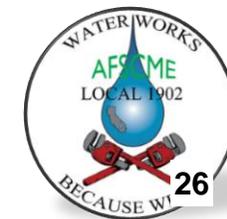
*President Jimmy Carter's Message designating
March 2-8, 1980 as National Women's History Week*

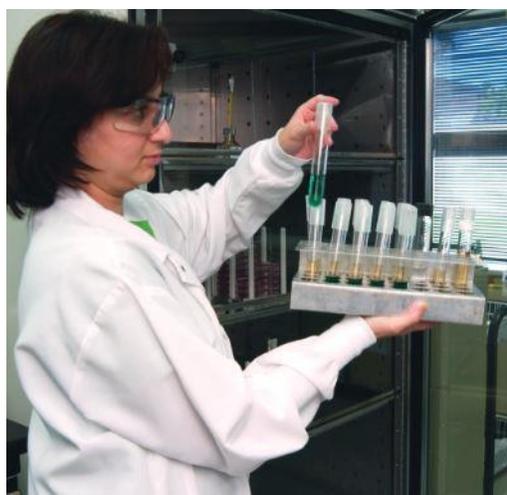


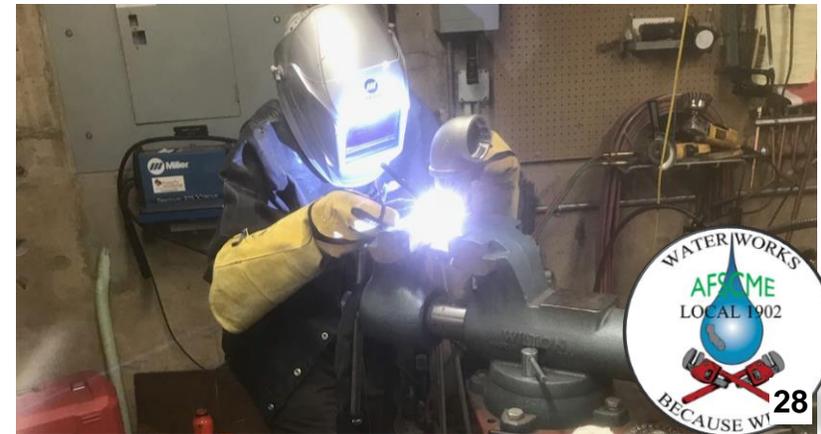
<https://www.womenshistory.org/>



<https://irish-american.org/>







Item # 4b Slide



What is a Vacancy?

A Position on Paper — Not in
Practice

*Vacancy isn't savings. It's silence
where service should be.*

- **The intent of AB2561** is to determine current and future operational needs including persistent job vacancies and to partner with Unions in a transparent manner.
- Providing data which shows how many positions are in a bargaining unit, how many are filled, and how many are being recruited does not provide the full picture.
- **AFSCME** believes **extensive data and analysis is necessary** to inform the **Board** and **Public** about actual personnel needs to maintain and be prepared for emergency needs during the **budget process** and meet **intent of AB2561**.



Category

Impact of Outsourcing

Litigation Liability	Higher — reduced oversight, unclear accountability
Institutional Knowledge	Greatly Reduced — contractors walk out with critical know-how
Loyalty & Morale	Lower — internal staff sidelined and feel disrespected
Emergency Response	Significantly Reduced — contractors lack mission training and continuity
Abuse / “Pay for Play”	Increased — repeated, high-value contracts with limited transparency
Flexibility	High — but only for the contractor, not the District
Attrition Risk	High — experienced staff are leaving or being pushed out
Strategic Planning	Firefighting — no capacity left for long-term workforce strategy

The Real Cost of Contracting: What MWD is Risking

Short-Term Fixes. Long-Term Fallout.

Outsourcing doesn't solve problems — it just buries them until they explode.



Problem: Two Decades of Delay

While AFSCME pushes to build the workforce, MWD keeps outsourcing — and shifting the blame.

Since 2004, AFSCME Local 1902 has raised concerns about the District's continued outsourcing of work that should rightfully be performed by our members.

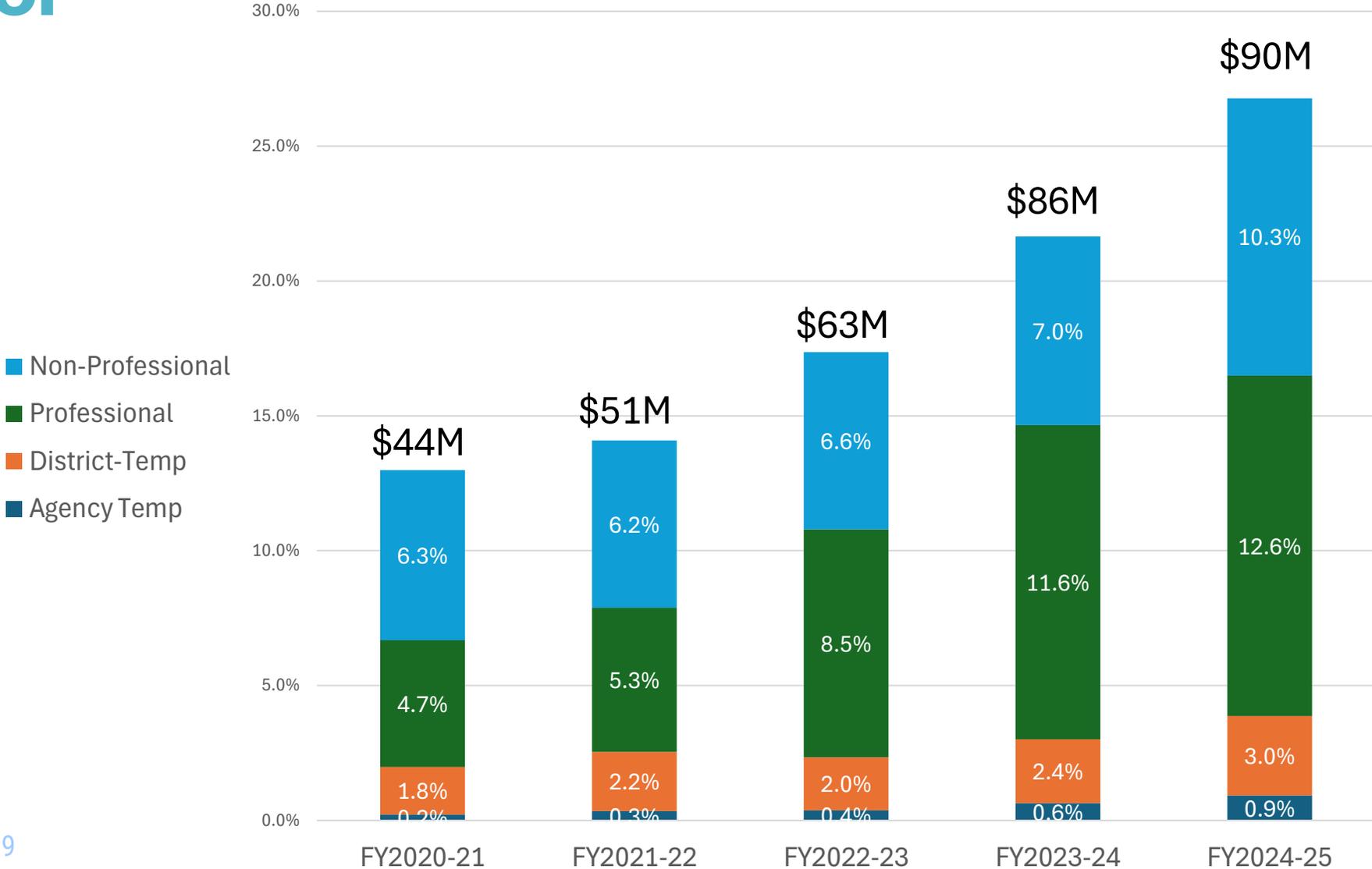
Justifications have been used to sideline union labor for over two decades — not as a matter of necessity, but as a matter of choice.



Investing in Our Workforce?



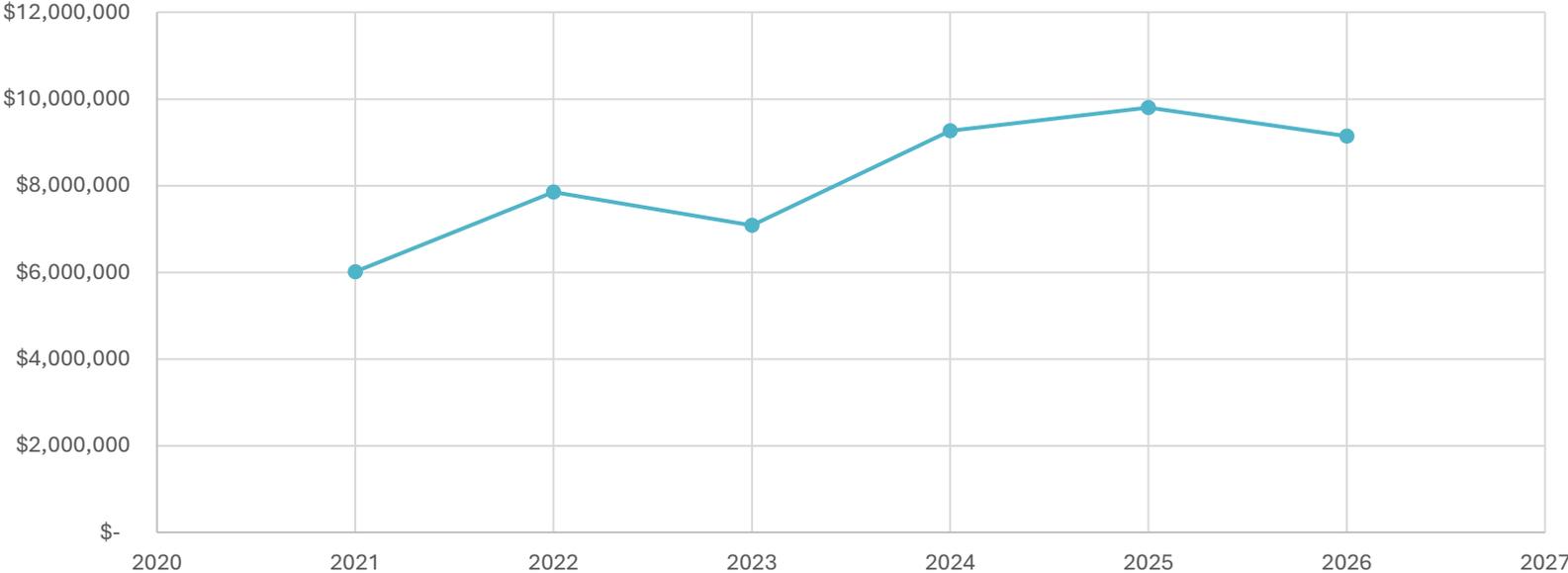
MWD Contracting as a Percent of In-House Labor



Budget Snapshot as of February 2026

Budget Account	Feb. Actual	FY 2025-26 Budget	Variance	% Used
42000 Labor	299,816,660	464,785,674	164,969,014	65%
42010 Labor, Agency Temporary	1,918,015	582,591	(1,335,424)	329%
42200 Labor, District Temporary	9,143,370	8,815,013	(328,357)	104%

Historical Labor: District Temporary Labor



Professional Services Reports

Oaths Don't Come with Invoices

You're seeing the contract numbers — not the people missing from them.

- Total expenditures
 - 2020-21: 16 M
 - 2021-22: 19 M
 - 2022-23: 31 M
 - 2023-24: 47M
 - 2024-25: 43M
 - 2025-26: 22M, with 52M budget



AFSCME Staffing Trends Analysis: 2000–2025

Year	Total AFSCME Positions
2000	1,445
2005	1,374
2010	1,370
2015	1,251
2020	1,266
2025	1,252

Net Change (2000–2025): -193 positions

Percent Change: -13.36%



The Quiet Risk Inside California's Water System



Thank you



Questions?

March 10, 2026 Board Meeting

Item 5A Revised



Metropolitan Water District of Southern California

Report on Directors' Metropolitan Expenses

Date(s)	Location	Hosted by:	Director(s)
February 2-4, 2026	Washington, D.C.	External Affairs Advocacy Day	Nancy Sutley
February 2-5, 2026	Washington, D.C.	External Affairs Advocacy Day	Gloria Cordero Dan Denham Jay Lewitt Adán Ortega
February 16-17, 2026	Blythe, CA	PVID Board Meeting	Michael Camacho
February 18-20, 2026	Sacramento, CA	DCA Meetings	Jacquelyn McMillan
February 27, 2026	Blythe, CA	Joint PVID and Met Grant Program	Desi Alvarez Cynthia Kurtz

Date of report: 03/03/2026



● Chair of the Board Adán Ortega Jr.'s Monthly Activity Report – February 2026

Summary

This report highlights my activities as Chair of the Board, as well as Board Member highlights during the month of February 2026 on matters relating to The Metropolitan Water District of Southern California's business.

Monthly Activities

Key Activities

- I traveled with General Manager Shivaji Deshmukh, Board Vice Chair Sutley, and Metropolitan Board members, Directors Cordero, Lewitt, and Denham, to Washington, D.C., to meet with members of the United States Congress and Congressional and Administration staff to discuss Metropolitan's key priorities. Topics mostly included the Colorado River, as well as other issues critical to water reliability. We met with House Congressional Representatives Ken Calvert, Mike Levin, Laura Friedman, and Gil Cisneros. We also met with U.S. Senators Alex Padilla and Adam Schiff and held additional meetings with House and Senate Committee staff. Thank you to Dee Zinke, Abby Schneider, and their Washington advocacy team for facilitating productive meetings in the nation's capital.



- The Southern California Water Coalition released its latest *What Matters* Water TV and Podcast episode number 27, featuring General Manager Shivaji Deshmukh and myself in a moderated discussion with Southern California Water Coalition Executive Director Charley Wilson on the challenges and opportunities shaping Southern California's water future, including Metropolitan's path forward, the Climate Adaptation Master Plan for Water (CAMP4W), and the need for a long-term planning horizon to guide



infrastructure investments while maintaining affordability. <https://socalwater.org/27-is-your-tap-water-too-cheap/>

Delegation of Activities:

- While traveling on vacation abroad during the month of February, I asked Board Vice Chairs Camacho and Sutley to take my place chairing various meetings. In my absence, Board Vice Chair Camacho chaired the Board meeting on February 10, and Board Vice Chair Sutley chaired the Executive Committee meeting and the Board Budget Workshop on February 24.

Regularly Scheduled/Ongoing Meetings

- Continued to meet regularly with the Board leadership, the General Manager, the General Counsel, the Ethics Officer, and the General Auditor to discuss policy and organizational issues.

Activities and Reports by Board Representatives Appointed by the Chair:

Colorado River Resources

At the February 24, 2026, Subcommittee on Imported Water meeting, the agenda item on the Colorado River Board (CRB) Meeting (Item 3a) was deferred to March due to the absence of Director Gloria Cordero, Metropolitan's Lead Representative on the CRB, and Director Michael Camacho, Metropolitan's Alternate Representative.

Delta Conveyance Design and Construction Authority – Board Vice Chair Garza reported on the following:

At the February 24, 2026, Subcommittee on Imported Water meeting, Board Vice Chair Juan Garza, in the absence of Director Jacque McMillan, reported on the meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors' meeting held on February 19, 2026.

The DCA Board was introduced to Ashley Partida, the DCA Human Resources Manager, and received an overview of her extensive professional background.

The DCA Board adopted a resolution amending the DCA Policy Against Discrimination, Harassment, and Retaliation Code. The updates reflect recent organizational changes and guidance from the Fair Political Practices Commission.

The DCA Board approved amendments to extend the term of the contracts to the real estate services consultant contracts with Associated Right of Way Services, Hamner, Jewell & Associates, and Bender Rosenthal.

The DCA Communications Manager announced the release of the first edition of the DCA Quarterly Newsletter and shared that translated fact sheets have now been published on the DCA website.

The Department of Water Resources Environmental Manager reported on upcoming activities, including providing oral testimony at upcoming State Water Resources Control Board hearings on changes to points of diversion and participating in hearings before the Delta Stewardship Council related to Delta Plan Consistency appeals.

Other standard manager reporting items were provided by the DCA executive director, treasurer, and general counsel.

General Manager's Monthly Report



Canal cleaning at Big Morongo Siphon

Activities for the Month of **February 2026**

Message from the GM	2
Highlights	3-6
Job Matters	7
Water Supply Conditions Report	8
Operational Data	9-11

Message from the General Manager

Since the finance team presented the biennial budget last month, directors, member agencies and staff have engaged in many hours of productive discussion that I am hopeful will result in a finely tuned and broadly supported budget in April.

It is a strong reminder that even as we face the difficult and stressful challenge of balancing financial demands with manageable rate increases, we are best served through thoughtful and respectful discourse.

These budget discussions build on a dialogue started more than a year ago between staff and the board about the growing need to invest in the reliability of Metropolitan's infrastructure, workforce and water supply. The proposed budget increases Metropolitan's reliability and reduces risks of failure by providing funding for these needs.

Last month also saw another deadline come and go in Colorado River negotiations, where discourse has unfortunately not always been so collaborative. Despite the ticking clock, water users across the Basin have not reached agreement on how to operate the river and share needed reductions once the current guidelines expire this September. This year's critically dry conditions in the Basin, where snowpack is near record low levels, is putting further pressure on negotiations.

On March 2, the Basin States, water users, tribes, and other interested stakeholders submitted comment letters on the U.S. Bureau of Reclamation's draft Environmental Impact Statement for post-2026 operations. The letters are largely technical and are submitted as part of the federal environmental review process. They include a mix of concerns, criticisms and potential legal threats. They also include at least one new proposal for operations.

Despite the missed deadline and operational challenges, there is still time to reach agreement and reason remains to keep working towards a solution. Metropolitan continues to talk with our partners on how an agreement might be reached. Our primary goal is to find a way to operate the river that avoids years of litigation.



Shivaji Deshmukh
General Manager



The Metropolitan Water District of Southern California is a state-established regional cooperative of 26 cities and public water agencies, which collectively serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and supports its members through the development of increased conservation, recycling, storage and other resource management programs.

Following are important highlights for this month on four goals of the GM Business Plan.



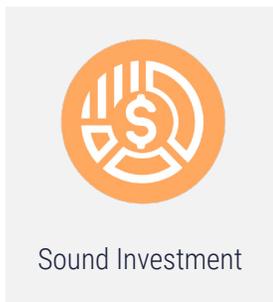
Wadsworth pump test demonstrates the capability to pump water up to the Inland Feeder

Goal: Develop a Biennial Budget that Meets Metropolitan’s Needs

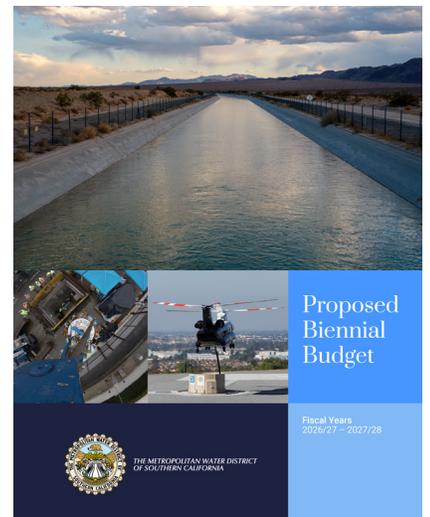
Metropolitan released its proposed FY 2026/27 and FY 2027/28 biennial budget in early February, initiating a series of public discussions and workshops in advance of board adoption. Budget workshops were held on Feb. 10 and Feb. 24, with additional workshops scheduled for March 10 and March 24. These sessions provide an opportunity to review and discuss funding priorities, financial assumptions, and proposed rate adjustments before the board considers final adoption on April 14.

The proposed budget reflects continued investment in Metropolitan’s infrastructure, workforce reliability, and long-term financial stability. To support these commitments, it includes a 9.5% annual rate increase over the next two years.

The proposal also incorporates the board’s recent actions designed to strengthen revenue stability, including the approval of fixed treatment capacity charges for treated water, implementation of exceedance-based demand forecasting, and updates to the reserve policy. These measures help maintain Metropolitan’s strong credit ratings and ensure the agency remains well-positioned to meet future capital investment needs.



Shutdown work on West Valley Feeder No. 1



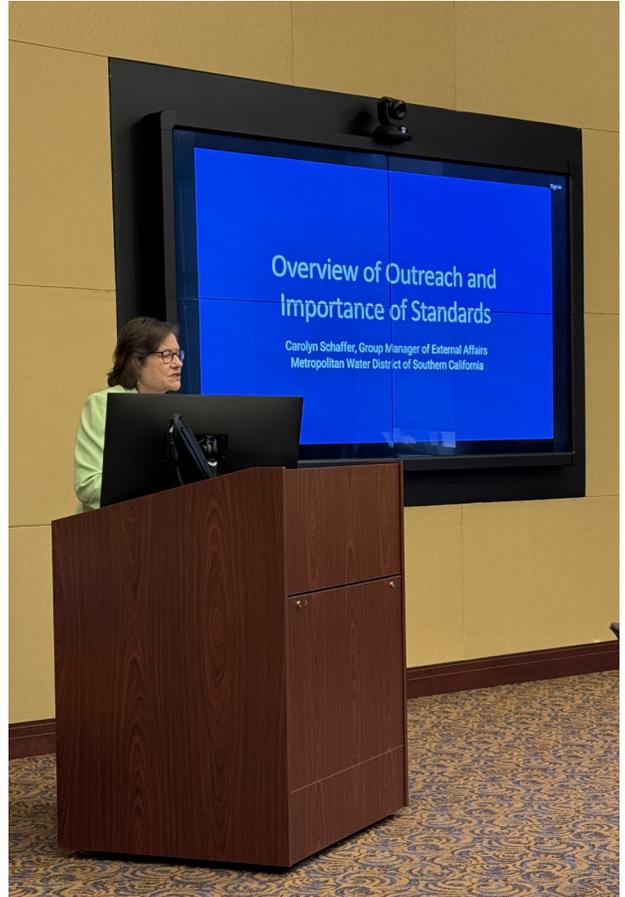
Goal: Execute CAMP4W Implementation Strategy to Integrate Climate Adaptation Districtwide

Ongoing community engagement is a key piece of the Climate Adaptation Master Plan for Water because it helps integrate local knowledge and feedback into Metropolitan’s planning and decision making.

On Feb. 5, staff hosted a public workshop to develop Community Engagement Standards, as part of the CAMP4W Implementation Strategy. The standards, which are expected to be completed this summer, will guide public outreach and inform CAMP4W project and program assessments.

Workshop participants received an update on CAMP4W, reviewed Metropolitan’s current outreach practices, and discussed the need for clear community engagement standards.

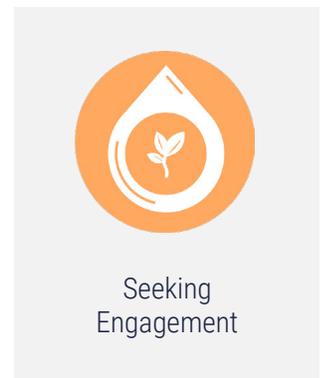
Approximately 75 people participated in-person and online. Attendees included representatives from nonprofit organizations, colleges and universities, public agencies, water industry professionals and members of the public. They shared best practices for engaging communities on drinking water issues and identified ways to expand participation in the water sector.



External Affairs Group Manager Carolyn Schaffer speaks about outreach at the public workshop



Workshop participants share ideas and best practices for public outreach





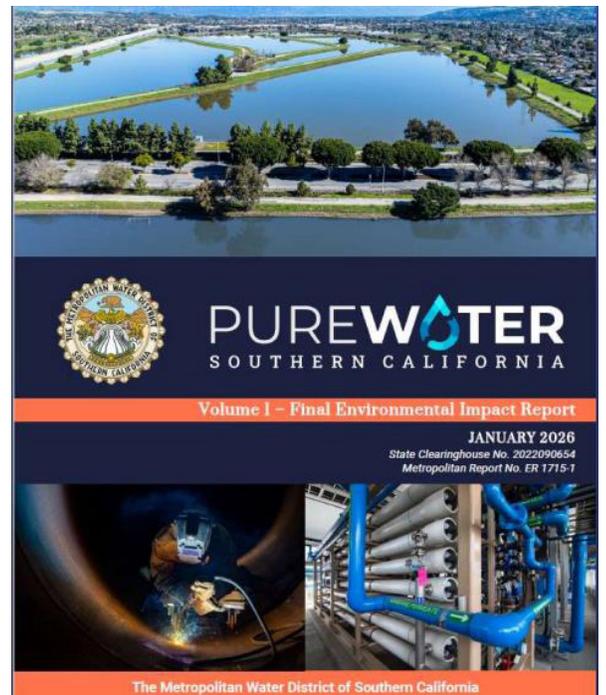
Speakers addressed the Metropolitan board before their vote to certify the Final EIR for the Pure Water Southern CA Program

Goal: Complete EIR and Planning for Board to Consider Pure Water Southern California

The Pure Water Southern California Program passed a major milestone in February when Metropolitan’s Board of Directors voted unanimously to certify the Final Environmental Impact Report, completing the legally required environmental review that was initiated more than five years ago.

The board’s action clears the way for future decisions on the large-scale recycled water project, including phasing, funding, design and construction. Those decisions will be considered as part of the district’s Climate Adaptation Master Plan for Water evaluation process and biennial budget.

Pure Water Southern California reached this milestone thanks to partnerships. Those include Los Angeles County Sanitation Districts, groundwater basin managers, our member agencies, Central Arizona Project and Southern Nevada Water Authority. In addition, Metropolitan has worked hard to build relationships in the communities that would be impacted and served by the program. It was gratifying to see our partners and community-based organizations show up in support of the program ahead of the board’s vote to certify the final EIR.



Staff-developed innovation allows real-time reporting during pipeline inspections

By Jay Pastor, Engineering Services Group, Team Manager – Corrosion Engineering Team 1

PROJECT DESCRIPTION

Infrastructure Reliability – Pipeline Inspection GIS Forms

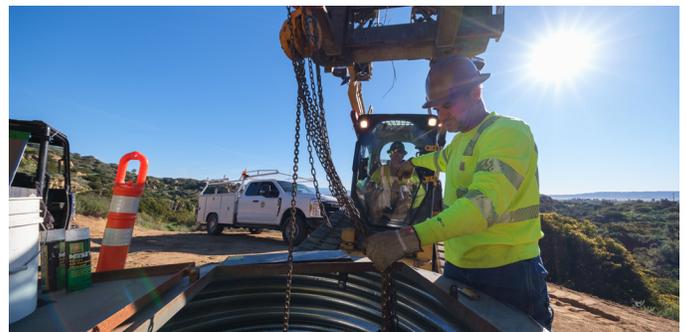
Each year, Metropolitan’s Engineering Services Group performs internal visual inspections on dozens of miles of pipelines. The inspections are a key component of Engineering’s infrastructure reliability mission, and their findings often lead to immediate pipeline repairs or long-term Capital Investment Plan projects. To standardize and streamline the reporting of inspection findings, Engineering staff recently began using a new pipeline inspection form built on a mobile application from Metropolitan’s geographic information systems (GIS) provider ESRI. The Survey123 app allows pipeline inspectors to collect the location, size, type of damage, and any recommended repairs they find during an inspection and immediately share it with repair teams. The ability to quickly collect and share information is crucial when working in the short timeframes of a pipeline shutdown. The development and roll-out of the new form is a continuing and collaborative effort between Engineering, Conveyance & Distribution, and Information Technology staff.



Staff receives training for use of the Survey123 app

IMPORTANCE TO METROPOLITAN

Engineering staff from the Infrastructure Unit established a list of data fields commonly collected during an inspection and worked with IT GIS staff to develop a form accessible by Metropolitan-furnished mobile devices. A key requirement for the form was the ability to send inspection updates to C&D Coatings teams, append photos, and create inspection reports. Coatings Team staff can then perform repairs and document their work on the form, closing the loop on the inspection report. Further development of the form aims to integrate the reports with Metropolitan’s maintenance and asset management systems, in addition to improving connectivity inside a pipeline.



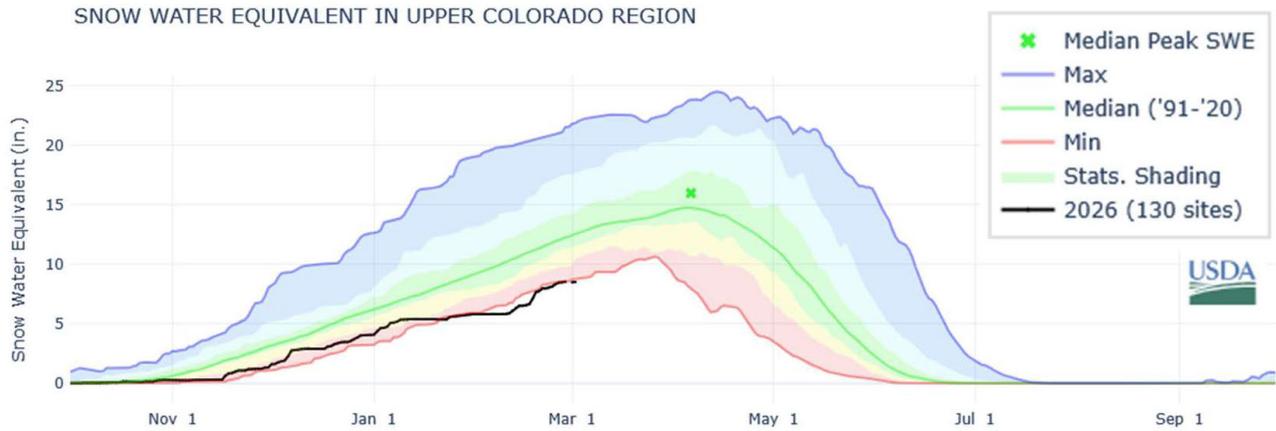
Work on the West Valley Feeder No. 1

MEMORABLE MOMENT

A key moment was the first field use of the form during the West Valley Feeder No.1 pipeline inspection in January. Engineering staff used the form to document 20 recommended repairs that were then routed to the Western Region Coatings Team for immediate response. In addition, the use of ESRI’s GIS platform allowed management and staff to “follow along” on the inspection in real-time with a web-based GIS dashboard.

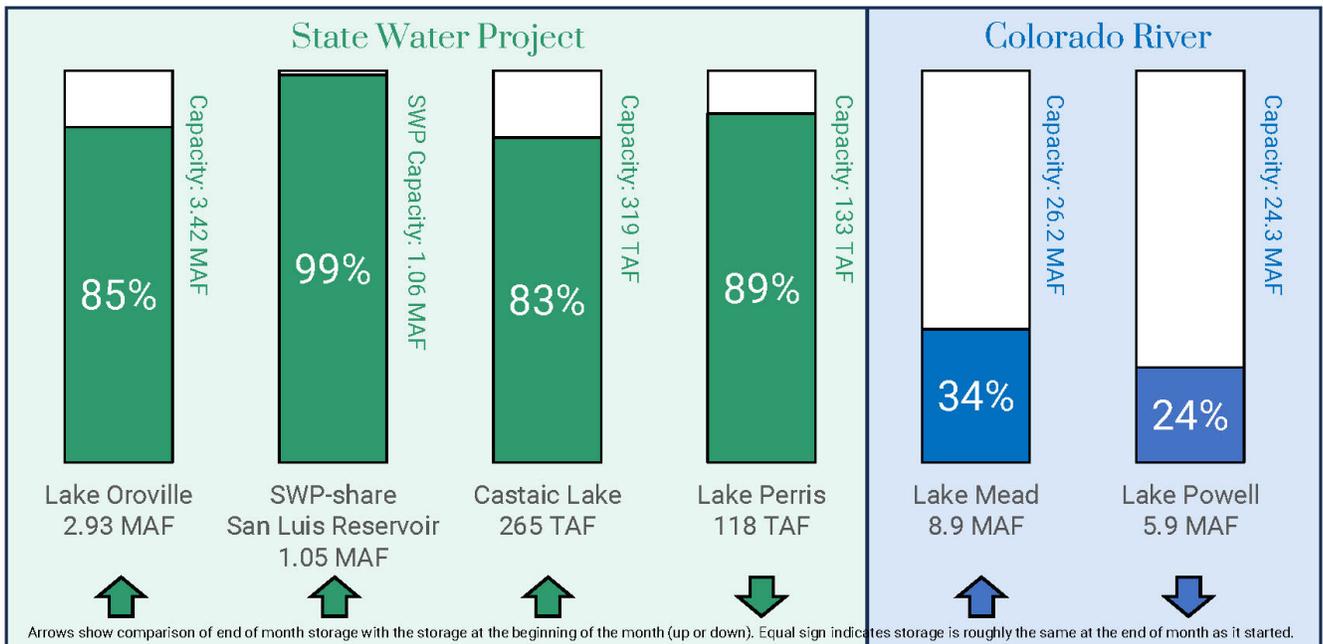
February 2026 Report

Extended Report: mwdh2o.com/WSCR



Snowpack in the Upper Colorado River Basin increased in February but it is still hovering at the minimum recorded (records since 1986, shown on chart above).

Storms in February also brought snow to the Sierra however, snowpack continues unevenly distributed: Northern Sierra has half of the long-term average snowpack while Southern Sierra has about 90% of normal.



The Metropolitan Water District of Southern California

Monthly Operations At-A-Glance

February 2026

30-day window: January 12–February 11

Distribution * denotes change compared to previous 30-Day period

30-Day Member Agency Deliveries

3,080 AF/Day

Change in Deliveries*

▲ 890 AF/Day

Recorded **January** Deliveries to Member Agencies
Consumptive and Replenishment

79 TAF

Forecast **February** Deliveries to Member Agencies
Consumptive and Replenishment

74 TAF

Recorded **January** Deliveries utilizing water programs
(CYC, RCYC, CUP, CCOP)

0 TAF

Supply

30-Day Average by Source (AF/Day)



Storage

Data as of February 11, 2026

Lake Mathews

157,900 AF

▼ -8,890 AF*



Lake Skinner

37,800 AF

▼ -3,070 AF*



Diamond Valley Lake

758,800 AF

▼ -1,530 AF*



Hydropower

30-Day Total Generation:
0.0 GWh

30-Day Total Generation by Plant

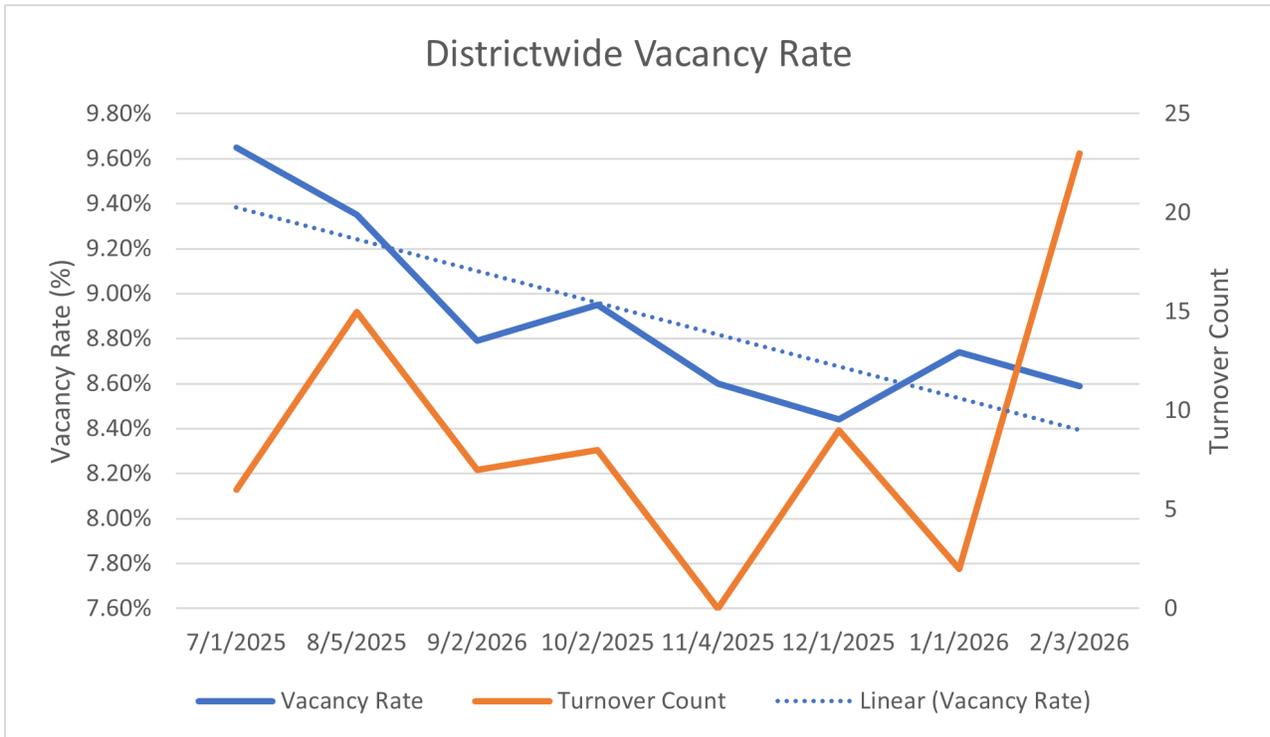
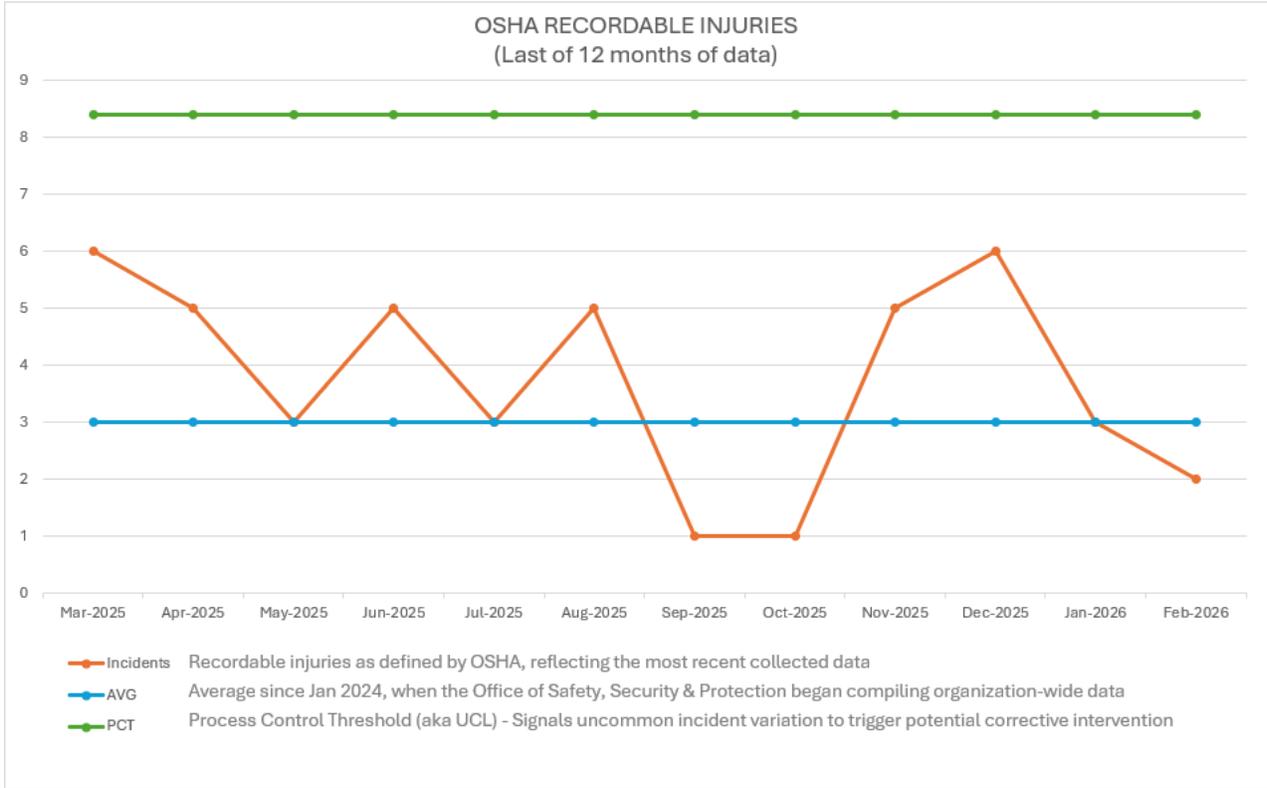
30-Day Average Power:
0.0 MW

None in Operation

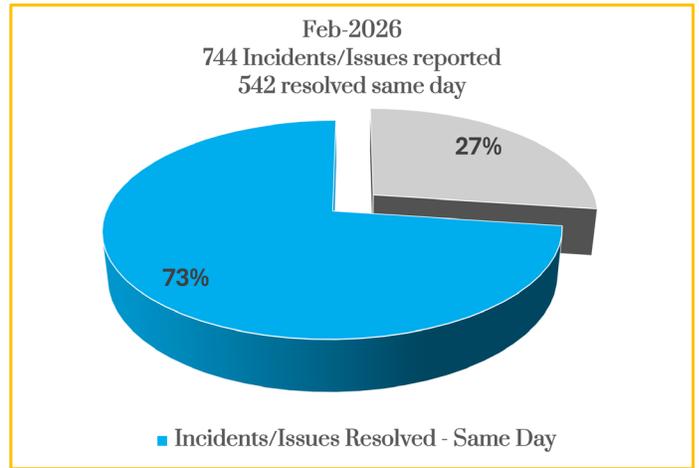
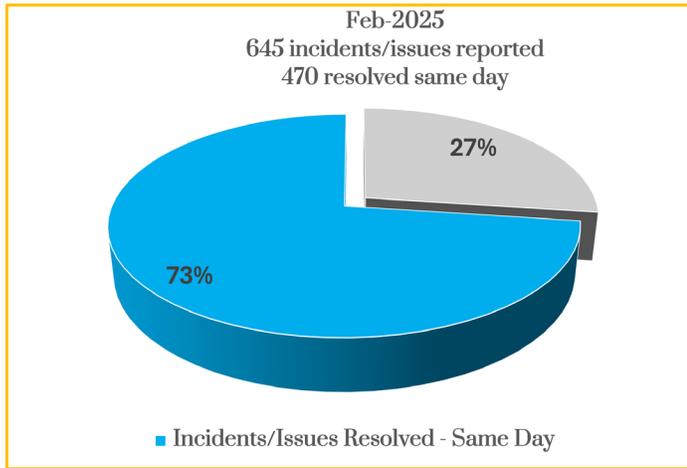
Water Quality

Plant Name	Targeted Blend (% SPW)	Current TDS (mg/L)	TTHMs (µg/L)	Flow-Weighted RAA TDS (mg/L)
	As of 2/11/2026	As of 2/11/2026	As of 2/2/2026	
Weymouth	50%	457	25.0	504
Diemer	50%	442	22.0	494
Skinner	50%	405	20.0	516
Jensen	100%	300	13.0	292
Mills	100%	281	28.0	227

TDS = Total Dissolved Solids TTHM = Total Trihalomethanes RAA = Running Annual Average

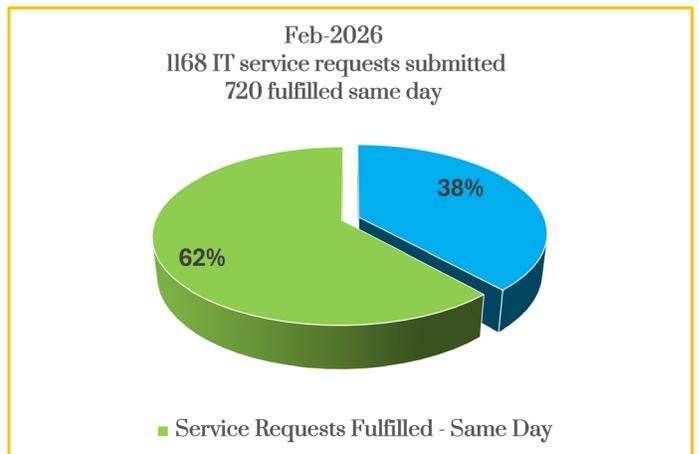
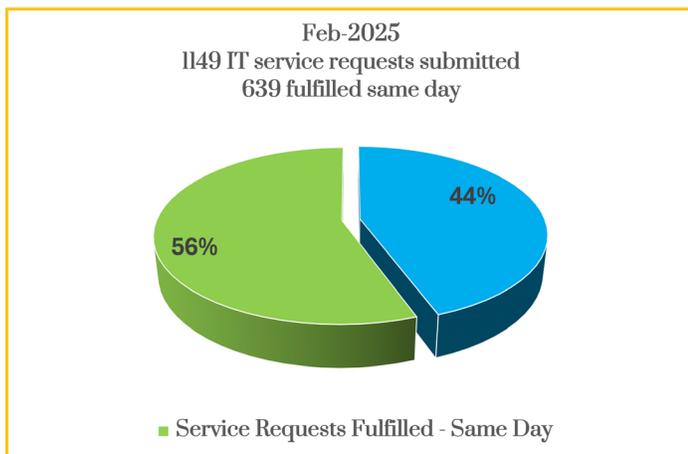


IT Incidents/Issues Reported and Resolved within Same Day Feb-2025 vs Feb-2026



□ **IT Service Request:** An unexpected interruption/error is encountered and reported by an IT customer while using an IT application or system or a device.

IT Service Requests Submitted and Fulfilled Same Day Feb-2025 vs Feb-2026



□ **IT Service Request:** A formal request by an IT customer for something standard, such as a password reset, new hardware, or software access, that follows a routine fulfillment process.



Metropolitan's mission is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

700 N. Alameda Street, Los Angeles, CA 90012

General Information (213) 217-6000

www.mwdh2o.com www.bewaterwise.com

General Manager: Shivaji Deshmukh

Office of the GM (213) 217-6139

OfficeoftheGeneralManager@mwdh2o.com



Matters Concluded and/or Terminated

**Ryan Tiegs v. Metropolitan
(California Court of Appeal; Riverside County
Superior Court)**

appeal of the Riverside County Superior Court’s grant of summary judgment in Metropolitan’s favor. The parties completed the settlement and on February 3, 2026, the Court of Appeal issued its order dismissing the appeal.

As previously reported, in November 2025, the parties agreed to settle this case following plaintiff’s

Matters Received

<u>Category</u>	<u>Received</u>	<u>Description</u>	
Government Code Claims	2	Claims relating to: (1) Subrogation claim relating to an accident involving an MWD vehicle; and (2) Indemnity claim relating to structure damage to homes caused by sinking of the properties from potential leak in the pipe.	
Subpoenas	1	Workers’ Compensation subpoena for employee’s personnel, wage, medical, schedule and workers’ comp records	
Requests Pursuant to the Public Records Act	37	<u>Requestor</u>	<u>Documents Requested</u>
		22nd Century Technologies	Vendor spending for Skilled/Technical Staffing contract for Skilled/Technical Staffing
		Center for Contract Compliance (5 requests)	Contract/bid information for: (1) Landscape Maintenance Tree Maintenance at Yorba Linda; (2) Landscape Maintenance and Tree Maintenance Services; (3) Diemer reinforcing steel install project; and Certified payroll records for work by: (1) Priority Landscape Services for work on Mills Plant Tree Clean Up Services; and (2) Legacy Tree Care and Landscape Inc for work on Eagle Rock Tree Maintenance Services
		City of Los Angeles	Real estate ownership information (APN 4324019013)
		Clearlake Plaza	MWDH's policies for turning on water to existing residences after the water has been turned off
		Deltek, Inc.	Specifications for Analytical Laboratory Services

Date of Report: March 9, 2026



<u>Requestor</u>	<u>Documents Requested</u>
Executive Facility Services, Inc.	Winning proposal and evaluation matrix for Janitorial Services at Lake Mathews Reservoir
Sewerage & Water Board of New Orleans	Reference for work done by Abacus Service Corporation and 22nd Century Technologies, Inc. regarding skilled and unskilled labor
Graduate Student at California State University, San Bernardino (3 requests)	Water quality data for: (1) Lake Mathews and Diamond Valley Lake; (2) indicators for the time period between January 2023 to December 2023; and (3) rough coordinates of East Basin Center, West Basin Center, and Constriction for Diamond Valley Lake, and Outlet Sample Tap - Tower #2, Outlet Structure, Drain Plug, and Inlet for Lake Matthews
LA Regional Water Control Board	MWD’s Service Agreement with Las Virgenes Water District
Labor Management Compliance Council (3 requests)	(1) Notice of Recorded Completion; (2) daily logs; and (3) certified payroll records (March 23, 2025 - current) for work on Wadsworth Pumping Plant Eastside Pipeline Intertie
MWD Supervisors Association	Communications between HR and chain of commands for the C&D Team Manager IV, Water Treatment O&M Team Manager VI, and O&M Supervisors regarding classification and compensation job descriptions
NCS Credit	Job information and payment bonds relating to Project No. 0527-767357/3
Nextera Energy Resources	Vendor list for RFP notifications for competitive solicitations for new capacity, renewables or energy resources



<u>Requestor</u>	<u>Documents Requested</u>
Private Citizens (7 requests)	(1) Any and all proposals submitted by any contractor including TCS Risk Management (Agreement No. 230035); (2) GC Quarterly Report December 31, 2025; (3) information pertaining to the use restrictions for the reservoirs and lakes that led to the "no-body contact rules"; (4) MWD historical population from 1970 to 2025 and water demand data; (5) clarification regarding regional fluoridation operations; (6) information re Iron Mountain landing strip; (7) bid tabulation for Riverside County Fencing and Site Clean Up
San Diego County Water Authority	MWD testing positive for PFAS in the supply source for our region
SJV Water	Update on status of MWD's groundwater banking programs in the San Joaquin Valley, and 1, 2, 3 - TCP impacts
SoCal Title	Perris property boundaries in relation to the MWD area
Tryfacta (4 requests)	Proposal and contract documents related to: (1) Skilled/Technical Temp Labor Staffing; (2) Temporary Labor Services - Professional/Administrative, Scientific and Technical; (3) MWD Information Technology Cybersecurity Services; and (4) MWD Information Technology (IT) Application Support Services
Visual Edge IT, Inc.	Bid and contract documents for district-wide copiers and printers
Zenith Engineers	Subcontract awards of the Contracts Disclosure Statement for Eagle Mountain and Julian Hinds Pumping Plants Utility Replacement Project on August 26, 2025

PLEASE NOTE

- ADDITIONS ONLY IN THE FOLLOWING TWO TABLES WILL BE SHOWN IN RED.
- ANY CHANGE TO THE *OUTSIDE COUNSEL AGREEMENTS* TABLE WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).



Bay-Delta and SWP Litigation

Subject	Status
<p>Delta Conveyance Project CEQA Cases</p> <p><i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> (case name for the consolidated cases)</p> <p><i>City of Stockton v. California Department of Water Resources</i></p> <p><i>County of Butte v. California Department of Water Resources</i></p> <p><i>County of Sacramento v. California Department of Water Resources</i></p> <p><i>County of San Joaquin et al. v. California Department of Water Resources</i></p> <p><i>Sacramento Area Sewer District v. California Department of Water Resources</i></p> <p><i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i></p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i></p> <p><i>South Delta Water Agency and Rudy Mussi Investment L.P. v. California Department of Water Resources</i></p> <p><i>Sacramento County Superior Ct.</i> (Judge Acquisto)</p> <p>3d District Court of Appeal Case No. C101878</p> <p>Supreme Court Case No. S294127</p>	<ul style="list-style-type: none"> • DWR is the only named respondent/defendant • All alleged CEQA violations • Most allege violations of the Delta Reform Act, Public Trust Doctrine and Delta and Watershed Protection Acts • Two allege violations of the fully protected bird statute • One alleges violations of Proposition 9 (1982) and the Central Valley Project Act • Deadline for DWR to prepare the administrative record extended to March 2, 2026 • Aug. 19, 2024 DWR appealed the injunction • Oct. 24, 2024 cases ordered consolidated for all purposes under <i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> • Oct. 17, 2025, court of appeal reversed the trial court's grant of an injunction halting preconstruction geotechnical soil testing • Nov. 14, 2025 petition for rehearing denied • Nov. 26, 2025 plaintiffs filed a petition for review in the California Supreme Court • Jan. 16, 2025 hearing on State Water Contractors' and certain members' motion to intervene • Jan. 28, 2026 petition for Supreme Court review and request for depublication of the opinion overturning the preconstruction soil testing injunction denied • Feb. 6, 2026 next case management conference • <u>Feb. 9, 2026 order imposing a limited stay until March 27, 2026</u> • <u>March 20, 2026 hearing on DWR's motion to disqualify Somach, Simmons & Dunn law firm</u> • <u>Deadline for DWR to prepare the administrative record stayed to March 27, 2026</u>
<p><i>Sierra Club et al. v. California Department of Water Resources</i></p> <p>Sacramento County Super. Ct. (Judge Stephen P. Acquisto)</p>	<ul style="list-style-type: none"> • Filed July 18, 2025 • Alleges DWR unlawfully "piecemealed" CEQA review of the Delta Conveyance Project and its petition to the State Water Resources Control Board for a time extension of its



	<p>existing State Water Project water right permits</p> <ul style="list-style-type: none"> • Seeks an order requiring DWR to withdraw its time extension petition, decertify the DCP EIR, rescind the CEQA findings and project approval, prepare a subsequent EIR for the DCP, and prohibiting DWR from issuing revenue bonds until it has certified a subsequent EIR • <u>Jan. 5, 2026 judgment sustaining DWR’s demurrer without leave to amend, resulting in dismissal with prejudice</u> • <u>March 6, 2026 deadline to file Notice of Appeal</u>
<p>Consolidated DCP Revenue Bond Validation Action and CEQA Case</p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i> (CEQA, designated as lead case)</p> <p><i>DWR v. All Persons Interested</i> (Validation)</p> <p>Sacramento County Superior Ct. (Judge Kenneth C. Mennemeier)</p> <p>3d District Court of Appeal Case No. C100552</p>	<ul style="list-style-type: none"> • Validation Action • Final Judgment and Final Statement of Decision issued January 16, 2024 ruling the bonds are not valid • DWR, Metropolitan and other supporting public water agencies filed Notices of Appeal on or before the February 16, 2024 deadline • Eight opposing groups filed Notices of Cross Appeals by March 27, 2024 • Appeals and cross-appeals fully briefed as of May 12, 2025 • November 19, 2025 oral argument • Dec. 31, 2025 Court of Appeal opinion filed upholding trial court ruling the bonds are not valid • Jan. 15, 2026 DWR filed a petition for rehearing • <u>Jan. 28, 2026 petition for rehearing denied, opinion modified to correct factual errors and add citations without changing the judgment</u> • <u>Feb. 9, 2026 DWR and supporting SWP contractors filed a petition for California Supreme Court review and request to depublish the Dec. 31, 2025 opinion</u> • <u>March 2, 2026 deadline to file an answer to the petition for review</u> • <u>March 12, 2026 deadline to file a reply in support of petition for review</u> • <u>April 10, 2026 deadline for Supreme Court to act on petition for review unless extended up to an additional 30 days</u>
<p>2025 Delta Conveyance Program Revenue Bond Validation</p>	<ul style="list-style-type: none"> • Jan. 6, 2025, the Department of Water Resources (DWR) adopted a new bond resolution



<p><i>Department of Water Resources v. All Persons Interested, etc.</i></p> <p>Sacramento County Superior Court (Judge Kenneth C. Mennemeier)</p>	<ul style="list-style-type: none"> • Jan. 7, DWR filed a complaint seeking a judgment validating its authority to issue the bonds under the CVP Act • 15 answers filed, 10 in opposition and 5 in support • June 12, 2025 two motions to dismiss denied • Aug. 15, 2025 case assigned to Judge Mennemeier for all purposes • Sept.23, 2025 Case Management Conference • Dec. 5, 2025 opening trial briefs • Jan. 14, 2026 DWR filed a motion to stay the case pending exhaustion of appellate remedies in the 2020 bond validation case • Jan. 21, 2026 hearing on motion for stay and stay granted pending formal order •
<p>2024 CESA Incidental Take Permit Consolidated Cases</p> <p><i>California Sportfishing Protection Alliance, et al. v. California Department of Water Resources, et al.</i> (CEQA, CESA, Delta Reform Act, Public Trust Doctrine)</p> <p>Sacramento County Superior Ct. Case No. 24WM000181 (Judge Arguelles) (Designated lead case for the consolidated cases)</p> <p><i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i> (CEQA, Delta Reform Act, Public Trust Doctrine)</p> <p><i>Tehama-Colusa Canal Authority, et al. v. California Department of Water Resources, et al.</i> (CEQA)</p> <p><i>Central Delta Water Agency and South Delta Water Agency v. California Department of Water Resources</i> (CEQA, Delta Reform Act, Watershed Protection Acts, Public Trust Doctrine)</p>	<p>Cases challenge DWR’s Final EIR and the California Department of Fish and Wildlife’s California Endangered Species Act Incidental Take Permit for the updated Long Term Operations plan for the State Water Project</p> <ul style="list-style-type: none"> • Oct. 8, 2025 minute order consolidating cases under the <i>California Sportfishing Protection Alliance</i> case name • Dec. 12, 2025, case management conference in the consolidated cases • June 12, 2026 case management conference
<p>CDWR Environmental Impact Cases Sacramento Superior Ct. Case No. JCCP 4942, 3d DCA Case No. C100302 (20 Coordinated Cases)</p> <p>Validation Action <i>DWR v. All Persons Interested</i></p> <p>CEQA 17 cases</p> <p>CESA/Incidental Take Permit 2 cases</p>	<ul style="list-style-type: none"> • Cases dismissed after DWR rescinded project approval, bond resolutions, decertified the EIR, and CDFW rescinded the CESA incidental take permit • January 10, 2020 – Nine motions for attorneys’ fees and costs denied in their entirety • May 11, 2022, court of appeal reversed the trial court’s denial of attorney fees and costs



(Judge Arguelles)

- Coordinated cases remitted to trial court for rehearing of fee motions consistent with the court of appeal's opinion
- Dec. 26, 2023 order denying fee motions
- Six notices of appeal filed
- Appeals fully briefed as of June 6, 2025
- Nov. 21, 2025 oral argument
- Dec. 9, 2025 Court of Appeal decision upholding trial court denial of attorney fee motions
- Dec. 24, 2025 three petitions for rehearing filed by losing appellants
- Jan. 07, 2026 petition for rehearing denied, opinion modified with no change in judgment
- Jan. 20, 2026 losing appellants filed three petitions for review in the California Supreme Court
- March 22, 2026 deadline for Supreme Court to grant or deny review

Water Management Tools Contract Amendment

California Water Impact Network et al. v. DWR
 Sacramento County Superior Ct.
 (Judge Acquisto)

North Coast Rivers Alliance, et al. v. DWR
 Sacramento County Super. Ct.
 (Judge Acquisto)

- Filed September 28, 2020
- CWIN and Aqualliance allege one cause of action for violation of CEQA
- NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, Public Trust Doctrine and seeking declaratory relief
- SWC motion to intervene in both cases granted
- Dec. 20, 2022 DWR filed notice of certification of the administrative record and filed answers in both cases



Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Anzel Galvan LLP	Bond Issues	220411	07/24	N/A
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,316,937
	Delta Conveyance Project Bond Validation-CEQA Litigation	185899	09/21	\$250,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
	AFSCME Local 1902 in Grievance No. 1906G020 (CSU Meal Period)	201883	07/12/21	\$30,000
	MWD MOU Negotiations**	201893	10/05/21	\$100,000
	Ethics and EEO Investigation	222534	01/25	\$50,000
	PRA Issues	222539	02/25	\$110,000
	Sanchez Job Audit Appeal	222551	03/25	\$50,000
	Gutierrez Job Audit Appeal	222552	03/25	\$50,000
	RFIs by AFSCME Local 1902	222554	03/25	\$20,000
	EEO Investigation	226516	05/25	\$25,000
	Advice and Counsel – AB399 Issues	226533	01/26	\$50,000
	Employment Matter	226534	01/26	\$50,000
	<u>Team Manager Leave Premiums Denial HO Appeal</u>	<u>226539</u>	<u>01/26</u>	<u>\$50,000</u>
	<u>Temporary Upgrade Assignment Denial HO Appeal</u>	<u>226540</u>	<u>01/26</u>	<u>\$50,000</u>
<u>Temporary Upgrade Assignment Standby Denial HO Appeal</u>	<u>231484</u>	<u>01/26</u>	<u>\$50,000</u>	
<u>Desert Medical Credit HO Appeal</u>	<u>231487</u>	<u>01/26</u>	<u>\$50,000</u>	



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
BDG Law Group, APLC	Gutierrez v. MWD	216054	03/24	\$250,000
	Hagekhalil Defense in Kasaine Litigation	222547	03/25	\$250,000
Best, Best & Krieger	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$100,000
	Grant Compliance Issues	211921	05/23	\$250,000
	Pure Water Southern California	207966	11/22	\$350,000
	Progressive Design Build	216053	04/24	\$250,000
	Pure Water – SB 149 CEQA Record Preparation	222526	02/25	\$150,000
	Rates and Taxes Advice	226517	05/25	\$50,000
	PWSC Construction Contracting Issues	226524	07/25	\$125,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Burke, Williams & Sorensen, LLP	Real Property – General	180192	01/19	\$100,000
	Labor and Employment Matters	180207	04/19	\$75,000
	General Real Estate Matters	180209	08/19	\$200,000
	Rancho Cucamonga Condemnation Actions (Grade Separation Project)	207970	05/22	\$150,000
	Foothill Pump Station Condemnation	226522	06/25	\$100,000
	Fakhoury, et al. v. City of Rancho Cucamonga, et al.	226528	12/25	\$100,000
	<u>Ethics Office Investigations</u>	<u>226537</u>	<u>01/26</u>	<u>\$75,000</u>
Law Office of Alexis S.M. Chiu*	Bond Counsel	220409	07/24	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Castañeda + Heidelberg LLP	Employment Matter	216055	04/24	\$100,000
	Employment Matter	222530	11/24	\$100,000
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$100,000
Davis Wright Tremaine, LLP	Advice and Representation re Potential Litigation	220424	10/24	\$250,000
	Kasaine v. MWD	222543	03/25	\$250,000
	Advice and Representation re Employment -Related Claims	226526	08/25	\$200,000
Erin Joyce Law, PC	Ethics Advice	216058	05/24	\$100,000
Hackler Flynn & Associates	Government Code Claim Advice	216059	5/24	\$250,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000
Hanna, Brophy, MacLean, McAleer & Jensen, LLP	Workers' Compensation	211926	06/23	\$500,000
Hanson Bridgett LLP	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$600,000
	Alternative Project Delivery (ADP)	207961	10/22	\$250,000
Hausman & Sosa, LLP	Jones v. MWD	216056	05/24	\$250,000
	Villavicencio v. MWD	220426	10/24	\$100,000
	Jensen Operator Standby Removal	222522	10/24	\$100,000
	Villa NOIS Appeal	222553	03/25	\$50,000
	Alberto NOID Appeal	226523	06/25	\$100,000
Hawkins Delafield & Wood LLP*	Bond Counsel	220405	07/24	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Horvitz & Levy	General Appellate Advice	146616	12/15	\$200,000
	Colorado River	203464	04/22	\$100,000
	Delta Conveyance Bond Validation Appeal	216047	03/24	\$25,000
	PFAS Multi-District Litigation – Appeal	216050	03/24	\$200,000
Internet Law Center	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$500,000
	General Advice and Counsel	222544	02/25	\$25,000
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance	137992	02/14	\$45,000
Katten Muchin Rosenman LLP	Bond Counsel	220412	07/24	N/A
Kronenberger Rosenfeld, LLP	Systems Integrated, LLC v. MWD	211920	04/23	\$500,000
Kutak Rock LLP	Delta Islands Land Management	207959	10/22	\$160,000
Lesnick Prince Pappas & Alverson LLP	Kidde-Fenwal Bankruptcy	216061	06/24	\$50,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$244,741
	FLSA Audit	180199	02/19	\$50,000
	EEO Advice	216041	12/23	\$450,000
Lieff Cabraser Heimann & Bernstein, LLP	PFAS Multi-District Litigation	216048	03/24	\$200,000
Marten Law LLP	PFAS Multi-District Litigation	216034	09/23	\$550,000
	PFAS-Related Issues (PWSC)	220414	08/24	\$150,000
	Perris Valley Pipeline Project	220415	07/24	\$100,000
	PFAS-Related Issues (General)	220413	10/24	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Morgan, Lewis & Bockius	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Arvin-Edison v. Dow Chemical	203452	01/22	\$150,000
	Semitropic TCP Litigation	207954	09/22	\$75,000
	Employment Matter	220417	08/24	\$100,000
	Employment Matter	226535	01/26	\$50,000
Nixon Peabody LLP*	Bond Counsel	220404	07/24	N/A
Norton Rose Fulbright US LLP*	Bond Counsel	220407	7/24	N/A
	Pure Water Special Project Finance	226513	05/25	\$200,000
Olson Remcho LLP	Government Law	131968	07/14	\$600,000
	Advice/Assistance re Proposition 26/Election Issues	211922	05/23	\$100,000
Pearlman, Brown & Wax, L.L.P.	Workers' Compensation	216037	10/23	\$100,000
Redwood Public Law, LLP	PRA and Conflicts Issues	222540	02/25	\$150,000
Renne Public Law Group, LLP	Employee Relations and Personnel Matters	216045	01/24	\$50,000
	ACE v. MWD (PERB Case No. LA CE 1729 M)	220421	09/24	\$70,000
	AFSCME v. MWD (PERB Case No. LA-CE-1733-M)	220422	09/24	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1746-M)	222528	11/24	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1774-M)	226515	05/25	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1772-M)	226518	05/25	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1775-M)	226519	05/25	\$35,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
	AFSCME v. MWD (PERB Case No. LA-CE-1776-M)	226520	05/25	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1785-M)	226527	10/25	\$50,000
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
	Unlawful Encroachment on Metropolitan Rights-of-Way	216065	06/24	\$100,000
Seyfarth Shaw LLP	Phan v. MWD	201897	11/04/21	\$700,000
	Claim (Contract #203436)	203436	11/15/21	\$1,000,000
	General Labor/Employment Advice	211917	3/23	\$250,000
	Crawford v. MWD	216035	09/23	\$1,200,000
	Tiegs v. MWD	216043	12/23	\$1,075,000
Sheppard Mullin Richter & Hampton LLP	Iverson v. MWD	222532	12/24	\$250,000 <u>\$500,000</u>
Snell & Wilmer LLP	Public Records Act Requests	226531	12/25	\$150,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	220408	7/24	N/A
Theodora Oringher PC	Construction Contracts - General Conditions Update	185896	07/20	\$100,000
	Santa Monica Feeder Incident	226526	08/25	\$150,000
Thompson Coburn LLP	NERC Energy Reliability Standards	193451	08/20	\$600,000
Van Ness Feldman, LLP	General Litigation	170704	07/18	\$50,000
	Colorado River MSHCP	180191	01/19	\$50,000
	Bay-Delta and State Water Project Environmental Compliance	193457	10/15/20	\$50,000
	Colorado River Issues	211924	05/23	\$250,000
	Cajalco Road Widening Project	226509	04/25	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Wesierski & Zurek LLP	Eight-Vehicle Pile-Up Claims, Rancho Cucamonga	226529	12/25	\$150,000
	General Tort Claims and Litigation Defense Advice	226530	12/25	\$150,000

*Expenditures paid by Bond Proceeds/Finance

**Expenditures paid by another group



Office of the General Auditor

• General Auditor's Report for February 2026

Summary

This report highlights significant activities of the Office of the General Auditor for the month ended February 28, 2026.

Purpose

Informational

Attachments

One report was issued during this period:

1. Contract Audit: California Landscape Contractors Association

Detailed Report

Audit & Advisory Projects

Twenty-two projects are in progress:

- Seven audit projects are in the report preparation phase.
 - One collaboration draft report was issued: Advisory Brief – Rapid Review: Deepfake Awareness; collaboration with management in progress, final report issuance expected in March. (FY 2025/26 Business Plan 1.D)
- Fifteen projects are in the execution phase, including six audits and nine advisories.
- Work continues on the remaining carry-forward projects; two collaboration draft reports are expected in March. (FY 2025/26 Business Plan 1.A)

Follow-up Reviews

Fourteen projects are in the follow-up phase:

- Seven follow-up reviews are in progress.
- Seven follow-up reviews have not been started.

No follow-up review forms are overdue.

Board Report (General Auditor's Report for February 2026)

Report Details

1. **Contract Audit: California Landscape Contractors Association (CLCA)**

- Audit scope included Professional Services Agreement No. 201209 for the Qualified Water Efficient Landscaper and Water Manager Certifications Class with the CLCA for the year ended December 31, 2023.
- Three recommendations with the following ratings: three **Priority 3**

Other General Auditor Activities

1. **Internal Audit Function Site Visits**

Met with internal audit functions at the Los Angeles County Sanitation District and Inland Empire Utilities Agency to share/gather information on special district internal audit practices, including the use of audit project management systems/tools. (FY 2025/26 Business Plan 3.E)

2. **Internal Quality Assessment**

Preparation for the annual internal quality assessment, as required by professional internal auditing standards, is in progress. Surveys sent to the Board, management, and department staff were received, and we are evaluating and summarizing the results, which will be presented at the March meeting of the Audit Committee. (FY 2025/26 Business Plan 4.D)

3. **Global Internal Audit Standards**

Evaluation and adoption of the updated standards issued by the Institute of Internal Auditors, effective January 9, 2025, are in progress. Charter revisions necessitated by the updated standards will be presented as an Information Item at the March meeting of the Audit Committee and for approval at the June meetings of the Audit Committee and the Board of Directors. (FY 2025/26 Business Plan 4.B)

4. **Annual Risk Assessment**

The General Auditor's risk assessment methodology is being refreshed and will be presented at the March Audit Committee meeting, along with a risk and internal control discussion and solicitation of Board input on risk areas and internal control concerns. Consistent with current practice, Board input on risk areas and internal control concerns will be solicited at every Audit Committee meeting. (FY 2025/26 Business Plan 1.E)

5. **Annual Audit Plan**

Planning is underway for next fiscal year's audit plan, which includes meetings with Metropolitan senior management. The FY 2026/27 audit plan will be presented for approval at the June meetings of the Audit Committee and Board of Directors.

6. **Training**

Department staff attended training on internal controls and the Institute of Internal Auditors' Cybersecurity Topical Guidance. (FY 2025/26 Business Plan 5.B)



Office of the General Auditor —

Contract Audit: California Landscape Contractors Association

Project Number: 23-21
February 26, 2026



TABLE OF CONTENTS

- 1 Executive Summary**
Background · What We Did · What We Concluded · What We Recommend
- 2 General Auditor's Letter**
- 3 Results**
Recognition · Results Overview
- 4 Observation 1: Task Orders**
Recommendation 1
- 5 Observation 2: Contractor Compensation**
Recommendation 2
- 6 Observation 3: Contractor Monitoring**
Recommendation 3
- 7 Evaluation of Management's Response & Audit Team**
- 8 Appendix A: Supplemental Information**
Additional Information · Scope & Objectives · Exclusions · Prior Audit Coverage · Authority · Professional Internal Audit Standards · Follow-up Reviews · Internal Control System · Metropolitan's Responsibility for Internal Control
- 10 Appendix B: Priority Rating Definitions**
- 11 Appendix C: Management's Response**

Executive Summary

BACKGROUND

Metropolitan received an anonymous complaint in November 2023 regarding its contract with the California Landscape Contractors Association (CLCA). The allegations were reviewed, and the Office of the General Auditor declined further action based on the authority granted by the office's charter (Administrative Code Section 6451). However, we determined a contract audit of CLCA should be performed to review ancillary issues not related to the complaint.

Since February 2020, Metropolitan has partnered with the CLCA to offer the Water Efficient Landscape Dual Certification Program (WELDCP), which integrates the Qualified Water Efficient Landscaper (QWEL) certification with the CLCA's Water Management Certification Program (WMCP). The objective of the combined curriculum is to accelerate water-efficient landscape training for landscape professionals by focusing on topics such as water budgeting, sustainable landscaping, and irrigation systems. Under this partnership, CLCA provides curriculum and instruction for both components, as well as all aspects of program administration, implementation, and marketing. A total of 29 classes have been conducted through this partnership, with cumulative expenditures totaling \$598,450 from the program's inception through December 2025.

WHAT WE DID

The audit scope included Professional Services Agreement No. 201209 for the Qualified Water Efficient Landscaper and Water Manager Certifications Class with the CLCA for the year ended December 31, 2023.

Our audit objectives were to:

- (1) Determine if certain work was performed by the contractor in accordance with the contract.
- (2) Determine if payments were appropriately issued to the contractor.
- (3) Ensure Statements of Economic Interests were properly filed by applicable Metropolitan employees.

WHAT WE CONCLUDED

- (1) Work was performed by the contractor in accordance with the scope of services; however, it was performed without a task order. Additionally, improvements to contractor monitoring and contract administration should be implemented.
- (2) Payments were issued to the contractor for work defined in the scope of work; however, improvements to fee schedules, from which payments are based, should be implemented.
- (3) Statements of Economic Interests were properly filed by applicable Metropolitan employees.

WHAT WE RECOMMEND

We recommend management ensure: (1) the intended service delivery method is correctly specified in the contract and all services are ordered through task orders for task order contracts, (2) fee schedules include all components of the scope of work and be broken down into discrete parts, and (3) contractor monitoring activities are documented, approvals for permissible scope of work variances are documented, and contractor identification and retention of submittal means are included in deliverables.

Management agreed with our observations and recommendations.

NUMBER OF RECOMMENDATIONS



PRIORITY 1
Response time:
Immediate



PRIORITY 2
Response time:
Within 90 days



PRIORITY 3
Response time:
Within 180 days



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: February 26, 2026
To: Audit Committee
From: Scott Suzuki, CPA, CIA, CISA, CFE, General Auditor
Subject: Contract Audit: California Landscape Contractors Association
(Project Number 23-21)

This report presents the results of our contract audit of the California Landscape Contractors Association.

Results, including our observations and recommendations, follow this letter. Supplemental information, including our scope and objectives, is included in Appendix A. Appendix B includes a description of our recommendation priority rating system. Finally, management's response to our audit is included in Appendix C.

We appreciate the courtesies and cooperation provided by the Water Resource Management Group.

The results in this report will be summarized for inclusion in a status report to the Board. If you have any questions regarding our audit, please do not hesitate to contact me directly at 213.217.6528 or Assistant General Auditor Kathryn Andrus at 213.217.7213.

Attachments

cc: Board of Directors
General Manager
General Counsel
Ethics Officer
Office of the General Manager Distribution
Assistant General Managers
Water Resource Management Distribution
External Auditor

RESULTS

RECOGNITION

Positive aspects observed during our audit include:

- ◆ Applicable Metropolitan employees properly filed their Statements of Economic Interests with the Office of Ethics to ensure transparency and accountability.
- ◆ The US Environmental Protection Agency presented the WaterSense Excellence Award to Metropolitan for its partnership with the California Landscape Contractors Association (CLCA) in both 2023 and 2024.

RESULTS OVERVIEW

	OBSERVATION	RISK	RECOMMENDATION	MANAGEMENT AGREEMENT
PRIORITY 1				
	None			
PRIORITY 2				
	None			
PRIORITY 3				
1	Work was completed and contractor payments were issued without approved task orders.	Non-performance of desired work Financial/legal disputes Damage to the business relationship	Ensure intended service delivery method is correctly specified in the contract. Order all services through task orders for task order contracts.	Agree
2	Fee schedule did not cover the full scope of work.	Non-performance of desired work Inability to reduce payments for work not performed Financial disputes	Include all components of the scope of work in fee schedule. Break down fee schedule into discrete parts.	Agree
3	Documentation of certain contractor monitoring and contract administration activities was not prepared.	Inadequate contractor oversight Lack of accountability Service/invoicing disputes	Document contractor monitoring activities. Document approvals for permissible scope of work variances. Require contractor identification on submittals and retention of submittal means.	Agree



OBSERVATIONS & RECOMMENDATIONS

1 Task Orders

Work was completed and contractor payments were issued without approved task orders.

The contractor completed six Water Efficient Landscape Dual Certification Program (WELDCP) courses in 2023 and \$120,000 in payments were issued without approved task orders.

Agreement No. 201209 between Metropolitan and the CLCA was a task order type contract and required "All services related to the scope of work will be ordered, and as necessarily further defined, through the issuance of a written Task Order." While the services performed were defined in the contract scope of work, no task orders were issued during the contract period.

Additionally, the contract required task orders to compensate the contractor for courses with more than 40 members. Four of five (80%) invoices in 2023 were for classes with more than 40 members. Separately, the scope of work required each course to have a minimum of 40 participants. While the contractor was paid for providing instruction in accordance with the fee schedule, the agreement was unclear on whether the contractor was entitled to additional compensation for 41 or more participants per course.

Priority 3

Issuing authorized task orders reduces the risk of the contractor not performing desired work in accordance with the contract, financial/legal disputes, and/or damage to the business relationship.

Recommendation 1

We recommend management ensure:

- (1) The intended service delivery method (i.e., task order) is correctly specified during contract preparation.
- (2) For task order type contracts, all services are ordered through task orders in accordance with the contract terms

Management Response Agree.

(1) In the current contract that supersedes this contract, the delivery method was changed. Contract deliverables are clearly defined, and the fee schedule was standardized, so the deliverable is the same each time. It was determined that there is no need to issue task orders to specify the work, therefore a task order type contract was not the best way to administer this work, and therefore the language was removed. WRM staff will ensure that the intended service delivery method is properly specified in future contracts (2) The current contract is no longer a task order type contract. All services and deliverables are clearly described in the fee schedule and are conducted within the contract terms. WRM staff will ensure that services in future contracts that specify task orders will be ordered via task order.

The implementation date was April 1, 2024.



2 Contractor Compensation

The fee schedule did not cover the full scope of work.

The fee schedule to compensate the contractor for the work performed did not cover all portions of the scope of work.

The fee schedule covered travel expenses, speaker fees, contractor staff labor, print materials, provision of breakfast at training meetings, and marketing. Other portions of the scope of work, including administering and grading examinations, tracking and notifying participants of their certification status, and updating the Certified Professional Lists on the Qualified Water Efficient Landscaper (QWEL) and California Landscape Contractors Association (CLCA) organizations' websites, were not included in the fee schedule.

Additionally, the fee schedule included single, fully loaded amounts to compensate the contractor for each course conducted. There were no provisions to allow for partial compensation should the contractor not complete all elements of the scope of work, which included 17 items for in-person instruction and eight deliverables.

Priority 3

A complete fee schedule covering the scope of work reduces the risk of desired work not being performed, inability to reduce payments for work not performed, and/or financial disputes.

Recommendation 2

We recommend management ensure the fee schedule for compensating the contractor for similar contract types:

- (1) Includes all components of the scope of work.
- (2) Is broken down into discrete parts, such as by phase (e.g., course preparation, course execution, post-course).

Management Response Agree.

(1) The fee schedule for the current contract includes all components of the scope of work. (2) The fee schedule covers all administrative activities listed in the scope of work, including course preparation, coordination, and post-course activities. No additional work is being performed that is not listed in the agreement's scope of work and accounted for in the fee schedule. WRM staff will ensure that fee schedules in future contracts include all components of the scope of work and are broken down as applicable.

The implementation date was April 1, 2024.



3 Contractor Monitoring

Documentation of certain contractor monitoring and contract administration activities was not prepared.

There was no documentation showing monitoring of contractor deliverables or authorization of a variance to the scope of work.

With respect to contract monitoring and administration activities:

- Water Resources Management (WRM) staff indicated they attended the contractor's courses; however, there were no internal written reports, memos, or log entries to document this contractor oversight.
- One course was held with fewer than the minimum requirement of 40 participants. Approval for the variance was provided verbally because the contract did not require written authorization.
- An annual report prepared by the contractor did not include contractor references (e.g., company name, preparer), and the means of submittal (e.g., email) was not retained by WRM.

Priority 3

Documenting monitoring and contract administration activities reduces the risk of inadequate contractor oversight, lack of accountability, and/or service/invoicing disputes.

Recommendation 3

We recommend management:

- (1) Document contractor monitoring activities completed (e.g., courses attended to observe contractor compliance).
- (2) Document approvals for permissible variances from the scope of work.
- (3) Require contractor deliverables to include contractor identification (e.g., company name) and retention of submittal means.

Management Response Agree.

(1) MWD staff has revised tracking to include written documentation of contractor monitoring and (2) permissible variances from the scope of work. (3) CLCA has implemented document changes to include contractor identification. MWD staff will retain documentation of means of submittal by contractor.

The implementation date was October 31, 2025.



EVALUATION OF MANAGEMENT'S RESPONSE

Internal Audit considers management's response appropriate to the recommendations and their corrective actions should resolve the conditions identified in the report.

AUDIT TEAM

Bonita Leung, CPA, CIA, CRMA, CGMA, Senior Deputy Auditor



APPENDIX A: SUPPLEMENTAL INFORMATION

ADDITIONAL INFORMATION

The Water Efficient Landscape Dual Certification Program (WELDCP) combines the California Landscape Contractors Association's (CLCA) Water Management Certification Program (WMCP) with the Qualified Water Efficient Landscaper (QWEL) program, providing landscape professionals the opportunity to earn two nationally recognized US Environmental Protection Agency (EPA) WaterSense Professional Certifications through a single course and examination.

The program emphasizes core principles of sustainable landscaping and covers the following topics:

- Where Our Water Comes From
- Sustainable Landscaping
- Landscape Water
- Soils
- Irrigation Systems
- Irrigation Maintenance and Troubleshooting
- Irrigation System Auditing
- Irrigation Scheduling
- Irrigation Controllers
- Landscape Water Management
- Landscape Water Budgeting

The curriculum also includes an overview of Metropolitan's Turf Replacement Program guidelines to help participants better assist residential and commercial customers. The WELDCP is offered through three six-hour sessions and is provided at no cost to participants within Metropolitan's service area.

SCOPE & OBJECTIVES

The audit scope included Professional Services Agreement No. 201209 for the Qualified Water Efficient Landscaper and Water Manager Certifications Class with the CLCA for the year ended December 31, 2023.

Our audit objectives were to:

- (1) Determine if certain work was performed by the contractor in accordance with the contract.
- (2) Determine if payments were appropriately issued to the contractor.
- (3) Ensure Statements of Economic Interests were properly filed by applicable Metropolitan employees.

EXCLUSIONS

Our audit scope did not include: (1) CLCA contracts other than the Water Management Certification Program (WMCP), (2) performance evaluation of services provided by CLCA, nor (3) scope of work items not covered by the fee schedule.



PRIOR AUDIT COVERAGE

We have not completed any audits with similar objectives and scope within the last five years.

AUTHORITY

We performed this audit in accordance with the General Auditor's Internal Audit Plan for FY 2025/26 approved by the Board.

PROFESSIONAL INTERNAL AUDIT STANDARDS

Our audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing issued by the International Internal Audit Standards Board.

FOLLOW-UP REVIEWS

The Office of the General Auditor has implemented a follow-up process to ensure management has effectively implemented corrective action related to our recommendations. Management is required to report on the implementation status of the recommendations to our office within six months of the issuance of this report, and a first follow-up review will occur shortly thereafter. All audit recommendations are expected to be implemented within a year of this report, and if necessary, a second follow-up review will occur approximately six months after issuance of the first follow-up review report. Any audit recommendations not implemented after the second follow-up review will be shared with the Board/Audit Committee at its next scheduled meeting.

INTERNAL CONTROL SYSTEM

An internal control system is a continuously operating and integrated component of Metropolitan's operations. Internal controls are implemented by the Metropolitan management and seek to provide reasonable (not absolute) assurance that Metropolitan's business objectives will be achieved. However, limitations are inherent in any internal control system, no matter how well designed, implemented, or operated. Because of these limitations, errors or irregularities may occur and may not be detected.

Specific examples of limitations include, but are not limited to, poor judgment, carelessness, management override, or collusion. Accordingly, our audit would not necessarily identify all internal control weaknesses or resultant conditions affecting operations, reporting, or compliance. Additionally, our audit covers a point in time and may not be representative of a future period due to changes within Metropolitan and/or external changes impacting Metropolitan.

METROPOLITAN'S RESPONSIBILITY FOR INTERNAL CONTROL

It is important to note that Metropolitan management is responsible for designing, implementing, and operating a system of internal control. The objectives of internal controls are to provide reasonable assurance as to the reliability and integrity of information; compliance with policies, plans, procedures, laws, and regulations; the safeguarding of assets; the economic and efficient use of resources; and the accomplishment of established goals and objectives. In fulfilling this responsibility, management judgment is required to assess the expected benefits and related costs of internal control policy and procedures and to assess whether those policies and procedures can be expected to achieve Metropolitan's operational, reporting, and compliance objectives.



APPENDIX B: PRIORITY RATING DEFINITIONS

The Office of the General Auditor utilizes a priority rating system to provide management a measure of urgency in addressing the identified conditions and associated risks. We assess the significance of each observation identified during the audit using professional judgment and assign priority ratings to each recommendation using the criteria listed below. Factors taken into consideration in assessing the priority include the likelihood of a negative impact if not addressed, the significance of the potential impact, and how quickly a negative impact could occur.

PRIORITY			
Definition	Observation is <i>serious</i> enough to warrant <i>immediate</i> corrective action. The condition may represent a <i>serious</i> financial, operational, or compliance risk. A priority 1 recommendation may result from a <i>key</i> control(s) being absent, not adequately designed, or not operating effectively.	Observation is of a <i>significant</i> nature and warrants <i>prompt</i> corrective action. It may represent a moderate <i>financial</i> , operational, or compliance risk. A priority 2 recommendation may result from a <i>process</i> or less critical control(s) not being adequate in design and/or not operating effectively on a consistent basis.	Observation involves an internal control issue or compliance lapse that can be corrected in the <i>timely</i> course of <i>normal</i> business. A priority 3 recommendation may result from a <i>process</i> or control that <i>requires</i> enhancement to better support Metropolitan’s objectives and manage risk.
Response Time	Immediate	Within 90 Days of report issuance	Within 180 Days of report issuance



APPENDIX C: MANAGEMENT'S RESPONSE



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: February 5, 2026

To: Scott Suzuki, General Auditor

From: Brandon Goshi, Manager, Water Resources Management Group

cc: Shivaji Deshmukh, General Manager
John Bednarski, Assistant General Manager

Subject: Management Response to Audit Number 23-21

The General Manager has reviewed and concurs with the following response.

A handwritten signature in cursive script, appearing to read "Shivaji Deshmukh".

Please find below the management response to the California Landscape Contractors Association Audit. Thank you for your recommendations to improve the oversight of the referenced agreement. Your partnership will continue to be important as we implement the recommendations. Please do not hesitate to contact me if you would like to discuss the response or any other matters related to this audit.





OFFICE OF THE GENERAL AUDITOR

TITLE	MANAGEMENT RESPONSE FORM
PURPOSE	To provide a management response to each audit recommendation.
REQUIRED	<ol style="list-style-type: none"> 1. For each recommendation, check the applicable agreement box. 2. If there is agreement with the recommendation describe management’s action plan and the estimated date when the recommendation will be completely implemented. 3. If there is a partially agree or a do not agree with the recommendation explain management’s position. 4. Prepare an e-mail memo using the standard Metropolitan letterhead from the General Manager to the General Auditor. 5. Attach this form to the email and return to the OfficeoftheGeneralAuditor@mwdh2o.com by February 20, 2026. Questions may also be submitted to this e-mail address.



Contract Audit: California Landscape Contractors Association (CLCA)
Project Number 23-21
Management Response

OBSERVATION 1	<p>Task Orders</p> <p>The contractor completed six Water Efficient Landscape Dual Certification Program (WELDCP) courses in 2023 and payments of \$120,000 were issued without approved task orders.</p> <p>Agreement No. 201209 between Metropolitan and the CLCA was a task order type contract and required that "All services related to the scope of work will be ordered, and as necessarily further defined, through the issuance of a written Task Order." While the services performed were defined in the contract scope of work, no task orders were issued during the contract period.</p> <p>Additionally, the contract required task orders to compensate the contractor for classes with more than 40 members per series. Four of five (80%) invoices in 2023 were for classes with more than 40 members per course. Separately, the scope of work required each course to have a minimum of 40 participants. While the contractor was paid for providing instruction according to the fee schedule, it was unclear in the agreement if the contractor was entitled to additional compensation for 41 or more participants per course.</p>
RECOMMENDATION 1 PRIORITY 3	<p>We recommend management ensure:</p> <ul style="list-style-type: none"> (1) The intended service delivery method (i.e., task order) is correctly specified during contract preparation. (2) For task order type contracts, all services are ordered through task orders in accordance with the contract terms.
MANAGEMENT ACTION PLAN	<ul style="list-style-type: none"> (1) In the current contract that supersedes this contract, the delivery method was changed. Contract deliverables are clearly defined, and the fee schedule was standardized, so the deliverable is the same each time. It was determined that there is no need to issue task orders to specify the work, therefore a task order type contract was not the best way to administer this work, and therefore the language was removed. WRM staff will ensure that the intended service delivery method is properly specified in future contracts (2) The current contract is no longer a task order type contract. All services and deliverables are clearly described in the fee schedule and are conducted within the contract terms. WRM staff will ensure that services in future contracts that specify task orders will be ordered via task order.
X AGREE	



	ESTIMATED IMPLEMENTATION	4/1/24
<input type="checkbox"/>	PARTIALLY AGREE	EXPLANATION [insert]
<input type="checkbox"/>	DO NOT AGREE	

OBSERVATION 2	Contractor Compensation
	<p>The fee schedule to compensate the contractor for the work performed did not cover all portions of the scope of work.</p> <p>The fee schedule covered travel expenses, speaker fees, contractor staff labor, print materials, provision of breakfast at training meetings, and marketing. Other portions of the scope of work, including administering and grading examinations, tracking and notifying participants of their certification status, and updating the Certified Professional Lists on the Qualified Water Efficient Landscaper (QWEL) and California Landscape Contractors Association (CLCA) organizations' websites, were not included in the fee schedule.</p> <p>Additionally, the fee schedule included single, fully loaded amounts to compensate the contractor for each course conducted. There were no provisions to allow for partial compensation should the contractor not complete all elements of the scope of work, which included 17 items for in-person instruction and eight deliverables.</p>

RECOMMENDATION 2	We recommend management ensure the fee schedule for compensating the contractor for similar contract types:
PRIORITY 3	
	<ul style="list-style-type: none"> (1) Includes all components of the scope of work. (2) Is broken down into discrete parts, such as by phase (e.g., course preparation, course execution, post-course).

<input checked="" type="checkbox"/>	MANAGEMENT ACTION PLAN	(1) The fee schedule for the current contract includes all components of the scope of work. (2) The fee schedule covers all administrative activities listed in the scope of work, including course preparation, coordination, and post-course activities. No additional work is being performed that is not listed in the agreement's scope of work and accounted for in the fee schedule. WRM staff will ensure that fee schedules in future contracts include all components of the scope of work and are broken down as applicable.
	AGREE	

	ESTIMATED IMPLEMENTATION	4/1/24
<input type="checkbox"/>	PARTIALLY AGREE	EXPLANATION [insert]
<input type="checkbox"/>	DO NOT AGREE	



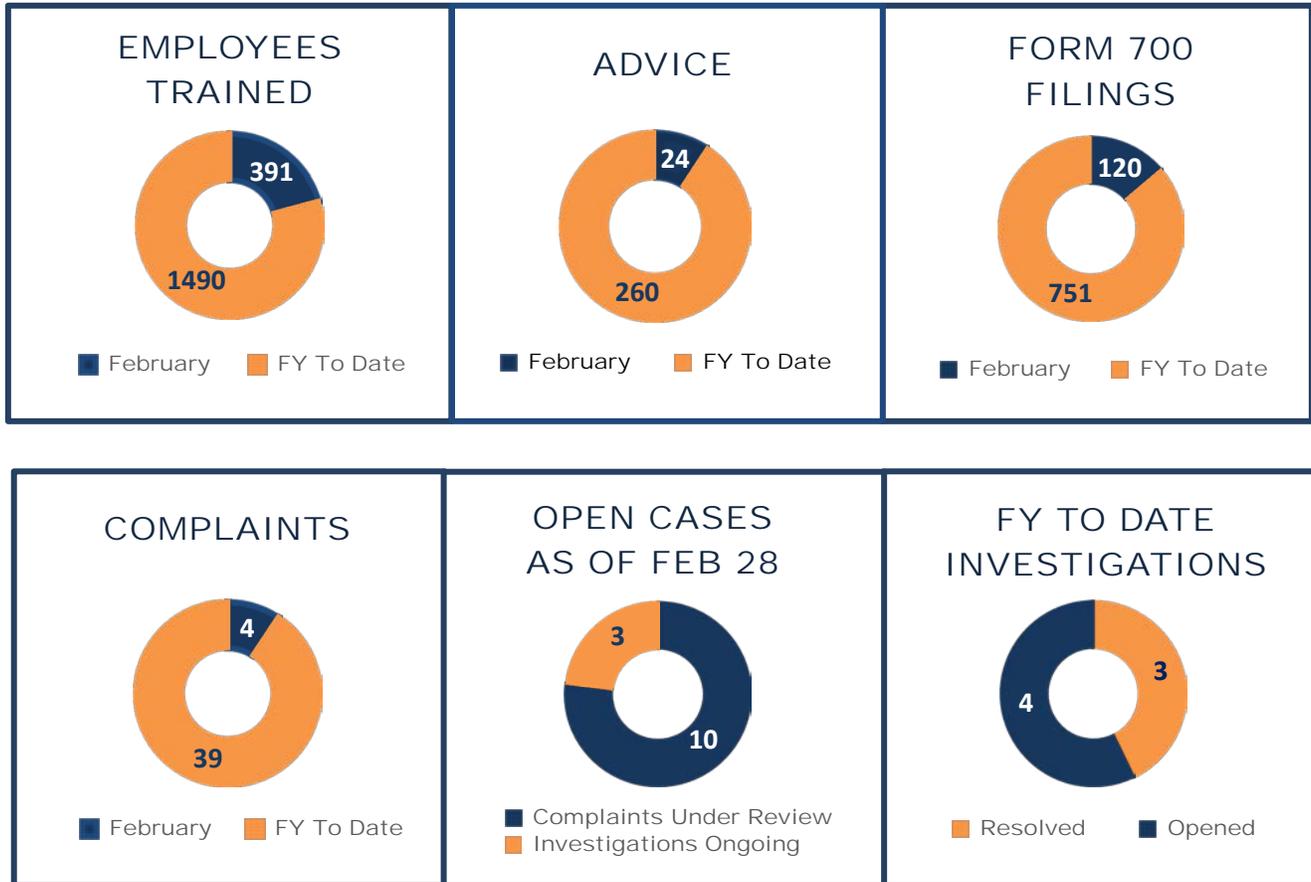
OBSERVATION 3	Contractor Monitoring	
	<p>There was no documentation showing monitoring of contractor deliverables or authorization of a variance to the scope of work.</p> <p>With respect to contract monitoring and administration activities:</p> <ul style="list-style-type: none"> Water Resources Management (WRM) staff indicated they attended the contractor’s courses; however, there were no internal written reports, memos, or log entries to document this contractor oversight. One course was held with fewer than the minimum requirement of 40 participants. Approval for the variance was provided verbally because the contract did not require written authorization. An annual report prepared by the contractor did not include contractor references (e.g., company name, preparer), and the means of submittal (e.g., email) was not retained by WRM. 	
RECOMMENDATION 3	We recommend management:	
PRIORITY 3	<p>(1) Document contractor monitoring activities completed, e.g., courses attended to observe contractor compliance.</p> <p>(2) Document approvals for permissible variances from the scope of work.</p> <p>(3) Require contractor deliverables to include contractor identification (e.g., company name) and retention of submittal means.</p>	
<input checked="" type="checkbox"/>	AGREE	<p>MANAGEMENT ACTION PLAN</p> <p>(1) MWD staff has revised tracking to include written documentation of contractor monitoring and (2) permissible variances from the scope of work. (3) CLCA has implemented document changes to include contractor identification. MWD staff will retain documentation of means of submittal by contractor.</p>
		ESTIMATED IMPLEMENTATION
		10/31/25
<input type="checkbox"/>	PARTIALLY AGREE	EXPLANATION
<input type="checkbox"/>	DO NOT AGREE	
		[insert]





OFFICE OF ETHICS

Ethics Officer's Report for February 2026



EDUCATION Program

Staff presented an Ethics Office overview at the new employee orientation hosted by Human Resources, two in-person *Government Ethics 101* trainings to employees at Union Station, and a Form 700 training for the External Affairs Group.

Ethics staff participated in continuing ethics education:

- *Form 700 State and Local Filing Officer Webinar*, presented by the California Fair Political Practices Commission (FPPC)
- *Form 700 Filers Webinar*, presented by the FPPC

- *Design It. Power It. Strengthen It. A Three-Part Strategy for Engaging Trainings*, presented by the Council on Governmental Ethics Laws.

COMPLIANCE Program

Form 700/Filing Officer Duties – Pursuant to state law and the Administrative Code, Compliance staff assisted directors and employees with their Annual, Assuming Office, and Leaving Office Form 700 filings. Assistance included troubleshooting the electronic filing system and issuing notices of deadlines. Staff addressed 71 compliance-related matters for directors and employees related to Form 700.

Annual Form 700 Compliance – The 2025 Annual Form 700 filing season began January 1, 2026. A total of 475 Annual Form 700s have been filed since January 1, 2026. Staff will continue to help Metropolitan reach 100% compliance by the April 1, 2026 deadline.

AB 1234 Ethics Training Compliance – Staff assisted directors and employees with their AB 1234 ethics training requirements. Assistance included notifications, troubleshooting the online training program, and obtaining training certification. A total of 51 staff members completed their training this month. One director has not submitted their ethics training certificate to the Ethics Office. Staff will continue efforts to confirm 100% compliance. Staff addressed 77 AB 1234 compliance-related matters for directors and employees.

ADVICE Program

Staff addressed 24 time-sensitive advice matters for directors and employees related to conflicts of interest, financial disclosure, outside employment, political activities, and other ethics-related topics.

Advice matters included:

- Are Metropolitan officials permitted to make political endorsements and, if so, may the endorsement include their Metropolitan position for identification purposes?
- What are the ethics rules surrounding employees purchasing discounted tickets where a networking event is hosted by a nonprofit organization, is held at a local nightclub, and is sponsored by Metropolitan contractors? Further, may Metropolitan reimburse employees for such expenditures?
- Is an employee required to disclose spousal income and their child's stock?

Staff also helped screen for potential conflicts of interest in Committee and Board items and prepared disclosure scripts for directors required to disclose financial interests and recuse from agenda items.

INVESTIGATION Program

Complaints Received – The Ethics Office received four new complaints in February. One

complaint alleged employee misconduct and was referred to Human Resources for review. The other three complaints involved ethics allegations and are currently under preliminary review by the Ethics Office. One alleged the unauthorized release of confidential medical information in a personnel process; the second alleged a conflict of interest with a Metropolitan vendor; and the third alleged unfair treatment in a personnel investigation.

Complaints Resolved – After preliminary reviews were conducted, two complaints alleging ethics violations were closed with no further action because the evidence reviewed did not support the allegations, and one complaint alleging employee misconduct was referred to Human Resources for review. The two ethics complaints alleged separate incidents of misuse of authority in personnel-related matters. It took an average of 25 calendar days to complete the preliminary reviews.

Open Complaints and Investigations – As of February 28, 2026, the Investigation Program was managing a total of 10 open ethics complaints under preliminary review and three ongoing ethics investigations. The first ongoing investigation, alleging a conflict of interest, was opened in September and is expected to be completed within the standard six-month timeframe. The other two investigations also allege conflicts of interest. Both were opened in November and are also expected to be completed within the standard six-month timeframe.

Alternative Complaint Hotline – No complaints were filed via the Alternative Complaint Hotline in February.

ADMINISTRATION

Professional Services Contracts – The Ethics Office entered into one new contract with Strumwasser & Woocher LLP for independent legal services.

MISSION

The Ethics Office promotes the highest standards of government integrity to support Metropolitan's mission through an independent and comprehensive program that enhances trust, transparency, and accountability for the benefit of the workforce and the public it serves.

VISION

Our vision is to be a leader in governmental ethics with an unparalleled commitment to supporting an ethical organizational culture.

MINUTES
MEETING OF THE
SPECIAL JOINT BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

November 18, 2025

54301 The Special Joint meeting of the Board of Directors and the Executive Committee of The Metropolitan Water District of Southern California met on Tuesday, November 18, 2025.

Chair Ortega called the teleconference meeting to order at 12:30 p.m.

54302 The Meeting was opened with an invocation by Director Gretchen Shepherd Romey, City of San Marino.

54303 The Pledge of Allegiance was given by Director Mel Katz, San Diego County Water Authority.

54304 Board Secretary Fong-Sakai administered the roll call. Those responding present were: Directors Ackerman, Alvarez, Armstrong, Bryant, Camacho, Cordero, De Jesus (teleconference posted location available for the public), Denham, Dennstedt, Dick, Douglas, Erdman, Faessel, Fellow, Fong-Sakai, Garza, Gold, Jay, Katz, Kurtz, Lewitt (teleconference posted location available for the public), McCoy, McMillan, Miller, Ortega, Petersen, Pressman, Quinn, Ramos, Shepherd Romey, and Sutley.

Those not responding were: Directors Crawford, Gray, and Phan.

Board Secretary Fong-Sakai declared a quorum present.

Director(s) entered after roll call: Jung (teleconference posted location available for the public), Kassakhian, and Seckel (Just-Cause AB2449).

Director Seckel entered the meeting and stated that he is using AB 2449 just cause for a health issue, and he is alone in the room.

54305 Chair Ortega invited members of the public to address the Board on matters within the Board's jurisdiction.

Chair Ortega opened the Public Hearing regarding the review of the applicability of Metropolitan Water District Act Section 124.5 ad valorem property tax limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast (in-person and via teleconference).

	Name	Affiliation	Comment
1.	Eric Frecking	Senior Account Manager, Allied Universal Technology Services	Item # 8-3
2.	Kelly Gardner	Water Master, Main San Gabriel Basin	Pure Water
3.	Caty Wagner	Sierra Club California	Item # 7-2 and Public Hearing
4.	John Medoza	City of Pomona resident	Rent Stabilization Water Usage

Director Jung entered the meeting.

Public hearing was closed.

EXECUTIVE COMMITTEE ITEMS

5. COMMITTEE ACTION ITEMS

- A. Approve the minutes of the Executive Committee of October 28, 2025.
- B. Approve the draft of the Committee and Board meeting agendas and schedule for December 2025.

Chair Ortega asked if there were any additions or deletions to the December 2025 draft packet.

Committee Chair Kassakhian reported that the following subject has been added to the Legal and Claims Committee:

- Amend the Metropolitan Administration Code regarding contracting provisions and reporting requirements.

Chair Ortega reported that the following subject have been revised to the Joint One Water and Adaptation and Subcommittee on Imported Water:

- The Basin States Plan is being deleted and replaced with an Update on Colorado River negotiations and protection of Metropolitan's Colorado River water rights [Conference with legal counsel – anticipated litigation – deciding whether to initiate litigation; unknown number of potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(4)].

Committee Chair Miller reported that the following subject has been added to the Finance, Affordability, Asset Management, and Efficiency Committee:

- Foothill Municipal Water District's Point of Delivery.

Committee Chair Erdman reported that the following subject has been added to the Engineering, Operations, and Technology Committee:

- Power Cost Exposure with Lower Lake Mead Storage.
- Guiding Principles for Pure Water Southern California Partnerships.

The following items has been removed:

- Approve guiding principles for Pure Water Southern California partnerships; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

Chair Ortega reported that proxy vote authorization item will be added to the Board Agenda.

Chair Ortega called for the vote on Items 5A and 5B.

Director Katz made a motion, seconded by Director McCoy to approve the committee Action Items 5A and 5B as presented, listed, and revised.

The vote was:

Ayes: Directors Armstrong, Camacho, Douglas, Erdman, Fong-Sakai, Garza, Jung, Kassakhian, Katz, Kurtz, Lewitt, McCoy, Miller, Ortega, Pressman, Quinn, Seckel, and Sutley

Abstention: None

Recusal: None

Absent: Gray.

The motion for Item 5A and 5B passed by a vote of 18 ayes; 0 noes; 0 abstention; and 1 absent.

Director Seckel stated he is alone in the room.

END OF EXECUTIVE COMMITTEE ITEMS

BOARD OF DIRECTOR ITEMS

Chair Ortega addressed the following: Other Matters and Reports.

54306 Chair Ortega asked if there were any corrections to the report of events attended by Directors at Metropolitan's expense during the month of October, as previously posted and distributed to the Board. None were made.

54307 Chair Ortega referred to the Chair's monthly report, which was previously posted and distributed to the Board. In addition, he announced that in honor of Veterans Day and in collaboration with Metropolitan's Employee Resource Group, MVETs, Metropolitan paid tribute to many of our Veterans through a social media video. The video featured 21 Metropolitan employees from across the district who have served in the military. Metropolitan is proud to count so many Veterans among our colleagues. Also, the Chair highlighted General Counsel Marcia Scully and General Manager Deven Upadhyay for their years of dedicated service.

54308 General Manager Upadhyay, in addition to his written report, reported the collaboration with General Manager designate Deshmukh, the meeting with Southern Nevada Water Authority, Colorado River Indian Tribe, Palo Verde Irrigation District, the filtration plant in Yorba Linda, and DWR funding.

54309 General Counsel Scully, in addition to her written report, provided an update on the Environmental Protection Agency and Department of the Army announcement of the proposed revision to the definition of waters of the United States.

54310 Ethics Officer Salinas, in addition to his written report, provided an update on the upcoming State Ethics Laws that will be effective January 1, 2026.

54311 General Auditor Suzuki, in addition to his written report, updated on the next Audit meeting scheduled for December 8, 2025.

54312 Presentation of Commendatory Resolution for Director S. Gail Goldberg representing San Diego County Water Authority.

54313 Approval of the Minutes of the Board of Directors for July 8, 2025; and the Special Board of Directors Meeting for August 11, 2025; and the Board of Directors Workshop on Finance, Affordability, Asset Management and Efficiency for September 23, 2025; and the Board of Directors Workshop Engineering, Operations, and Technology for September 23, 2025 (Agenda Item 7A).

Chair Ortega asked the Directors if there were any additions, corrections, or omissions on the minutes. None were made.

54314 Approve and appoint Committee Assignments. Approval Creating a Special Committee on Ag and Tribal Partnerships with membership of Director Kurtz, Committee Chair, Director Cordero, Committee Vice Chair, Directors Armstrong, De Jesus, Erdman, Garza, McMillan, and Miller as Members. Appointing Director Denham to the Ad Hoc Committee on Colorado River Negotiations. (Agenda Item 7B).

Chair Ortega announced we will consider the consent calendar items 7A, 7B, 7-1 through 7-6.

Chair Ortega asked for a briefing on Item 7-2 regarding approval of Appendix A. Briefing was presented by Senior Deputy General Counsel Juan Redín.

Chair Ortega called on Directors who are requesting that any items be pulled from the Consent Calendar Action Items and to state any recusals, abstentions, and disclosures. None were made.

Consent Calendar Items- Action

54315 (a.) Authorize agreement with HDR Engineering Inc. in an amount not to exceed \$1.80 million for a comprehensive investigation of Metropolitan's 230 kV transmission system; and (b.) Authorize an agreement with Towill, Inc. in an amount not to exceed \$270,000 to perform an aerial survey of the 230 kV transmission system, as set forth in Agenda Item 7-1 board letter.

54316 (a.) Approve the draft of Appendix A (Attachment 1) attached to the board letter; (b.) Authorize the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and (c.) Authorize distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale and/or remarketing of bonds, as set forth in Agenda Item 7-2 board letter.

54317 Authorize the General Manager to grant a permanent access easement to Pacific Gas and Electric for electrical transmission purposes on a portion of Metropolitan-owned real property in the Sacramento San Joaquin Bay Delta known as Bouldin Island and also identified as Assessor Parcel Number 069-030-38, as set forth in Agenda Item 7-3 board letter.

54318 Authorize the General Manager to execute a new license agreement with Eastmore Partners, LLC for up to twenty years for access and supplemental parking purposes on Metropolitan fee-owned property in the city of Riverside and identified as County of Riverside Assessor Parcel Number 263-290-059, as set forth in Agenda Item 7-4 board letter.

54319 Authorize an increase in the maximum amount payable under contract with Best, Best & Krieger, LLP for legal advice on environmental review and permitting issues related to Pure Water Southern California by \$100,000 to a maximum amount payable of \$350,000, as set forth in Agenda Item 7-5 board letter.

54320 Approve the Metropolitan Water District of Southern California's salary schedules pursuant to CalPERS regulations, as set forth in Agenda Item 7-6 board letter.

Director Pressman moved, seconded by Director Camacho, that the Board approve the Consent Calendar Items 7A, 7B, 7-1 through 7-6.

Chair Ortega called for a vote to approve the Consent Calendar Items 7A, 7B, 7-1 through 7-6.

The following is a record of the vote:

Record of Vote on Consent Item(s): 7A, 7B, 7-1 through 7-6									
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6706	Faessel	x	x	6706				
Beverly Hills	4853	Pressman	x	x	4853				
Burbank	3416	Ramos	x	x	3416				
Calleguas Municipal Water District	14206	McMillan	x	x	14206				
Central Basin Municipal Water District	21215	Garza	x	x	21215				
		Crawford							
			Subtotal:		21215				
Compton	718	McCoy	x	x	718				
Eastern Municipal Water District	14725	Armstrong	x	x	14725				
Foothill Municipal Water District	2444	Bryant	x	x	2444				
Fullerton	2840	Jung	x	x	2840				
Glendale	4326	Kassakhian	x	x	4326				
Inland Empire Utilities Agency	18220	Camacho	x	x	18220				
Las Virgenes	3346	Lewitt	x	x	3346				
Long Beach	7105	Cordero	x	x	7105				
Los Angeles	86834	Sutley	x	x	21709				
		Petersen	x	x	21709				
		Quinn	x	x	21709				
		Vacant							
		Douglas	x	x	21709				
			Subtotal:		86834				
Municipal Water Dist. of Orange County	71574	Ackerman	x	x	17894				
		Seckel	x	x	17894				
		Dick	x	x	17894				
		Erdman	x	x	17894				
			Subtotal:		71574				
Pasadena	4190	Kurtz	x	x	4190				
San Diego County Water Authority	73565	Fong-Sakai	x	x	18391				
		Denham	x	x	18391				
		Miller	x	x	18391				
		Katz	x	x	18391				
			Subtotal:		73565				
San Fernando	288	Ortega	x	x	288				
San Marino	878	Shepherd Romey	x	x	878				
Santa Ana	3732	Phan							
Santa Monica	5256	Gold	x	x	5256				
Three Valleys Municipal Water District	9536	De Jesus	x	x	9536				
Torrance	3949	Jay	x	x	3949				
Upper San Gabriel Valley Mun. Wat. Dist.	14772	Fellow	x	x	14772				
West Basin Municipal Water District	29790	Alvarez	x	x	29790				
		Gray							
			Subtotal:		29790				
Western Municipal Water District	16502	Dennstedt	x	x	16502				
Total	424986				421254				
Present and not voting									
Absent	3732								

The motion to approve the Consent Calendar Items 7A, 7B, 7-1 through 7-6 (M.I. No. 54313 through 54320) passed by a vote of 421,254 ayes; 0 noes; 0 abstain; 0 not voting; and 3,732 absent.

Director Seckel stated he was alone in the room.

Chair Ortega announced Board Item 8-4 was deferred at Committee.

54321 (a.) Award a \$35,722,000 contract to Kiewit Infrastructure West Co. to replace utilities at Eagle Mountain and Julian Hinds pumping plants; and (b.) Authorize an increase of \$320,000 to an existing agreement with AECOM Technical Services Inc. for a new not-to-exceed total of \$550,000 for technical support during construction (Board Item 8-1).

54322 Adopt the resolution finding that the ad valorem property tax rate limitation of Metropolitan Water District Act Section 124.5 is not applicable because it is essential to Metropolitan's fiscal integrity to collect ad valorem property taxes in excess of the limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast (Board Item 8-2).

54323 Authorize an agreement with Securitas to provide security guard services for a maximum period of five years at a total cost not to exceed \$84 million (Board Item 8-3).

54324 Authorize the General Manager to enter into an agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System (Board Item 8-5).

Chair Ortega called on Directors to state any recusals, abstentions, and disclosures. Chair Ortega asked if any Director wanted to discuss and/or vote separately on Items 8-1, 8-2, 8-3, or 8-5.

Director Fong-Sakai stated Item 8-1 involves an agreement with AECOM. She currently owns AECOM stock. Therefore, she will recuse herself from all participation in the matter.

Directors Cordero, Erdman, and Katz stated that Items 8-5 and 9-6 involve a project and agreement potentially impacting Southern California Edison. They currently own Edison stock, therefore they are recusing themselves from all participation in the matter.

Chair Ortega called on Directors to state if they wanted to discuss Item 8-5 in closed session. None were made.

Chair Ortega called on Directors to state if there were any objections to voting on the board action items all together. None were made.

Director Bryant moved, seconded by Director Dennstedt, that the Board approve Board Items 8-1, 8-2, 8-3, or 8-5.

Directors Quinn and Sutley left the meeting.

Chair Ortega called for a vote to approve Board Items 8-1, 8-2, 8-3, and 8-5.

The following is a record of the vote:

Record of Vote on Item:		8-2, 8-3							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6706	Faessel	x	x	6706				
Beverly Hills	4853	Pressman	x	x	4853				
Burbank	3416	Ramos	x	x	3416				
Calleguas Municipal Water District	14206	McMillan	x	x	14206				
Central Basin Municipal Water District	21215	Garza	x	x	21215				
		Crawford							
					Subtotal:				21215
Compton	718	McCoy	x	x	718				
Eastern Municipal Water District	14725	Armstrong	x	x	14725				
Foothill Municipal Water District	2444	Bryant	x	x	2444				
Fullerton	2840	Jung	x	x	2840				
Glendale	4326	Kassakhian	x	x	4326				
Inland Empire Utilities Agency	18220	Camacho	x	x	18220				
Las Virgenes	3346	Lewitt	x	x	3346				
Long Beach	7105	Cordero	x	x	7105				
Los Angeles	86834	Sutley							
		Petersen	x	x	43417				
		Quinn							
		Vacant							
		Douglas	x	x	43417				
					Subtotal:				86834
Municipal Water Dist. of Orange County	71574	Ackerman	x	x	17894				
		Seckel	x	x	17894				
		Dick	x	x	17894				
		Erdman	x	x	17894				
					Subtotal:				71574
Pasadena	4190	Kurtz	x	x	4190				
San Diego County Water Authority	73565	Fong-Sakai	x	x	18391				
		Denham	x	x	18391				
		Miller	x	x	18391				
		Katz	x	x	18391				
					Subtotal:				73565
San Fernando	288	Ortega	x	x	288				
San Marino	878	Shepherd Romey	x	x	878				
Santa Ana	3732	Phan							
Santa Monica	5256	Gold	x	x	5256				
Three Valleys Municipal Water District	9536	De Jesus	x	x	9536				
Torrance	3949	Jay	x	x	3949				
Upper San Gabriel Valley Mun. Wat. Dist.	14772	Fellow	x	x	14772				
West Basin Municipal Water District	29790	Alvarez	x	x	29790				
		Gray							
					Subtotal:				29790
Western Municipal Water District	16502	Dennstedt	x	x	16502				
Total	424986				421254				
Present and not voting									
Absent	3732								

The motion to approve the Board Items 8-1*, 8-2, 8-3, and 8-5* (M.I. No. 54321 through 54324) passed by a vote of 421,254 ayes; 0 noes; 0 abstain; 0 not voting; and 3,732 absent.

Director Seckel stated he is alone in the room.

*Director Fong-Sakai recused herself and Director Miller voted no on Board Item 8-1 (**M.I. 54321**) passed by a vote of 396,732 ayes; 24,522 noes; 0 abstain; 0 not voting; and 3,732 absent.

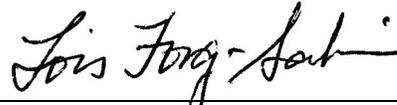
*Directors Cordero, Erdman, and Katz recused themselves on Board Item 8-5 (**M.I. 54324**) passed by a vote of 414,149 ayes; 0 noes; 0 abstain; 0 not voting; and 10,837 absent.

54325 Chair Ortega asked if there were questions or a need for discussion on Board Information Items 9-1, 9-2, 9-3, 9-4, 9-5, or 9-6. No requests were made.

54326 Chair Ortega asked if there were any Follow-Up Items. No requests were made.

54327 Chair Ortega asked if there were any Future Agenda Items. No requests were made.

54328 There being no objection, the meeting was adjourned at 1:37 p.m. in memory of Former Director Steve Blois, Former Director Arlene Post, and Former Information Technology Manager David Edwards.



**LOIS FONG-SAKAI
BOARD SECRETARY**



**ADÁN ORTEGA, JR.
CHAIR OF THE BOARD**

MINUTES
MEETING OF THE
SPECIAL JOINT BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

December 9, 2025

54329 The Special Joint meeting of the Board of Directors and the Executive Committee of The Metropolitan Water District of Southern California met on Tuesday, December 09, 2025.

Chair Ortega called the teleconference meeting to order at 12:31 p.m.

Director Denham stated that he is using AB 2449 just cause for contagious illness and he is alone in the room.

54330 The Meeting was opened with an invocation by Director Gloria Cordero, City of Long Beach.

54331 The Pledge of Allegiance was given by Director Dennis Erdman, Municipal Water District of Orange County.

54332 Board Secretary Fong-Sakai administered the roll call. Those responding present were: Directors Ackerman, Alvarez, Bryant, Camacho, Cordero, Crawford, Crane, De Jesus (teleconference posted location available for the public), Denham (Just-Cause AB2449), Dennstedt, Douglas, Erdman, Fellow, Fong-Sakai, Garza, Gray (teleconference posted location available for the public), Jay, Kassakhian, Katz, Kurtz, Lewitt, Miller, Ortega, Phan (teleconference posted location available for the public), Pressman, Quinn, Seckel, Shepherd Romey.

Those not responding were: Directors Armstrong, Faessel, McCoy, McMillan, Petersen, Ramos, and Sutley.

Board Secretary Fong-Sakai declared a quorum present.

Director(s) entered after roll call: Gold, Jung (teleconference posted location available for the public).

54333 Chair Ortega invited members of the public to address the Board on matters within the Board's jurisdiction (in-person and via teleconference).

	Name	Affiliation	Comment
1.	John Belperio	Western States Regional Sites Carpenters	Sites Authority
2.	Jose Miguel Guzman	Western States Regional Sites Carpenters Local 213	Sites Authority

3.	Tom Love	General Manager Upper Water	Item 9-5
4.	Darcy Burke	Elsinore Valley MWD	General Manager and Director Dick Retirement and Wastewater Users
5.	Jason Rollo	Metropolitan Employee	General Manager Retirement
6.	Kelly Gardner	Executive Officer San Gabriel Valley	General Manager Retirement and Pure Water

EXECUTIVE COMMITTEE ITEMS

5. COMMITTEE ACTION ITEMS

- A. Approve the draft of the Committee and Board meeting agendas and schedule for January 2026.

Chair Ortega asked if there were any additions or deletions to the January 2026 draft packet.

Committee Chair Erdman reported that the following subject has been added to the Engineering, Operations, and Technology Committee:

- Power Cost Exposure with Lower Lake Mead Storage.

Committee Chair Kassakhian reported that the following subject has been added to the Legal and Claims Committee:

- Authorize filing a cross-complaint in *Fakhoury v. City of Rancho Cucamonga*, San Bernardino County Superior Court Case No. CIVRS 2509398

Committee Chair Quinn reported that the following subjects have been added to the One Water and Adaptation Committee:

- Update on Local Resources Program and Local Resource Development Workshop.
- A pilot program for early retirement of alfalfa in Palo Verde Valley

Committee Chair Kurtz reported that the following subject has been added to the Special Committee on Ag and Tribal Partnerships:

- The Committee will discuss the purpose of the Ag and Tribal Partnerships Committee.
- Guest Speaker, AG Kawamura, Co-Chair of Solutions From the Land.

Director Gold entered the meeting.

Chair Ortega called for the vote on Item 5A.

Director Erdman made a motion, seconded by Director Camacho to approve the committee Action Item 5A as presented, listed, and revised.

The vote was:

Ayes: Directors Camacho, Cordero (alternate), Douglas, Erdman, Fong-Sakai, Garza, Gray, Kassakhian, Katz, Kurtz, Lewitt, Miller, Ortega, Pressman, Quinn, and Seckel

Abstention: None

Recusal: None

Absent: Armstrong, Jung, McCoy, and Sutley.

The motion for Item 5A and 5B passed by a vote of 16 ayes; 0 noes; 0 abstention; and 4 absent.

END OF EXECUTIVE COMMITTEE ITEMS

BOARD OF DIRECTOR ITEMS

Chair Ortega addressed the following: Other Matters and Reports.

54334 Chair Ortega asked if there were any corrections to the report of events attended by Directors at Metropolitan's expense during the month of November, as previously posted and distributed to the Board. None were made.

54335 Chair Ortega referred to the Chair's monthly report, which was previously posted and distributed to the Board. In addition, he announced that he will be absent in February and asked Board Vice Chair Camacho and Sutley to preside over the meetings. Reported to confirm the members of the Ad Hoc Committee on Equal Employment Opportunity Investigation: Director Seckel, as Chair, Director Miller, as Vice Chair, Director McCoy as Member, and Director Jung as the alternate. Lastly, during the holiday season, Metropolitan will highlight conservation education work and the opportunities that come when communities say goodbye to grass. On social media, student water art calendar honorees will be celebrated.

Chair Ortega presented General Manager Upadhyay with a copy of the San Diego County Water Authority litigation settlement, signed as a token of appreciation for his service and to celebrate his retirement.

Director Gray left the meeting.

54336 General Manager Upadhyay and General Manager designate Deshmukh, in addition to his written report, update on the State Water Project first allocation for 2026, the S&P Global

AAA rating, Deimer helicopter tank, Colorado River negotiations, and meetings with staff at the various locations with Chair Ortega and Erdman.

54337 General Counsel Scully, in addition to her written report, update on CRWUA and World Human Rights Day.

54338 General Auditor Suzuki stated nothing to add to his written report.

54339 Ethics Officer Salinas is attending an Ethics Conference, and his monthly report is available online.

54340 Induction of new Director Randall Crane, Municipal Water District of Orange County. General Counsel Scully confirmed the credentials are in order. Directors Dick and Crane made remarks.

54341 Update on AB523 Metropolitan Water District Proxy Vote Authorization. Presented by Rickita Hudson, Board Executive Secretary.

Director Jung entered the meeting.

54342 Approve Commendatory Resolution for Director Larry D. Dick representing Municipal Water District of Orange County (Agenda Item 7B).

54343 Approve and appoint Committee Assignments. Appointing Director Crane to the Audit Committee, the Finance, Affordability, Asset Management, and Efficiency Committee, the Legislation and Communications Committee, the One Water and Adaptation Committee, and the Subcommittee on Imported Water. Appointing Director Fellow and Shepard Romey to the Special Committee on Ag and Tribal Partnerships (Agenda Item 7C).

Chair Ortega announced we will consider the consent calendar items 7B, 7C, 7-1 through 7-6.

Chair Ortega called on Directors who are requesting that any items be pulled from the Consent Calendar Action Items and to state any recusals, abstentions, and disclosures.

Director Cordero disclosed that item 7-6 involves an amendment to an agreement with the City of Long Beach, under which she receives per diem, reimbursements, and other benefits from Long Beach for her service on the Board. However, she has been advised that she may participate in this item.

Consent Calendar Items- Action

54344 Award a \$381,812 procurement contract to Primary Flow Signal Inc. to furnish two venturi flowmeters for the LA-17 service connection, as set forth in Agenda Item 7-1 board letter.

54345 (a.) Authorize on-call agreements with Butier Engineering Inc., MARRS Services, Mott MacDonald, and HDR Inc. in amounts not to exceed \$2 million each, for a maximum period of two years for construction management and inspection services; and (b.) Authorize an

increase of \$1.0 million to an existing agreement with PMA Consultants, for a new not-to-exceed total amount of \$1.249 million for cost estimating and scheduling services, as set forth in Agenda Item 7-2 board letter.

54346 Authorize the General Manager to execute up to 32 revocable license agreements in the cities of Santa Clarita, South Gate and Los Angeles to allow temporary encroachments on Metropolitan fee-owned parcels in Los Angeles County, as set forth in Agenda Item 7-3 board letter.

54347 Adopt the Legislative Priorities and Principles for 2026, as set forth in Agenda Item 7-4 board letter.

54348 Review and consider the Yuba County Water Agency certified Final Supplemental Environmental Impact Report and Authorize an amendment to the Dry Year Water Purchase Program Agreement with the California Department of Water Resources to purchase water supply under the Yuba Accord Long-Term Water Transfer Program, as set forth in Agenda Item 7-5 board letter.

54349 Adopt CEQA determination that the proposed action was previously addressed in the 2019 Mitigated Negative Declaration and authorize an amendment extending the term to December 31, 2029, for the Rancho Los Cerritos – Looking Back to Advance Forward Project Agreement under the Stormwater for Direct Use Program, as set forth in Agenda Item 7-6 board letter.

Director Camacho moved, seconded by Director Garza, that the Board approve the Consent Calendar Items 7B, 7C, 7-1 through 7-6.

Chair Ortega called for a vote to approve the Consent Calendar Items 7B, 7C, 7-1 through 7-6.

The following is a record of the vote:

Record of Vote on Consent Item(s): 7B, 7C, and 7-1 through 7-6									
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6706	Faessel							
Beverly Hills	4853	Pressman	x	x	4853				
Burbank	3416	Ramos							
Calleguas Municipal Water District	14206	McMillan							
Central Basin Municipal Water District	21215	Garza	x	x	10608				
		Crawford	x	x	10608				
			Subtotal:		21215				
Compton	718	McCoy							
Eastern Municipal Water District	14725	Armstrong							
Foothill Municipal Water District	2444	Bryant	x	x	2444				
Fullerton	2840	Jung	x	x	2840				
Glendale	4326	Kassakhian	x	x	4326				
Inland Empire Utilities Agency	18220	Camacho	x	x	18220				
Las Virgenes	3346	Lewitt	x	x	3346				
Long Beach	7105	Cordero	x	x	7105				
Los Angeles	86834	Sutley							
		Petersen							
		Quinn	x	x	43417				
		Vacant							
		Douglas	x	x	43417				
			Subtotal:		86834				
Municipal Water Dist. of Orange County	71574	Ackerman	x	x	17894				
		Seckel	x	x	17894				
		Crane	x	x	17894				
		Erdman	x	x	17894				
			Subtotal:		71574				
Pasadena	4190	Kurtz	x	x	4190				
San Diego County Water Authority	73565	Fong-Sakai	x	x	18391				
		Denham	x	x	18391				
		Miller	x	x	18391				
		Katz	x	x	18391				
			Subtotal:		73565				
San Fernando	288	Ortega	x	x	288				
San Marino	878	Shepherd Romey	x	x	878				
Santa Ana	3732	Phan							
Santa Monica	5256	Gold	x	x	5256				
Three Valleys Municipal Water District	9536	De Jesus	x	x	9536				
Torrance	3949	Jay	x	x	3949				
Upper San Gabriel Valley Mun. Wat. Dist.	14772	Fellow	x	x	14772				
West Basin Municipal Water District	29790	Alvarez	x	x	29790				
		Gray							
			Subtotal:		29790				
Western Municipal Water District	16502	Dennstedt	x	x	16502				
Total	424986				381483				
Present and not voting									
Absent	43503								

The motion to approve the Consent Calendar Items 7B, 7C, 7-1 through 7-6 (M.I. No. 54342 through 54349) passed by a vote of 381,483 ayes; 0 noes; 0 abstain; 0 not voting; and 43,503 absent.

Director Denham stated he is alone in the room.

54350 (a.) Adopt CEQA determination that the proposed action was previously addressed in the certified 2024 Garvey Reservoir Rehabilitation Project Environmental Impact Report; and (b.) Award a \$115,611,000 construction contract to J.F. Shea Construction Inc. for rehabilitation of Garvey Reservoir facilities; and (c.) Authorize an increase of \$3.2 million to an existing agreement with Arcadis U.S. Inc., for a new not-to-exceed total amount of \$9.55 million, to provide technical support during construction (Board Item 8-1).

Chair Ortega called on Directors to state any recusals, abstentions, and disclosures on Board Item 8-1.

Director Erdman moved, seconded by Director Crawford, that the Board approve Board Item 8-1.

Chair Ortega called for a vote to approve Board Item 8-1.

The following is a record of the vote:

Record of Vote on Item:		8-1							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6706	Faessel							
Beverly Hills	4853	Pressman	x	x	4853				
Burbank	3416	Ramos							
Calleguas Municipal Water District	14206	McMillan							
Central Basin Municipal Water District	21215	Garza	x	x	10608				
		Crawford	x	x	10608				
			Subtotal:		21215				
Compton	718	McCoy							
Eastern Municipal Water District	14725	Armstrong							
Foothill Municipal Water District	2444	Bryant	x	x	2444				
Fullerton	2840	Jung	x	x	2840				
Glendale	4326	Kassakhian	x	x	4326				
Inland Empire Utilities Agency	18220	Camacho	x	x	18220				
Las Virgenes	3346	Lewitt	x	x	3346				
Long Beach	7105	Cordero	x	x	7105				
Los Angeles	86834	Sutley							
		Petersen							
		Quinn	x	x	43417				
		Vacant							
		Douglas	x	x	43417				
			Subtotal:		86834				
Municipal Water Dist. of Orange County	71574	Ackerman	x	x	17894				
		Seckel	x	x	17894				
		Crane	x	x	17894				
		Erdman	x	x	17894				
			Subtotal:		71574				
Pasadena	4190	Kurtz	x	x	4190				
San Diego County Water Authority	73565	Fong-Sakai	x	x	18391				
		Denham	x	x	18391				
		Miller	x	x	18391				
		Katz	x	x	18391				
			Subtotal:		73565				
San Fernando	288	Ortega	x	x	288				
San Marino	878	Shepherd Romey	x	x	878				
Santa Ana	3732	Phan							
Santa Monica	5256	Gold	x	x	5256				
Three Valleys Municipal Water District	9536	De Jesus	x	x	9536				
Torrance	3949	Jay	x	x	3949				
Upper San Gabriel Valley Mun. Wat. Dist.	14772	Fellow	x	x	14772				
West Basin Municipal Water District	29790	Alvarez	x	x	29790				
		Gray							
			Subtotal:		29790				
Western Municipal Water District	16502	Dennstedt	x	x	16502				
Total	424986				381483				
Present and not voting									
Absent	43503								

The motion to approve the Board Item 8-1 (M.I. No. 54350) passed by a vote of 381,483 ayes; 0 noes; 0 abstain; 0 not voting; and 43,503 absent.

54351 Chair Ortega asked if there were questions or a need for discussion on Board Information Items 9-2, 9-3, 9-4, 9-5, 9-6, 9-7, or 9-8. No requests were made.

54352 Chair Ortega asked if there were any Follow-Up Items. No requests were made.

54353 Chair Ortega asked if there were any Future Agenda Items. No requests were made.

54354 There being no objection, the meeting was adjourned at 1:54p.m.



**LOIS FONG-SAKAI
BOARD SECRETARY**



**ADÁN ORTEGA, JR.
CHAIR OF THE BOARD**

MINUTES
MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 13, 2026

54355 The Board of Directors of The Metropolitan Water District of Southern California met on Tuesday, January 13, 2026.

Chair Ortega called the teleconference meeting to order at 12:30 p.m.

54356 The Meeting was opened with an invocation by Director Linda Ackerman, Municipal Water District of Orange County.

54357 The Pledge of Allegiance was given by Director Desi Alvarez, West Basin Municipal Water District.

54358 Board Secretary Fong-Sakai administered the roll call. Those responding present were: Directors Ackerman, Alvarez, Bryant, Camacho, Cordero, Crane, Crawford, De Jesus, Dennstedt, Douglas, Erdman, Faessel (teleconference posted location available for the public), Fellow, Fong-Sakai, Garza, Gray (teleconference posted location available for the public), Kurtz, Lewitt, McCoy, McMillan (teleconference posted location available for the public), Miller, Ortega, Petersen, Phan (teleconference posted location available for the public), Paule, Pressman, Quinn, Ramos, Seckel, Shepherd Romey, and Sutley.

Those not responding were: Directors Denham, Jay, Jung, Katz, and Lewitt.

Board Secretary Fong-Sakai declared a quorum present.

Director(s) entered after roll call: Directors Gold (teleconference posted location available for the public) and Kassakhian.

54359 Chair Ortega invited members of the public to address the Board on matters within the Board's jurisdiction (in-person and via teleconference).

	Name	Affiliation	Comment
1.	Ernesto Medrano	LAOC Building Trades Council	Items 8-2, 8-2, and 9-3
2.	Kelly Gardner	Main San Gabriel Basin Watermaster	Item 8-2
3.	Darcy Burke	Elsinore Valley Municipal Water District	Item 8-2

- | | | | |
|-----|-----------------|--|-------------------------|
| 4. | Matt Litchfield | Three Valleys Municipal Water District | Item 8-2 |
| 5. | Bruce Reznik | LA Waterkeeper | Item 8-2 |
| 6. | Jeff Hanlon | Three Valleys Municipal Water District | Item 8-2 |
| 7. | Kevin Harbor | President BizFed | Item 8-2 |
| 8. | John Mendoza | Pomona Resident | Item 8-2 |
| 9. | Gary Bopker | Friends of River | Items 8-2, 8-2, and 9-3 |
| 10. | Lauren Akeem | LA Alliance | Item 8-2 |
| 11. | Regina Martin | Black Women for Wellness | Item 8-2 |

Director Kassakhian entered the meeting.

Chair Ortega addressed the following: Other Matters and Reports.

54360 Chair Ortega asked if there were any corrections to the report of events attended by Directors at Metropolitan's expense during the month of December, as previously posted and distributed to the Board. None were made.

54361 Chair Ortega referred to the Chair's monthly report, which was previously posted and distributed to the Board. In addition, he welcomed the new Metropolitan General Manager, Deshmukh, celebration of 2025 accomplishments and 2026 commitments to delivering reliable water to Southern California, recognized Martin Luther King, Jr. Day, requested to adjourn the board in honor of Dawn Chin who served as Board Executive Secretary for over twenty years until her retirement, as well as Director Lewitt's father Maurice Lewitt. Chair Ortega asked if there were any questions or comments. None were made.

54362 General Manager Deshmukh, in addition to his written report, reported on the transition from designated general manager and his first one hundred days, the one-year anniversary of the Eaton Wildfires, the local hazard mitigation plan, negotiations for the Colorado River, and the budget update.

54363 General Counsel Scully, in addition to her written report, reported on the Delta Validation decision.

54364 Ethics Officer Salinas in addition to his written report, updated on the Ethics conference and reminder that Form 700 deadline is April 1, 2026.

54365 General Auditor Suzuki stated nothing to add to his written report.

54366 Induction of new Director Philip Paule representing Eastern Municipal Water District. General Counsel Scully confirmed the credentials are in order. Directors Paule and General Manager Joe Mouawad made remarks.

Director Gold entered the meeting.

54367 Approve minutes for the meeting of the Joint Board of Directors and Executive Committee for July 22, 2025, and August 26, 2025; and the Special Board of Directors for September 8, 2025 (Agenda Item 6A).

54368 Approve Commendatory Resolution for Jeffrey Armstrong representing Eastern Municipal Water District (Agenda Item 6B).

54369 Approve and appoint Committee Assignments. Appointing Director Paule as a member of the Finance, Affordability, Asset Management, and Efficiency Committee, and the Legislation and Communications Committee; Director Ramos as Chair of the Audit Committee, and as a member of the Special Committee on Ag and Tribal Partnerships; Director Crane as Vice Chair of the Audit Committee (Agenda Item 6C).

Chair Ortega announced we will consider the consent calendar items 6A, 6B, and 6C.

Consent Calendar Items- Action

Director Camacho moved, seconded by Director McCoy, that the Board approve the Consent Calendar Items 6A, 6B, and 6C.

Chair Ortega called for a vote to approve the Consent Calendar Items 6A, 6B, and 6C.

The following is a record of the vote:

Record of Vote on Consent Item(s): 6A, 6B, 6C									
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6706	Faessel	x	x	6706				
Beverly Hills	4853	Pressman	x	x	4853				
Burbank	3416	Ramos	x	x	3416				
Calleguas Municipal Water District	14206	McMillan	x	x	14206				
Central Basin Municipal Water District	21215	Garza	x	x	10608				
		Crawford	x	x	10608				
			Subtotal:		21215				
Compton	718	McCoy	x	x	718				
Eastern Municipal Water District	14725	Paule	x	x	14725				
Foothill Municipal Water District	2444	Bryant	x	x	2444				
Fullerton	2840	Jung							
Glendale	4326	Kassakhian	x	x	4326				
Inland Empire Utilities Agency	18220	Camacho	x	x	18220				
Las Virgenes	3346	Lewitt							
Long Beach	7105	Cordero	x	x	7105				
Los Angeles	86834	Sutley	x	x	21709				
		Petersen	x	x	21709				
		Quinn	x	x	21709				
		Vacant							
		Douglas	x	x	21709				
			Subtotal:		86834				
Municipal Water Dist. of Orange County	71574	Ackerman	x	x	17894				
		Seckel	x	x	17894				
		Crane	x	x	17894				
		Erdman	x	x	17894				
			Subtotal:		71574				
Pasadena	4190	Kurtz	x	x	4190				
San Diego County Water Authority	73565	Fong-Sakai	x	x	36783				
		Denham							
		Miller	x	x	36783				
		Katz							
			Subtotal:		73565				
San Fernando	288	Ortega	x	x	288				
San Marino	878	Shepherd Romey	x	x	878				
Santa Ana	3732	Phan	x	x	3732				
Santa Monica	5256	Gold	x	x	5256				
Three Valleys Municipal Water District	9536	De Jesus	x	x	9536				
Torrance	3949	Jay							
Upper San Gabriel Valley Mun. Wat. Dist.	14772	Fellow	x	x	14772				
West Basin Municipal Water District	29790	Alvarez	x	x	14895				
		Gray	x	x	14895				
			Subtotal:		29790				
Western Municipal Water District	16502	Dennstedt	x	x	16502				
Total	424986				414851				
Present and not voting									
Absent	10135								

The motion to approve the Consent Calendar Items 6A, 6B, 6C (M.I. No. 54367 through 54369) passed by a vote of 414,851 ayes; 0 noes; 0 abstain; 0 not voting; and 10,135 absent.

Chair Ortega announced that he has turned in the first Proxy form for February, and Directors should work with Board Executive Officer Rubin and Board Vice Chairs Camacho and Sutley if they need something in his absence.

54370 Reviewed and considered Addendum No. 6 to the certified 2017 Programmatic Environmental Impact Report for the Prestressed Concrete Cylinder Pipe Rehabilitation Program, and (a.) awarded a \$61,242,000 contract to J.F. Shea Construction Inc. to rehabilitate Sepulveda Feeder Reach 2. and (b.) authorized an agreement with HDR Engineering Inc. for a not-to-exceed amount of \$1,300,000 for technical support during construction (Board Item 8-1).

54371 Approved guiding principles for Pure Water Southern California partnerships with the following amendments: (1.) the addition of the following language to the Guiding Principles for each partnership: project participants recognize that Pure Water Southern California has been developed to allow for long-term adaptive implementation, including: (1) by allowing for phasing and/or staging funding and construction, and (2) if feasible and permissible, by allowing for direct potable reuse; (2.) in the Proposed Principles to Guide the Metropolitan – Southern Nevada/Arizona Parties Partnership and in the Proposed Principles to Guide Metropolitan – Others within the Southern California Region: San Gabriel Valley Municipal Water District, changed the term “equity” to the term “fair value” (Board Item 8-2).

54372 Approved a limited waiver of the Brown Act closed session privilege regarding the closed session meeting of the Organization, Personnel, and Effectiveness Committee on October 14, 2025, for the limited purpose of conducting an attorney-client privileged investigation overseen by the Ethics Office, and authorized Metropolitan staff and directors present during the October 14, 2025 closed session Committee meeting to disclose information from the closed session to the assigned investigator pursuant to the limited waiver (Board Item 8-3).

54373 Approved option #1 as set forth in the confidential board letter and directed in closed session. (Agenda Item 8-4)

Chair Ortega stated for the record disclosure on Item 8-2 involves a discussion of guiding principles for potential agreements with member agencies, Central Basin Municipal Water District, City of Long Beach, Los Angeles Department of Water and Power, Three Valleys Municipal Water District, City of Torrance, Upper San Gabriel Valley Municipal Water District, and West Basin Municipal Water District. Items 9-2 and 9-3 may involve related discussions. Therefore, pursuant to Government Code Section 1090, the following disclosures will be made on the record: Directors Crawford, Garza, Cordero, De Jesus, Jay, Fellow, Alvarez, and Gray receive reimbursements, stipends, and other benefits from their respective appointing authorities for their service on the Metropolitan Board. Directors Douglas, Petersen, Quinn, and Sutley are entitled to an attendance payment for attending metropolitan board meetings but have declined such payments. The Directors have been advised that, with this disclosure on the record, they may participate in these items - other than Director Sutley, who will make a recusal statement, if present. Director Pressman will also make a recusal statement, if present.

Chair Ortega called on Directors to state any recusals, abstentions, and disclosures on Board Items 8-1, 8-2, 8-3, and 8-4.

Director Sutley recused herself on Item 8-2 as it involves a potential agreement with LADWP and she receive income as a City of Los Angeles employee because the item involves an agreement with her employing department, LADWP, she is not participating in the matter and Items 9-2 and 9-3 may involve related topics in abundance of caution she will not participate in those items, but advised she may remain in the room.

Director Pressman recused himself on Item 8-2 as it involves a potential agreement with LADWP because the City of LA is a business client; he is not participating in the matter, and Items 9-2 and 9-3 may involve related topics in abundance of caution he will not participate in those items, but advised he may remain in the room.

Director Phan recused herself on Items 8-1 and 8-2 as it involves Bayview Asset Management LLC, City of Long Beach, DRPSEC, and City of Torrance as they are clients of her employer Rutan and Tucker.

Director Camacho disclosed he will not vote on Item 8-4 as it involves a personal conflict and he has been advised he may remain in the room.

Chair Ortega asked if any Directors want to discuss and/or vote on separately on Items 8-1, 8-2, or 8-3. None were made.

Chair Ortega asked if any Directors want to discuss and/or vote on Item 8-4 in closed session. None were made.

Director Fellow moved, seconded by Director Cordero, that the Board approve Board Items 8-1, 8-2, 8-3, and 8-4.

Chair Ortega called for a vote to approve Board Items 8-1, 8-2, 8-3, and 8-4.

The following Director(s) asked questions or made comments:

Director(s)

1. Seckel

The following is a record of the vote:

Record of Vote on Item:		8-1, 8-2, 8-3, and 8-4							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6706	Faessel	x	x	6706				
Beverly Hills	4853	Pressman	x	x	4853				
Burbank	3416	Ramos	x	x	3416				
Calleguas Municipal Water District	14206	McMillan	x	x	14206				
Central Basin Municipal Water District	21215	Garza	x	x	10608				
		Crawford	x	x	10608				
			Subtotal:		21215				
Compton	718	McCoy	x	x	718				
Eastern Municipal Water District	14725	Paule	x	x	14725				
Foothill Municipal Water District	2444	Bryant	x	x	2444				
Fullerton	2840	Jung							
Glendale	4326	Kassakhian	x	x	4326				
Inland Empire Utilities Agency	18220	Camacho	x	x	18220				
Las Virgenes	3346	Lewitt							
Long Beach	7105	Cordero	x	x	7105				
Los Angeles	86834	Sutley	x	x	21709				
		Petersen	x	x	21709				
		Quinn	x	x	21709				
		Vacant							
		Douglas	x	x	21709				
			Subtotal:		86834				
Municipal Water Dist. of Orange County	71574	Ackerman	x	x	17894				
		Seckel	x	x	17894				
		Crane	x	x	17894				
		Erdman	x	x	17894				
			Subtotal:		71574				
Pasadena	4190	Kurtz	x	x	4190				
San Diego County Water Authority	73565	Fong-Sakai	x	x	36783				
		Denham							
		Miller	x	x	36783				
		Katz							
			Subtotal:		73565				
San Fernando	288	Ortega	x	x	288				
San Marino	878	Shepherd Romey	x	x	878				
Santa Ana	3732	Phan	x	x	3732				
Santa Monica	5256	Gold	x	x	5256				
Three Valleys Municipal Water District	9536	De Jesus	x	x	9536				
Torrance	3949	Jay							
Upper San Gabriel Valley Mun. Wat. Dist.	14772	Fellow	x	x	14772				
West Basin Municipal Water District	29790	Alvarez	x	x	14895				
		Gray	x	x	14895				
			Subtotal:		29790				
Western Municipal Water District	16502	Dennstedt	x	x	16502				
Total	424986				414851				
Present and not voting									
Absent	10135								

The motion to approve the Board Items 8-1*, 8-2*, 8-3, and 8-4* (M.I. No. 54370 through 54373) passed by a vote of 414,851 ayes; 0 noes; 0 abstain; 0 not voting; and 10,135 absent.

*Director Phan recused herself on Board Item 8-1 (**M.I. 54370**) passed by a vote of 411,119 ayes; 0 noes; 0 abstain; 0 not voting; and 13,867 absent.

*Directors Phan, Pressman, and Sutley recused themselves on Board Item 8-2 (**M.I. 54371**) passed by a vote of 406,266 ayes; 0 noes; 0 abstain; 0 not voting; and 18,720 absent.

*Director Camacho did not vote on Board Item 8-4 (**M.I. No 54373**) passed by a vote of 396,631 ayes; 0 noes; 0 abstain; 18,220 not voting; and 10,135 absent.

54374 Chair Ortega introduced Group Manager Hatter to introduce the guest speakers for Items 9-2 and 9-3 Pure Water Southern California and Other Partnership Opportunities, Robert Ferrante, Chief Engineer and General Manager, Los Angeles County Sanitation Districts, and Doa Ross, Deputy General Manager, Engineering and Operations, Southern Nevada Water Authority.

The following Director(s) asked questions or made comments:

Director(s)

1. Ortega
2. Garza
3. Gold
4. Miller
5. Petersen
6. De Jesus
7. Crawford

Director Phan left the meeting.

54375 Chair Ortega introduced Senior Deputy General Counsel Kuo Brinton to introduce guest speaker for Item 10-1 Richard Pio with Redwood Public Law Brown Act training and an Update on SB707.

The following Director(s) asked questions or made comments:

Director(s)

1. Quinn
2. Kurtz
3. Ramos
4. Dennstedt
5. Ortega
6. Petersen
7. Crane
8. Garza
9. Camacho
10. Douglas
11. Miller

12. Fellow

Director Ramos left the meeting

54376 Security Awareness Training and Physical Security Biannual Update [To be heard in closed session pursuant to Gov. Code Section 54957(a)].

Chair Ortega called the meeting into closed session to discuss Board Item 10-2 at 3:04 p.m.

Director Gray left the meeting.

The meeting returned to open session at 3:30 p.m.

Chair Ortega stated that the Board discussed Board Item 10-2, no action was taken in closed session.

54377 Chair Ortega asked if there were any Follow-Up Items. No requests were made.

54378 Chair Ortega asked if there were any Future Agenda Items. No requests were made.

54379 There being no objection, the meeting was adjourned in honor of Dawn Chin and Maurice Lewitt at 3:32 p.m.



**LOIS FONG-SAKAI
BOARD SECRETARY**



**ADÁN ORTEGA, JR.
CHAIR OF THE BOARD**



- **Board of Directors**
Legal and Claims Committee

3/10/2026 Board Meeting

7-1

Subject

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The proposed amendments to the Metropolitan Administrative Code (Administrative Code) will update the Administrative Code to conform it to current policy, law, and practice, and make other minor, non-substantive changes. The amendments will accomplish the following:

- Streamline Consent Calendar provision and, consistent with existing practice which preserves full discretion to each director to move an item off the Consent Calendar, delete the requirement to remove an item from consent if the committee reviewing the item does not adopt the staff recommendation.
- Add a procedure for the new statutory requirement to file a written, signed proxy vote authorization with the Board Executive Secretary.
- Update the annual reporting by the General Manager (GM) to the Community and Workplace Culture Committee (CWC Committee) on the status of the Equal Employment Opportunity (EEO) policy and affirmative action program.
- Change “raw water” references to “untreated water” to match these terms as used elsewhere in the Code.
- Remove references to water rate elements, services and programs that are no longer applicable resulting from various board actions.
- Add a description of new rate elements, such as the “Treatment Fixed Charges” recently approved by the Board of Directors.
- Add portions of the financial reserves and budgeting policies adopted by the Board on July 8, 2025, that were (inadvertently) not shown as redlines in the board letter.
- Upgrade the salary schedule for the Board Executive Secretary based on the position’s responsibilities.

The proposed amendments are to Division II (Procedures Pertaining to Board, Committees, and Directors), Division III (Annexation), Division IV (Water Service Policies), Division V (Financial Matters) and Division VI (Personnel Matters).

See **Attachment 1** and **Attachment 2**

Proposed Action/Recommendation and Options

Staff Recommendation: Option #1

Option #1

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will be amended to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Option #2

Do not amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will not be amended to conform to current policy, law and practice, and to make other minor, non-substantive changes

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 2100: Board of Directors

Metropolitan Water District Administrative Code Section 2410: Duties and Functions [Executive Committee]

Metropolitan Water District Administrative Code Section 2431: Engineering, Operations and Technology Committee

Metropolitan Water District Administrative Code Section 2441: Finance, Affordability, Asset Management, and Efficiency Committee

Metropolitan Water District Administrative Code Section 2451: Duties and Functions [Legal and Claims Committee]

Metropolitan Water District Administrative Code Section 2600: Directors

Metropolitan Water District Administrative Code Section 2700: General Manager's Annual Reports

Metropolitan Water District Administrative Code Section 2720: Quarterly Reports

Metropolitan Water District Administrative Code Section 2750: Miscellaneous Reports

Metropolitan Water District Administrative Code Section 3100: Annexation Procedure

Metropolitan Water District Administrative Code Section 4100: Definitions [Water Service Policies]

Metropolitan Water District Administrative Code Section 4300: Water Transaction Revenues

Metropolitan Water District Administrative Code Section 4400: Classification and Rates

Metropolitan Water District Administrative Code Section 5200: Financial Policies

Metropolitan Water District Administrative Code Section 5300: Short-Term Certificates

Metropolitan Water District Administrative Code Section 6500: Unrepresented Classifications (Including Management and Confidential)

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

CEQA determination for Option #2:

None required

Details and Background

Background

This letter proposes amendments to the Administrative Code to conform it to current policy, law, and practice, and to make other minor, non-substantive changes. The Administrative Code is proposed to be amended, as follows:

Consent Calendar. Amendments clarify the purpose of the Consent Calendar and eliminate the requirement for removal of an item from consent if the reviewing committee does not adopt the staff recommendation. There is no change to the ability of any member of the Board to request removal of an item for any reason from the Consent Calendar at board meetings.

Proxy Votes. Section 2601 is added to provide a procedure to conform to the new Metropolitan Water District Act Section 52 requirement for filing with the Board Executive Secretary a written, signed proxy vote authorization.

General Manager's Annual Reports. Section 2700(c) is amended to update reporting by the GM on the status of the EEO policy and affirmative action program from the Finance, Affordability, Asset Management, and Efficiency Committee (FAAME) to the CWC Committee. (Metropolitan, as a federal contractor, has certain affirmative action program obligations under federal law.)

Annexation Water Use Efficiency Guidelines. Section 3107 is amended to change "raw water" references to "untreated water" to match these terms as used elsewhere in the Administrative Code.

Water Service Policies

Water Service Definitions

- Section 4114 is amended to delete an obsolete reference to water replenishment service that delivered water for long-term storage in groundwater basins and surface reservoirs.
- Section 4120 is amended to delete an obsolete reference to purchase orders and purchase order commitments from member agencies that expired on December 31, 2024.
- Section 4121 is amended to update the definition "supply rates" to reflect current policy and practice, based on a dollar per acre-foot water rate charged to recover District costs, as specified.
- Section 4126 is renamed "Treatment Charges," and new subsections (a) and (b) are added to define and distinguish the "Treatment Surcharge" (new subsection (a)) from "Treatment Fixed Charges" (new subsection (b)). These amendments now encompass the current treatment charge categories.

Water Transaction Revenues

- Section 4304(a)(2) is amended to delete an obsolete reference to the Water Stewardship Rate.
- Section 4304(b) is amended to add "Treatment Fixed Charges" to the set of recommendations the GM presents annually to FAAME.

Classification and Rates

- Section 4404 is amended to delete an obsolete reference to purchase orders and purchase order commitments from member agencies that expired on December 31, 2024.
- Section 4405 is amended to add “Treatment Fixed Charges” to the District’s water rates.

Financial Matters.

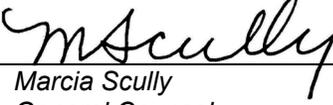
- Section 5200 is amended to delete subsection (i), the Water Treatment Surcharge Stabilization Fund No. 5502. Accordingly, subsequent subsections are renumbered from (j) through (r) to (i) through (q). Subsequent references to this fund are deleted in Section 5202(c), (d), and (e).
- Section 5200(r) is added and Section 5202 subsections (a) and (e) are amended, and subsections (f) and (g) are added, together to provide the financial policies adopted by the Board on July 8, 2025, but (inadvertently) not shown in Attachment A (to that item) when the Board approved the action. Refer to Minute Item 54190.

Unrepresented Classifications. The hourly pay rate schedule at Section 6500(a) is amended to increase the Board Executive Secretary's salary grade from 72 to 74 based on the GM’s review of the position’s responsibilities.

Other Minor, Non-Substantive Changes.

- Section 2146 is amended to correct the records preservation citation from Section 10205 to 10204.
- Sections 2416(f)(3) and 2431(f)(3)(i) are amended to correct the citations from Section 8150(a) to 8151(b), and Sections 2431(b) and 2431(b)(1) from Section 8150(a) to 8151(a) regarding appeals of protest denials of Purchasing Contracts and Professional and Technical contracts.
- Sections 2441, 2701, 2720(b)-(c), 2750, and 2751 are amended to correctly refer to the FAAME Committee.
- Section 2600 is amended to change the title from “Directors” to “Assumption of Office” for greater accuracy.

The proposed amendments are set forth in **Attachment 1**, with overstrikes reflecting deletions and underlining reflecting additions. **Attachment 2** sets forth the sections as they will appear in the Administrative Code if the changes are approved.



 Marcia Scully
 General Counsel

3/3/2026

 Date

Attachment 1 - The Administrative Code of The Metropolitan Water District of Southern California (with changes marked)

Attachment 2 - The Administrative Code of The Metropolitan Water District of Southern California (clean copy)

Ref# I12713190LC

Division II
PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS

Chapter 1
BOARD OF DIRECTORS

Article 2
CONSENT CALENDAR

§ 2120. __ Purpose and Scope.

It is the purpose of the Consent Calendar procedure to expedite Board consideration of non-controversial non-controversial matters ~~to enable the Board to devote added time to other matters. The procedure ensures that if any item on the calendar is disputed, individual consideration will be given to it.~~

§ 2122. __ Committee Procedure.

~~(a)~~ Matters recommended by a Department Head for inclusion on the Consent Calendar shall be so identified on the committee agendas.

~~(b) A Consent Calendar matter shall may be removed if the standing committee to which it has been submitted does not recommend approval with a quorum of the committee present or if it recommends approval only after making changes to the recommendation of the Department Head.~~

Article 4
MISCELLANEOUS BOARD RULES

§ 2146. __ Availability for Public Inspection of Certain Board and Committee Material.

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10205~~4~~ and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

Chapter 4
STANDING COMMITTEES

Article 2

EXECUTIVE COMMITTEE

§ 2416. Duties and Functions. [Executive Committee]

[SUBSECTIONS (a) through (e) OMMITTED]

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on appeals of protest denials involving Purchasing Contracts and Professional and Technical Services Contracts pursuant to Section 81510(b).

(i) Hearings shall be held by the committee at its next regular meeting to be held at least 72 hours after the filing of the notice of appeal of the General Manager's determination under Section 81510(b). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

[SUBSECTIONS (f)(3)(ii) through (f)(3)(viii) OMMITTED.]

Article 4

ENGINEERING, OPERATIONS AND TECHNOLOGY COMMITTEE

§ 2431. Duties and Functions.

[SUBSECTION (a) OMMITTED.]

(b) The Engineering, Operations and Technology Committee shall also conduct hearings on appeals of protest denials involving Public Works Contracts pursuant to Section 81510(a).

(1) Hearings shall be held by the committee at its next regular meeting, at least 72 hours after the filing of the notice of appeal of the General Manager's determination under Section 81510(a). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(2) The Chair of the Engineering, Operations and Technology Committee may re-delegate duties provided for under subparagraph (1) above to a minimum of three members of the Engineering, Operations and Technology Committee who shall act in place of the committee.

Article 5

**FINANCE, AFFORDABILITY, ASSET MANAGEMENT,
AND EFFICIENCY COMMITTEE**

§ 2441. Duties and Functions.

The Finance, ~~Affordability, and~~ Asset Management, ~~and Efficiency~~ Committee shall study, advise and make recommendations with regard to:

[SUBSECTIONS (a) through (dd) OMMITTED]

**Chapter 6
DIRECTORS**

**Article 1
GENERAL**

Sec.

2600. ~~Directors.~~ Assumption of Office.

2601. Proxy Vote.

§ 2601. Proxy Vote.

Proxy vote authorization shall be filed concurrently with the Board Executive Secretary, in addition to the district’s board secretary as required by Metropolitan Water District Act Section 52. The written instrument must be signed, dated, and received by 3:00 p.m. one business day in advance of the meeting. The written instrument shall be in the form as designated by the Board Executive Secretary.

**Chapter 7
PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES**

**Article 1
ANNUAL REPORTS**

§ 2700. General Manager’s Annual Reports.

The General Manager shall annually make the following reports:

[SUBSECTIONS (a) and (b) OMMITTED]

(c) To the ~~Equity, Inclusion and Affordability~~ Community and Workplace Culture Committee on the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

[SUBSECTION (d) OMMITTED]

§ 2701. Treasurer's Reports

(a) The Treasurer shall annually report to the Board on the investment policy of the District.

(b) The Treasurer shall report to the Finance, ~~and Affordability~~, Asset Management, ~~and Efficiency~~ Committee:

- (1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and
- (2) All issuances of duplicate bonds made pursuant to Section 5105.

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

[SUBSECTION (a) OMMITTED]

(b) To the Finance, ~~and Affordability~~, Asset Management, ~~and Efficiency~~ -Committee: A summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates;

(c) To the Finance, ~~and Affordability~~, Asset Management, ~~and Efficiency~~ Committee:

- (1) Deeds or grants accepted during the preceding quarter;
- (2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;
- (3) All leases made during the preceding quarter under the authority of Sections 8222, 8223, 8230 and 8232;
- (4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and
- (5) Property sold pursuant to the authority granted by Section 8240 et seq.

[SUBSECTIONS (d) and (e) OMMITTED]

§ 2750. Escheat to District of Unclaimed Funds.

The Controller shall file a report with the Finance ~~and Affordability~~, Asset Management, ~~and Efficiency~~ Committee after each publication made pursuant to Section 5113 regarding moneys unclaimed in the District treasury.

Division III**ANNEXATIONS****§ 3107. Water Use Efficiency Guidelines.**

[SUBSECTION (a) OMMITTED]

(b) Reporting to District. The annexing member agency shall be responsible for assuring compliance with these provisions and shall report to the District annually for five years following annexation of the new territory regarding such compliance or until the new territory is included in the annexing member agency's Urban Water Management Plan (UWMP). Annual reports shall include all of the following information regarding the annexing member agency:

- (1) Conservation measures incorporated in the new territory;
- (2) Total annual production of local water supplies including, but not limited to, recycled water, groundwater, and local surface water use;
- (3) Evidence of sufficient resources to sustain interruptions of District deliveries of seven-to 21 –days, as described in MWD Administrative Code Section 4503(b). Specifically, each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections, or alternate supply source to sustain:
 - i. A seven-day interruption in District deliveries from ~~raw~~-untreated and treated water distribution facilities based on average annual demand of the affected facility
 - ii. For service connections installed or modified after December 31, 2008, on raw water conveyance facilities, a seven-to 21-day interruption in District ~~raw~~-untreated water deliveries based on average annual demand of the affected facility;

[SUBSECTIONS (b)(4), (b)(5), (c) and (d) OMMITTED.]

Division IV WATER SERVICE POLICIES

Chapter 1 DEFINITIONS

- Sec.
4100. General
 4101. Colorado
 4102. State
 4103. Treated Water
 4104. Untreated Water
 4105. Domestic and Municipal Purposes
 4106. Agricultural Purposes

- 4107. Groundwater Replenishment by Spreading
- 4108. Groundwater Replenishment by Injection
- 4109. In-Lieu Groundwater Replenishment
- 4110. Direct Reservoir Replenishment
- 4111. In - Lieu Reservoir Replenishment
- [4112. Repealed]
- [4113. Repealed]
- [4114. ~~Repealed Replenishment Service~~]
- [4115. Repealed]
- [4116. Repealed]
- 4117. Cooperative Storage Program
- 4118. Cooperative Storage Program Sale
- [4119. Repealed]
- [4120. ~~Repealed Purchase Order; Purchase Order Commitment~~]
- 4121. Supply Rates
- 4122. Base Firm Demand; Initial Base Firm Demand
- 4123. System Access Rate
- [4124. ~~Repealed Water Stewardship Rate~~]
- 4125. System Power Rate
- 4126. Treatment ~~Surcharge~~Charges
- 4127. Emergency Storage Program Purposes

~~§ 4114. — Replenishment Service.~~

~~“Replenishment Service” shall mean delivery of water for long term storage in either groundwater basins or surface reservoirs by direct or in lieu means. Direct means shall be either through groundwater spreading or through injection. The Replenishment Service Program was discontinued after December 31, 2012.~~

~~§ 4120. Purchase Order; Purchase Order Commitment.~~

~~“Purchase Order” shall mean a member agency’s written commitment to purchase a specified total volume of water from the District during a specified period, as provided in Section 4404. “Purchase Order commitment” shall mean the amount of system water a member agency commits to purchase over the term of the Purchase Order.~~

§ 4121. Supply Rates.

“Supply Rate” shall mean a dollar per acre-foot water rate charged (i) the Tier 1 Supply Rate and (ii) the Tier 2 Supply Rate, as applicable to a particular purchase of water pursuant to Section 4404. The Tier 1 and Tier 2 Supply Rate shall be set from time to time by the District to recover the cost of maintaining existing supplies, ~~and~~ developing additional supplies of water, and demand management.

~~§ 4124. Water Stewardship Rate.~~

~~“Water Stewardship Rate” shall mean a dollar per acre-foot water rate charged by the District to recover a portion of the costs of the District’s financial commitment to conservation, water recycling, groundwater recovery and other water management programs approved by the Board.~~

§ 4126. **Treatment ~~Surchage~~Charges.**

(a) “Treatment Surchage” means a dollar per acre-foot water rate charged by the District to recover the District’s costs of providing water treatment capacity and operations.

(b) “Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.

Chapter 3

WATER TRANSACTIONS REVENUE

§ 4304. **Apportionment of Revenues and Setting of Water Rates.**

(a) Not later than at its February meeting the General Manager shall present to the Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee of the Board:

(1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates including, but not limited to, the System Access Rate, ~~Water Stewardship Rate,~~ System Power Rate, Treatment Surchage, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the biennial period beginning the following July 1.

(b) Not later than at its February meeting, the General Manager shall also present to the FAAME Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge, ~~and~~ capacity charge, and Treatment Fixed Charges), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which said committee has determined to be necessary.

Chapter 4

CLASSIFICATION AND RATES

Sec.

4400. Basic Statement

4401. Rates

4402. Readiness-to-Serve Charge

4403. Capacity Charge

~~[4404. Repealed] Purchase Orders~~~~[4405. Repealed] Treatment Fixed Charges~~~~§ 4404. Purchase Orders.~~

~~—(a) The General Manager shall establish and make available to member public agencies the form of the Purchase Order and procedures for its administration. The General Manager shall establish a deadline by which all Purchase Orders shall be executed by member public agencies that desire to enter into such agreements with the District. Following the deadline established by the General Manager, no member public agencies will be allowed to execute Purchase Orders.~~

~~—(b) The term of the Purchase Orders shall be specified in the Purchase Order. All Purchase Orders in effect for the same time period shall be on substantially the same terms. All amendments to Purchase Orders require approval by the Board.~~

~~—(c) Each member public agency executing a Purchase Order shall commit to purchase at least its Purchase Order Commitment during the term of the Purchase Order.~~

~~—(d) Purchase Orders shall permit a member public agency to purchase up to 90 percent of its Base Period Demand at the Tier 1 Supply Rate for the term of the Purchase Order.~~

~~—(e) All water deliveries under a Purchase Order shall be subject to the operational conditions and constraints contained in this Division. In addition, all billings and payments for such water shall be subject to the provisions of this Division in the same manner as other water delivered by Metropolitan.~~

~~§ 4405. Treatment Fixed Charges.~~

~~“Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.~~

Division V**FINANCIAL MATTERS****Chapter 2****FINANCIAL POLICIES****§ 5200. Funds Established.**

To provide for accountability of public moneys in accordance with applicable federal and state law and regulations and Board policies, the following funds active or prospectively active have been established in the Treasury of the District:

[SUBSECTIONS (a) through (h) OMMITTED]

~~(i) Water Treatment Surcharge Stabilization Fund (Fund No. 5502, established 1988). Used to mitigate required increases in the surcharge for water treatment or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.~~

(~~j~~i) Revolving Construction Fund (Fund No. 5003, established 1988). Capital expenditures made from this fund are to be reimbursed from proceeds of security sales to the extent such expenditures are authorized uses of debt proceeds under the Act, subject to the conditions and restrictions contained in Section 5201(g).

(~~k~~j) Iron Mountain Landfill Postclosure Maintenance and Corrective Action Trust Fund (Fund No. 6005, established 1990). Used as a trust fund to maintain moneys sufficient to cover the costs of postclosure maintenance and/or corrective action of the District's solid waste landfill facility at Iron Mountain, in accordance with regulations of the California Department of Resources Recycling and Recovery, and subject to the conditions contained in Section 5201(m).

(~~h~~k) Water Standby Charge Fund (Fund No. 1005, established 1992). Used to separately hold revenues attributable to water standby charges; amounts deposited in this fund are used exclusively for the purpose for which the water standby charge was authorized.

(~~m~~l) Water Transfer Fund (Fund No. 1007, established 1995). Used for moneys set aside for the purchase of water through transfers or similar arrangements, and for the costs of filling the Eastside Reservoir Project.

(~~n~~m) Self-Insured Retention Fund (Fund No. 1008, established 1999). Used to separately hold amounts set aside for emergency repairs and claims against the District as provided in Section 5201(o).

(~~o~~n) Lake Mathews Multi Species Reserve Trust Fund (Fund No. 6101, established 1997.) Used as set forth in agreement between Metropolitan and the Riverside County Habitat Conservation Agency for the Southwest Riverside County Multi-Species Reserve.

(~~p~~o) There shall be established in the Treasury of the District such funds and accounts as are required pursuant to bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and related documents, to provide for accountability of District funds and compliance with applicable federal and state law and regulations. Such funds and accounts shall be established for each issue of bonds, notes or other obligations of the district as required in the respective bond or note resolution and closing documents.

(~~r~~p) Reclamation Fund Trust Fund (Fund No. ____, established 2023). Used as a trust fund to maintain moneys sufficient to cover the costs of reclamation activities related to the Metropolitan Reclamation Plan, in accordance with the Surface Mining and Reclamation Act of 1975, Public Resources Code section 2770 et al. and California Code of Regulations, Title 14, Division 2, Chapter 8, §3808.3.

(q) Reserve calculations shall exclude variable costs, such as power and supply costs that are not directly tied to water demand, and shall exclude uncertain or non-recurring revenue sources, such as unawarded grants or one-time revenues.

§ 5202. Fund Parameters.

The minimum cash and securities to be held in the various ledger funds as of June 30 of each year shall be as follows:

(a) For the Revenue Remainder Fund cash and securities on hand of June 30 of each year shall be equal to the portion of fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, for the eighteen months beginning with the immediately succeeding July, based on the level of demand exceedance used in the water rate process. Such funds are to be used in the event that revenues are insufficient to pay the costs of the District, as follows:

(1) At an eighty percent exceedance level, the reserve target shall be fifteen percent of the District's net revenue requirement;

(2) At a seventy percent exceedance level, the reserve target shall be nineteen percent;

(3) At a fifty percent exceedance level, the reserve target shall be twenty-five percent;
and,

(4) The reserve target calculation shall incorporate treatment-related revenue requirements into the minimum and target levels of the Revenue Remainder Fund. This integration is intended to replace the previously separate Treatment Surcharge Stabilization Fund and streamline financial planning.

(b) For the Replacement and Refurbishment Fund, any unexpended monies shall remain in the Fund for purposes defined in Section 5109, or as otherwise determined by the Board. The end-of-year fund balance may not exceed \$160 million. Available monies in excess of \$160 million at June 30 shall be transferred to the Water Rate Stabilization Fund, unless otherwise determined by the Board.

(c) Amounts remaining in the Revenue Remainder on June 30 of each year after meeting the requirements set forth in Section 5202(a) shall be transferred to the Water Rate Stabilization Fund ~~and to the extent required under Section 5202(d), to the Water Treatment Surcharge Stabilization Fund.~~

(d) After making the transfer of funds as set forth in Section 5202(c), a determination shall be made to substantially identify the portion, if any, of such transferred funds attributable to collections of treatment surcharge revenue in excess of water treatment cost and to collections of water stewardship rate revenue in excess of costs of the Conservation Credits Program, Local Resources Program seawater desalination and similar demand management programs, including the departmental operations and maintenance costs of administering these programs. Such funds shall be transferred to the ~~Water Treatment Surcharge Stabilization Fund and the~~ Water Stewardship Fund, ~~respectively,~~ to be available for the principal purpose of mitigating required increases in the ~~treatment surcharge and~~ water stewardship rates. If such determination indicates a deficiency in ~~treatment surcharge or~~ water stewardship rate revenue occurred during the fiscal year, a transfer of funds shall be made from the ~~Water Treatment Surcharge Stabilization Fund or the~~ Water Stewardship Fund, as needed and appropriate, to reimburse funds used for the deficiency. Notwithstanding the principal purpose of the ~~Water Treatment Surcharge~~

~~Stabilization Fund and the~~ Water Stewardship Fund, amounts assigned to the ~~se~~ fund shall be available for any other lawful purpose of the District.

(e) Amounts in the Water Rate Stabilization Fund shall be held for the principal purpose of maintaining stable and predictable water rates and charges. The amount to be held in the Water Rate Stabilization fund shall be targeted to be equal to the portion of the fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the two years immediately following the eighteen-month period referenced in Section 5202(a).

Funds in excess of such targeted amount shall only be used at the direction of the Board and for the following purposes: utilized for capital expenditures of the District in lieu of the issuance of additional debt, or for the redemption, defeasance or purchase of outstanding bonds or commercial paper of the District as determined by the Board. Provided that the District's fixed charge coverage ratio is at or above 1.2 amounts in the Water Rate Stabilization Fund may be expended for any lawful purpose of the District, as determined by the Board of Directors, provided that any funds distributed to member agencies shall be allocated on the basis of water revenues during the previous fiscal year, such sales to include sales under the Interim Agricultural Water Program, Replenishment Service Program and all Full Service water sales.

(i) Funding capital expenditures of the District in lieu of the issuance of additional debt;

(ii) Redemption, defeasance, or purchase of outstanding bonds or commercial paper of the District; or,

(ii) Funding of pension or Other Post-Employment Benefit (OPEB) liabilities, including contributions to a trust fund; Legal or financial obligations as determined by the Board.

(f) Variable costs not directly tied to water sales, including supply and power, and uncertain revenues such as unawarded grants or other non-recurring funding sources shall be excluded from Revenue Remainder Fund requirement calculation.

(g) Reserves shall be treated as one-time resources and shall not be used to support ongoing operational expenditures.

Notwithstanding the fund parameters set forth in this Section 5202, including, but not limited to, any minimum fund balances or specified uses and purposes, all amounts held in the foregoing funds shall be available to pay interest on and Bond Obligation (including Mandatory Sinking Account Payments) of Water Revenue Bonds issued pursuant to Resolution 8329 adopted by the Board on July 9, 1991, as amended and supplemented (the Master Resolution), and Parity Obligations, and Subordinate Water Revenue Bonds, issued pursuant to Resolution 9199 adopted by the Board on March 8, 2016, as amended and supplemented (the Master Subordinate Resolution). Capitalized terms not defined in this paragraph shall have the meanings assigned to such terms in the Master Resolution and the Master Subordinate Resolution.

Division VI
PERSONNEL MATTERS

Chapter 5
UNREPRESENTED CLASSIFICATIONS (INCLUDING MANAGEMENT AND
CONFIDENTIAL)

§ 6500. Hourly Pay Rate Schedule.

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
[GRADES 14 through 71 OMMITTED]		
72	\$71.-98.01 (\$149,198-203,861)	Board Executive Secretary Special Assistant to the GM Staff Assistant to General Manager
73	\$73.70-100.65 (\$153,296-209,352)	Senior Audit Manager
74	\$75.74-103.33 (\$157,539-214,926)	Board Executive Secretary Program Manager III

[GRADES 75 through 97 OMMITTED]

() Shows approximate annual salary range for convenience; Board approved rates are hourly. Asterisk * positions are Fair Labor Standards (FLSA) “non-exempt” (i.e., eligible for overtime).

[SUBSECTIONS (b) through (d) OMMITTED.]

Division II
PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS

Chapter 1
BOARD OF DIRECTORS

Article 2
CONSENT CALENDAR

§ 2120. Purpose and Scope.

It is the purpose of the Consent Calendar procedure to expedite Board consideration of non-controversial matters to enable the Board to devote added time to other matters.

§ 2122. Committee Procedure.

Matters recommended by a Department Head for inclusion on the Consent Calendar shall be so identified on the committee agendas.

Article 4
MISCELLANEOUS BOARD RULES

§ 2146. Availability for Public Inspection of Certain Board and Committee Material.

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10204 and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

Chapter 4
STANDING COMMITTEES

Article 2
EXECUTIVE COMMITTEE

§ 2416. Duties and Functions. [Executive Committee]

[SUBSECTIONS (a) through (e) OMMITTED]

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on appeals of protest denials involving Purchasing Contracts and Professional and Technical Services Contracts pursuant to Section 8151(b).

(i) Hearings shall be held by the committee at its next regular meeting to be held at least 72 hours after the filing of the notice of appeal of the General Manager’s determination under Section 8151(b). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

[SUBSECTIONS (f)(3)(ii) through (f)(3)(viii) OMMITTED.]

Article 4

ENGINEERING, OPERATIONS AND TECHNOLOGY COMMITTEE

§ 2431. Duties and Functions.

[SUBSECTION (a) OMMITTED.]

(b) The Engineering, Operations and Technology Committee shall also conduct hearings on appeals of protest denials involving Public Works Contracts pursuant to Section 8151(a).

(1) Hearings shall be held by the committee at its next regular meeting, at least 72 hours after the filing of the notice of appeal of the General Manager’s determination under Section 8151(a). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(2) The Chair of the Engineering, Operations and Technology Committee may re-delegate duties provided for under subparagraph (1) above to a minimum of three members of the Engineering, Operations and Technology Committee who shall act in place of the committee.

Article 5
FINANCE, AFFORDABILITY, ASSET MANAGEMENT,
AND EFFICIENCY COMMITTEE

§ 2441. Duties and Functions.

The Finance, Affordability, Asset Management, and Efficiency Committee shall study, advise and make recommendations with regard to:

[SUBSECTIONS (a) through (dd) OMMITTED]

Chapter 6
DIRECTORS

Article 1
GENERAL

- Sec.
- 2600. Assumption of Office.
- 2601. Proxy Vote.

§ 2601. Proxy Vote.

Proxy vote authorization shall be filed concurrently with the Board Executive Secretary, in addition to the district’s board secretary as required by Metropolitan Water District Act Section 52. The written instrument must be signed, dated, and received by 3:00 p.m. one business day in advance of the meeting. The written instrument shall be in the form as designated by the Board Executive Secretary.

Chapter 7
PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES

Article 1
ANNUAL REPORTS

§ 2700. General Manager’s Annual Reports.

The General Manager shall annually make the following reports:

[SUBSECTIONS (a) and (b) OMMITTED]

(c) To the Community and Workplace Culture Committee on the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

[SUBSECTION (d) OMMITTED]

§ 2701. Treasurer's Reports

(a) The Treasurer shall annually report to the Board on the investment policy of the District.

(b) The Treasurer shall report to the Finance, Affordability, Asset Management, and Efficiency Committee:

(1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and

(2) All issuances of duplicate bonds made pursuant to Section 5105.

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

[SUBSECTION (a) OMMITTED]

(b) To the Finance, Affordability, Asset Management, and Efficiency Committee: A summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates;

(c) To the Finance, Affordability, Asset Management, and Efficiency Committee:

(1) Deeds or grants accepted during the preceding quarter;

(2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;

(3) All leases made during the preceding quarter under the authority of Sections 8222, 8223, 8230 and 8232;

(4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and

(5) Property sold pursuant to the authority granted by Section 8240 et seq.

[SUBSECTIONS (d) and (e) OMMITTED]

§ 2750. Escheat to District of Unclaimed Funds.

The Controller shall file a report with the Finance Affordability, Asset Management, and Efficiency Committee after each publication made pursuant to Section 5113 regarding moneys unclaimed in the District treasury.

Division III**ANNEXATIONS****§ 3107. Water Use Efficiency Guidelines.**

[SUBSECTION (a) OMMITTED]

(b) **Reporting to District.** The annexing member agency shall be responsible for assuring compliance with these provisions and shall report to the District annually for five years following annexation of the new territory regarding such compliance or until the new territory is included in the annexing member agency's Urban Water Management Plan (UWMP). Annual reports shall include all of the following information regarding the annexing member agency:

- (1) Conservation measures incorporated in the new territory;
- (2) Total annual production of local water supplies including, but not limited to, recycled water, groundwater, and local surface water use;
- (3) Evidence of sufficient resources to sustain interruptions of District deliveries of seven-to 21 –days, as described in MWD Administrative Code Section 4503(b). Specifically, each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections, or alternate supply source to sustain:
 - i. A seven-day interruption in District deliveries from untreated and treated water distribution facilities based on average annual demand of the affected facility
 - ii. For service connections installed or modified after December 31, 2008, on raw water conveyance facilities, a seven-to 21-day interruption in District untreated water deliveries based on average annual demand of the affected facility;

[SUBSECTIONS (b)(4), (b)(5), (c) and (d) OMMITTED.]

Division IV
WATER SERVICE POLICIES

Chapter 1
DEFINITIONS

Sec.

- 4100. General
- 4101. Colorado
- 4102. State
- 4103. Treated Water
- 4104. Untreated Water
- 4105. Domestic and Municipal Purposes
- 4106. Agricultural Purposes
- 4107. Groundwater Replenishment by Spreading
- 4108. Groundwater Replenishment by Injection
- 4109. In-Lieu Groundwater Replenishment
- 4110. Direct Reservoir Replenishment
- 4111. In - Lieu Reservoir Replenishment
- [4112. Repealed]
- [4113. Repealed]
- [4114. Repealed]
- [4115. Repealed]
- [4116. Repealed]
- 4117. Cooperative Storage Program
- 4118. Cooperative Storage Program Sale
- [4119. Repealed]
- [4120. Repealed]
- 4121. Supply Rates
- 4122. Base Firm Demand; Initial Base Firm Demand
- 4123. System Access Rate
- [4124. Repealed]
- 4125. System Power Rate
- 4126. Treatment Charges
- 4127. Emergency Storage Program Purposes

§ 4121. Supply Rates.

“Supply Rate” shall mean a dollar per acre-foot water rate charged by the District to recover the cost of maintaining existing supplies, developing additional supplies of water, and demand management.

§ 4126. Treatment Charges.

(a) “Treatment Surcharge” means a dollar per acre-foot water rate charged by the District to recover the District’s costs of providing water treatment capacity and operations.

(b) “Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.

Chapter 3**WATER TRANSACTIONS REVENUE****§ 4304. Apportionment of Revenues and Setting of Water Rates.**

(a) Not later than at its February meeting the General Manager shall present to the Finance, Affordability, Asset Management, and Efficiency (FAAME) Committee of the Board:

(1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,

(2) Recommendations of rates including, but not limited to, the System Access Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the biennial period beginning the following July 1.

(b) Not later than at its February meeting, the General Manager shall also present to the FAAME Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge, capacity charge, and Treatment Fixed Charges), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which said committee has determined to be necessary.

Chapter 4

CLASSIFICATION AND RATES

Sec.

- 4400. Basic Statement
- 4401. Rates
- 4402. Readiness-to-Serve Charge
- 4403. Capacity Charge
- [4404. Repealed]
- 4405. Treatment Fixed Charges

§ 4405. Treatment Fixed Charges.

“Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.

Division V

FINANCIAL MATTERS

Chapter 2

FINANCIAL POLICIES

§ 5200. Funds Established.

To provide for accountability of public moneys in accordance with applicable federal and state law and regulations and Board policies, the following funds active or prospectively active have been established in the Treasury of the District:

[SUBSECTIONS (a) through (h) OMMITTED]

(i) Revolving Construction Fund (Fund No. 5003, established 1988). Capital expenditures made from this fund are to be reimbursed from proceeds of security sales to the extent such expenditures are authorized uses of debt proceeds under the Act, subject to the conditions and restrictions contained in Section 5201(g).

(j) Iron Mountain Landfill Postclosure Maintenance and Corrective Action Trust Fund (Fund No. 6005, established 1990). Used as a trust fund to maintain moneys sufficient to cover the costs of postclosure maintenance and/or corrective action of the District’s solid waste landfill

facility at Iron Mountain, in accordance with regulations of the California Department of Resources Recycling and Recovery, and subject to the conditions contained in Section 5201(m).

(k) Water Standby Charge Fund (Fund No. 1005, established 1992). Used to separately hold revenues attributable to water standby charges; amounts deposited in this fund are used exclusively for the purpose for which the water standby charge was authorized.

(l) Water Transfer Fund (Fund No. 1007, established 1995). Used for moneys set aside for the purchase of water through transfers or similar arrangements, and for the costs of filling the Eastside Reservoir Project.

(m) Self-Insured Retention Fund (Fund No. 1008, established 1999). Used to separately hold amounts set aside for emergency repairs and claims against the District as provided in Section 5201(o).

(n) Lake Mathews Multi Species Reserve Trust Fund (Fund No. 6101, established 1997.) Used as set forth in agreement between Metropolitan and the Riverside County Habitat Conservation Agency for the Southwest Riverside County Multi-Species Reserve.

(o) There shall be established in the Treasury of the District such funds and accounts as are required pursuant to bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and related documents, to provide for accountability of District funds and compliance with applicable federal and state law and regulations. Such funds and accounts shall be established for each issue of bonds, notes or other obligations of the district as required in the respective bond or note resolution and closing documents.

(p) Reclamation Fund Trust Fund (Fund No.____, established 2023). Used as a trust fund to maintain moneys sufficient to cover the costs of reclamation activities related to the Metropolitan Reclamation Plan, in accordance with the Surface Mining and Reclamation Act of 1975, Public Resources Code section 2770 et al. and California Code of Regulations, Title 14, Division 2, Chapter 8, §3808.3.

(q) Reserve calculations shall exclude variable costs, such as power and supply costs that are not directly tied to water demand, and shall exclude uncertain or non-recurring revenue sources, such as unawarded grants or one-time revenues.

§ 5202. Fund Parameters.

The minimum cash and securities to be held in the various ledger funds as of June 30 of each year shall be as follows:

(a) For the Revenue Remainder Fund cash and securities on hand of June 30 of each year shall be equal to the portion of fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, for the eighteen months beginning with the immediately succeeding July, based on the level of demand

exceedance used in the water rate process. Such funds are to be used in the event that revenues are insufficient to pay the costs of the District, as follows:

- (1) At an eighty percent exceedance level, the reserve target shall be fifteen percent of the District's net revenue requirement;
- (2) At a seventy percent exceedance level, the reserve target shall be nineteen percent;
- (3) At a fifty percent exceedance level, the reserve target shall be twenty-five percent; and,
- (4) The reserve target calculation shall incorporate treatment-related revenue requirements into the minimum and target levels of the Revenue Remainder Fund. This integration is intended to replace the previously separate Treatment Surcharge Stabilization Fund and streamline financial planning.

(b) For the Replacement and Refurbishment Fund, any unexpended monies shall remain in the Fund for purposes defined in Section 5109, or as otherwise determined by the Board. The end-of-year fund balance may not exceed \$160 million. Available monies in excess of \$160 million at June 30 shall be transferred to the Water Rate Stabilization Fund, unless otherwise determined by the Board.

(c) Amounts remaining in the Revenue Remainder on June 30 of each year after meeting the requirements set forth in Section 5202(a) shall be transferred to the Water Rate Stabilization Fund.

(d) After making the transfer of funds as set forth in Section 5202(c), a determination shall be made to substantially identify the portion, if any, of such transferred funds attributable to collections of treatment surcharge revenue in excess of water treatment cost and to collections of water stewardship rate revenue in excess of costs of the Conservation Credits Program, Local Resources Program seawater desalination and similar demand management programs, including the departmental operations and maintenance costs of administering these programs. Such funds shall be transferred to the Water Stewardship Fund to be available for the principal purpose of mitigating required increases in the water stewardship rates. If such determination indicates a deficiency in water stewardship rate revenue occurred during the fiscal year, a transfer of funds shall be made from the Water Stewardship Fund, as needed and appropriate, to reimburse funds used for the deficiency. Notwithstanding the principal purpose of the Water Stewardship Fund, amounts assigned to this fund shall be available for any other lawful purpose of the District.

(e) Amounts in the Water Rate Stabilization Fund shall be held for the principal purpose of maintaining stable and predictable water rates and charges. The amount to be held in the Water Rate Stabilization fund shall be targeted to be equal to the portion of the fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the two years immediately following the eighteen-month period referenced in Section 5202(a).

Funds in excess of such targeted amount shall only be used at the direction of the Board and for the following purposes:

- (i) Funding capital expenditures of the District in lieu of the issuance of additional debt;
- (ii) Redemption, defeasance, or purchase of outstanding bonds or commercial paper of the District; or,
- (ii) Funding of pension or Other Post-Employment Benefit (OPEB) liabilities, including contributions to a trust fund; Legal or financial obligations as determined by the Board.

(f) Variable costs not directly tied to water sales, including supply and power, and uncertain revenues such as unawarded grants or other non-recurring funding sources shall be excluded from Revenue Remainder Fund requirement calculation.

(g) Reserves shall be treated as one-time resources and shall not be used to support ongoing operational expenditures.

Notwithstanding the fund parameters set forth in this Section 5202, including, but not limited to, any minimum fund balances or specified uses and purposes, all amounts held in the foregoing funds shall be available to pay interest on and Bond Obligation (including Mandatory Sinking Account Payments) of Water Revenue Bonds issued pursuant to Resolution 8329 adopted by the Board on July 9, 1991, as amended and supplemented (the Master Resolution), and Parity Obligations, and Subordinate Water Revenue Bonds, issued pursuant to Resolution 9199 adopted by the Board on March 8, 2016, as amended and supplemented (the Master Subordinate Resolution). Capitalized terms not defined in this paragraph shall have the meanings assigned to such terms in the Master Resolution and the Master Subordinate Resolution.

Division VI

PERSONNEL MATTERS

Chapter 5

UNREPRESENTED CLASSIFICATIONS (INCLUDING MANAGEMENT AND CONFIDENTIAL)

§ 6500. Hourly Pay Rate Schedule.

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
[GRADES 14 through 71 OMMITTED]		
72	\$71.-98.01 (\$149,198-203,861)	Special Assistant to the GM Staff Assistant to General Manager
73	\$73.70-100.65 (\$153,296-209,352)	Senior Audit Manager
74	\$75.74-103.33 (\$157,539-214,926)	Board Executive Secretary Program Manager III

[GRADES 75 through 97 OMMITTED]

() Shows approximate annual salary range for convenience; Board approved rates are hourly. Asterisk * positions are Fair Labor Standards (FLSA) “non-exempt” (i.e., eligible for overtime).

[SUBSECTIONS (b) through (d) OMMITTED.]



Legal and Claims Committee

Amend the Metropolitan Administrative Code – Annual Cleanup

Item 7-1

March 10, 2026

Presented by: Marianne Greene

Item # 7-1

Amend the Administrative Code

Subject

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

Annual cleanup of the Administrative Code

Item # 7-1

Conform to
Current Policy,
Law, and
Practice

Recommendation

Approve amendments to the MWD Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Fiscal Impact: None

Budgeted: N/A

Presentation Length: 10 minutes

Sections 2120 and 2122

Consent Calendar

- Amends Section 2120 to clarify that the purpose of the Consent Calendar is to expedite consideration of certain matters
- Amends Section 2122 to delete the requirement to remove an item from consent if the reviewing committee does not adopt (or makes adoption contingent on changes to) the staff recommendation
- In accord with current practice, any director may pull any item off consent for any reason

Proxy Votes

Section 2601

Adds Section 2601 to implement the new MWD Act Section 52 requirement for filing a written, signed proxy vote authorization with the Board Executive Secretary

Section 2700

General Manager's Annual Reports

- Amends Section 2700(c) to update reporting by the GM from FAAME to CWC on the status of the EEO policy and affirmative action program
- As a federal contractor, Metropolitan has certain affirmative action program obligations under federal law

Water Use Efficiency Guidelines

Section 3107

Amends Annexation Section 3107(b) to change “raw water” references to “untreated water” to align with this change throughout the Code

Water Service Policies

Water Service Definitions

Section 4100

- Repeals Sections 4114, 4120 and 4124 to remove references no longer applicable
- Amends Section 4121 to update the definition of “Supply Rates”
- Adds Section 4126 (b) to define “Treatment Fixed Charges”

Water Service Policies (cont'd)

Water Transaction Revenues

Section 4304

- Amends Section 4304(a)(2) to delete obsolete Water Stewardship Rate
- Amends Section 4304(b) to add “Treatment Fixed Charges” to the annual set of recommendations the GM makes to FAAME

Sections 4404 and 4405

Water Service Policies (cont'd)

Classification and Rates

- Repeals Section 4404 to remove obsolete references to Purchase Orders
- Adds Section 4405 to add “Treatment Fixed Charges” to District rates

Financial Matters

Financial Policies

Sections 5200 and 5202

- Deletes Section 5200(i) and Section 5202(c), (d), and (e) to remove obsolete Water Treatment Surcharge Stabilization Fund references
- Adds Section 5200(r) and amends Section 5200(a) and (e) to add financial policies adopted by the Board July 8, 2025

Section 6500

Unrepresented Salary Schedule

- Increases the pay grade for the Board Executive Secretary
- Based on GM review of job duties and responsibilities
- Grade increased from 72 to 74

Other Non-Substantive Changes

Sections 2146, 2416, 2431, 2441, 2701, 2710, 2750

Other Minor Amendments

- Corrects citations to records preservation and contract appeals of protest denials
- Corrects various references to FAAME
- Generalizes a section title to clarify the content refers to “Directors”
- Capitalizes “Memorandum of Understanding”

Board Options

Option #1

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Option #2

Do not amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Staff
Recommendation

Option #1

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes





- **Board of Directors**
Legal and Claims Committee

3/10/2026 Board Meeting

7-2

Subject

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The proposed amendments to the Metropolitan Water District Administrative Code (Administrative Code) will modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes. The proposed changes include:

- Modifying the Audit Committee meeting schedule to hold meetings when needed instead of quarterly.
- Modifying the Community and Workplace Culture Committee (CWC Committee) by shifting its ethics-related duties to a new Ethics Committee, modifying its meeting schedule to hold meetings when needed instead of monthly, and adding the Chief Equal Employment Opportunity Officer to make recommendations.
- Establishing the new Ethics Committee as a Standing Committee to perform the ethics-related duties formerly performed by the CWC Committee; the new committee will hold meetings when necessary.
- Ensuring the three Standing Committees whose meetings are changing from regular frequency to as needed maintain their subject matter jurisdiction to remain as Standing Committees under the Brown Act.
- Changing reporting duties related to the Ethics Officer from the CWC Committee to the Ethics Committee.
- Make other minor, non-substantive changes.

The proposed amendments are to the following: Articles 1, 3, and 10 of Chapter 4, and the addition of Article 11, of Division II (Standing Committees); Articles 2, 3, 4 and 5 of Chapter 4 of Division VI (Personnel Matters); and, to Articles 1 and 2 of Chapter 4 of Division VII (Governmental Ethics).

See **Attachment 1** and **Attachment 2**.

Proposed Action/Recommendation and Options

Staff Recommendation: Option #1

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will be amended to modify the structure and duties of existing committees to accommodate a new committee, and make other non-substantive changes

Option #2

Do not approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will not be amended to modify the structure and duties of existing committees to accommodate a new committee, and make other non-substantive changes

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 2400: Standing Committees

Metropolitan Water District Administrative Code Section 2451: Legal and Claims Committee

Metropolitan Water District Administrative Code Section 6410: General Manager

Metropolitan Water District Administrative Code Section 6430: General Counsel

Metropolitan Water District Administrative Code Section 6450: General Auditor

Metropolitan Water District Administrative Code Section 6470: Ethics Officer

Metropolitan Water District Administrative Code Section 7400: Investigations by the Ethics Officer

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action/Future Action

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5)).

CEQA determination for Option #2:

None required

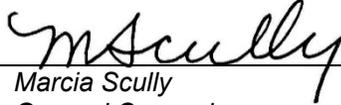
Details and Background

Background

This letter sets forth recommendations by the Chair of the Board for amendments to the Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes. The Administrative Code is proposed to be amended, as follows:

- Section 2400 is amended to add a new Ethics Committee to the cumulative list of Standing Committees.
- Section 2402 is amended to:
 - Change the section title to accommodate the three Standing Committees that will not have fixed meeting schedules as a result of proposed amendments.
 - Modify the meeting schedules of the Audit and CWC Committees to be scheduled when necessary.
 - Specify that the new Ethics Committee meetings will be scheduled when necessary.
 - Clarify that Standing Committees have continuing subject matter jurisdiction even if they do not have fixed meeting schedules.
- Section 2420 amends the Audit Committee meeting schedule from quarterly to when necessary.
- Section 2490 amends the CWC Committee meeting schedule from monthly to when necessary.
- Section 2491 is amended to delete the CWC Committee's five ethics-related duties in subsection (a). The remaining duties in subsection (b), related to equal employment opportunity (EEO) and diversity, equity and inclusion, are renumbered from Section 2491(b)(1) through (b)(7) to Section 2491(a) through (g). Renumbered subsection (b) is amended to add, consistent with current practice, the inadvertently omitted Chief EEO Officer to provide committee recommendations.
- Article 11 is added to establish the new Ethics Committee. New Section 2492 is added to define its meeting schedule. New Section 2493(a) through (e) is added to state the new committee's duties and functions, moved from CWC Committee Section 2491(a)(1) through (5).
- Sections 6416, 6436(b), 6450(b), 6470(a), (e) and (i), 6471(d), the title of 6472, 6472(a) and (b), 7405(a) and (b), and 7412(e) are amended to shift the Ethics Officers reporting responsibilities from the CWC Committee to the Ethics Committee.
- New Section 2493(c) and (d) and Section 6472(b) are amended for the Ethics Officer to provide the Ethics Committee monthly (instead of bi-monthly) status reports of pending investigations and monthly (instead of quarterly) reports on any engagement of professional and technical consultants.
- Other minor non-substantive changes include capitalizing Standing Committee in Section 2402 for internal consistency and adding "and" in the list of Ethics Officer-related items at Section 6470(e).

The proposed amendments are set forth in **Attachment 1**, with overstrikes reflecting deletions and underlining reflecting additions. **Attachment 2** sets forth the sections as they will appear in the Administrative Code if the changes are approved.



Marcia Scully
General Counsel

3/4/2026
Date



Abel Salinas
Ethics Officer

3/4/2026
Date

Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California (with changes marked)

Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California (clean copy)

Ref# I12710709

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 4

STANDING COMMITTEES

Article	Sec.
1 General	2400
2 Executive Committee	2410
3 Audit Committee	2420
4 Engineering, Operations and Technology Committee	2430
5 Finance, Affordability, Asset Management, and Efficiency Committee	2440
6 Legal and Claims Committee	2450
7 Legislation and Communications Committee	2460
8 Organization, Personnel and Effectiveness Committee	2470
9 One Water and Adaptation Committee	2480
10 Community and Workplace Culture Committee	2490
11 <u>Ethics Committee</u>	2492

Article 1

GENERAL

Sec.
2400. Identification of Standing Committees
2401. Officers and Members of Standing Committees
2402. <u>Day of Regular Meetings and Meeting Frequency</u>

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

- Executive Committee (EXEC)
- Audit Committee
- Engineering, Operations and Technology Committee (EOT)
- Finance, Affordability, Asset Management, and Efficiency Committee (FAAME)
- Legal and Claims Committee (LC)
- Legislation and Communications Committee (LEG)
- Organization, Personnel and Effectiveness Committee (OPE)
- One Water and Adaptation Committee (OWA)

—Community and Workplace Culture Committee (CWC)

- Ethics Committee

§ 2402. Day of Regular Meetings and Meeting Frequency.

The regular meetings of Sstanding Ceommittees shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. The Audit Committee, Community and Workplace Culture Committee, and Ethics Committee shall meet when needed. ~~on a quarterly basis.~~ If a scheduled meeting falls on a holiday designated in Section 1106, the meeting will be rescheduled to the next business day unless the Board selects an alternate date. Staff will adjust its schedule accordingly. All Standing Committees have continuing subject matter jurisdiction as described in the Duties and Functions sections and as otherwise indicated in the Administrative Code.

Article 3

AUDIT COMMITTEE

§ 2420. Day of Regular Meetings and Meeting Frequency.

The regular meetings of the Audit Committee shall be held ~~on when needed a quarterly basis in the months of March, June, September and December~~ on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

Article 10

COMMUNITY AND WORKPLACE CULTURE COMMITTEE

§ 2490. Day of Regular Meeting and Meeting Frequency.

The regular meetings of the Community and Workplace Culture (CWC) Committee shall be held ~~on when needed on~~ the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2491. Duties and Functions.

The CWC Committee shall study, advise and make recommendations on community and workplace culture matters, as follows:

- (a) ~~With regards to ethics matters:~~
 - (1) ~~Periodic performance expectations discussions, including progress checks, with the Ethics Officer.~~

~~(2) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.~~

~~(3) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.~~

~~(4) Receive and review quarterly reports from the Ethics Officer on any engagement of professional and technical consultants.~~

~~(5) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.~~

~~(b) With respect to matters of equal employment opportunity and of diversity, equity and inclusion:~~

~~(1)(a)~~ Direct and receive reports from, and be the home committee for, Metropolitan's Diversity, Equity and Inclusion Officer, and Metropolitan's Chief Equal Employment Opportunity Officer;

~~(2)(b)~~ Receive input, policy and procedure recommendations from the Diversity, Equity and Inclusion Officer; and the Chief Equal Employment Opportunity Officer.

~~(3)(c)~~ Study diversity, equity, and inclusion issues within Metropolitan to recommend ways to enhance and promote equal opportunity, affirmative action, increased diversity of the workforce and a culture of inclusion within Metropolitan;

~~(4)(d)~~ Monitor performance of efforts to promote workforce development programs, including training and advancement opportunities at Metropolitan to increase diversity, equity and inclusion within Metropolitan and benefit the communities within Metropolitan's service area; and

~~(5)(e)~~ Study areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity and affirmative action.

~~(6)(f)~~ Study, advise and make recommendations on the ways the District can:

~~(i)(1)~~ Better serve the disadvantaged and underserved communities within Metropolitan's service area, and mitigate issues of affordability;

~~(ii)(2)~~ Improve the access of disadvantaged and underserved communities to reliable, high-quality drinking water supplies;

~~(iii)(3)~~ Increase participation of currently underserved communities in Metropolitan's rebate, conservation, and other local resources programs; and

~~(iv)~~(4) Assist and support member agency programs and advocate for underserved communities, including providing communications, operational and technical assistance, with focus on consumer confidence in drinking water.

~~(7)~~(g) Monitor Metropolitan's compliance with laws governing equal opportunities and employment and the manner in which investigations are conducted in compliance with such laws.

Article 11

ETHICS COMMITTEE

Sec.

2492. Day of Regular Meeting and Meeting Frequency.

2493. Duties and Functions.

§ 2492. Day of Regular Meeting and Meeting Frequency.

The regular meetings of the Ethics Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2493. Duties and Functions.

The Ethics Committee shall study, advise and make recommendations with regards to ethics matters, as follows:

(a) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.

(b) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.

(c) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.

(d) Receive and review quarterly monthly reports from the Ethics Officer on any engagement of professional and technical consultants.

(e) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

DIVISION VI
PERSONNEL MATTERS

Chapter 4
OFFICERS

Article 2
GENERAL MANAGER

§ 6416. Annual Report to Executive Committee.

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor to the Audit Committee and the Ethics Officer to the ~~Community and Workplace Culture Ethics~~ Committee and the General Counsel to the Legal and Claims Committee.

Article 3
GENERAL COUNSEL

§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.

[SUBSECTION (a) OMMITTED]

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, ~~and the General Auditor to the Audit Committee, and to the~~ Ethics Officer to the Ethics Committee ~~Community and Workplace Culture Committee.~~

Article 4
GENERAL AUDITOR

§ 6450. Powers and Duties.

[SUBSECTION (a) OMMITTED]

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Audit Committee an Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Counsel to the Legal and Claims Committee and Ethics Officer to the ~~Community and Workplace Culture~~ Ethics Committee.

[SUBSECTIONS (c) and (d) OMMITTED]

Article 5**ETHICS OFFICER**

Sec.

6470. Powers and Duties

6471. Authority to Obtain Professional Services

6472. Reports to ~~Community and Workplace Culture~~ Ethics Committee

6473. Principal Assistant Ethics Officer

§ 6470. Powers and Duties.

The powers and duties of the Ethics Officer shall be as follows:

(a) The Ethics Officer shall report to the Board, through the ~~CWC~~ Ethics Committee.

[SUBSECTIONS (b) through (d) OMMITTED]

(e) The Ethics Officer shall propose amendments to the Administrative Code to the ~~CWC~~ Ethics Committee for approval and adoption by the Board, relating to:

- (1) Regulation of lobbying activities;
- (2) Conflicts of interest and financial disclosure;
- (3) Public notice and approval procedures for contracts of \$50,000 or more;
- (4) Disclosure of campaign contributions related to potential conflicts of interest;

and,

(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

[SUBSECTIONS (f) through (h) OMMITTED]

(i) The Ethics Officer shall have the authority to confer with the Chair of the Board and the Chair and Vice Chair of the ~~CWC~~Ethics Committee for the purpose of seeking advice and feedback on any policy and operational matters, or feedback on investigative matters, subject to the confidentiality requirements in section 7412 of the Administrative Code.

[SUBSECTION (j) OMMITTED]

§ 6471. Authority to Obtain Professional Services.

[SUBSECTIONS (a) through (c) OMMITTED]

(d) The Ethics Officer shall inform the ~~CWC~~Ethics Committee whenever the authority granted under this section is exercised, and shall further report quarterly on activities concerning any agreements entered into under this section. Any such contracts shall be consistent with Metropolitan contract requirements and shall be reviewed by the General Counsel.

§ 6472. Reports to ~~the Ethics Community and Workplace Culture~~ Committee.

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the ~~Community and Workplace Culture (CWC)~~Ethics Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval.

(b) The Ethics Officer shall prepare ~~quarterly~~monthly reports to the ~~CWC~~Ethics Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and ~~bi~~-monthly reports related to pending investigations as specified in Section 6470.

Division VII

GOVERNMENTAL ETHICS

Chapter 4

INVESTIGATION BY THE ETHICS OFFICER

Article 1

AUTHORITY TO INVESTIGATE AND JURISDICTION

§ 7405. Investigations of Directors, General Manager, General Counsel, General Auditor, or Ethics Officer.

(a) The Ethics Officer shall retain an outside counsel or investigator to conduct any investigation of alleged violations of Metropolitan ethics rules by a Director, General Manager, General Counsel or General Auditor. The investigation shall be conducted in consultation with the Ethics Officer. The Ethics Officer shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the Ethics Officer shall notify the ~~Community and Workplace Culture (CWC)~~ Ethics Committee Chair, unless the Chair is the subject of the investigation, in which case the Vice Chair shall be notified.

(b) The Ethics Officer shall refer to the General Counsel any complaint of alleged violations of Metropolitan ethics rules by the Ethics Officer or any member of the Office staff. The General Counsel shall retain an outside counsel or investigator to conduct the investigation in consultation with the General Counsel. The General Counsel shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the General Counsel shall notify the ~~CWC~~ Ethics Committee Chair.

Article 2

PROCEDURES FOR INVESTIGATIONS

§ 7412. Confidentiality of Investigations.

[SUBSECTIONS (a) through (d) OMMITTED]

(e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the ~~CWC~~ Ethics Committee on any investigative matter subject to the following:

- (1) The communications shall be for the purpose of feedback.
- (2) The communications shall be confidential.
- (3) The restrictions on interference with investigations in section 7129(d).

[SUBSECTION (g) OMMITTED]

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 4

STANDING COMMITTEES

Article		Sec.
1	General	2400
2	Executive Committee	2410
3	Audit Committee	2420
4	Engineering, Operations and Technology Committee	2430
5	Finance, Affordability, Asset Management, and Efficiency Committee	2440
6	Legal and Claims Committee	2450
7	Legislation and Communications Committee	2460
8	Organization, Personnel and Effectiveness Committee	2470
9	One Water and Adaptation Committee	2480
10	Community and Workplace Culture Committee	2490
11	Ethics Committee	2492

Article 1

GENERAL

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

- Executive Committee (EXEC)
- Audit Committee
- Engineering, Operations and Technology Committee (EOT)
- Finance, Affordability, Asset Management, and Efficiency Committee (FAAME)
- Legal and Claims Committee (LC)
- Legislation and Communications Committee (LEG)
- Organization, Personnel and Effectiveness Committee (OPE)
- One Water and Adaptation Committee (OWA)
- Community and Workplace Culture Committee (CWC)
- Ethics Committee

§ 2402. Regular Meetings.

The regular meetings of Standing Committees shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. The Audit Committee, Community and Workplace Culture Committee, and Ethics Committee shall meet when needed.

If a scheduled meeting falls on a holiday designated in Section 1106, the meeting will be rescheduled to the next business day unless the Board selects an alternate date. Staff will adjust its schedule accordingly. All Standing Committees have continuing subject matter jurisdiction as described in the Duties and Functions sections and as otherwise indicated in the Administrative Code.

Article 3**AUDIT COMMITTEE****§ 2420. Day of Regular Meetings and Meeting Frequency.**

The regular meetings of the Audit Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

Article 10**COMMUNITY AND WORKPLACE CULTURE COMMITTEE****§ 2490. Day of Regular Meeting and Meeting Frequency.**

The regular meetings of the Community and Workplace Culture (CWC) Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2491. Duties and Functions

The CWC Committee shall study, advise and make recommendations on community and workplace culture matters, as follows:

(a) Direct and receive reports from, and be the home committee for, Metropolitan's Diversity, Equity and Inclusion Officer, and Metropolitan's Chief Equal Employment Opportunity Officer;

(b) Receive input, policy and procedure recommendations from the Diversity, Equity and Inclusion Officer; and the Chief Equal Employment Opportunity Officer;

(c) Study diversity, equity, and inclusion issues within Metropolitan to recommend ways to enhance and promote equal opportunity, affirmative action, increased diversity of the workforce and a culture of inclusion within Metropolitan;

(d) Monitor performance of efforts to promote workforce development programs, including training and advancement opportunities at Metropolitan to increase diversity, equity and inclusion within Metropolitan and benefit the communities within Metropolitan's service area; and

(e) Study areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity and affirmative action.

(f) Study, advise and make recommendations on the ways the District can:

(1) Better serve the disadvantaged and underserved communities within Metropolitan's service area, and mitigate issues of affordability;

(2) Improve the access of disadvantaged and underserved communities to reliable, high-quality drinking water supplies;

(3) Increase participation of currently underserved communities in Metropolitan's rebate, conservation, and other local resources programs; and

(4) Assist and support member agency programs and advocate for underserved communities, including providing communications, operational and technical assistance, with focus on consumer confidence in drinking water.

(g) Monitor Metropolitan's compliance with laws governing equal opportunities and employment and the manner in which investigations are conducted in compliance with such laws.

Article 11

ETHICS COMMITTEE

Sec.

2492. Day of Regular Meeting and Meeting Frequency.

2493. Duties and Functions.

§ 2492. Day of Regular Meeting

The regular meetings of the Ethics Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2493. Duties and Functions

The Ethics Committee shall study, advise and make recommendations with regards to ethics matters, as follows:

- (a) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.
- (b) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.
- (c) Receive and review monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.
- (d) Receive and review monthly reports from the Ethics Officer on any engagement of professional and technical consultants.
- (e) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

DIVISION VI**PERSONNEL MATTERS****Chapter 4****OFFICERS****Article 2****GENERAL MANAGER****§ 6416. Annual Report to Executive Committee.**

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor to the Audit Committee and the Ethics Officer to the Ethics Committee and the General Counsel to the Legal and Claims Committee.

Article 3

GENERAL COUNSEL

§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.

[SUBSECTION (a) OMMITTED]

(b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Auditor to the Audit Committee, and the Ethics Officer to the Ethics Committee.

Article 4

GENERAL AUDITOR

§ 6450. Powers and Duties.

[SUBSECTION (a) OMMITTED]

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Audit Committee an Audit business plan containing key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee, the General Counsel to the Legal and Claims Committee and Ethics Officer to the Ethics Committee.

[SUBSECTIONS (c) and (d) OMMITTED]

Article 5

ETHICS OFFICER

Sec.

- 6470. Powers and Duties
- 6471. Authority to Obtain Professional Services
- 6472. Reports to Ethics Committee
- 6473. Principal Assistant Ethics Officer

§ 6470. Powers and Duties.

The powers and duties of the Ethics Officer shall be as follows:

(a) The Ethics Officer shall report to the Board, through the Ethics Committee.

[SUBSECTIONS (b) through (d) OMMITTED]

(e) The Ethics Officer shall propose amendments to the Administrative Code to the Ethics Committee for approval and adoption by the Board, relating to:

- (1) Regulation of lobbying activities;
- (2) Conflicts of interest and financial disclosure;
- (3) Public notice and approval procedures for contracts of \$50,000 or more;
- (4) Disclosure of campaign contributions related to potential conflicts of interest;

and,

(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

[SUBSECTIONS (f) through (h) OMMITTED]

(i) The Ethics Officer shall have the authority to confer with the Chair of the Board and the Chair and Vice Chair of the Ethics Committee for the purpose of seeking advice and feedback on any policy and operational matters, or feedback on investigative matters, subject to the confidentiality requirements in section 7412 of the Administrative Code.

[SUBSECTION (j) OMMITTED]

§ 6471. Authority to Obtain Professional Services.

[SUBSECTIONS (a) through (c) OMMITTED]

(d) The Ethics Officer shall inform the Ethics Committee whenever the authority granted under this section is exercised, and shall further report quarterly on activities concerning any agreements entered into under this section. Any such contracts shall be consistent with Metropolitan contract requirements and shall be reviewed by the General Counsel.

§ 6472. Reports to the Ethics Committee.

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Ethics Committee a business plan for the Ethics Office containing key priorities for the coming year for review and approval.

(b) The Ethics Officer shall prepare monthly reports to the Ethics Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and monthly reports related to pending investigations as specified in Section 6470.

Division VII**GOVERNMENTAL ETHICS****Chapter 4****INVESTIGATION BY THE ETHICS OFFICER****Article 1****AUTHORITY TO INVESTIGATE AND JURISDICTION****§ 7405. Investigations of Directors, General Manager, General Counsel, General Auditor, or Ethics Officer.**

(a) The Ethics Officer shall retain an outside counsel or investigator to conduct any investigation of alleged violations of Metropolitan ethics rules by a Director, General Manager, General Counsel or General Auditor. The investigation shall be conducted in consultation with the Ethics Officer. The Ethics Officer shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the Ethics Officer shall notify the Ethics Committee Chair, unless the Chair is the subject of the investigation, in which case the Vice Chair shall be notified.

(b) The Ethics Officer shall refer to the General Counsel any complaint of alleged violations of Metropolitan ethics rules by the Ethics Officer or any member of the Office staff. The General Counsel shall retain an outside counsel or investigator to conduct the investigation in consultation with the General Counsel. The General Counsel shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the General Counsel shall notify the Ethics Committee Chair.

Article 2**PROCEDURES FOR INVESTIGATIONS****§ 7412. Confidentiality of Investigations.**

[SUBSECTIONS (a) through (d) OMMITTED]

(e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the Ethics Committee on any investigative matter subject to the following:

- (1) The communications shall be for the purpose of feedback.
- (2) The communications shall be confidential.
- (3) The restrictions on interference with investigations in section 7129(d).

[SUBSECTION (g) OMMITTED]



Legal and Claims Committee

Amend the MWD Administrative Code to Modify the Committees

Item 7-2

March 10, 2026

Presented by: Marianne Greene

Item # 7-2

Amend the Administrative Code

Subject

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

Add an Ethics Committee change the schedules of the Audit and CWC Committees to meet only when needed

Item # 7-2

Add a New Ethics
Committee

Recommendation

Approve amendments to the MWD Administrative Code to add an Ethics Committee and enable the CWC and Audit Committees to only meet when necessary

Fiscal Impact: None

Budgeted: N/A

Presentation Length: 5 minutes

Adds the New Committee

Sections 2400, 2491,
2492, 2493

New Ethics Committee

- Amends Section 2400 to add an Ethics Committee to the Standing Committees
- Amends Section 2491 by shifts the five ethics-related duties from CWC Committee to the new Ethics Committee
- Adds Ethics Committee Sections 2492 (for meetings) and 2493 (for duties and functions)

Ethics Officer Reporting Duties

Sections 6416, 6450(b), 6470(a), (e) and (i), 6471(d), 6472(a) and (b), 7405(a) and (b), and 7412(e)

Shifting Reports from CWCC to Ethics

- Section 6416 - Annual report
- Sections 6450, 6472 - Business plan, reports
- Section 6470 - Power and duties generally
- Section 6471 - Professional services contracts
- Section 7405 - Investigations of Officers
- Section 7412 - Conferring with Chairs

Pending investigation status reports and consultant contract reports will both change to monthly reports.

Meetings Only When Necessary

Sections 2420 and 2490

Audit and Workplace Culture Meetings

- Currently Audit Committee meetings are quarterly; and CWC Committee's are monthly.
- The amendments will allow these two committees to meet as needed thus replacing their fixed schedules
- These committees will still retain their subject matter jurisdiction thus maintaining them as Standing Committees

Other Changes

Minor Non-substantive Cleanups.

- Capitalizing Standing Committee in Section 2402 for internal consistency
- Adding “and” in the list of Ethics Officer related items at Section 6470(e).
- Include the Chief Equal Employment and Opportunity Officer in Section 2491(b)

Board Options

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes

Option #2

Do not approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes

Staff Recommendation

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes





● **Board of Directors**
Legal and Claims Committee

3/10/2026 Board Meeting

7-3

Subject

Authorize an increase in the maximum amount payable under contract with Van Ness Feldman LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Since 2023, Van Ness Feldman LLP (Van Ness) has provided Metropolitan with expert legal advice on Colorado River matters. The funding under the current agreement is running low, and additional funds are necessary to support current and anticipated needs.

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

Staff Recommendation: Option #1

Option #1

Authorize an increase in the maximum amount payable under contract with Van Ness Feldman LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000.

Fiscal Impact: \$250,000, authorized legal services funded within the FY 2026/27 budget

Business Analysis: Expert special counsel will assist staff with Colorado River matters.

Option #2

Do not authorize the contract increase.

Fiscal Impact: Additional \$250,000 will not be spent. It may be necessary to seek other assistance.

Business Analysis: Metropolitan will not have the continued assistance of special counsel on Colorado River matters.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 6431: Authority to Obtain Expert Assistance

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

Van Ness has extensive expertise in western water law as well as a variety of other substantive areas including constitutional law, federal law and regulation, environmental, including the National Environmental Policy Act and Endangered Species Act, and procedural law. Members of the firm have previously served as counsel to the House Committee on Interior and Insular Affairs (now the Committee on Natural Resources) and in the Department of the Interior.

In May 2023, the General Counsel engaged the firm to provide advice, assistance and potential litigation support for Colorado River matters. The firm works with Legal and other members of the Colorado River staff to provide information and analysis on specific legal issues as requested.

The costs are approaching the contract maximum. Staff anticipates that the work will increase during this year and requests authorization to increase the contract maximum by \$250,000 to a not-to-exceed amount of \$500,000.



Marcia Scully
General Counsel

3/3/2026

Date

Ref# I12709237



Legal & Claims Committee

Request to Authorize Increase for Special Counsel Contract with Van Ness Feldman, LLP

Item #7-3

March 10, 2026

Presented by: Marcia Scully

Item 7-3

Request for Contract Increase

Subject

Authorize an increase in the maximum amount payable under contract with Van Ness Feldman, LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

Request additional funds to continue engagement of counsel for legal services regarding Colorado River matters

Recommendation and Fiscal Impact

Authorize the requested contract increase

Budgeted

Background

Van Ness Feldman, LLP

Extensive expertise in the following areas of law:

- Western water
- Constitutional
- Federal and regulation
- Environmental
- Procedural

Background

Van Ness Feldman, LLP

- Retained in May 2023 to provide advice, assistance, and potential litigation support for Colorado River matters

Board Options

- **Option #1**
Authorize an increase in the maximum amount payable under contract with Van Ness Feldman LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000
- **Option #2**
Do not authorize the contract increase

Staff Recommend- ation

- Option #1





- **Board of Directors**
One Water and Adaptation Committee

3/10/2026 Board Meeting

8-1

Subject

Authorize the General Manager to develop and enter into an Agreement with the Los Angeles Department of Water and Power and the Los Angeles County Department of Public Works for Multi-Benefit Program Funding Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

In May 2025, Metropolitan's One Water and Adaptation Committee directed staff to work with the Los Angeles County Department of Public Works (County) to develop a Multi-Benefit Program Funding Pilot (Pilot Program) that would allow the County to fund stormwater capture improvements on private property within Los Angeles County. Metropolitan and County staff developed and evaluated several versions of a pilot program, drawing on research and lessons learned from similar programs in other counties. In November 2025, the County selected the Los Angeles Department of Water and Power's (LADWP) service area for participation in the Pilot Program. The proposed Pilot Program was further refined following subsequent discussions and input from LADWP. The proposed Pilot Program includes (1) an extension of LADWP's Landscape Efficiency Assistance Program, utilizing funding from the County and Metropolitan; (2) development of a new process for Metropolitan to administer and provide funds from an outside entity to a member agency; and (3) an independent third-party cost-benefit analysis of the Pilot Program.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to develop and enter into an agreement with LADWP and the County for the Multi-Benefit Program Funding Pilot consistent with the approved terms, including using U.S. Bureau of Reclamation (USBR) grant funding and \$250,000 of Metropolitan's own funds for the required cost-share purposes.

Fiscal Impact: Total cost to Metropolitan of \$350,000, which includes \$250,000 of Metropolitan's own funds (for cost-sharing towards USBR grant funding) and an additional \$100,000 for the budgeted estimated cost of the final pilot study analysis and report. Metropolitan would also use \$250,000 of Metropolitan's USBR grant funding.

Business Analysis: Opportunity to pilot a funding mechanism that would simplify the process for member and retail agencies to create partnerships that result in multi-benefit programs. This also allows Metropolitan to utilize awarded grant funds while avoiding potential administrative and other issues.

Option #2

Do not authorize the General Manager to enter into an agreement with LADWP and the County for a multi-benefit program funding pilot.

Fiscal Impact: None

Business Analysis: Staff would not move forward with partnering with the County on a multi-benefit pilot.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 4210: Water Conservation

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 52776, dated April 12, 2022, the Board adopted the 2020 Integrated Water Resources Plan Update, as set forth in Agenda Item 7-1 board letter.

By Minute Item 49542, dated September 10, 2013, the Board authorized new conservation program initiatives effective October 1, 2013.

By Minute Item 49068, dated May 8, 2012, the Board authorized changes to Metropolitan's Water Conservation Program effective July 1, 2012.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378(a)).

CEQA determination for Option #2:

None required

Details and Background

Background

It is Metropolitan's policy to undertake and support water conservation programs. The Board has directed staff to "develop and implement such programs and enter into agreements with member public agencies and other organizations to make more efficient use of water resources through water conservation programs so long as such agreements serve a beneficial purpose of Metropolitan." (Metropolitan Water District Administrative Code § 4210.) Conservation and water use efficiency have played a key role in Metropolitan's Integrated Water Resources Plan for decades. Metropolitan invests in regional and local conservation programs that provide needed water savings and demand reduction, including the regional Turf Replacement Program and member and retail agency landscape direct install programs.

Since 2018, Metropolitan has actively promoted the co-benefits of turf removal and replacement with drought-tolerant and environmentally sustainable gardens. Turf replacement, whether through direct installation or the regional rebate program, provides long-term water savings, as well as other benefits such as habitat creation, reduced stormwater runoff, improved water quality, and urban cooling. These co-benefits could meet the goals of

external entities and create a partnership opportunity to leverage additional outreach and funding that benefits multiple agencies.

At this time, there is no mechanism for an outside entity to make financial contributions for funding co-benefits through Metropolitan's conservation program. Outside entities that wish to contribute to the regional program must do so by entering into a direct financial agreement with a member agency. Outside entities that wish to partner on local programs, such as a direct-install landscape program, must do so directly with the local agency. Metropolitan's current billing structure can only receive program funds administered through the conservation program to and from member agencies and their retail agencies. The proposed Pilot Program will test a new process that utilizes the administrative structures of the conservation program to streamline partnerships between outside entities and their preferred member agency partners, and improve access to additional funding for member and retail agencies.

Process and Input

The County has expressed interest in providing \$1.5 million in funding to help achieve the stormwater retention and infiltration goals outlined in their Safe, Clean Water Program. Over the last eight months, Metropolitan staff have met regularly with County staff to discuss options for a pilot program that would incorporate their desired enhanced stormwater requirements into turf replacement projects. Concurrently, staff met regularly with San Diego County and Orange County public works staff, both of which are engaged in similar partnerships with the San Diego County Water Authority and the Municipal Water District of Orange County, respectively. Through this engagement, staff gained significant knowledge about the resources, time, and local expertise required to ensure proper design and installation of the enhanced stormwater features. The general consensus and outcome is that individual property owners would not be able to design and install the type of stormwater features required by the County without extensive technical assistance.

As part of the development process, the County was responsible for identifying its preferred member agency partner and service area within Los Angeles County. In November 2025, the County selected the LADWP and its service area as its selected participant in the Pilot Program. At that time, Metropolitan and County staff were able to begin engagement with LADWP to discuss the concept of a stormwater pilot and to incorporate their needs and goals into the proposed pilot program. The proposed Pilot Program meets the goals of all three agencies and is practicable given each agency's resource and staffing limitations.

Proposed Approach

The proposed approach to the Pilot Program allows a new avenue for interested outside funding agency (County) to utilize Metropolitan's conservation program administrative infrastructure to fund a program or program element with a Metropolitan member agency (LADWP) of their choice. In the case of this Pilot Program, the County will be funding the inclusion of enhanced stormwater features in one of LADWP's direct install programs administered through Metropolitan.

LADWP recently launched the Landscape Efficiency Assistance Program (LEAP), a direct-install landscape program for customers in underserved communities, currently funded by a USBR grant. LADWP's service area was divided into nine regions, and designs were developed for each region that met Metropolitan's Turf Replacement Program standards. Grant funding for LEAP expires on December 31, 2026. However, LADWP's agreements with the landscape contractors currently implementing the program extends through 2028, creating an opportunity to utilize LEAP for this pilot. The County will provide \$1.5 million to Metropolitan, and Metropolitan will then administer and dispense the money to LADWP for LEAP, allowing the program to operate beyond 2026. LADWP will execute change orders with its landscape contractors to include the installation of stormwater features that capture the runoff from an 85th-percentile stormwater event, which provides the stormwater retention and infiltration as required by the County.

Staff proposes piloting a streamlined funding process that could allow outside entities to partner with Metropolitan on programs that benefit all parties. As noted earlier, Metropolitan does not currently have a process in place that allows non-member agencies to contribute funding directly to Metropolitan programs without member agency participation. Similarly, member and retail agencies are only able to partner with outside entities on local conservation programs when agency staff has the capacity to do so. Many agencies are hindered from

developing partnerships by the administrative burden of executing agreements for each program. Under this Pilot Program, Metropolitan will develop an administrative process to provide the County's funding to LADWP for completed projects. Metropolitan will also issue a request for proposals to enter into an agreement with an independent third-party consultant for a final pilot program analysis study and report. This work will include a cost-benefit analysis, quantification of stormwater benefits, and a review of other potential co-benefits of direct install turf replacement. If this Pilot Program is successful, this process could be introduced region-wide for any number of potential partners for local programs and Metropolitan's regional programs.

In December of 2024, Metropolitan was awarded \$250,000 in grant funding from USBR for a Disadvantaged Community Direct Install Landscape Program. Metropolitan staff have been developing a small pilot program to utilize the grant funding awarded for a direct install program in disadvantaged communities. However, direct-install programs create administrative and other challenges and therefore, are best implemented by outside entities. That is why staff recommends contributing the grant funding and Metropolitan's required cost-share to this proposed Pilot Program. Staff proposes using the USBR grant funding and \$250,000 in Metropolitan funds for a cost-share to fund LADWP's LEAP program, along with the County's \$1.5 million in funding. The proposed Pilot Program provides an opportunity for Metropolitan to benefit from the water savings achieved by LADWP's LEAP program as a result of direct-install programs.

Staff is requesting approval to develop and enter into an agreement with the following terms:

1. Metropolitan will administer the funding by the County and Metropolitan for reimbursement of eligible work completed through LEAP.
2. Metropolitan will assist in the development of the revised LEAP scope of work to achieve the goals set forth by LADWP and the County.
3. Metropolitan agrees to accept \$1.5 million in County funding and distribute it to LADWP for reimbursement of work completed through LEAP.
4. Metropolitan will contribute up to \$250,000 of its USBR grant funding awarded for a Disadvantaged Community Direct Install Landscape Program to LADWP for reimbursement of work completed through LEAP.
5. Metropolitan will contribute up to \$250,000 of its own funds to LADWP for LEAP reimbursement, to meet the required match funding for the USBR grant fund expenditures.
6. Metropolitan agrees to lead and fund a third-party independent cost-benefit analysis of the Pilot Program upon program completion.
7. Metropolitan will spend up to \$100,000 for preparation of a final pilot study and report.

Next Steps

If approved by the Board, the General Manager will be authorized to enter into an agreement consistent with the terms described in this board letter with LADWP and the County for the Pilot Program. Upon execution of the agreement, staff will solicit proposals for a third-party program analysis consultant and report progress and results to the Board.



Brandon J. Goshi
Manager, Water Resources Management

3/4/2026

Date



Shivaji Deshmukh
General Manager

3/4/2026

Date

wrm12713121



One Water and Adaptation Committee

Authorize the General Manager to develop and enter into an Agreement with the Los Angeles Department of Water and Power and the Los Angeles County Department of Public Works for Multi-Benefit Program Funding Pilot

Item 8-1

March 9, 2026

Presented by: Krista Guerrero

Item 8-1 Potential Multi-Benefit Funding Pilot Program

Subject

Authorize the General Manager to develop and enter into an Agreement with the Los Angeles Department of Water and Power and the Los Angeles County Department of Public Works for Multi-Benefit Program Funding Pilot

Purpose

Inform on final pilot proposal and receive Board approval to move forward with program development and implementation

Potential Multi- Benefit Funding Pilot Program



Activity To Date

- Metropolitan staff engaged with Accelerate Resilience Los Angeles (ARLA) to discuss the Turf Replacement Program benefits/goals, and potential co-funding partnerships
- Board direction to develop a potential pilot program with Los Angeles County Department of Public Works (PW); presented progress to date November 2025
- Meetings between Metropolitan, LADWP, and PW to discuss pilot program goals and refine draft proposal

Potential Multi- Benefit Funding Pilot Program



Pilot Program Considerations

- Metropolitan has existing co-funding structure in place for regional rebate program
- Lessons learned from County of SD and OCPW programs indicate significant resources required for proper stormwater feature installation
- Participating agencies are working within resource and programmatic limitations
- Pilot should meet goals of each participating agency

Potential Multi- Benefit Funding Pilot Program



Pilot Program Description

- Metropolitan will pilot the utilization of the Regional Conservation Program administrative and billing structure to facilitate funding from PW for specific stormwater features in a program run by LADWP
- PW will contribute funding to LADWP's direct install Landscape Efficiency Assistance Program (LEAP)
 - Program will launch January 2027 after current grant funding is exhausted
 - LEAP contractor agreements will be modified to include prescriptive stormwater feature desired by PW and to provide data collection

Potential Multi- Benefit Funding Pilot Program



Pilot Program (continued)

- Metropolitan will develop the agreements and processes needed to facilitate moving outside-agency funding to MWD member and local agency programs
- Upon program completion, final analysis and report issued by independent third-party contractor providing data on the efficacy of the direct install approach and the costs and benefits of the additional stormwater and other features

Funding Process



Measure
W Funds



Measure
W Funds



USBR
Grant
Funds +
MWD Cost
Share



Member
Agency via
MAAP



Participating Agency Funding Contributions

Potential Multi- Benefit Funding Pilot Program



Agency	Contribution
Metropolitan	\$600,000 *
LA County Public Works	\$1,500,000
LA Dept of Water and Power	In-kind services †

* Consists of \$250,000 USBR grant funding, \$250,000 Metropolitan cost share, and \$100,000 for pilot study/final report

† May include LEAP administration, data collection and analysis

Potential Multi- Benefit Funding Pilot Program



Key Takeaways

- Proposed program ensures proper design and installation of turf replacement and stormwater features through Direct Install
- Metropolitan – led funding process can be utilized to assist member and local agencies with outside partnering for a variety of conservation programs
- Opportunity to utilize awarded USBR grant funds that target Direct Install programs in disadvantaged communities

Potential Multi- Benefit Funding Pilot Program



Meeting Pilot Program Objectives

Metropolitan

- ✓ Pilot a new methodology that can be expanded to entire service area, with future applicability for all member agencies
- ✓ Analyze all turf replacement benefits in disadvantaged communities and water supply benefits
- ✓ Utilize USBR grant funding for Direct Install in disadvantaged communities

LADPW

- ✓ Meet goals of Safe Clean Water Program and utilize Measure W funds to generate stormwater co-benefits through turf replacement features in disadvantaged communities

Potential Multi- Benefit Funding Pilot Program



Meeting Pilot Program Objectives

LADWP

- ✓ Provide turf replacement assistance to disadvantaged communities
- ✓ Maintain internal priorities with limited staff availability

ARLA

- ✓ Direct install turf replacement to disadvantaged communities
- ✓ Metropolitan-Led co-benefit partnership to utilize outside funding for conservation
- ✓ Coordination with CBOs for outreach and marketing

Metropolitan-led and funded Direct Install

Potential
Multi-
Benefit
Funding
Pilot
Program



Next Steps Upon Approval to Proceed

- Develop and execute three-way agreement with PW and LADWP
- Develop and test funding process
- Finalize direct install scope of work changes
- Assess pilot study data needs and issue RFP

Potential Multi- Benefit Funding Pilot Program

Board Options

- Option #1
Authorize the General Manager to develop and enter into an agreement with LADWP and the County for the Multi-Benefit Program Funding Pilot consistent with the approved terms, including using U.S. Bureau of Reclamation (USBR) grant funding and \$250,000 of Metropolitan's own funds for the required cost-share purposes.
- Option #2
Do not authorize the General Manager to develop and execute an agreement with LADWP and LADPW for a multi-benefit program funding pilot.

Potential Multi- Benefit Funding Pilot Program

Staff Recommendation

- Option #1
Authorize the General Manager to develop and enter into an agreement with LADWP and the County for the Multi-Benefit Program Funding Pilot consistent with the approved terms, including using U.S. Bureau of Reclamation (USBR) grant funding and \$250,000 of Metropolitan's own funds for the required cost-share purposes.





Engineering Services Group

- **Capital Investment Plan Quarterly Report for period ending December 2025**

Summary

The attached report provides a summary of actions and accomplishments on the Capital Investment Plan (CIP) during the second quarter of fiscal year 2025/26. It also provides updates on the status of capital projects and capital expenditures to date, and information regarding service connections and relocations authorized by the General Manager during the reporting period of October to December 2025, the second quarter of fiscal year 2025/26, and the sixth quarter of the fiscal years 2024/25 and 2025/26 biennium.

Purpose

Administrative Code Requirement Section 2720(a)(1): General Manager's Quarterly Reports

Section 2720 of Metropolitan's Administrative Code requires the General Manager to report quarterly to the Engineering and Operations Committee on the Capital Investment Plan.

Sections 4700-4708 of Metropolitan's Administrative Code requires the General Manager to report on service connections approved by the General Manager with the estimated cost and approximate location of each.

Section 8122(c) of Metropolitan's Administrative Code requires the General Manager to report on the execution of any relocation agreement under the General Manager's authority involving an amount in excess of \$100,000.

Highlights of progress and major milestones on selected projects are presented in the attached report grouped by CIP program.

Attachments

Capital Investment Plan quarterly report for period ending December 2025



The Metropolitan Water District of Southern California

Capital Investment Plan

Quarterly Report

October - December 2025



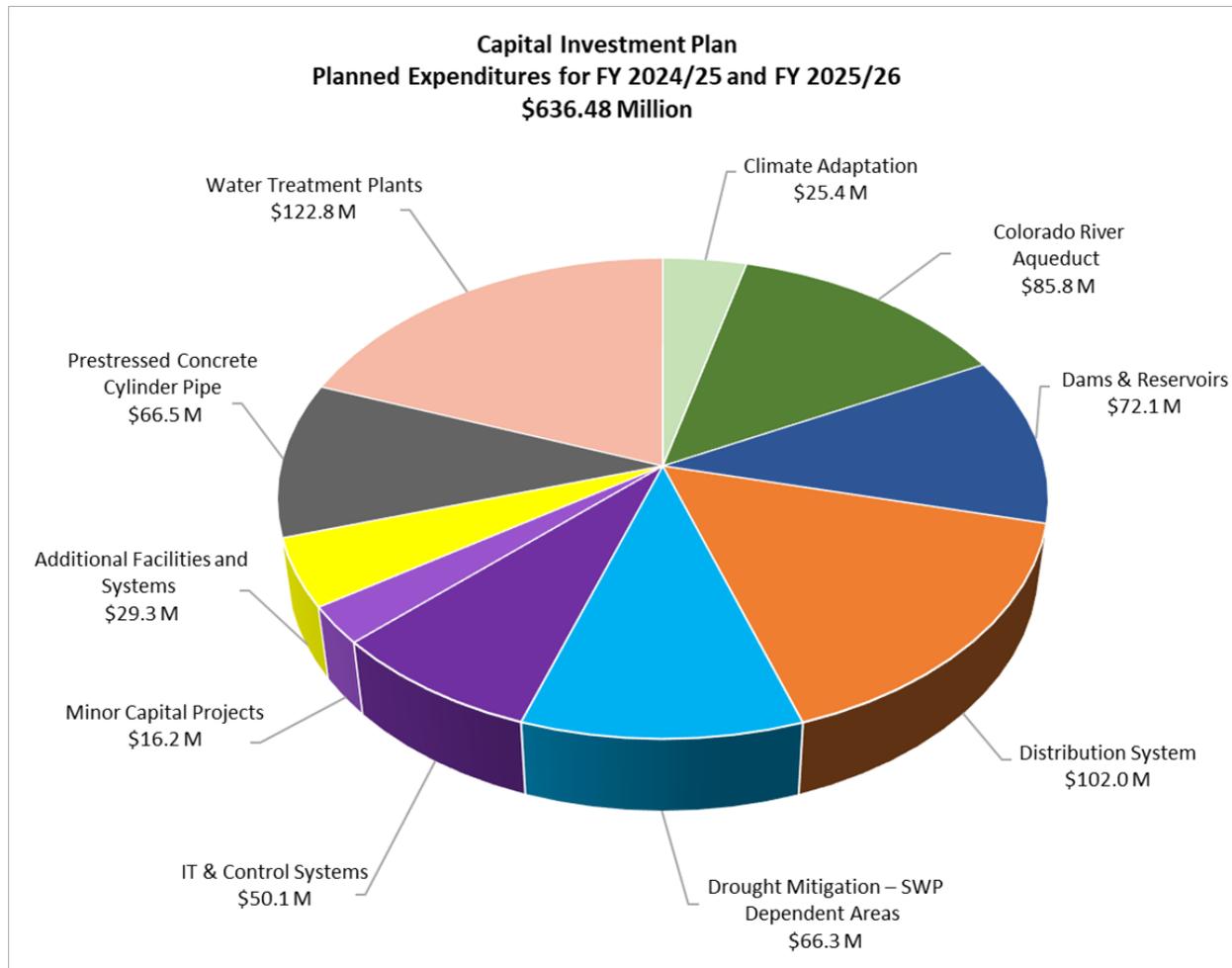
Table of Contents

Capital Investment Plan for Fiscal Years 2024/25 & 2025/26	2	CEQA Determinations	41
Executive Summary	3	Construction and Procurement Contracts	42
Board Action Summary	3	Performance Metrics	51
Planned Expenditure and Budget	6	Service Connections and Relocations	54
Funding of Infrastructure Projects with Outside Sources	8	Projects Expensed to Overhead	54
Major Capital Programs Overview	10	Program Status	55
Major Capital Project Programs – Highlights	12	List of Tables	56
Minor Capital Projects Program	34	List of Figures	56
Project Actions	38		

Capital Investment Plan for Fiscal Years 2024/25 & 2025/26

In April 2024, the Board appropriated \$636.48 million and delegated authority to the General Manager, subject to both CEQA requirements and the General Manager’s authority as addressed in Metropolitan’s Administrative Code, to initiate or proceed with work on all planned Capital Investment Plan (CIP) projects identified in the CIP Appendix for FYs 2024/25 and 2025/26. In this reporting quarter, the board approved and appropriated an increase of \$30 million to the CIP for Fiscal Years 2024/25 and 2025/26, thereby increasing the biennial amount to \$666.48 million. Figure 1 below shows the planned expenditures by program based on the original budget of \$636.48 million. Allocation of the additional \$30 million will be determined during the next two quarters.

Figure 1¹: CIP for FY 2024/25 and FY 2025/26 by Program



[Cover photos (left to right; top to bottom): DVL Floating Wave Attenuator System Replacement – Stage 2 – Lifting a floating wave attenuation concrete module; Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings – Testing Iron Mountain Pumping Plant storage building exterior lighting system; Palos Verdes Reservoir Helicopter Dip Tank Facility – Testing the dip tank system]

¹ Figure 1 illustrates the planned expenditures by program based on an original CIP Budget of \$636.48 million

Executive Summary

This report provides a summary of the Capital Investment Plan (CIP) activities and accomplishments during the 2nd Quarter of Fiscal Year (FY) 2025/26, which ended in December 2025. CIP expenditures through the 2nd Quarter totaled approximately \$463.4 million, with 35 active procurement and construction contracts at the end of the quarter. The actual expenditures are projected to remain close to the planned expenditures, ending the biennium near the planned expenditures of \$666.48 million. The CIP funds allocated to specific projects through the reporting quarter totaled approximately \$578.3 million, leaving approximately \$88.2 million available to be allocated during the remainder of the current biennium.

During the quarter, eight CIP-specific board actions were heard in open sessions. Three construction and one procurement contracts were awarded by the Board during the reporting period, with a total contract amount of approximately \$158.1 million. During the same period, a total of approximately \$9.2 million in contract earnings were recorded, reflecting construction progress on projects such as CRA Employee Housing Fencing and Shade Structure Improvements; Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings; and Weymouth Water Treatment Plant Basins Nos. 5-8 and Filter Building No. 2 Rehabilitation.

Staff continues to manage over 500 CIP projects and project spending in this and future budget cycles. Some of the major construction projects that could potentially be started in the next three years include Phase 2B of Stage 1 Design Build of the Sepulveda Feeder Pump Stations, Sepulveda Feeder PCCP Rehabilitation – Reaches 9, CRA Sump System Rehabilitation, Foothill Pump Station/Inland Feeder Intertie, Copper Basin Discharge Valve Replacement, Weymouth Administration Building Seismic Upgrades, Lakeview Pipeline Relining – Stage 2, and numerous zero emissions fleet infrastructure and security projects. In October 2025, the board approved and appropriated an increase of \$30 million, bringing the CIP to \$666.48 million for FYs 2024/25 and 2025/26. The increase was needed to ensure the timely execution of essential refurbishment and replacement projects, which reduce Metropolitan’s risk exposure and maintain the reliability of its aging critical infrastructures.

Staff continued with the CIP budget preparation and is planning to complete the proposed draft CIP during the next reporting period. The majority of projects are refurbishment and replacement (R&R) projects, and in each biennium, approximately 100 new projects are proposed.

Board Action Summary

During the 2nd Quarter, board actions heard in open session included eight CIP project-specific actions summarized in Table 1 below. These actions awarded four contracts totaling approximately \$158.1 million; authorized six new professional/technical services agreements (including on-call agreements) for a not-to-exceed total of approximately \$10.1 million; authorized increases to three existing professional/technical services agreements (including an on-call agreement) totaling approximately \$4.5 million; approved and appropriated an increase of \$30 million to the CIP for FYs 2024/25 and 2025/26; and authorized an unplanned project. The table below excludes information on any board items heard in closed session.

Table 1: 2nd Quarter Board Actions

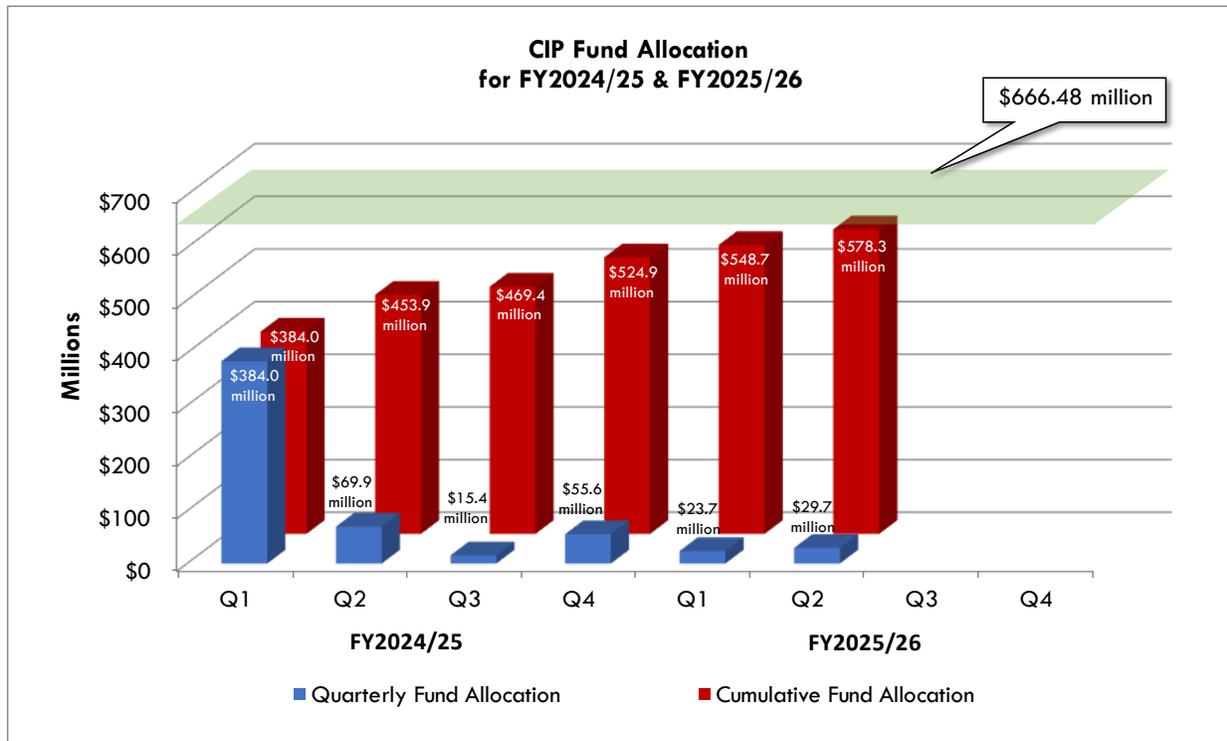
Month	Board Letter Item No.	Project	Action Taken
October	7-1	State Water Project Invasive Mussel Mitigation and Control	Authorized an unplanned project
October	7-9	Diemer Chemical Feed Facility Improvements	Awarded a \$6,412,126 construction contract
October	8-1	Capital Investment Plan for Fiscal Years 2024/25 and 2025/26	Approved and appropriated an increase of \$30 million for projects identified in the CIP for FYs 2024/25 and 2025/26

Month	Board Letter Item No.	Project	Action Taken
November	7-1	CRA 230 kV Transmission Line and Fiber Optic Improvements	Authorized two agreements for a total not-to-exceed \$2,070,000
November	8-1	Eagle Mountain and Hinds Pumping Plants Utilities Replacement	Awarded a \$35,722,000 construction contract and authorized an increase of \$320,000 to an existing agreement
December	7-1	LA-17A and LA-17C Venturi Flowmeters Replacement	Awarded a \$381,812 procurement contract
December	7-2	On-call Agreements for Engineering Services	Authorized four on-call agreements not-to-exceed \$2 million each and authorized an increase of \$1.0 million to an existing on-call agreement
December	8-1	Garvey Reservoir Rehabilitation – Stage 1	Adopted CEQA determination, awarded a \$115,611,000 construction contract, and authorized an increase of \$3.2 million to an existing agreement

The previously referenced April 2024 and October 2025 board actions appropriated a total of \$666.48 million to perform work on planned CIP projects through the current biennium. To be considered a planned project, the project must be identified and described in the CIP Appendix for the two-year budget cycle. Consistent with the April 2024 action, all requests to allocate funds and proceed with planned CIP projects are reviewed and approved by the Chief Engineer acting under the General Manager’s authority. Unplanned projects, those that are not already identified in the CIP Appendix, require a separate board authorization. During the 2nd Quarter, the Board amended the CIP to include one new CIP project, State Water Project Invasive Mussel Mitigation and Control.

Figure 2 shows the allocation of the funds from Appropriation No. 15535 for this quarter and a total for the current biennium through the quarter, which is approximately \$578.3 million, leaving approximately \$88.2 million to be allocated during the remainder of the current biennium. This amount includes the allocation of \$10 million to the Minor Capital Projects Program. During the 2nd Quarter, approximately \$25.7 million was allocated for new work authorized, and approximately \$4.0 million was reallocated from the CIP Appropriation No. 15535 to projects that had prior authorizations. Details of the allocations and reallocations of funds during the reporting quarter can be found in the **Project Actions** section.

Figure 2: CIP Fund Allocation from Appropriation No. 15535 – FY 2024/25 and FY 2025/26



Note: Numbers may not sum due to rounding.

Information on construction and procurement contracts activities for the 2nd Quarter of FY 2025/26 is presented in the **Construction and Procurement Contracts** section of this report. The total progress earnings for these contracts in the 2nd Quarter totaled approximately \$9.2 million and primarily reflect construction progress on CRA Employee Housing Fencing and Shade Structure Improvements; Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings; and Weymouth Water Treatment Plant Basins Nos. 5-8 and Filter Building No. 2 Rehabilitation.

Planned Expenditure and Budget

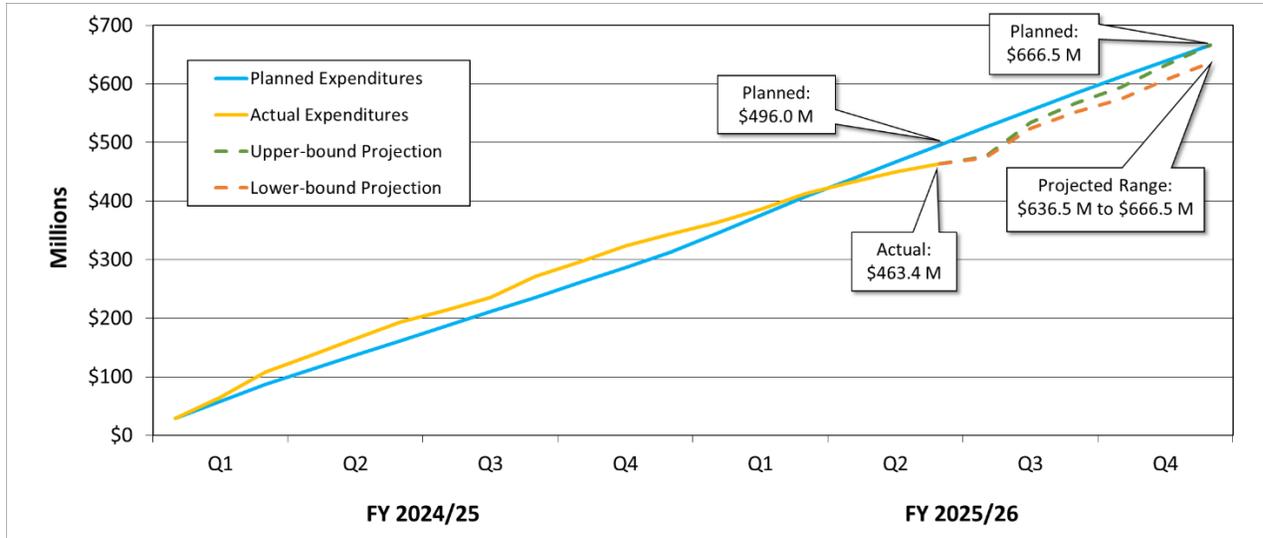
Table 2 below shows the planned and actual expenditures for the biennium through the end of the 2nd Quarter of FY 2025/26. Figure 3 shows the forecast of expenditures through the end of the current biennium, against planned expenditures for the same time interval. Actual expenditures through the 2nd Quarter of FY 2025/26 were approximately 93% of planned expenditures.

Table 2: Planned & Actual Expenditures for FYs 2024/25 & 2025/26

Quarter	Planned Expenditures (millions)	Actual Expenditures ² (millions)
FY 2024/25, Q1	\$87.2	\$107.7
FY 2024/25, Q2	\$74.3	\$86.0
FY 2024/25, Q3	\$73.9	\$77.7
FY 2024/25, Q4	\$76.6	\$72.4
FY 2025/26, Q1	\$95.3	\$68.6
FY 2025/26, Q2	\$88.8	\$51.0
Totals	\$496.0	\$463.4

² Excludes expenditures covered by grants for drought mitigation projects and numbers may not sum due to rounding.

Figure 3: Current Biennium – Planned, Actual & Forecasted Expenditures



As shown in Figure 3, the total planned expenditures in the current biennium are \$666.48 million. The projected expenditures for the biennium are currently projected to be between \$636.5 million and \$666.5 million, with the actual expenditures approximately 7% lower than the planned expenditures through the 2nd Quarter of FY 2025/26.

Funding of Infrastructure Projects with Outside Sources

This section provides information on select grants and other outside sources of funds that Metropolitan receives to support infrastructure projects. The expenditures related to these outside funding sources are described below and will be updated in subsequent quarters as the funds are received and expenditures are recorded.

Pure Water Southern California

In December 2022, Metropolitan's Board authorized the General Manager to use \$80 million in project funding from the State Water Resources Control Board (SWRCB) to commence activities related to the initiation of the Pure Water Southern California program. Metropolitan received the \$80 million funding in one lump sum payment on May 24, 2023, to support the design activities for the program. The use of these funds is not included as part of Metropolitan's CIP expenditures. Through the reporting quarter, approximately \$47.4 million has been used to support program management tasks, including the preparation of various plans for program implementation, and preliminary design of the initial two reaches of the conveyance pipelines.

Metropolitan is currently discussing with the program partners, Southern Nevada Water Authority (SNWA) and Arizona Department of Water Resources, to determine their potential contributions to the program. Los Angeles County Sanitation Districts (LACSD) has agreed to be responsible for implementation of the pretreatment and nitrogen management facilities, which includes the membrane bioreactor (MBR). The amended and restated agreement with LACSD was authorized on September 9, 2024. Metropolitan is currently discussing with other program partners to determine their potential contributions to the program.

The U.S. Bureau of Reclamation (USBR) awarded a \$5 million WaterSMART grant to Metropolitan in 2023. The grant agreement was finalized in May 2024. A three-time matching fund is required for this grant. Metropolitan also received a notice of intent to award a Large-Scale Water Recycling Project (LSWRP) grant in May 2024, which will reimburse 25 percent of the planning and design costs up to \$99,199,096 through the grant term. In November 2024, Metropolitan again received a notice of intent to award an LSWRP grant in the amount of \$26,273,759, for a total LSWRP grant amount of \$125,472,855. Metropolitan will share the LSWRP grant with LACSD, who will provide their share of the matching funds. The Board authorized the acceptance of the grant award on December 10, 2024, and USBR executed the grant agreement on January 10, 2025. The agreement allows Metropolitan to include program-related expenditures for reimbursement from April 2020, when the feasibility study was submitted. Metropolitan has submitted invoices for both grants and has received \$4.2 million from the WaterSMART grant and \$21.3 million from the LSWRP grant through the reporting period.

Drought Mitigation Projects

In December 2022, Metropolitan's Board adopted a resolution to accept \$50 million in state funding from the California Department of Water Resources (DWR) to support Metropolitan's drought mitigation projects. The Board also designated the Group Manager of Engineering Services to be the signatory to execute actions related to the funds. DWR will administer the funds and release the reimbursement after Metropolitan invoices expenses. The \$50 million fund is available for reimbursement through June 30, 2026, and five percent of this amount may be used for administrative costs by DWR. From the state-allocated amount, it allocated to Metropolitan \$47.5 million to improve and expand its infrastructure to be more resilient and flexible to respond to fluctuating water supplies. The improved system will enhance the ability to convey water throughout all its service areas. Under this grant, staff will be required to submit invoices to DWR to receive reimbursement for expenditures that comply with the grant requirements. To date, three projects on the east side of Metropolitan's system are covered under this grant. These three projects are part of an overall plan to provide direct delivery of Diamond Valley Lake (DVL) supplies to the Rialto Pipeline. During the reporting quarter, a progress report and invoices for the quarter were submitted and approved by DWR for \$5.3 million. As of December 2025, a total of \$42.2 million in reimbursement has been received from the State for the three projects. This funding allows additional rehabilitation projects to proceed as a result of applying state grant funds towards the applicable CIP projects.

In November 2023, Metropolitan submitted a grant application to USBR requesting \$5 million to support Inland Feeder/SBVMWD Foothill Pump Station project as part of water supply reliability improvements in the Rialto Pipeline service area. USBR offers funding through its WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2024 to water districts in the Western United States to increase water supply reliability through investments in existing infrastructure and increased water management flexibility. The USBR program funds up to \$5 million per project for projects that can be completed within three years. This funding allows additional rehabilitation projects to proceed as a result of applying the grant funds towards the applicable CIP projects. The grant requires a 50 percent cost-sharing; therefore, Metropolitan would pay for at least the same amount (\$5 million) towards the cost

of the project. The source of the cost-share funds is budgeted CIP funds planned to be spent on the project and will fulfill Metropolitan's grant matching funds requirement. The total cost of this project is estimated to be \$34 million. During the reporting quarter, USBR continued consultation with the federal permitting agency, United States Fish and Wildlife Services (USFWS), to obtain the necessary permit for construction of the project.

Battery Energy Storage System Projects

In October 2020, Metropolitan's Board authorized adding battery energy storage system (BESS) projects to the CIP to enhance the efficiency of Metropolitan's long-term power use, provide a hedge against projected electricity price increases, and improve the resiliency of the electric power supply at the Jensen, Skinner, and Weymouth Water Treatment Plants. This decision was aided by the California Public Utilities Commission's enhanced incentives for microgrid-capable BESS at critical facilities, which are expected to reimburse Metropolitan for \$8.147 million of project costs. The Weymouth BESS facility construction was completed in January 2025, and commissioning & startup are now expected to be completed in the third quarter of FY 2025/26. Construction at the Jensen and Skinner BESS facilities is currently underway and expected to be completed in the first quarter of FY 2026/27. Unlike the funds received for Pure Water discussed above, the incentive will be paid to Metropolitan in phases: 50 percent at project completion, with the remaining 50 percent paid equally over five years upon annual proof of a 5 kg CO₂/kWh reduction in greenhouse gas emissions.

Webb Tract Wetland Restoration and Rice Field Development Projects

In May 2023, Metropolitan's Board adopted a resolution to support a grant application for a \$20.9 million grant from the Sacramento-San Joaquin Delta Conservancy (Delta Conservancy), and staff signed a grant agreement with the Delta Conservancy in March 2024 that funds two projects on Webb Tract, a Metropolitan-owned island located in Contra Costa County. The two projects include construction of approximately 1,400 acres of rice fields and design, permitting, and construction of approximately 2,400 acres of wetland on the Webb Tract island. Under this grant, staff submits invoices to Delta Conservancy quarterly to receive reimbursement of expenditures that comply with the grant requirements. As of December 2025, a total reimbursement of \$2,114,517 has been received from the Delta Conservancy. On July 22, 2025, Metropolitan received concurrence from the California Department of Fish and Wildlife on its determination that the Webb Tract Wetland Restoration Project qualifies for a Statutory Exemption for Restoration Projects, thus completing the California Environmental Quality Act review process. Wetland final design is ongoing, with a bid package being reviewed. Metropolitan received a Clean Water Act 401 permit from the State Water Resources Control Board in December 2025. Metropolitan continued permit negotiation with the California Department of Fish and Wildlife for a final Restoration Management Permit expected in January 2026. Federal permits were received in February. The construction bid package is planned to be advertised in Q3 of FY 2025/26. In March 2026, Metropolitan's Board will consider a new lease agreement to lease approximately 2,400 acres for a farming partner to grow rice on Webb Tract.

Diemer Helicopter Hydrant Project

Metropolitan and the Yorba Linda Water District (YLWD) signed a memorandum of understanding outlining the commitment to jointly fund and construct a helicopter hydrant facility at the Robert B. Diemer Water Treatment Plant. The project will be partially funded by a grant of up to \$500,000 previously awarded by the United States Forest Service (USFS) to YLWD to construct the facility. Metropolitan is now a subrecipient of the grant, and the grant funds will be used to defray Metropolitan's cost for the project. During the reporting quarter, Metropolitan has received \$291,176.21 from USFS. YLWD requested an extension of the grant deadline from September 2025 to March 2026 to complete post-construction activities and close-out grant documentation. A Notice of Completion (NOC) for the contract, which provided construction materials and installed reinforcing steel, was filed in August 2025. The remainder of the construction was completed, and the asset was placed into service in October 2025. Metropolitan continues coordinating closeout activities and submitting expenditures for grant reimbursement.

Major Capital Programs Overview

Metropolitan's CIP is structured into three levels. In descending order, they are:

- Program
- Project Group/Appropriation
- Project

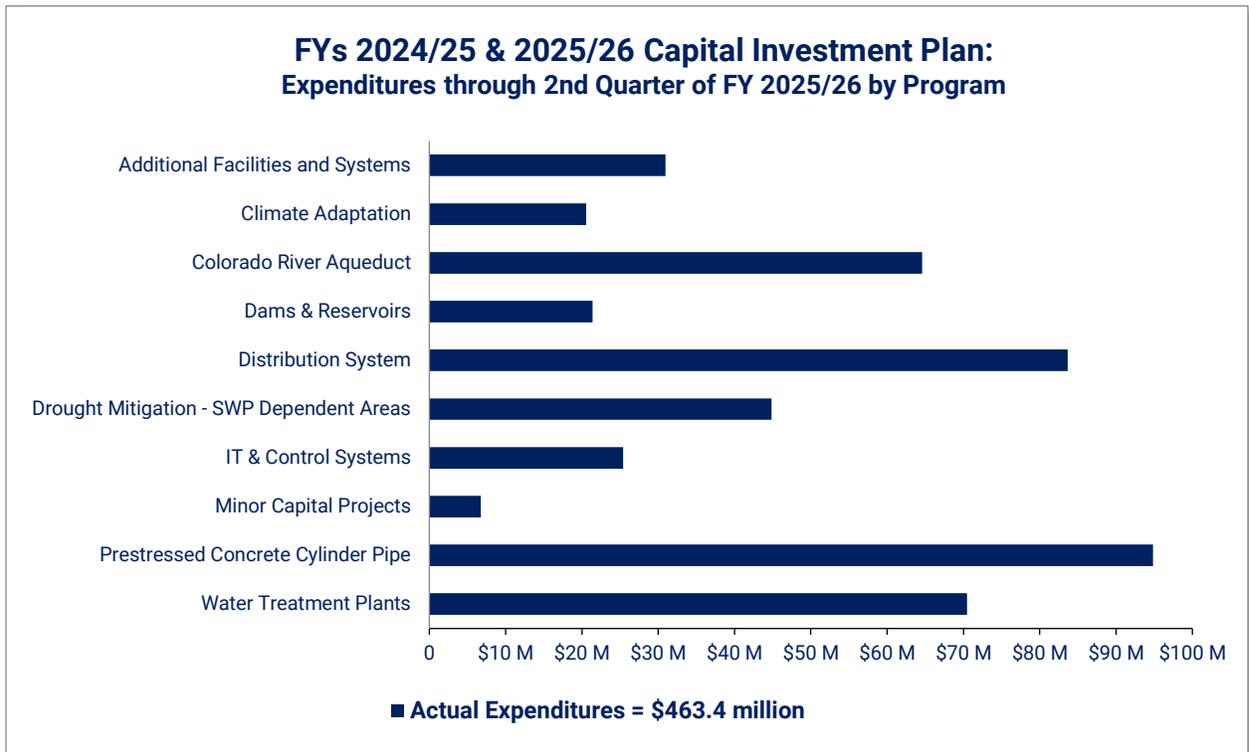
Metropolitan's CIP is comprised of 10 programs, which capture all projects within the CIP. The 10 programs are listed below in alphabetical order. Programs are comprised of one or more project groups/appropriations, and project group/appropriations are comprised of one or more projects. The status of each of the programs is provided later in this section of the report. A comparison of the program planned expenditures and actual costs to date for each of the programs is provided in Table 14 at the end of this report.

- Additional Facilities and Systems
- Climate Adaptation
- Colorado River Aqueduct (CRA)
- Dams & Reservoirs
- Distribution System
- Drought Mitigation - SWP Dependent Areas
- Information Technology (IT) & Control Systems
- Minor Capital Projects
- Prestressed Concrete Cylinder Pipe (PCCP)
- Water Treatment Plants

For the current biennium, the CIP includes over 500 planned projects (excluding minor capital projects).

Figure 4 below shows actual expenditures for the 10 capital programs for 2nd Quarter of FY 2025/26.

Figure 4: Biennium-to-date Actual Expenditures through 2nd Quarter FY 2025/26



Major Capital Project Programs – Highlights

This section provides 2nd Quarter highlights for the nine Major Capital Projects Programs; the Minor Capital Projects Program is highlighted in its own section of this report. Status is provided for selected projects within each Major Capital Projects Program. The selected projects typically achieved major milestones during the 2nd Quarter of FY 2025/26 or are scheduled to achieve major milestones in the next quarter.

Table 3: Major Capital Projects Programs

Program	Project
Additional Facilities and Systems	Desert Housing and Property Improvements
Climate Adaptation	Webb Tract Wetland Restoration
Colorado River Aqueduct (CRA)	Copper Basin Reservoir Discharge Valve Structure Rehabilitation ³
Dams & Reservoirs	Garvey Reservoir Rehabilitation - Stage 1
Distribution System	LA-17A and LA-17C Venturi Flowmeter Replacement
Drought Mitigation - SWP Dependent Areas	Badlands Tunnel Surge Protection Facility
Information Technology (IT) & Control Systems	Program highlights only
Prestressed Concrete Cylinder Pipe (PCCP)	Sepulveda Feeder PCCP Rehabilitation – Reach 2
Water Treatment Plants	Weymouth Basins Nos. 5-8 and Filter Building No. 2 Rehabilitation

³ This project is part of the Dams & Reservoirs Program being highlighted under CRA Program due to its location.

Additional Facilities and Systems Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$30.96 million

Program Information: The Additional Facilities and Systems Program is composed of projects to refurbish, replace, upgrade, or provide new facilities and systems that support Metropolitan’s business and operations.

Program Highlights (2nd Quarter)

Accomplishments

- Continued construction for the following projects:
 - Diamond Valley Lake Floating Wave Attenuator System Improvements – Stage 2
 - La Verne Shops Upgrades – Stage 5: Building Completion
- Advertised construction contract for the following project:
 - Lake Mathews Aboveground Storage Tank Replacement
- Continued final design of the following projects:
 - Diamond Valley Lake East Marina Utilities
 - Eagle Rock Security Upgrade – Stage 1
 - Michael J. McGuire Water Quality Laboratory Upgrades
- Continued preliminary design of the following projects:
 - Apprentice Training Center Facility
 - CRA Aircraft Facility Improvement – Stage 1
 - Desert Housing and Property Improvements
 - Headquarters Building Automation System Upgrades
 - Headquarters HVAC System Rehabilitation
 - La Verne Shops Upgrades – Stage 6
- Continued study of the following project:
 - CRA Aircraft Facility Improvements – Stage 2

Upcoming Activities

Upcoming work for the next quarter will include:

- Complete construction of the following projects:
 - Diamond Valley Lake Floating Wave Attenuator System Improvements – Stage 2
 - La Verne Shops Upgrades – Stage 5: Building Completion
- Award construction contract for the following project:
 - Lake Mathews Aboveground Storage Tank Replacement
- Continue final design of the following projects:
 - Diamond Valley Lake East Marina Utilities
 - Eagle Rock Security Upgrade – Stage 1
 - Michael J. McGuire Water Quality Laboratory Upgrades
- Continue preliminary design of the following projects:
 - Apprentice Training Center Facility
 - CRA Aircraft Facility Improvements – Stage 1
 - Desert Housing and Property Improvements
 - Headquarters Building Automation System Upgrades
 - Headquarters HVAC System Rehabilitation
 - La Verne Shops Upgrades – Stage 6
- Continue study of the following project:
 - CRA Aircraft Facility Improvements – Stage 2

Desert Housing and Property Improvements

Total Project Estimate:
 \$220.0 million

Total Project Cost to Date:
 \$16.2 million

This project will replace single-family housing and construct new kitchen and lodge facilities and upgraded village amenities at the CRA pumping plants.

Phase	Preliminary Design
% Complete for Current Phase	15%
Current Phase Authorized	November 2024
Estimated Completion Date of Current Phase	August 2027

A design consultant continued preliminary design for Stage 1. Stage 1 includes design and construction of eight new townhomes and one new community building with amenities each at Eagle Mountain, Iron Mountain, and Gene pumping plants; one new kitchen and lodge building each at Eagle Mountain and Iron Mountain pumping plants; and one new lodge building at Gene Pumping Plant. In the upcoming quarter, preliminary design for Stage 1 improvements will continue.



Existing employee single-family house – Eagle Mountain Pumping Plant

Climate Adaptation Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$20.58 million

Program Information: The Climate Adaptation Program is composed of projects to replace, refurbish, upgrade, or construct new facilities to prepare Metropolitan to adjust to current and projected climate change impacts on its operation and its mission to provide its service area with adequate and reliable supplies of high-quality water in an environmentally and economically responsible way.

Program Highlights (2nd Quarter)

Accomplishments

- Advanced Water Treatment Demonstration Facility
 - Completed preparation for N-Only tertiary MBR optimization testing to support the planning and design of a full-scale advanced water purification facility.
 - Completed reverse osmosis system modifications to support optimization testing and equipment qualification.
- Battery Energy Storage Systems at Jensen, Weymouth, and Skinner Plants
 - Continued commissioning and startup at the Weymouth plant
 - Continued construction at the Jensen and Skinner plants
- Direct Potable Reuse Demonstration (DPR) Facility
 - Advertised remaining procurement packages for DPR testing equipment
 - Continued development of DPR testing and site improvement plans
 - Continued to update regulatory agencies on draft DPR testing plan
- Zero Emission Vehicle Fleet Infrastructure
 - Districtwide Zero Emission Fleet Infrastructure
 - Continued development of the enhanced programmatic planning and study documents for the remaining sites
 - Headquarters Building Zero Emission Vehicle Infrastructure Upgrades – Stage 1
 - Continued final design and coordination with Los Angeles Department of Water and Power (LADWP)
 - Weymouth Zero Emission Vehicle Infrastructure Upgrades
 - Completed the enhanced programmatic planning and study document for the Weymouth plant
 - Initiated a new electric service agreement with a utility provider
 - Zero Emission Fleet Pilot Infrastructure – Stage 2, Phase 1
 - Completed design of Level 3 charging stations at Mills and Weymouth plants
 - Continued design, procurement, and installation of Level 2/2+ and Level 3 charging stations at the five water treatment plants, Gene Pumping Plant, DVL, Lake Mathews, and Soto Street Facility
 - Investigated potential battery charger units or charge-as-a-service at Soto Street facility, Pumping Plants, and Lake Mathews
 - Continued investigation of contingency charging options

Upcoming Activities

Upcoming work for the next quarter will include:

- Advanced Water Treatment Demonstration Facility
 - Perform N-Only tertiary MBR optimization testing to support the planning and design of a full-scale advanced water purification facility
 - Perform reverse osmosis system optimization testing
- Battery Energy Storage Systems at Jensen, Weymouth, and Skinner Plants
 - Complete commissioning and start-up at the Weymouth plant
 - Continue construction at the Jensen and Skinner plants
- Direct Potable Reuse Demonstration Facility
 - Continue to develop DPR testing and site improvement plans
 - Continue to update regulatory agencies on draft DPR testing plan
- Zero Emission Vehicle Infrastructure Upgrade projects:
 - Districtwide Zero Emission Fleet Infrastructure
 - Complete the enhanced programmatic planning and study documents for the remaining sites
 - Begin utility coordination for the remaining sites
 - Headquarters Building Zero Emission Vehicle Infrastructure Upgrades – Stage 1
 - Continue final design and coordination with LADWP
 - Weymouth Zero Emission Vehicle Infrastructure Upgrades
 - Begin final design and continue coordination with utility provider
 - Zero Emission Fleet Pilot Infrastructure – Stage 2, Phase 1
 - Continue design, procurement, and installation of Level 2/2+ and Level 3 charging stations at the five water treatment plants, Gene Pumping Plant, DVL, Lake Mathews, and Soto Street facility
 - Continue investigation of contingency charging options.

Webb Tract Wetland Restoration

Total Project Estimate:
 \$25.0 million

Total Project Cost to Date:
 \$3.1 million

This project will restore approximately 2,400 acres of wetland on Webb Tract Island in the Sacramento-San Joaquin Delta region. The work will include earth moving, berm construction, installation of water control structures, tule planting, environmental monitoring, and other work associated with the wetland restoration.

Phase	Final Design
% Complete for Current Phase	95%
Current Phase Authorized	October 2023
Estimated Completion Date of Current Phase	April 2026

Final design drawings were submitted for final review. Permit applications to the California Department of Fish & Wildlife, the US Fish and Wildlife Service, and the US Army Corps of Engineers have also been submitted. Metropolitan received a Clean Water Act 401 permit from the State Water Resources Control Board in December. As of February, all the permits from the California Department of Fish & Wildlife, the US Fish and Wildlife Service, and the US Army Corps of Engineers have been received. In the upcoming quarter, final design package will be completed.



Overview of the project site on Webb Tract Island in the Sacramento - San Joaquin Delta region

Colorado River Aqueduct (CRA) Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$64.57 million

Program Information: The CRA Program is composed of projects to replace or refurbish facilities and components of the CRA system to reliably convey water from the Colorado River to Southern California.

Program Highlights (2nd Quarter)

Accomplishments

- Continued construction for the following projects:
 - CRA Domestic Water Treatment System Upgrades at all five pumping plants
 - Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings
- Awarded construction contract for the following project:
 - Eagle Mountain and Hinds Pumping Plants Utilities Replacement
- Continued equipment procurement for the following projects:
 - CRA High-Voltage Transformers Replacement
 - Gene Pumping Plant Unit No. 1 Brushless Motor Exciter System
 - Intake and Gene Pumping Plants Transformer Bushings and Pressure Device Replacements
- Continued final design of the following projects:
 - Black Metal Mountain 2.4 kV Electrical Power Upgrades
 - Cabazon Radial Gates Facility Improvements
 - CRA Conduit Erosion Control Improvements
 - CRA Desert Region Security Improvements – Stage 1
 - CRA High-Voltage Transformers Replacement
 - CRA Pumping Plant Sump System Rehabilitation
 - CRA Pumping Plants Main Pump Access Improvements
 - Gene and Iron Mountain Pumping Plants Utilities Replacement
 - Intake Transformer Bank Protection Relays Replacement
 - Iron Mountain Station Light & Power Electrical Improvements
- Initiated final design for the following projects:
 - CRA 230kV Transmission Tower Barrier Improvements
 - Hinds Pumping Plant Discharge Valve Platform Replacement
- Continued preliminary design of the following projects:
 - CRA Desert Region Security Improvements – Stage 2
 - CRA Pumping Plant Delivery Lines Rehabilitation
 - Iron Mountain Tunnel Rehabilitation
- Continued study of the following project:
 - CRA Main Pump Motor Rehabilitation - rehabilitation options for pump units and their ancillary support systems for all five pumping plants and identification of urgently needed short-term rehabilitation efforts
- Initiated comprehensive investigations of the following project:
 - CRA 230 kV Transmission Line and Fiber Optic Improvements

Upcoming Activities

Upcoming work for the next quarter will include:

- Continue construction for the following projects:
 - CRA Domestic Water Treatment System Upgrades at all five CRA pumping plants
 - Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings
- Initiate construction for the following projects:
 - Eagle Mountain & Hinds Pumping Plants Utilities Replacement
 - Gene Pumping Plant Unit No. 1 Brushless Motor Exciter System
- Continue procurement for the following projects:
 - CRA High-Voltage Transformers Replacement
 - Gene Pumping Plant Unit No. 1 Brushless Motor Exciter System
 - Intake and Gene Pumping Plant Transformer Bushings and Pressure Device Replacements
- Continue final design of the following projects:
 - Black Metal Mountain 2.4 kV Electrical Power Upgrades
 - Cabazon Radial Gates Facility Improvements
 - CRA 230kV Transmission Tower Barrier Improvements
 - CRA Conduit Erosion Control Improvements
 - CRA Desert Region Security Improvements – Stage 1
 - CRA High-Voltage Transformers Replacement
 - CRA Pumping Plant Sump System Rehabilitation
 - CRA Pumping Plants Main Pump Access Improvements
 - Gene & Iron Mountain Pumping Plants Utilities Replacement
 - Hinds Pumping Plant Discharge Valve Platform Replacement
 - Intake Transformer Bank Protection Relays Replacement
 - Iron Mountain Station Light & Power Electrical Improvements
- Continue preliminary design of the following projects:
 - CRA Desert Region Security Improvements – Stage 2
 - CRA Pumping Plant Delivery Lines Rehabilitation
 - Iron Mountain Tunnel Rehabilitation
- Continue study of the following project:
 - CRA Main Pump Motor Rehabilitation - rehabilitation options for pump units and their ancillary support systems for all five pumping plants; and identification of urgently needed short-term rehabilitation efforts
- Continue comprehensive investigations of the following project:
 - CRA 230 kV Transmission Line Fiber Optic Improvements

Copper Basin Reservoir Discharge Valve Structure Rehabilitation⁴

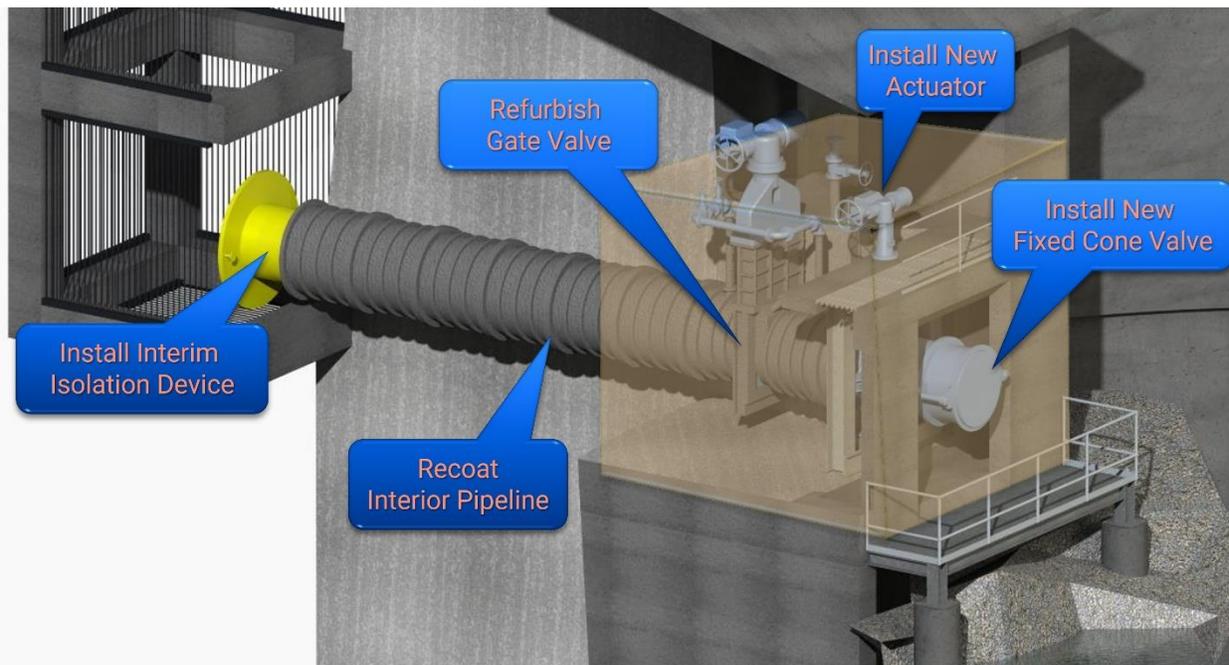
Total Project Estimate:
 \$32.5 million

Total Project Cost to Date:
 \$3.4 million

This project will replace the existing discharge (fixed cone) valve and all appurtenances at Copper Basin Dam and improve the access road serving the discharge valve structure.

Phase	Final Design
% Complete for Current Phase	95%
Current Phase Authorized	September 2020
Estimated Completion Date of Current Phase	April 2026

Environmental permits for the project were approved. In the upcoming quarter, final design drawing package will be completed and prepared for advertisement to solicit bids for construction.



Overview of Copper Basin Reservoir discharge valve structure

⁴ This project is part of the Dams & Reservoirs Program being highlighted under CRA Program due to its location.

Dams and Reservoirs Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$21.38 million

Program Information: The Dams & Reservoirs Program is comprised of projects to upgrade or refurbish Metropolitan's dams, reservoirs, and appurtenant facilities to reliably meet water storage needs and regulatory compliance.

Program Highlights (2nd Quarter)

Accomplishments

- Copper Basin Reservoir Discharge Valve Structure Rehabilitation
 - Continued final design
- Diamond Valley Lake Dam Monitoring System Upgrades
 - Completed replacement of instrumentation and automatic data acquisition equipment
 - Continued database development for data reporting, visualization, and analysis
- Diamond Valley Lake Secondary Inlet Sleeve Valve Refurbishment
 - Completed flow testing of the refurbished valve and initiated project close-out
- Garvey Reservoir Rehabilitation – Stage 1
 - Awarded construction contract
- Lake Skinner Outlet Tower Seismic Upgrade
 - Completed detailed seismic evaluation of the outlet tower

Upcoming Activities

Upcoming work for the next quarter will include:

- Copper Basin Reservoir Discharge Valve Structure Rehabilitation
 - Continue final design
- Diamond Valley Lake Dam Monitoring System Upgrades
 - Continue database development
- Diamond Valley Lake Secondary Inlet Sleeve Valve Refurbishment
 - Continue project close-out
- Garvey Reservoir Rehabilitation – Stage 1
 - Begin construction

Garvey Reservoir Rehabilitation - Stage 1

Total Project Estimate:
 \$155.0 million

Total Project Cost to Date:
 \$11.5 million

This project will replace the aging reservoir floating cover and liner and refurbish the inlet/outlet tower at the Garvey Reservoir site.

Phase	Final Design
% Complete for Current Phase	100%
Current Phase Authorized	May 2023
Completion Date of Current Phase	December 2025

The final design for the reservoir outlet tower retrofit, liner rehabilitation, and floating cover replacement was completed, and a construction contract was awarded. In the upcoming quarter, notice to proceed (NTP) for construction will be issued, and the construction contractor will mobilize to the site.



The existing reservoir floating cover overview at Garvey Reservoir

Distribution System Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$83.67 million

Program Information: The Distribution System Program is comprised of projects to replace, upgrade, or refurbish existing facilities within Metropolitan’s distribution system, including pressure control structures, hydroelectric power plants, and pipelines, to reliably meet water demands.

Program Highlights (2nd Quarter)

Accomplishments

- Continued construction for the following project:
 - San Jacinto Diversion Structure Slide Gate Rehabilitation
- Completed procurement for the following project:
 - Lakeview Pipeline Relining – Stage 2
- Awarded procurement contract for the following project:
 - LA-17A and LA-17C Venturi Flowmeters Replacement
- Continued procurement for the following projects:
 - Auld Valley and Red Mountain Pressure Control Structure Upgrades – a 42-inch stainless steel sleeve valve for the Red Mountain Pressure Control Structure
 - East Lake Skinner Bypass Slide Gates Replacement
 - Hollywood Tunnel North Portal Control Structure Upgrades
 - Orange County Area Pressure Control Structure Globe Valve Replacement
 - Rio Hondo Pressure Control Structure Valve Replacement – Stage 1
 - San Jacinto Diversion Structure Slide Gate Rehabilitation
- Continued final design of the following projects:
 - Auld Valley and Red Mountain Pressure Control Structures Upgrades
 - Hollywood Tunnel North Portal Pressure Control Structure Upgrades

Upcoming Activities

Upcoming work for the next quarter will include:

- Continue construction for the following project:
 - San Jacinto Diversion Structure Slide Gate Rehabilitation
- Complete procurement for the following projects:
 - East Lake Skinner Bypass Slide Gates Replacement
 - Orange County Area Pressure Control Structure Globe Valve Replacement
- Continue procurement for the following projects:
 - Auld Valley and Red Mountain Pressure Control Structure Upgrades – a 42-inch stainless steel sleeve valve for the Red Mountain Pressure Control Structure
 - Hollywood Tunnel North Portal Pressure Control Structure Upgrades
 - LA-17A and LA-17C Venturi Flowmeters Replacement
 - Rio Hondo Pressure Control Structure Valve Replacement – Stage 1
 - San Jacinto Diversion Structure Slide Gate Rehabilitation
- Continue final design of the following projects:
 - Auld Valley and Red Mountain Pressure Control Structures Upgrades
 - Hollywood Tunnel North Portal Pressure Control Structure Upgrades

LA-17A and LA-17C Venturi Flowmeters Replacement

Total Project Estimate:
 \$3.0 million

Total Project Cost to Date:
 \$0.6 million

This project will replace two venturi flowmeters, LA-17A and LA-17C, and accompanying pressure differential transmitters at Service Connection LA-17. The service connection is located at the terminus of the Eagle Rock Lateral in the City of Los Angeles, adjacent to the Eagle Rock Operations Control Center. The work will also include replacement of adjoining thimble pieces, coupling assemblies, and identifying and restoring all components to like-new conditions.

Phase	Procurement
% Complete for Current Phase	5%
Current Phase Authorized	December 2025
Estimated Completion Date of Current Phase	October 2026

Final design was completed, and a procurement contract was awarded. In the upcoming quarter, submittal review for valve procurement will be initiated.



Existing LA-17A 24-inch venturi flowmeter (left) and existing 84-inch LA-17C venturi flowmeter in the City of Los Angeles

Drought Mitigation - SWP Dependent Areas Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$44.84 million

Program Information: The Drought Mitigation – SWP Dependent Areas Program is comprised of projects to replace, refurbish, upgrade, or construct new facilities, which are identified to mitigate the vulnerability experienced by specific member agencies that are impacted during shortages on the State Water Project supplies.

Program Highlights (2nd Quarter)

Accomplishments

- Badlands Tunnel Surge Protection Facility
 - Completed construction
- Inland Feeder/Rialto Pipeline Intertie
 - Continued installation of electrical components
- Inland Feeder/San Bernardino Valley Municipal Water District (SBVMWD) Foothill Pump Station Intertie
 - Continued final design and California Department of Fish & Wildlife (CDFW) permitting process
 - Continued United States Fish and Wildlife Service (USFWS) permitting process
 - Continued procurement of a 132-inch diameter butterfly valve
- Sepulveda Feeder Pump Stations – Stage 1
 - Initiated Phase 2A, construction of the Venice Pump Station and demolition of an existing tank at the Sepulveda Canyon Control Facility
 - Continued early procurement of authorized long-lead equipment
 - Continued Phase 1, design of Sepulveda Pump Station under a progressive design-build services agreement
- Wadsworth Pumping Plant Bypass Pipeline
 - Continued installation of electrical components

Upcoming Activities

Upcoming work for the next quarter will include:

- Inland Feeder/Rialto Pipeline Intertie
 - Continue construction
- Inland Feeder/San Bernardino Valley Municipal Water District (SBVMWD) Foothill Pump Station Intertie:
 - Complete final design
 - Obtain CDFW permit
 - Continue USFWS permitting process
 - Continue National Environmental Policy Act (NEPA) document preparation and valve procurement
- Sepulveda Feeder Pump Stations – Stage 1
 - Continue Phase 2A, construction of the Venice Pump Station and demolition of an existing tank at Sepulveda Canyon Control Facility
 - Continue procurement of long-lead equipment
 - Continue Phase 1, design of Sepulveda Pump Station under a progressive design-build services agreement
- Wadsworth Pumping Plant Bypass Pipeline
 - Complete construction

Badlands Tunnel Surge Protection Facility

Total Project Estimate:
 \$29.0 million

Total Project Cost to Date:
 \$27.5 million

This project will construct an above-grade surge tank to protect the Badlands Tunnel on the Inland Feeder from excessive negative pressures, which could occur when the pumps at the Wadsworth Pumping Plant trip offline during Diamond Valley Lake to Inland Feeder pumping operation. This project is part of the Rialto Pipeline Water Supply Reliability Improvements, a series of drought resiliency projects.

Phase	Construction
% Complete for Construction	100%
Construction Contract Award Date	November 2023
Construction Completion Date	October 2025
Contract Number	2040

Construction was completed, and a notice of completion was filed. In the upcoming quarter, project close-out will continue.



Inspecting the surge tank exterior

Information Technology and Control Systems Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$25.39 million

Program Information: The Information Technology and Control Systems Program is comprised of projects to replace, upgrade, or provide new facilities, software applications, or technology that will enhance cyber security, reliability, flexibility, and capability of information, communication, and control systems.

Program Highlights (2nd Quarter)

Accomplishments

- Desert Microwave Site Tower Upgrades
 - Continued construction for network equipment installation
- Emergency Radio Communications Systems Upgrade
 - Continued preparation of solicitation
- Enterprise Content Management Phase II
 - Continued design
- Enterprise Data Analytics
 - Continued developing system requirements and design
- Mills Plant Fiber Conduit Installation
 - Issued notice to proceed to construct utility conduit ductbank and install fiber optic cables
- MWD IntraMet Upgrade
 - Negotiated a professional and technical services agreement
- Oracle Database Upgrade
 - Continued database migration
- Real Property Group Business System Replacement
 - Continued user acceptance testing of the new system integration with financial system
- WiFi Implementation
 - Completed construction for Los Angeles region facilities

Upcoming Activities

Upcoming work for the next quarter will include:

- Desert Microwave Site Tower Upgrades
 - Continue construction for network equipment installation
- Emergency Radio Communication Systems Upgrade
 - Continue preparation of solicitation
- Enterprise Content Management Phase II
 - Continue design
- Enterprise Data Analytics
 - Continue developing system requirements and design
- Mills Plant Fiber Conduit Installation
 - Continue construction
- MWD IntraMet Upgrade
 - Execute professional and technical services agreement
 - Begin design and development
- Oracle Database Upgrade
 - Continue database migration
- Real Property Group Business System Replacement
 - Complete user acceptance testing of the new system integration with financial system
- WiFi Implementation
 - Continue construction for Los Angeles region facilities
 - Begin construction for Riverside region facilities

Prestressed Concrete Cylinder Pipe (PCCP) Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$94.86 million

Program Information: The PCCP Program is composed of projects to refurbish or upgrade Metropolitan's PCCP feeders to maintain water deliveries without unplanned shutdowns.

Program Highlights (2nd Quarter)

Accomplishments

- Second Lower Feeder
 - Reach 3B – Completed construction
- Sepulveda Feeder
 - Reach 1 – Continued final design to rehabilitate approximately 4.7 miles of Sepulveda Feeder PCCP pipeline, from just north of the Inglewood Lateral south to the West Coast Feeder, through the cities of Inglewood and Hawthorne, and unincorporated Los Angeles County.
 - Reach 2 – Received bids to rehabilitate approximately 3.8 miles of Sepulveda Feeder PCCP pipeline, from the Dominguez Gap Channel south to the intertie with Second Lower Feeder, through the cities of Torrance and Los Angeles.
 - Reach 9 – Continued final design of Reach 9 to rehabilitate approximately 3.7 miles of PCCP pipeline, the first construction package of the North Reach, which is necessary to support the operation of Stage 2 of the Sepulveda Feeder Pump Stations project.
 - North Reach – Continued preliminary design of the northern 20-mile portion of the Sepulveda Feeder, including both steel and PCCP portions of the pipeline and appurtenances.

Upcoming Activities

Upcoming work for the next quarter will include:

- Sepulveda Feeder
 - Reach 1 – Continue final design
 - Reach 2 – Award construction contract and begin preparations for a shutdown in the fall of 2026 to rehabilitate 3.8 miles of PCCP pipeline.
 - Reach 9 – Continue final design
 - North Reach – Continue preliminary design

Sepulveda Feeder PCCP Rehabilitation – Reach 2

Total Project Estimate:
 \$98.0 million

Total Project Cost to Date:
 \$2.7 million

This project will rehabilitate approximately 3.8 miles of prestressed concrete cylinder pipe (PCCP) portions of the Sepulveda Feeder to "Like New" condition, from STA. 2066+43 to 2270+00. Rehabilitation work includes relining of the existing PCCP sections with new steel pipe; relocation of all below-grade air release and vacuum valves (AR/VVs) for cross-connection prevention; replacement of aging sectionalizing valves, service connection turnouts, pump wells, AR/VVs, and shutoff and blowoff valves; replacement of master meters; and other necessary modifications.

Phase	Final Design
% Complete for Current Phase	100%
Current Phase Authorized	September 2021
Completion Date of Current Phase	December 2025

Construction bids were received and evaluated. In the upcoming quarter, the construction contract will be awarded.



Sepulveda Feeder PCCP Rehabilitation – Reach 2 project location map

Water Treatment Plants Program

Actual Biennium Expenditures
(Jul. 2024 through Dec. 2025)
\$70.47 million

Program Information: The Water Treatment Plants Program is comprised of projects to replace or refurbish facilities and components at Metropolitan's five water treatment plants and chlorine unloading facility to continue to reliably meet treated water demands.

Program Highlights (2nd Quarter)

Accomplishments

- Completed construction for the following projects:
 - Weymouth Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation
 - Weymouth Hazardous Waste Staging and Containment
- Completed commissioning and testing of the following project:
 - Diemer Helicopter Hydrant Facility
- Awarded a construction contract and began construction of the following project:
 - Diemer Chemical Feed Facility Improvements
- Advertised construction contract for the following project:
 - Weymouth Administration Building Upgrades
- Continued final design of the following projects:
 - Jensen Finished Water Reservoir Rehabilitation
 - Jensen Solids Mechanical Dewatering Facility
 - Mills Finished Water Reservoir Rehabilitation
- Continued preliminary design of the following projects:
 - Diemer Washwater Reclamation Plant Improvements & Slope Stabilization
 - Jensen Modules Nos. 2 & 3 Basin Rehabilitation
 - Mills Basin Solids Removal System Rehabilitation

Upcoming Activities

- Begin construction for the following project:
 - Diemer Chemical Feed Facility Improvements
- Award a construction contract for the following project:
 - Weymouth Administration Building Upgrades
- Continue final design of the following projects:
 - Jensen Finished Water Reservoir Rehabilitation
 - Jensen Solids Mechanical Dewatering Facility
 - Mills Finished Water Reservoir Rehabilitation
- Begin final design of the following project:
 - Mills Perimeter Security & Erosion Control Improvements
- Continue preliminary design of the following projects:
 - Diemer Washwater Reclamation Plant Improvements & Slope Stabilization
 - Jensen Modules Nos. 2 & 3 Solids Removal System Rehabilitation
 - Mills Basin Solids Removal System Rehabilitation

Weymouth Basins Nos. 5-8 and Filter Building No. 2 Rehabilitation

Total Project Estimate:
 \$117.0 million

Total Project Cost to Date:
 \$113.4 million

This project will rehabilitate and replace the Weymouth Water Treatment Plant’s Basins Nos. 5-8 major mechanical equipment, structural components, and auxiliary systems, along with seismic upgrades to the Basins Nos. 1-8 inlet channels and needed improvements, including replacement of basin inlet gates for Basins Nos. 1-8.

Phase	Construction
% Complete for Construction	100%
Construction Contract Award Date	May 2022
Construction Completion Date	November 2025
Contract Number	1982

The contractor completed construction activity and demobilized. Notice of completion was filed. In the upcoming quarter, project close-out will continue.



Conducting valve actuator functional testing under the Filter Building No. 2

Minor Capital Projects Program

The Minor Capital Projects (Minor Cap) Program is authorized biennially to enable staff to expedite small capital projects. At the commencement of each biennium, the Board had appropriated the entire two-year budget for the program. For the current and the last biennia, the minor cap budget was included in the CIP appropriation. To be considered for inclusion in the Minor Cap Program, a project must have a planned budget of less than \$400,000. The \$400,000 project budget cap was first established by the June 2018 board action and the same cap is applied for the new minor caps that are approved for the current biennium.

The duration of minor capital projects typically ranges from a few months to three years. Since many of these projects require rapid response to address unanticipated failures, safety, or regulatory compliance concerns, or to take advantage of shutdown opportunities, the Minor Cap Program authorizes the General Manager to execute projects that meet defined criteria without seeking additional board approval.

In April 2024, the Board appropriated funds for the projects identified in the CIP appendix for the current biennium, FYs 2024/25–2025/26, including the Minor Cap Program. \$10 million of initial funds for this program has been allocated for the current biennium.

Minor Cap Program Historical Summary

The following table provides the overall status of the four active Minor Cap appropriations for the fiscal years 2018/19–2019/20 through fiscal years 2024/25–2025/26.

Table 4: Minor Capital Projects Program

	Fiscal Year				Totals*
	2018/19– 2019/20	2020/21– 2021/22	2022/23– 2023/24	2024/25– 2025/26	
Amount Appropriated	\$15.5M	\$20.0M	\$14.4M	\$10.0M	\$59.9M
Expenditures (through December 2025)	\$12.3M	\$10.6M	\$10.3M	\$1.6M	\$34.8M
Number of Projects Approved	46	45	50	25	166
Number of Projects Completed (through December 2025)	46	36	14	2	98
Number of Projects with Durations of Over 3 Years	0	9	10	0	19

* Numbers may not sum due to rounding.

Through December 2025, 98 of the 166 projects approved under the appropriations mentioned above have been completed, and 19 active projects have exceeded three years in duration, as described below.

- Conveyance & Distribution SCADA Network Switch and Router Replacement has experienced delays due to longer than anticipated design review. The project is scheduled to be completed by June 2026.
- CRA Carport installations at Hinds Pump Plant has been completed. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- CRA Carport Installation at Iron Mountain Pump Plant has been completed. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Diemer Foam Abatement Upgrade has experienced delays due to longer than anticipated procurement. Based on evaluations conducted by staff, air entrainment issues which lead to foam generation are better addressed upstream; therefore, the skimmer pipe is no longer needed. As a result, the project as envisioned is no longer necessary. The project is scheduled to be canceled by March 2026.
- Dominguez Channel Pressure Release Structure Rehabilitation has been experiencing delays due to longer than anticipated lead time for valve manufacturing and delivery. The project is scheduled to be completed by June 2026.
- Foothill Feeder Pipe Protection construction was recently completed. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Iron Mountain Maintenance Building Office Improvements has completed construction activities. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Lake Mathews Reservoir Aeration System Compressor Replacement experienced delays due to longer than anticipated time for canopy submittal reviews and procurement. Additional time is required to complete the construction activities. The project is scheduled to be completed by April 2026.
- Lake Perris Aeration System Diffuser Replacement experienced delays due to longer than anticipated time to prepare a diving plan and to obtain approval by the Department of Water Resources. Construction is now completed. Additional time is required to pay vendor invoices and complete project closure documents. The project is scheduled to be completed by March 2026.
- Mills Plant Turbidity Meter Replacement has completed construction activities. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Mills Sodium Hypochlorite Storage System Improvements has completed construction activities. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Mills WTP Wildlife Barrier Screen Installation has completed construction activities. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Pasadena Water and Power Site Microwave Tower Replacement has experienced delays due to longer than anticipated time for review and approval of the lease agreement between the City of Pasadena and Metropolitan. The scope under this project will be addressed by the major capital project Pasadena Microwave Tower Phase II. The project is scheduled to be canceled by March 2026.
- Ramona PCS Rehabilitation has been experiencing delays due to longer than anticipated lead time for motor procurement and coordination of the Middle Feeder North shutdown required for valve removal. The project is scheduled to be completed by July 2026.
- Service Connection CA-01 Isolation Gate is scheduled to be completed by November 2026.
- Skinner Plant 1 UPS Upgrades has completed construction activities. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Venice Pressure Control Structure Security Upgrades has experienced delays due to longer than anticipated time to procure automatic entrance gates. Construction has been completed. Additional time is required to complete project closure documents. The project is scheduled to be completed by March 2026.
- Vibration Data Collection System Upgrade has experienced delays due to additional time required to review terms and conditions of the vendor's contract. Installation of the updated software is underway. The project is scheduled to be completed by June 2026.

- WB-06A Flow Meter Replacement has completed construction activities. Additional time is required to update the asset inventory system and complete project closure documents. The project is scheduled to be completed by March 2026.

Minor Cap Projects, 2nd Quarter

Authorized Projects

Nine projects were authorized under the Minor Cap Program during the 2nd Quarter of fiscal year 2025/26 (October through December 2025). The total amount authorized for these projects was \$2,803,000.

- Diamond Valley Lake I/O Tower and Secondary Inlet Flow Meter Console Replacement – This project will replace two obsolete flow meter consoles, one at the DVL inlet/outlet tower and one at the secondary inlet, to improve the operation reliability. The project budget is \$200,000.
- Diemer Solids Thickeners N1 and S1 Center Column Structural Rehabilitation – This project will rehabilitate the center column structural members of the Solids Thickeners N1 and S1 to improve the reliability of the Diemer plant's water treatment process. The project budget is \$350,000.
- Facility-Based Drone Detection Security System – This project will install a drone detection security system at Intake Pumping Plant, Weymouth plant, and Jensen plant to monitor any suspicious drones over Metropolitan's facilities to enhance the plants' security. The project budget is \$399,000.
- Master Flow Meters ET-I and ET-P – This project will replace the aging acoustic flow meter consoles for Master Meters ET-I and ET-P at the Etiwanda Control Facility, which have exceeded their useful life, to improve the operation reliability. The project budget is \$85,000.
- Mills Ammonia Injection System Improvements – This project will improve the existing ammonia injection system at the combined filter effluent channel for water treatment Module Nos. 3 and 4 to improve the performance and reliability of the Mills plant's water treatment process. The project budget is \$321,000.
- Mills Reclamation Basin 14 Concrete Joint Sealant Replacement – This project will replace the deteriorated sealant at the Mills plant's Reclamation Basin 14 with a new high-performance sealant to improve the system reliability. The project budget is \$395,000.
- OC-86 Service Connection Rehabilitation – This project will replace the deteriorated OC-86 service connection from the turnout structure to the end of the meter assembly to improve the system reliability. The project budget is \$368,000.
- OC-88A Pumps Rehabilitation – This project will refurbish three deteriorated pumps at the OC-88A turnout structure to improve the system reliability. The project budget is \$350,000.
- Weymouth Rapid Mix Influent Flow Meters Upgrade – This project will replace the four obsolete rapid mix flow meters and consoles for the Weymouth plant's influent rapid mix system to improve the reliability of the plant's water treatment process. The project budget is \$335,000.

Completed Projects

Five projects were completed under the Minor Cap Program during the 2nd Quarter of fiscal year 2025/26 (October through December 2025):

- CB-01 Valve Replacement
- Jensen Chlorine Ejector System Pipe Replacement
- Lake Matthews Mobile Chlorinator Delivery Line Replacement
- Skinner Ozone Analyzers Replacement
- Skinner Washwater Reclamation Plant No. 2 Basin 6 Launder and Weir Replacement

Canceled Projects

One project was canceled under the Minor Cap Program during the 2nd Quarter of fiscal year 2025/26 (October through December 2025):

- East Valley Feeder Vault Upgrades was originally initiated in fiscal year 2018/19 and 2019/20 minor capital appropriation. The project was cancelled and will be expensed to overhead.

Expenditures

Actual biennium expenditures to date (July 2024 through December 2025) for the Minor Capital Projects Program were \$6.74 million.

Project Actions

Table 5 lists capital project actions authorized by the General Manager along with funding allocation amounts during the 2nd Quarter of FY 2025/26, through the authority delegated by the Board in April 2024. The total funding amount authorized during the 2nd Quarter is \$85,162,720 through 22 management actions. In some cases listed below, the Total Amount Authorized may differ from the Amount Authorized for Current Biennium when the work authorized is scheduled to extend beyond the current biennium. In these cases, it is anticipated that staff will request sufficient funds to be allocated from the CIP Appropriation for the next biennium to cover the planned remaining future-year costs of the project. When the Amount Authorized for Current Biennium is equal to the Total Amount Authorized, the authorized work is planned to be completed within the current biennium. Table 5 excludes any board items heard in closed session and minor cap authorizations. Minor cap authorizations can be found in the Minor Capital Projects Program section of this report.

Table 5: Capital Projects Funded in 2nd Quarter

Project Authorized	Activity Authorized	Amount Authorized for Current Biennium	Total Amount Authorized
Copper Basin Reservoir Discharge Valve Structure Rehabilitation ⁵	Rockfall Hazards Study	\$300,000	\$300,000
CRA 230 kV Transmission Tower Barrier Improvements	Final Design	\$395,000	\$395,000
CRA Canal Rehabilitation	Initial Study	\$45,000	\$45,000
Delta Properties Infrastructure Improvements - Phase 5	Construction of Twenty-Five Flowmeters at Bacon and Holland Tract Islands	\$470,500	\$510,000
Diamond Valley Lake Apprentice Training Center Perimeter Fence	Final Design and Construction	\$355,500	\$382,500
Diemer Chemical Feed Facility Improvements	Construction	\$1,592,745	\$9,600,000
Diemer Sewer Metering Upgrades	Study	\$327,000	\$357,000
Districtwide HVAC Replacement	Initial Study	\$50,000	\$50,000
DVL and Skinner Area Flow Meter Replacement – Stage 1	Procurement and Construction	\$715,000	\$730,000
Eagle Mountain and Hinds Pumping Plants Utilities Replacement	Construction	\$4,500,000	\$42,000,000

⁵ Additional study funding was required to assess the risks and to identify possible mitigation measures for potential rockfall hazards and recommend design refinements to be included in the Stage 2 final design package.

Project Authorized	Activity Authorized	Amount Authorized for Current Biennium	Total Amount Authorized
Emergency Generators for Mountaintop Communication Sites	Design, Development, and Deployment	\$110,000	\$1,347,000
Intake and Gene Pumping Plant Transformer Bushing and Pressure Device Replacement	Phase 2 Procurement: Primary Bushings for the Three 69 kV Transformers at Intake	\$130,000	\$130,000
Iron Mountain Fuel Dispenser System Improvements	Construction	\$87,000	\$87,000
Jensen Low Flow Capacity Improvements	Initial Study	\$110,000	\$110,000
Jensen Module No. 1 Washwater Pump Rehabilitation – Stage 1	Procurement and Construction	\$590,000	\$590,000
Jensen Sulfuric Acid Tank Feed System Replacement ⁶	Additional Preliminary Design; Final Design, Procurement, and Construction	\$400,000	\$400,000
Jensen Washwater Reclamation Plant Flocculation Basin Refurbishment	Construction	\$2,452,000	\$2,640,000
Mills Plant Fiber Conduit Installation	Construction	\$3,000,000	\$11,100,000
MWD Intramet Redesign	Development and Deployment	\$638,113	\$882,300
OC-28 Service Connection Meter Replacement	Initial Study	\$180,000	\$200,000
OC-76 Flow Control Facility Upgrades	Initial Study	\$65,000	\$80,000
PM-21 Venturi Flowmeter Replacement	Initial Study	\$50,000	\$50,000
San Gabriel Tower Improvements	Construction: removal of three existing gate frames and locating the existing steel reinforcing bars	\$1,041,900	\$1,120,000

⁶ Additional preliminary design funds were required to incorporate safety improvements to the chemical feed system after a leak was discovered at the chemical injection mixing wye and feed lance.

Project Authorized	Activity Authorized	Amount Authorized for Current Biennium	Total Amount Authorized
San Jacinto Diversion Structure Slide Gates V-01, V-02, V-03, and V-04 Rehabilitation	Construction	\$2,332,000	\$2,500,000
Skinner 480V Circuit Breaker Rehabilitation	Preliminary Design and Final Design	\$171,000	\$190,000
Skinner Service Building No. 1 Rehabilitation	Study	\$366,370	\$366,370
State Water Project Invasive Mussel Mitigation and Control	Preliminary Investigations	\$1,970,000	\$1,970,000
Western Region Microwave Tower Sites Upgrade	Study and Preliminary Design	\$3,015,363	\$3,015,363
Weymouth Fueling System Upgrades	Initial Study	\$145,000	\$155,000
Weymouth Sodium Hypochlorite Tanks Replacement	Initial Study	\$45,000	\$45,000
Total		\$25,649,491	\$81,347,533

Due to changes to the project implementation for the following projects, \$4,018,000 was reallocated to the previously authorized projects listed in Table 6 below. While the reallocation changed the biennial funded amount, the total authorized funding for the projects remained the same.

Table 6: General Manager Actions to Reallocate Capital Project Funds

Project Authorized (Title)	Amount Authorized for Reallocation
Enterprise IT Software Asset Management	\$500,000
Greg Avenue Pump Station Rehabilitation	\$2,000,000
La Verne Shops Upgrades – Stage 5: Building Completion & Equipment Procurement	\$1,518,000
Total	\$4,018,000

CEQA Determinations

Table 7 lists CEQA exemption determinations made by the General Manager during the 2nd Quarter. Consistent with CEQA, the Board delegated this authority to the General Manager in April 2024. Adoption of Negative Declarations, Mitigated Negative Declarations, and certification of Environmental Impact Reports will continue to require action by Metropolitan’s Board. This table excludes information on board items.

Table 7: CEQA Exemption Determinations

Projects
Lake Mathews Aboveground Storage Tank Replacement
San Diego Canal Radial Gate Replacement

Construction and Procurement Contracts

The table below summarizes the status of all construction and procurement contracts that were awarded by the Board and active during the reporting quarter. These contracts are listed in Table 10 and Table 11.

Table 8: 2nd Quarter Contract Actions

Contract Actions during Q2 for FY 2025/2026, October 2025 through December 2025	
Contracts Awarded by Board	3 construction contracts totaling \$157.7 million 1 procurement contract totaling \$0.4 million
Total Earnings Authorized ⁷	\$9.2 million
Construction Contracts Completed	Notices of Completion were filed for 4 construction contracts (Table 9)
Construction Contracts Terminated	1 construction contract was terminated ⁸
Procurement Contracts Completed	1 procurement contract was completed ⁹
Active Contracts at end of Q2 ¹⁰	17 construction contracts, totaling \$295.2 million (Table 10) 18 procurement contracts, totaling \$180.6 million (Table 11) ¹¹ \$475.8 million total value*

*Numbers may not sum due to rounding.

The figures on the next two pages show the locations of the seventeen construction contracts that were active through the end of the 2nd Quarter.

⁷ Includes payments for O&M work under CIP contracts unless otherwise noticed and grant-funded drought mitigation contracts. For the contracts that filed NOC during the reporting quarter, final contract costs are used in the total earnings calculation, and for those with outstanding pending issues, the amount equal to original bid amounts plus any approved change orders and/or final adjustments to unit price bid items is used.

⁸ Contract 2151 San Gabriel Tower Improvements was terminated for convenience as the contractor informed Metropolitan it would not be able to mobilize in time for the scheduled shutdown. Since the contractor did not perform work, a settlement was reached between Metropolitan and the contractor to terminate the contract at no cost; the contractor also waived any claims. The work will be performed by Metropolitan Construction Services Unit (CSU).

⁹ Contract No. 2002 Furnishing Steel Liner for Lakeview Pipeline was completed during the reporting quarter.

¹⁰ Active contracts at the end of the 2nd Quarter are those that are ongoing at the end of December 2025 and have not filed Notice of Completion with the county where the work was performed.

¹¹ Excludes \$1,531,044 procurement contract to Logicalis Inc. to furnish communications sites network equipment for the Desert Microwave Tower Sites Upgrade project due to contract execution under Master Contract of National Association of State Procurement Officials (NASPO) ValuePoint Cooperative Purchasing Program for Data Communications Products & Services.

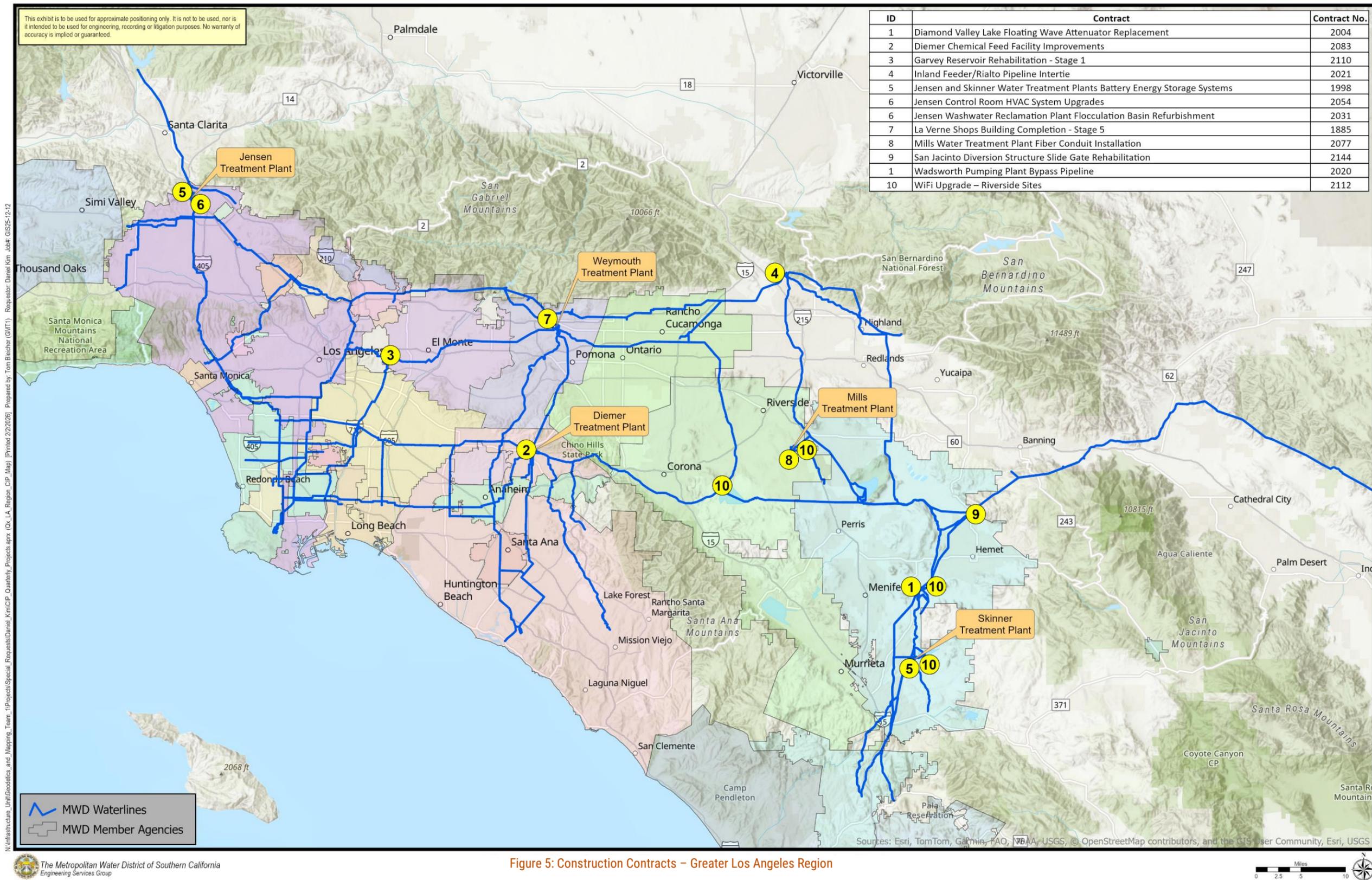
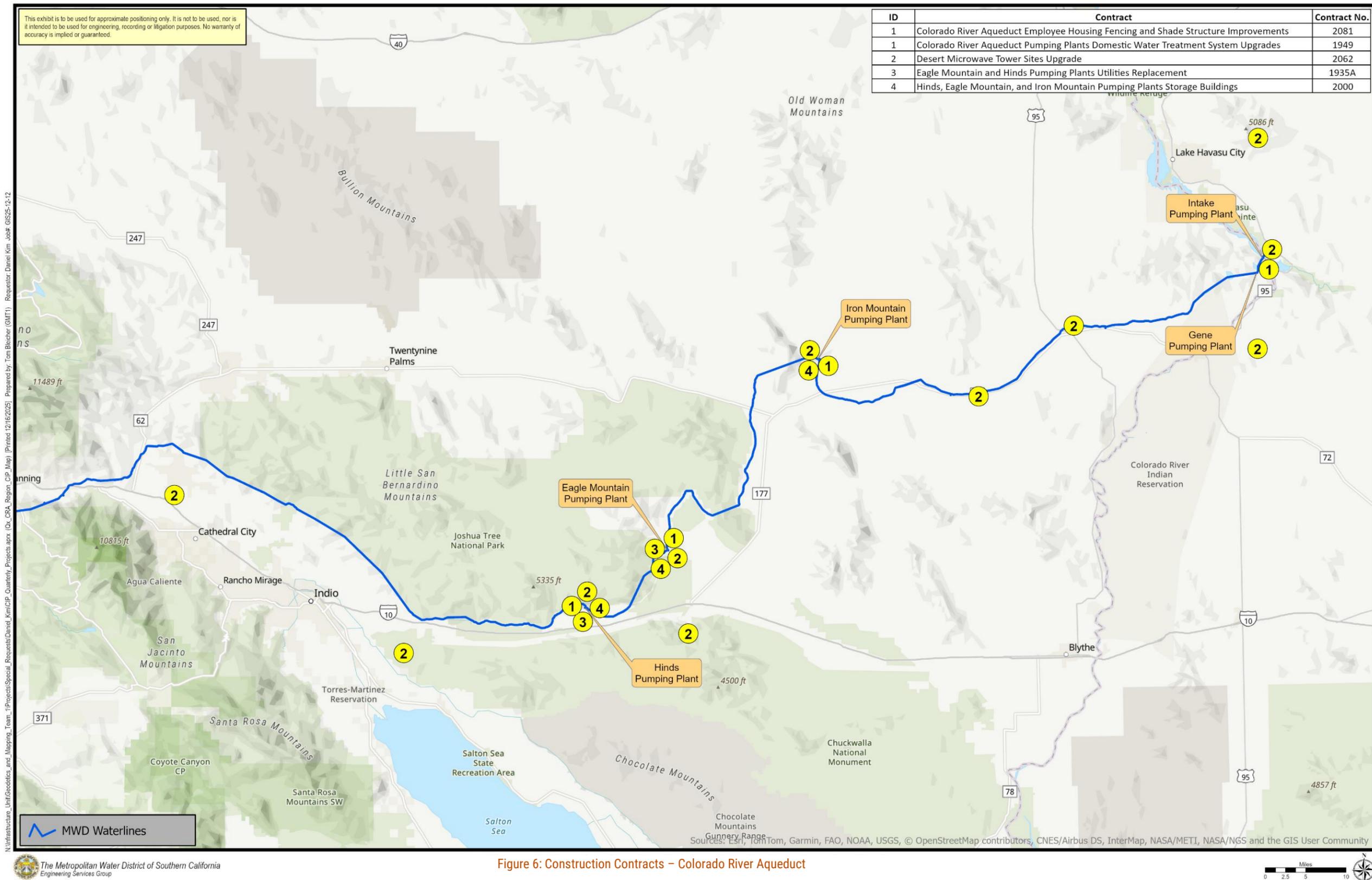


Figure 5: Construction Contracts – Greater Los Angeles Region



Metropolitan’s Administrative Code authorizes the General Manager to execute change orders on construction contracts in an aggregate amount not to exceed five percent of the original amount of the contract or \$250,000, whichever is greater. If changes occur on a construction contract that will exceed this total, additional authorization from the Board is required. In addition, the General Manager is authorized to execute change orders on procurement contracts in an amount not to exceed \$250,000. In the 2nd Quarter, the Board did not authorize any increase to the General Manager’s change order authority.

Notices of Completion during 2nd Quarter:

The following table shows the four board-awarded construction contracts for which Metropolitan accepted the contract as completed during the 2nd Quarter of FY 2025/26 and filed a Notice of Completion (NOC) with the county where the work was performed. In accordance with Section 9204 of the Civil Code of the State of California, an NOC is filed within 15 days of acceptance by Metropolitan of completion of construction by the contractor.

Table 9: Notices of Completion Filed This Quarter

Contract No.	Construction Contract	Notice of Completion	Original Bid Amount	Final Contract Costs	Change Order	Change Order %
1982	Weymouth Water Treatment Plant Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation	11/18/2025	\$93,840,000	\$98,230,264	\$4,390,264	4.68%
1992	Weymouth Water Treatment Plant Hazardous Waste Staging and Containment	10/21/2025	\$2,375,700	\$2,590,539	\$214,839	9.04%
2026	Second Lower Feeder PCCP Rehabilitation - Reach 3B	11/12/2025	\$68,847,000	*	*	*
2040	Inland Feeder Badlands Tunnel Surge Protection Facility	10/21/2025	\$18,840,000	\$18,880,687	\$40,687	0.22%
Totals:			\$183,902,700			

For the 2nd Quarter, the total bid amount of the completed construction contract was approximately \$183.9 million.

For Contract No. 2026 - Second Lower Feeder PCCP Rehabilitation - Reach 3B, although NOC was filed during the reporting quarter, the final contract cost and change order amount have not yet been finalized due to outstanding pending issues. The finalized information will be included in a future CIP quarterly report.

Final contract costs shown represent actual earnings and may be refined based on resolution of pending issues subsequent to the completion date.

The final contract costs can differ from the original bid amount due to change orders and actual costs incurred on unit price or other various bid items. The rolling average of change orders on completed construction contracts during the preceding 12-month period (January 2025 through December 2025) is 4.27% percent¹².

¹² Original amount of construction contracts completed (January 2025 through December 2025) = \$323,262,821
 Change orders for completed construction contracts (January 2025 through December 2025) = \$13,807,762
 Change order percentage (January 2025 through December 2025) = 4.27%

The table on this page lists the 17 ongoing construction contracts through the end of the 2nd Quarter. This list contains construction contracts awarded by the Board.

Table 10: Active Construction Contracts at the End of 2nd Quarter

	Cont. No.	Contract Title	Contractor	Contract Amount¹³	Earnings Through Dec. 2025¹⁴	Start Date	Est. Completion Date	Est. Percent Complete
1	1885	La Verne Shops Building Completion – Stage 5 ¹⁵	Woodcliff Corporation, Inc.	\$19,638,644	\$19,336,444	6/10/22	3/26	98%
2	1935	Eagle Mountain and Julian Hinds Pumping Plants Utility Replacement	Kiewit Infrastructure West Co.	\$35,722,000	\$0	1/7/2026	9/27	0%
3	1949	Colorado River Aqueduct Pumping Plants Domestic Water Treatment System Replacement ¹⁵	J.F. Shea Construction, Inc.	\$33,474,737	\$17,336,786	1/20/22	4/26	52%
4	1998	Jensen and Skinner Water Treatment Plants Battery Energy Storage Systems ¹⁵	Ameresco, Inc.	\$11,791,521	\$11,018,654	10/7/21	8/26	93%
5	2000	Hinds, Eagle Mountain, and Iron Mountain Pumping Plants Storage Buildings ¹⁶	J. F. Shea Construction, Inc.	\$16,556,968	\$16,014,628	7/31/23	5/26	97%
6	2004	DVL Floating Wave Attenuator Replacement ^{15, 16, 17}	Power Engineering Construction Co.	\$7,842,856	\$7,283,972	3/12/24	3/26	93%

¹³ The contract amount may differ from the original bid amount due to periodic change orders approved by the General Manager or, if required, by the Board.

¹⁴ Earnings reported in this table are the total contract earnings as they are known to be at the end of the reporting quarter.

¹⁵ Granting of additional working days to complete construction is being considered.

¹⁶ Indication of Project Labor Agreement (PLA) project awarded by the Board.

¹⁷ Contract 2004 excludes \$626,574 of earnings for the work on Lake Mathews Outlet Tower No.1 urgent diving services per extra work directed in the July 2025 Board Letter, Item 7-5.

	Cont. No.	Contract Title	Contractor	Contract Amount ¹³	Earnings Through Dec. 2025 ¹⁴	Start Date	Est. Completion Date	Est. Percent Complete
7	2020	Wadsworth Pumping Plant Bypass Pipeline ^{16, 18}	Steve P. Rados, Inc.	\$15,710,329	\$15,397,053	2/2/23	5/26	98%
8	2021	Inland Feeder/Rialto Pipeline Intertie ^{15, 16, 18}	Steve P. Rados, Inc.	\$15,983,015	\$15,754,340	10/16/23	7/26	99%
9	2031	Jensen Wastewater Reclamation Plant Flocculation Basin Refurbishment	Myers & Sons Construction, LLC	\$1,718,000	\$126,588	7/31/25	12/26	7%
10	2054	Jensen Plant Control Room Wildfire Smoke Control	IPI Construction Inc.	\$457,498	\$414,049	6/17/25	1/26	91%
11	2062	Desert Microwave Communication Tower Site Upgrades ¹⁵	MasTec Network Solutions LLC	\$2,556,478	\$924,376	3/27/25	4/26	36%
12	2077	Mills Water Treatment Plant Fiber Conduit Installation	Legion Contractors, Inc.	\$7,988,000	\$331,200	10/9/25	10/27	4%
13	2081	CRA Employee Housing Fencing and Shade Structure Improvements ¹⁵	Fencecorp, Inc.	\$1,931,217	\$1,465,842	4/3/25	4/26	76%
14	2083	Diemer WTP Fluorosilicic Acid Tank Farm Improvements ¹⁶	Metro Builders & Engineers Group	\$6,412,126	\$0	11/14/25	10/27	0%
15	2110	Garvey Reservoir Rehabilitation - Stage 1 ¹⁶	JF Shea Construction Inc	\$115,611,000	\$0	1/15/26	9/28	0%

¹⁸ This contract is funded by a state grant administered by DWR.

	Cont. No.	Contract Title	Contractor	Contract Amount¹³	Earnings Through Dec. 2025¹⁴	Start Date	Est. Completion Date	Est. Percent Complete
16	2112	Wireless Networks Installation at Metropolitan's Riverside locations	EyeP Solutions, Inc.	\$334,791	\$11,147	10/9/25	10/27	3%
17	2144	San Jacinto Diversion Structure Slide Gate Rehabilitation	MMC, Inc	\$1,454,000	\$0	9/11/25	6/26	0%
Total contract value for active construction contracts:				\$295,183,180				

The following table lists the 18 ongoing procurement contracts at the end of the 2nd Quarter.

Table 11: Active Procurement Contracts at the End of 2nd Quarter

	Cont. No.	Contract	Contractor	Contract Amount ¹⁹	Earnings Through Dec. 2025 ²⁰	Start Date	Est. Delivery Completion Date	Est. Percent Complete ²¹
1	1867	Furnishing Butterfly Valves for the Weymouth Water Treatment Plant – Schedule 1 ^{22, 23}	Crispin Valve, LLC	\$5,066,975	\$3,769,482	12/18/17	4/26	74%
2	1897	Furnishing 69kV and 230kV Power Transformers for the CRA Pumping Plants	Siemens Energy, Inc	\$130,836,680	\$3,260,888	6/25/25	3/30	2%
3	1912	Furnishing Large-Diameter Conical Plug Valves	Ebara Corporation	\$23,840,380	\$23,840,380	12/24/18	D ²⁴	99%
4	1922	Furnishing One Double Column Vertical Machining Center for the La Verne Maintenance Shops	Gosiger Machine Tools, LLC (Gosiger West)	\$2,319,600	\$2,273,100	9/17/18	D ²⁴	99%
5	1955	Furnishing Membrane Filtration Systems for the CRA Domestic Water Treatment Systems	Wigen Water Technologies	\$1,380,556	\$1,238,807	5/28/20	D ²⁴	90%
6	1965	Furnishing Equipment for the Jensen Ozone Power Supply Units Upgrades	Suez Treatment Solutions, Inc.	\$4,141,194	\$3,905,656	3/30/20	D ²⁴	94%
7	2028	Furnishing Slide Gates for the San Jacinto Diversion Structure	Whipps, Inc.	\$820,853	\$469,707	12/8/22	1/26	57%
8	2029	Furnishing Slide Gates for East Lake Skinner Bypass Channel ²³	Whipps, Inc	\$892,552	\$541,336	4/10/24	3/26	61%

¹⁹ The Contract Amount may differ from the original bid amount due to periodic change orders approved by the General Manager or, if required, by the Board.

²⁰ Earnings reported in this table are the total contract earnings as they are known to be at the end of the reporting quarter.

²¹ Estimated Percent Complete is based on contract payments and may not reflect actual progress of fabrication. The contract will be 100% complete upon delivery of fabricated items and field services.

²² Contract 1867 includes tariff and work on Furnishing Butterfly Valves for the Weymouth Water Treatment Plant – Schedule 1 per extra work directed in the November 2020 Board Letter, Item 7-1.

²³ Granting of additional working days to complete procurement is being considered.

²⁴ All items were delivered prior to this reporting quarter but the contract remains open pending use of manufacturer field services.

	Cont. No.	Contract	Contractor	Contract Amount ¹⁹	Earnings Through Dec. 2025 ²⁰	Start Date	Est. Delivery Completion Date	Est. Percent Complete ²¹
9	2048	Furnishing Butterfly Valves for the Inland Feeder/SBVMWD Foothill Pump Station Intertie - Schedule 1 ²⁵	Sojitz Machinery Corp. of America	\$2,814,591	\$2,777,975	6/15/23	D ²⁴	99%
10	2056	Furnishing a Brushless Motor Exciter System for Gene Pumping Plant Unit No. 1	WEG Electric	\$544,501	\$24,626	5/27/24	1/26	5%
11	2096	Furnishing a 132-inch Butterfly Valve for the Foothill Pump Station Intertie	Vogt Valves, Inc.	\$1,779,174	\$0	6/3/24	6/26	0%
12	2098	Furnishing a 42-Inch Stainless Steel Sleeve Valve for Red Mountain Control Structure	Vogt Valves, Inc.	\$589,957	\$0	12/5/24	9/26	0%
13	2099	Furnishing Knife Gate Valves for the Hollywood Tunnel Pressure Control Structure - Schedule 1	Integrated 8(a) Solutions, Inc.	\$321,575	\$0	4/10/25	9/26	0%
14	2099	Furnishing Sleeve Valves for the Hollywood Tunnel Pressure Control Structure - Schedule 2	Bailey Valve, Inc	\$2,151,947	\$0	4/10/25	9/26	0%
15	PO 214904	Furnishing Two Butterfly Valves for the Lake Skinner Outlet Tower Valve Replacement	B&K Valves and Equipment, Inc.	\$1,255,976	\$0	6/13/23	6/26	0%
16	PO 219501	Furnishing of Five Globe Valves to be Installed at Four Pressure Control Structures in the Orange County Region	B&K Valves and Equipment, Inc.	\$698,000	\$0	12/5/23	2/26	0%
17	PO 228265	Furnishing Globe Valves to be Installed at the Rio Hondo Pressure Control Structure ²³	B&K Valves and Equipment, Inc	\$807,004	\$0	2/15/24	7/26	0%
18	M-17241	Furnishing Two Venturi Flowmeters at the LA-17 Service Connection	Primary Flow Signal, Inc.	\$381,812	\$0	12/8/25	10/26	0%
Total contract value for active procurement contracts:				\$180,643,327				

²⁵ Contract 2048 includes tariff and work on Furnishing Butterfly Valves for the Inland Feeder/SBVMWD Foothill Pump Station Intertie - Schedule 1

Performance Metrics

To measure project performance efficiency and to identify areas for continuous improvements, Metropolitan’s Engineering Services Group has established two primary performance metrics for projects that will result in construction activities. These metrics serve as performance targets for Metropolitan staff for both final design and inspection activities. The inspection metric includes fabrication and construction inspection, as well as construction management services.

Separate performance targets have been established for two categories of project size: those with projected construction costs greater than \$3 million, and those with projected construction costs less than \$3 million.

Metropolitan’s **performance metric targets** for the two categories of construction projects are listed below:

Project Category	Final Design, % of Construction	Inspection % of Construction
Projects with Construction Costs > \$3 Million	9% to 12%	9% to 12%
Projects with Construction Costs < \$3 Million	9% to 15%	9% to 15%

Prior to proceeding with final design or construction, budgets are established for design and inspection that best provide a quality and timely product. Efforts are made to optimize staff and consultant hours based on project complexity and location. The calculated values for the design and inspection costs, as a percentage of total construction costs, in most cases lie within or below the metric target ranges. In select cases, the calculated values may exceed the metric target ranges.

Once a project phase is complete, either final design or construction, staff’s performance against these metrics is then calculated and compared to the target metrics. Table 12 and

Table 13 on the following page summarize the comparison between the target metrics and the actual performance metrics for each project category for the current reporting period. In cases where the actual performance exceeded the target metric, explanations for the variance are provided. Actual performances are reported for the Board awarded construction contract projects.

Table 12: Performance Metric Actuals, Construction Costs > \$3 Million

Project ^{26, 27}	Metric	Actual Cost of Metric	Construction Cost	Target Range	Actual %
Diemer Chemical Feed Facility Improvements	Final Design	\$835,450	\$7,112,126	9% to 12%	11.7%
Eagle Mountain and Hinds Pumping Plant Utilities Replacement	Final Design	\$2,185,471	\$36,017,000	9% to 12%	6.1%
Garvey Reservoir Rehabilitation – Stage 1	Final Design	\$5,935,118	\$117,941,000	9% to 12%	5.0%
Inland Feeder Badlands Tunnel Surge Protection Facility	Inspection	\$1,503,541	\$20,634,019	9% to 12%	7.3%
Weymouth Water Treatment Plant Basins Nos. 5-8 and Filter Building No. 2 Rehabilitation	Inspection	\$6,771,588	\$101,125,156	9% to 12%	6.7%
Average	Final Design				5.6%
	Inspection				6.8%

²⁶ Although the Allen-McColloch Pipeline PCCP 2024 Urgent Relining – Stage 1 work was performed under a change order to the Second Lower Feeder PCCP Rehabilitation – Reach 3B construction contract for which an NOC for filed in the reporting quarter, the final contract cost and change order amounts had not yet been finalized due to outstanding pending issues. The actual final design and inspection metrics were determined to be approximately 10.4% and 3.3% of the construction costs, respectively, using the best information available at the end of the reporting quarter, with one metric within and one metric better than the target range of 9-12% for construction costs greater than \$3 million.

²⁷ Although an NOC was filed for the Second Lower Feeder PCCP Rehabilitation – Reach 3B construction contract, the final contract cost and change order amounts had not yet been finalized due to outstanding pending issues. The actual inspection was determined to be approximately 4.6 % of the construction costs using the best information available at the end of the reporting quarter, which is better than the target range of 9-12% for construction costs greater than \$3 million.

Table 13: Performance Metric Actuals, Construction Costs < \$3 Million

Project ^{28, 29}	Metric	Actual Cost of Metric	Construction Cost	Target Range	Actual %
Weymouth Water Treatment Plant Hazardous Waste Staging and Containment	Inspection	\$192,069	\$2,689,927	9% to 15%	7.1%
Average	Final Design				N/A
	Inspection				7.1%

²⁸ Although an NOC was filed for the Jensen Administration Building Entrance Glass Fiber Reinforced Concrete Panels Replacement construction contract in the CIP Quarterly Report for the 4th quarter of FY 2024/25, the actual inspection performance was not reported, as the final contract cost and change order amounts were not finalized due to outstanding pending issues. During the previous reporting quarter, the pending issues were resolved, and the amounts were finalized. The final construction cost is \$477,709, and the estimated inspection cost is \$53,281, resulting in an actual inspection performance of 11.2% of construction costs, which is within the target range of 9-15% for construction costs below \$3M.

²⁹ Although the Palos Verdes Reservoir Helicopter Hydrant Dip Tank work was performed under a change order to the Second Lower Feeder PCCP Rehabilitation – Reach 3B construction contract for which an NOC for filed, the final contract cost and change order amounts had not yet been finalized due to outstanding pending issues. The actual final design and inspection metrics were determined to be approximately 11.2% and 9.9% of the construction costs, respectively, using the best information available at the end of the reporting quarter, which are both within the target range of 9-15% for construction costs below \$3M.

Service Connections and Relocations

Service Connections

No new agreements for service connections were approved by the General Manager pursuant to Sections 4700-4708 during the reporting period (October through December 2025).

Relocations

No new relocation agreements involving an amount in excess of \$100,000 were approved under the authority of Section 8122(c) during the reporting period.

Projects Expensed to Overhead

There are no expensed projects to report during the 2nd Quarter of FY 2025/26 (October through December 2025).

Program Status

The following table provides the program-level funded amount versus cost-to-date and biennium planned expenditures versus actuals-to-date.

Table 14: Program Fund vs. Cost and Planned Expenditures vs. Actuals

Capital Programs	Total to Date		Biennium to Date	
	Funded Amount (\$1,000's)	Costs thru December 2025 (\$1,000's)	Biennium to Date Planned Expenditures (\$1,000's) ³⁰	Biennium Actual Expenditures (\$1,000's)
Additional Facilities and Systems	\$364,532	\$320,206	\$26,110	\$30,961
Climate Adaptation	\$263,359	\$242,168	\$12,370	\$20,578
Colorado River Aqueduct	\$620,336	\$562,277	\$69,490	\$64,568
Dams & Reservoirs	\$168,414	\$148,309	\$66,270	\$21,381
Distribution System	\$1,022,213	\$953,896	\$86,060	\$83,669
Drought Mitigation - SWP Dependent Areas	\$152,766	\$110,235	\$53,590	\$44,835
Information Technology & Control Systems	\$297,137	\$259,719	\$41,040	\$25,387
Minor Capital Projects	\$113,049	\$90,981	\$12,350	\$6,738
Prestressed Concrete Cylinder Pipe	\$535,761	\$493,017	\$51,010	\$94,858
Water Treatment Plants	\$2,451,116	\$2,386,136	\$77,755	\$70,469
Total CIP	\$5,988,683	\$5,566,944	\$496,045	\$463,444

Notes on the above table:

- Numbers may not sum due to rounding.
- Numbers are based on the general ledger information downloaded on 1/14/2026.

³⁰ Biennium to date planned expenditures are based on an original CIP Budget of \$636.48 million.

List of Tables

Table 1: 2 nd Quarter Board Actions.....	3
Table 2: Planned & Actual Expenditures for FYs 2024/25 & 2025/26	6
Table 3: Major Capital Projects Programs	12
Table 4: Minor Capital Projects Program	34
Table 5: Capital Projects Funded in 2 nd Quarter.....	38
Table 6: General Manager Actions to Reallocate Capital Project Funds	40
Table 7: CEQA Exemption Determinations.....	41
Table 8: 2 nd Quarter Contract Actions	42
Table 9: Notices of Completion Filed This Quarter.....	45
Table 10: Active Construction Contracts at the End of 2 nd Quarter	46
Table 11: Active Procurement Contracts at the End of 2 nd Quarter	49
Table 12: Performance Metric Actuals, Construction Costs > \$3 Million.....	52
Table 13: Performance Metric Actuals, Construction Costs < \$3 Million.....	53
Table 14: Program Fund vs. Cost and Planned Expenditures vs. Actuals.....	55

List of Figures

Figure 1: CIP for FY 2024/25 and FY 2025/26 by Program.....	2
Figure 2: CIP Fund Allocation from Appropriation No. 15535 – FY 2024/25 and FY 2025/26	5
Figure 3: Current Biennium – Planned, Actual & Forecasted Expenditures.....	7
Figure 4: Biennium-to-date Actual Expenditures through 2 nd Quarter FY 2025/26	11
Figure 5: Construction Contracts – Greater Los Angeles Region	43
Figure 6: Construction Contracts – Colorado River Aqueduct.....	44



Engineering, Operations, & Technology Committee

Capital Investment Plan Quarterly Report for Period Ending December 2025

Item 9-1

March 9, 2026

Presented by: Jeff Nikolas

Item 9-1
Capital
Investment Plan
Quarterly Report for
Period Ending
December 2025

Subject

Capital Investment Plan Quarterly Report for the Second Quarter of FY 2025/26, which covers October 2025 through December 2025

Purpose

Informational summary of report that was provided in the board packet

CIP Quarterly Report

- Executive Summary
- Board Action Summary
- Actuals vs. Planned Expenditures
- Outside Funding Sources
- Program & Key Project Updates
- Project Funding & Authorization Actions
- Status of Construction & Procurement Contracts
- Performance Metrics
- Program Level Funding & Expenditure Status



The Metropolitan Water District of Southern California
**Capital Investment Plan
Quarterly Report**
October - December 2025



Table of Contents

Capital Investment Plan for Fiscal Years 2024/25 & 2025/26	2	CEDA Determinations	41
Executive Summary	3	Construction and Procurement Contracts	42
Board Action Summary	3	Performance Metrics	51
Planned Expenditure and Budget	6	Service Connections and Relocations	54
Funding of Infrastructure Projects with Outside Sources	8	Projects Expensed to Overhead	54
Major Capital Programs Overview	10	Program Status	55
Major Capital Project Programs - Highlights	12	List of Tables	56
Minor Capital Projects Program	34	List of Figures	56
Project Actions	38		

Capital
Investment Plan
Quarterly Report

Period Ending
December 2025

2nd Quarter Summary for Fiscal Year 2025/26

- Board awarded contracts – \$158.1 M
 - 3 Construction
 - 1 Procurement
- Contracts currently underway – \$475.8 M
 - 17 Construction
 - 18 Procurement
 - 12 Gates & Valves contracts - \$41 M
 - 6 Electrical & Specialty Equipment contracts - \$139 M

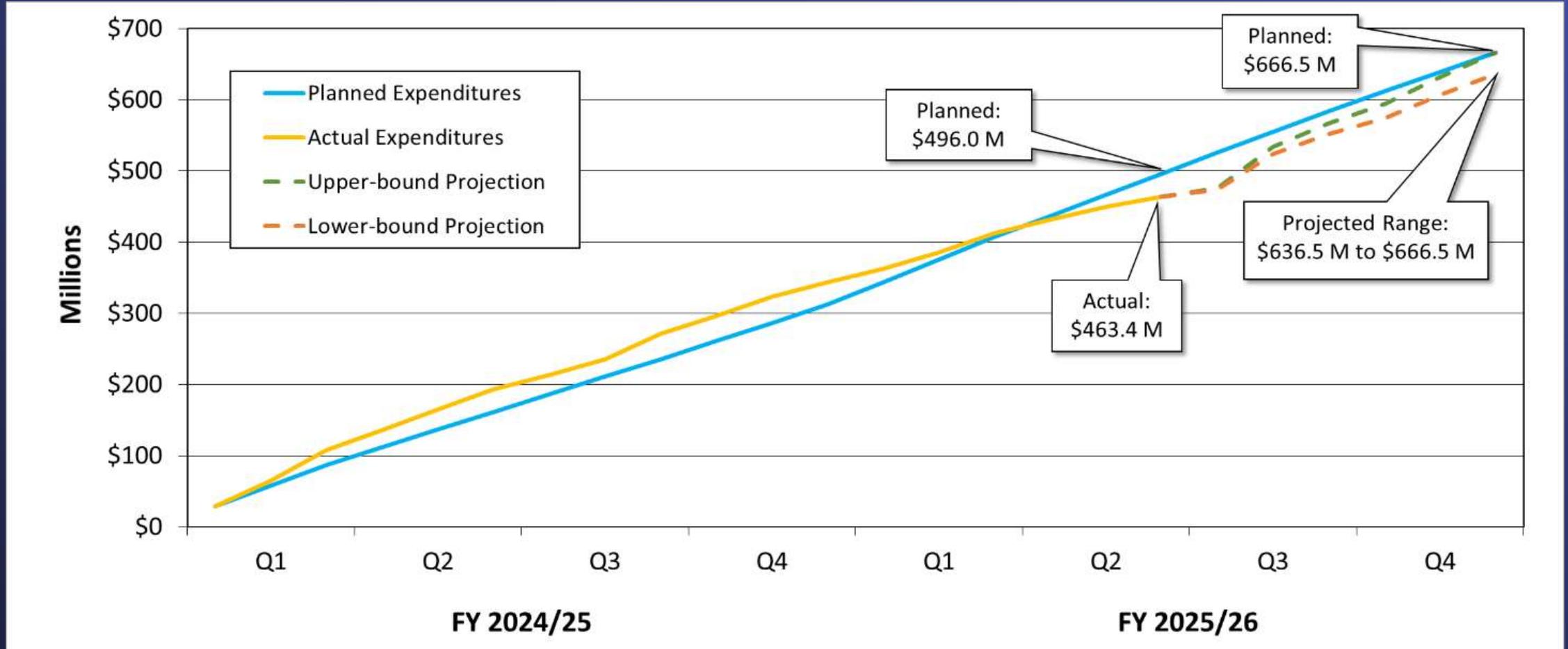
Funding of Infrastructure Projects with Outside Sources

Period Ending
December 2025

Total Amounts Received through 2nd Quarter of Fiscal Year 2025/26

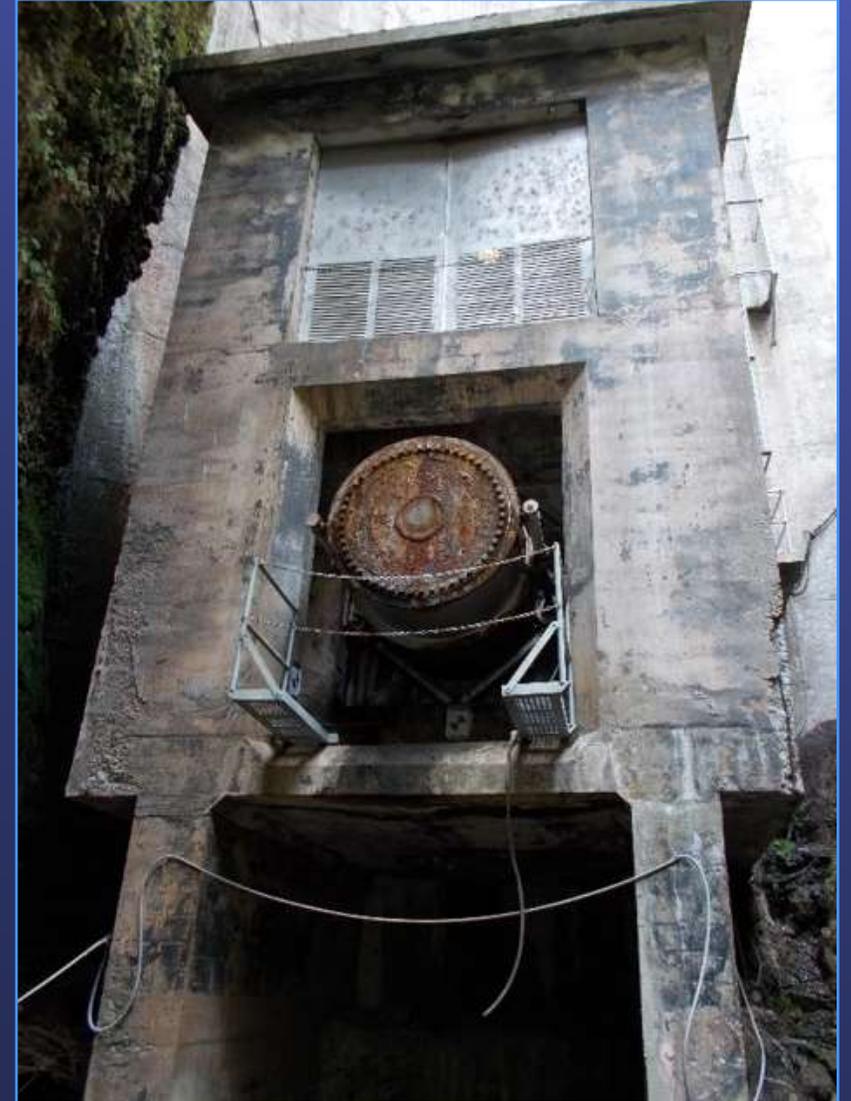
- Pure Water Southern California
 - \$80 M from the State Water Resources Control Board
 - \$4.2 M from US Bureau of Reclamation (USBR) WaterSMART
 - \$21.3 M from USBR Large-Scale Water Recycling Project
- Drought Mitigation Projects
 - \$42.2 M from California Department of Water Resources
- Webb Tract Wetland Restoration and Rice Field Development Projects
 - \$2.1 M from Delta Conservancy
- Diemer Helicopter Hydrant Project
 - \$291,176 from United States Forest Service

CIP Expenditure Performance – Fiscal Years 2024/25 & 2025/26



Copper Basin Reservoir Discharge Valve Structure Rehabilitation

- Final design phase authorized September 2020
 - Environmental permits approved
- Estimated final design completion May 2026
- Total project estimate: \$32.5 M
- Total project cost thru Dec.: \$3.4 M



Existing Copper Basin
Discharge Valve Structure

LA-17A and LA-17C Venturi Flowmeters Replacement



Existing 84-inch LA-17C Venturi Flowmeter in the City of Los Angeles

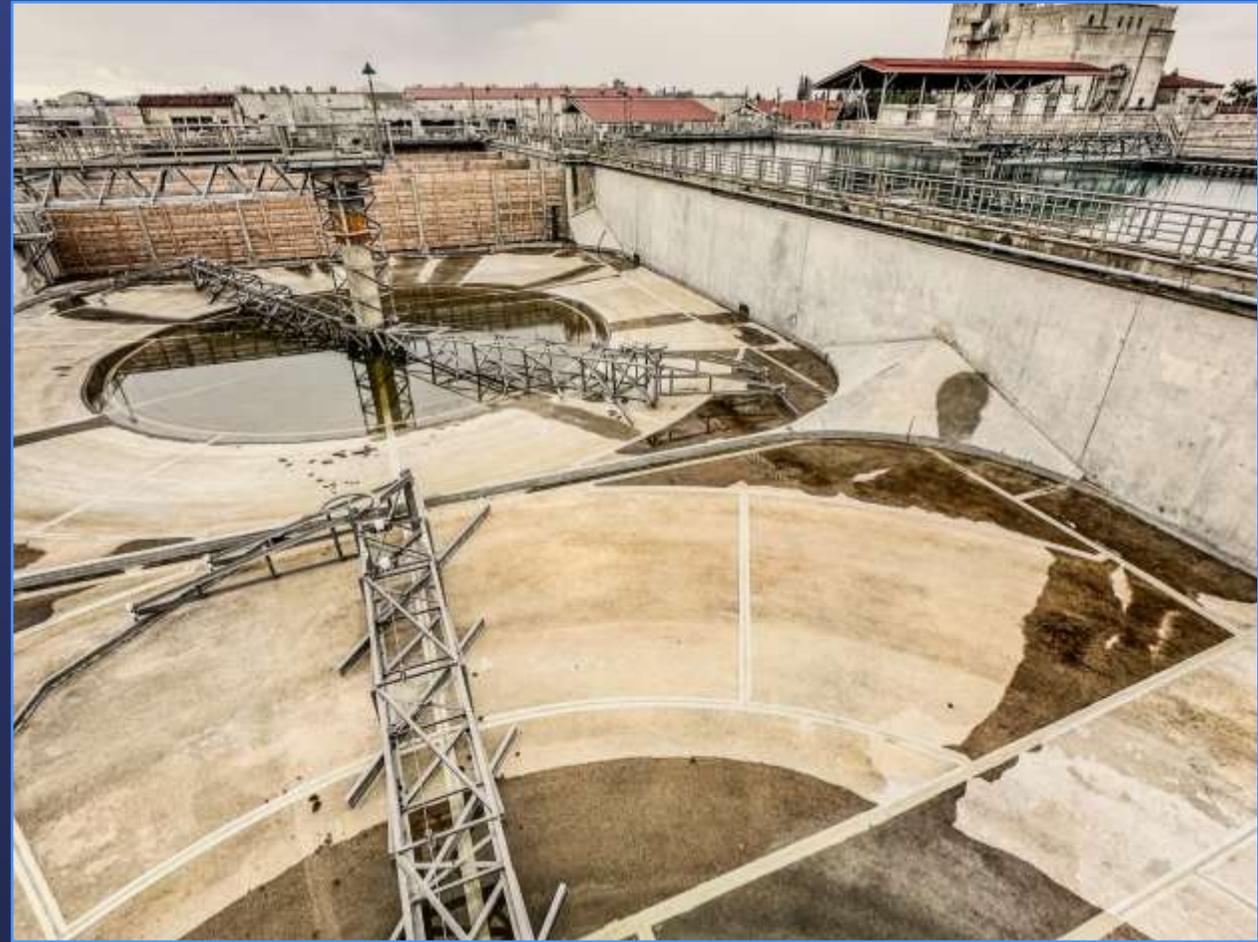
- Procurement contract awarded December 2025
 - Final design complete
- Estimated procurement completion October 2026
- Total project estimate: \$3.0 M
- Total project cost thru Dec.: \$0.6 M

Weymouth Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation

- Construction completed November 2025
 - Notice of completion filed
- Total project estimate: \$117.0 M
- Total project cost thru Dec.: \$113.4 M



Rehabilitated Filter Valve



Overview of the Rehabilitated Sludge Basins

Construction Contract Completion & Change Orders

Contract	Original Bid Amount	Contract Change Order Percentage
Inland Feeder Badlands Tunnel Surge Protection Facility	\$18,840,000	0.2%
Second Lower Feeder PCCP Rehabilitation - Reach 3B	\$68,847,000	*
Weymouth Water Treatment Plant Basins Nos. 5-8 & Filter Building No. 2 Rehabilitation	\$93,840,000	4.7%
Weymouth Water Treatment Plant Hazardous Waste Staging & Containment	\$2,375,700	9.0%
Total	\$183,902,700	Avg. = 4.0%

* Change order contract amount not fully negotiated.

Performance Metrics – 2nd Quarter of FY 2025/26

Projects w/ Construction Costs Greater Than \$3 Million

	Final Design % of Construction	Inspection % of Construction
Target Performance Range	9% to 12%	9% to 12%
Actual Performance	5.6%	6.8%

Projects w/ Construction Costs Less Than \$3 Million

	Final Design % of Construction	Inspection % of Construction
Target Performance Range	9% to 15%	9% to 15%
Actual Performance	N/A	7.1%

Minor Capital Projects

Fiscal Year Appropriation	2018/19 2019/20	2020/21 2021/22	2022/23 2023/24	2024/25 2025/26
Amount Appropriated	\$15.5 M	\$20.0 M	\$14.4 M	\$10.0 M
Amount Allocated	\$13.6 M	\$16.5 M	\$14.1 M	\$6.9 M
Expenditures Through Sept 2025	\$12.3 M	\$10.6 M	\$10.3 M	\$1.6 M
% of Work Complete	100%	89%	76%	22%



**Red Mountain HEP Cooling Water
System Rehabilitation**





Equal Employment Opportunity (EEO) Officers Report for March 2026

Monthly EEO Complaint Data

As part of the EEO Office's ongoing commitment to transparency in the EEO process, the following complaint data for July 1, 2025 – February 11, 2026, is included in this report. Since July 1, 2025, the EEO Office has received 54 complaints, with two complaints filed in February 2026, as of the running of this report.

EEO Concurrence Process

To assist with addressing employee concerns regarding promotional opportunities at Metropolitan, the EEO Office participated as neutral observers on three interview panels in February, in which 16 candidates were interviewed. EEO's role on interview panels ensures there is consistency across the recruitment and selection process, including that no irrelevant factors outside of a candidate's knowledge, skills, and abilities influence interview scores. EEO's participation as an observer in select recruitments may also help reduce the perception of bias, and allows employee concerns to be addressed at an early stage to reduce the risk of future EEO complaints.

Mandatory EEO Training Compliance

Per Metropolitan's EEO policies, all Metropolitan employees and Board Directors are required to complete sexual harassment prevention training. The training is aimed at increasing the understanding of, and preventing, workplace sexual harassment and other types of harassment, discrimination, and retaliation based on EEO-protected characteristics, and abusive conduct.

Compliance statistics for February: Supervisor/Manager (98.4 percent compliance rate); Non-Manager (98.7 percent compliance rate); and Board of Directors (94.6 percent compliance rate).

While every Metropolitan employee and Board Director is responsible for ensuring they remain in compliance with their respective training requirements, EEO staff will continue monitoring compliance records and issuing reminder compliance notices to individuals whose training requirements have elapsed, in order to seek a 100 percent compliance rate.

Outreach & Engagement

This month, Jonaura Wisdom, Chief EEO Officer, presented at the first in-person meeting of the year for the Women at Metropolitan Membership Meeting. Jonaura shared key lessons she learned throughout her career and provided tools for professional growth. EEO leadership also presented at the Human Resources Group Managers meeting to provide managers with information about the EEO Roundtable Process for substantiated EEO findings. Lastly, EEO leadership presented at the Diversity, Equity, and Inclusion (DEI) All-Hands Meeting to provide DEI staff with information on Metropolitan's mandatory reporting requirements for EEO complaints and the referral process.

The EEO Office utilizes these outreach and engagement opportunities to continue to raise awareness of the EEO process and foster an environment at Metropolitan where employees can represent their race, age, gender identity, sex, national origin, religion or any other protected characteristic without discrimination, harassment or retaliation.

Professional Development

EEO staff continue to complete trainings to support professional development in order to continue providing excellent work and abiding by industry best practices. Trainings completed this month include: *Trauma-Informed Strategies for Workplace Investigations; Balancing Confidentiality, Privacy, Privilege and Transparency in Effective Workplace Investigations; and Employment Rights of People with Disabilities.*

EEO's Guiding Principles

AWARENESS

We seek to create a heightened awareness of EEO rights and edify the Metropolitan family through professional and personal growth. We commit to creating a harassment-free work environment and enhancing cultural competency.

ACCOUNTABILITY

We hold ourselves to the highest standards. We live our values and truths, and work to maintain reliable and trustworthy governance. We enforce a zero-tolerance policy that prohibits discrimination, harassment and retaliation in any form. We will work diligently to ensure corrective action is taken in response to any EEO policy violation.

INTEGRITY

We will communicate openly and honestly, listen, and respectfully value multiple perspectives. We will do what we say and be accountable for everything we do. We strive to do the right thing, always, even when it isn't easy.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Office of Diversity, Equity, and Inclusion

- **DEI Activities Report**

Summary

This report provides a summary of the Office of Diversity, Equity, and Inclusion group activities for February 2026

Purpose

Informational

Attachments

Office of Diversity, Equity, and Inclusion group activities for February 2026

Office of Diversity, Equity, and Inclusion

In February 2026, Metropolitan continued advancing its Diversity, Equity, and Inclusion efforts through community engagement, business outreach, and workforce development activities designed to strengthen relationships and to expand awareness as well as access to the many opportunities in Metropolitan and the industry.

Metropolitan hosted an in-person Community Partners Meeting at Union Station. The meeting brought together community-based organizations to deepen collaboration and share information about Metropolitan's programs and opportunities. The agenda featured a community partner spotlight on the California African American Water Education Foundation and presentations on Internships and Entry-Level Opportunities in the Water Sector, the Vendor Development Program, and the Community Partnering Program by Metropolitan. The presentations highlighted how Metropolitan is working with partners to connect diverse communities to careers, contracts, and long-term engagement with the water industry.



Staff conducted multiple information sessions in the San Fernando Valley throughout the month to increase awareness of upcoming Operations & Maintenance Technician IV opportunities at the Jensen Treatment Plant. The sessions focused on reaching local residents to provide information on skilled technical roles within Metropolitan.

Metropolitan was represented in the Parker Dam 500 Street Fair, connecting with community members and sharing information about careers and programs. Additionally, Metropolitan hosted a table exhibit at The Construction Network's Water Projects Panel, which featured three Metropolitan member agencies (LADWP, IEUA, and the City of Santa Monica) and DWR discussing upcoming projects and contracting opportunities. Metropolitan sponsored and attended the Asian Business Association–Orange County (ABA-OC) Lunar New Year Luncheon; the event brought together government agencies and small businesses to share insights on procurement and state contracting opportunities. Additionally, staff participated in the San Diego, Orange & Imperial APEX Accelerator Small Business Expo, hosted in partnership with the San Diego Small Business Development Center Network and the San Diego Women's Business Center. The expo provided small businesses with guidance on accessing capital, navigating government contracting, and positioning themselves for local, state, and federal contract opportunities.

Metropolitan also engaged at the CRIT Rodeo and the Havasu Landing Chemehuevi Winter Camp, strengthening authentic relationships with tribal communities in the desert region through visibility, participation, and direct connection.

Staff hosted a resume and job opportunities information session at the Palo Verde Needles Education Center, guiding students and job seekers; spoke to students at Leuzinger High School's Environmental Careers Academy (ECA) in Lawndale about careers in water and sustainability. Metropolitan sponsored a film screening of "Unless Something Goes Terribly Wrong" at USC, and helped coordinate a panel discussion moderated by Heather Collins, as well as coordinating volunteers with the ERGs for a networking opportunity to connect students with professionals and career pathways in the water sector.

Finally, staff met with Women in Non-Traditional Roles to increase awareness about careers in water and the skilled trades. Staff also tabled at the Indio Job Fair that day to connect directly with job seekers and share information about current and upcoming employment opportunities.

Collectively, February's activities reflect Metropolitan's ongoing commitment to advancing diversity, equity, and inclusion through strategic community engagement, small business support, and workforce development initiatives. Through sustained outreach and partnership efforts, Metropolitan continues to expand access to career pathways and contracting opportunities within the water sector.



- **Board of Directors**
One Water and Adaptation Committee

3/10/2026 Board Meeting

9-4

Subject

Information on Implementing a Modified Operational Shift Cost Offset Program

Executive Summary

The Operational Shift Cost Offset Program (OS COP) was authorized in May 2021 with the intent to preserve the limited State Water Project (SWP) supplies during the 2020-2022 drought. Through OS COP, Metropolitan provided a payment to the member agencies to offset the increased costs incurred by the member agency when they shifted their Metropolitan deliveries from SWP-supplied connections to Colorado River water-supplied connections at Metropolitan's request. When OS COP was active from Calendar Years (CY) 2021 through 2023, member agencies shifted approximately 87,000 acre-feet (AF) in total, helping Metropolitan preserve its limited SWP supplies.

Based on the success of OS COP and the identified need for additional operational flexibility, staff proposes to implement a modified OS COP to allow for operational shifts in addition to those that shift between SWP and Colorado River connections. If approved, the modified OS COP would provide a payment to the member agencies to offset their incremental costs for shifts to alternative delivery points, at Metropolitan's request, during scenarios such as nitrification events, shutdowns, or unforeseen water quality events. The proposed modified OS COP would be an actively implemented program, meaning that the General Manager would be delegated authority to enter into OS COP agreements with member agencies on an as-needed basis to support operational needs of the system.

Fiscal Impact

In a scenario where the General Manager activates OS COP, Metropolitan would provide an incentive to member agencies who shift their delivery connection upon Metropolitan's request. Metropolitan staff would verify the member agencies' incremental costs in performing the shifts and determine a final credit amount, not to exceed the current Treatment Surcharge Rate plus \$5. In CY 2026, Metropolitan's Treatment Surcharge Rate is \$544 per AF.

Applicable Policy

Metropolitan Water District Administrative Code Section 4209: Contracts

Metropolitan Water District Administrative Code Section 4503: Suspension of Deliveries

Metropolitan Water District Administrative Code Section 4512: Sales Subject to System and Water Availability

Related Board Action(s)/Future Action(s)

Staff presented a Committee Informational Item on February 9, 2026, at the One Water and Adaptation Committee.

Staff will request board authorization for the proposed modifications at the April 2026 board meeting.

Background

Metropolitan's Board authorized OSCOP in May 2021 in response to the multi-year drought that impacted deliveries of SWP supplies. Through OSCOP, Metropolitan worked with its member agencies to shift the points of delivery to meet demands with Colorado River supplies in order to preserve its SWP supplies. The maximum OSCOP credit was set at \$5 per AF above Metropolitan's Treatment Surcharge rate, since most operational changes consisted of shifts from untreated deliveries to treated deliveries. The additional \$5 per AF helped offset additional monitoring or operational costs incurred by the member agency due to the shift. The program was authorized for CYs 2021 and 2022 and was later extended to CY 2023 through an additional board authorization. Metropolitan executed OSCOP agreements with Eastern Municipal Water District, the City of Los Angeles, the City of Santa Monica, and Three Valleys Municipal Water District. Combined, Metropolitan and the participating member agencies shifted a total of approximately 87,000 AF from May 2021 through March 2023, which is when the SWP allocation increased and Metropolitan ended OSCOP shifts. In total, Metropolitan paid member agencies approximately \$20 million to offset additional costs incurred by this shift.

Proposed Modifications

Staff proposes implementing OSCOP with modifications to the original program terms. The goal is to expand OSCOP to include additional types of operational shifts taken by a member agency for Metropolitan's benefit upon Metropolitan's request. In addition to shifting only from a SWP supply connection to a Colorado River supply connection, OSCOP credits would be provided to member agencies for operational shifts when Metropolitan makes a request during such events at nitrification episodes, emergency shutdowns, extended shutdowns, unforeseen water quality events, or any other scenario that impact Metropolitan's ability to deliver water to its member agencies other than in pre-scheduled shutdown scenarios. Operational shifts would be used to enhance water availability, improve water quality, and avoid water waste, all providing a regional benefit.

In addition to the General Manager having the authority to execute agreements with the member agencies, the modification would provide the General Manager with authority to utilize the program as needed when operational shifts would provide benefits to Metropolitan. Authorizing OSCOP as an active program in combination with providing the General Manager with authority to execute agreements will help Metropolitan implement operational shifts more efficiently.

Staff proposes to continue providing a maximum credit amount up to Metropolitan's Treatment Surcharge rate, based on past operational shift arrangements with member agencies, plus an additional \$5 per AF to cover any administrative costs an agency may incur to perform the shifts. The maximum credit would update each year to match the current year's approved Treatment Surcharge Rate. Based on feedback from the One Water and Adaptation Committee on February 9, 2026, staff is evaluating appropriate limits on the duration and volume (AF) of individual and total shift amounts and will return to the Board to provide further discussion and input.

Next Steps

Staff will continue to develop the signposts for returning to the Board, per the feedback received at the February 9, 2026, One Water and Adaptation Committee, plus any additional feedback received at the March 9, 2026, One Water and Adaptation Committee. Staff will return to the Board in April 2026 to request authorization to implement the proposed modified OSCOP.



Brandon J. Goshi 3/4/2026
Manager, Water Resource Management *Date*



Shivaji Deshmukh 3/4/2026
General Manager *Date*

Ref# wrm12707727



One Water And Adaptation Committee

Information on Implementing a Modified Operational Shift Cost-Offset Program

Item 9-4

March 9, 2026

Presented by: Jessica Arm

Item 9-4 Implementing a Modified Operational Shift Cost-Offset Program

Subject

Information on Implementing a Modified Operational Shift Cost-Offset Program

Purpose

Provide information on the proposed terms for a modified Operational Shift Cost-Offset Program

Next Steps

Incorporate feedback and request Board authorization for the modified Operational Shift Cost-Offset Program in April

Operational Shift Cost Offset Program

Background

- Board approval in May 2021
 - Offered in calendar years 2021 – 2023
- General Manager given delegated authority to execute agreements with Member Agencies
- Member agencies shifted delivery connections to receive Colorado River supplies instead of State Water Project (SWP) supplies
 - 87 TAF of shifted supplies
- Metropolitan provided credits to cover incurred additional costs for shifting deliveries
- Program ended in March 2023 with the increase in the SWP allocation

Operational Shift Cost Offset Program

Background

Credit Determination

- Credit capped at the Treatment Surcharge Rate plus \$5/AF for additional costs to manage shift
- Offsets additional member agency costs and impacts (e.g., treatment, pumping)

Billing

- Member Agency pays the full-service water rate
 - Capacity charge not affected
- Monthly certifications
- Credits applied to the Metropolitan invoice
- Annual reconciliation

Operational Shift Cost Offset Program

Outreach

February Committee

- Proposed implementing a modified OSCOP
 - General Manager has authority to activate shifts
 - Covers a broader range of shifts (ex: shutdowns, water quality)
- Feedback received to set trigger points for returning to the Board

February Member Agency Managers' Meeting

- No proposed changes - supportive

Operational Shift Cost Offset Program

Proposed Terms

- Metropolitan initiates the program after identifying a need
- Delegated authority to the General Manager to activate program and execute agreements
- All kinds of operational shifts are included that provide a regional benefit
- Credit is capped at the current year's approved Treatment Surcharge Rate plus \$5/AF
 - Metropolitan determines the eligible costs to be credited
- WRM Group Manager provides updates in the Oral Report
- Seek feedback from the Board when cumulative Program shifts reach 100 TAF *

** Based on level of activity in prior shifts (2023 OSCOP, shutdown shift)*

Operational Shifts: Actively Implemented

Identify
a Need



MWD
Initiates



**Member Agency
Shifts**



MWD
Ends Shifts



Operational Shift Cost Offset Program

Proposed Terms

- Metropolitan initiates the Program after identifying a need
- Delegated authority to the General Manager to activate program and execute agreements
- All kinds of operational shifts are included that provide a regional benefit
- Credit is capped at the current year's approved Treatment Surcharge Rate plus \$5/AF
 - Metropolitan determines the eligible costs to be credited
- WRM Group Manager provides updates in the Oral Report
- Seek feedback from the Board when cumulative Program shifts reach 100 TAF *

* Based on level of activity in prior shifts (2023 OSCOP, shutdown shift)

Operational Shifts: Examples

SWP → CR Connections

- Preserves SWP supplies for SWP Dependent Areas (2021 –23 OSCOP)



Nitrification Episodes

- Incentivizes using MWD supplies to prevent flushing MWD's pipes
- Improves water quality & avoids waste



Extended / Emergency Shutdowns

- Enhance water availability
- Allows operational activities (2023 extended shutdown)



Other

- CR → SWP supplies
- Unforeseen water quality events
- Other unforeseen events

Operational Shift Cost Offset Program

Proposed Terms

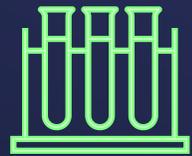
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- Credit is capped at the current year's approved Treatment Surcharge Rate plus \$5/AF
 - Metropolitan determines the eligible costs to be credited
- WRM Group Manager provides updates in the Oral Report
- Seek feedback from the Board when cumulative Program shifts reach 100 TAF *

** Based on level of activity in prior shifts (2023 OSCOP, shutdown shift)*

Operational Shift Cost Offset Program

OSCOP Credit

- Capped at approved Treatment Surcharge Rate plus an additional \$5/AF for any costs to manage the shift
 - **CY2026: \$544/AF + \$5/AF = \$549/AF**
 - Rate adjusted each year
 - **Historical OSCOP shifts did not cost above the Treatment Surcharge Rate**
- Member Agency will submit costs to Metropolitan
- Metropolitan will review costs above baseline costs and determine OSCOP credit
 - **Cannot exceed \$549/AF (CY 2026)**



Operational Shift Cost Offset Program



Untreated



Treated

Exclusion from Capacity Charges

- Business Model Refinement (2025)
- Metropolitan Treatment Revenue
 - Treatment Surcharge Rate (Volumetric)
 - Treatment Peaking Capacity Charge (fixed)
 - Treatment Standby Capacity Charge (fixed)
- Treated water flows resulting from Metropolitan's operational requests do not reflect Member Agency demand on Metropolitan and are not included in the Member Agency's calculations for any capacity charge
 - Operational shifts from untreated supplies to treated supplies in response to a Metropolitan OSCOP shift will not impact or increase a Member Agency's capacity charges

Operational Shift Cost Offset Program

Proposed Terms

- Metropolitan initiates the Program after identifying a need
- Delegated authority to the General Manager to activate program and execute agreements
- All kinds of operational shifts are included that provide a regional benefit
- Credit is capped at the current year's approved Treatment Surcharge Rate plus \$5/AF
 - Metropolitan determines the eligible costs to be credited
- WRM Group Manager provides updates in the Oral Report
- Seek feedback from the Board when cumulative Program shifts reach 100 TAF *

** Based on level of activity in prior shifts (2023 OSCOP, shutdown shift)*

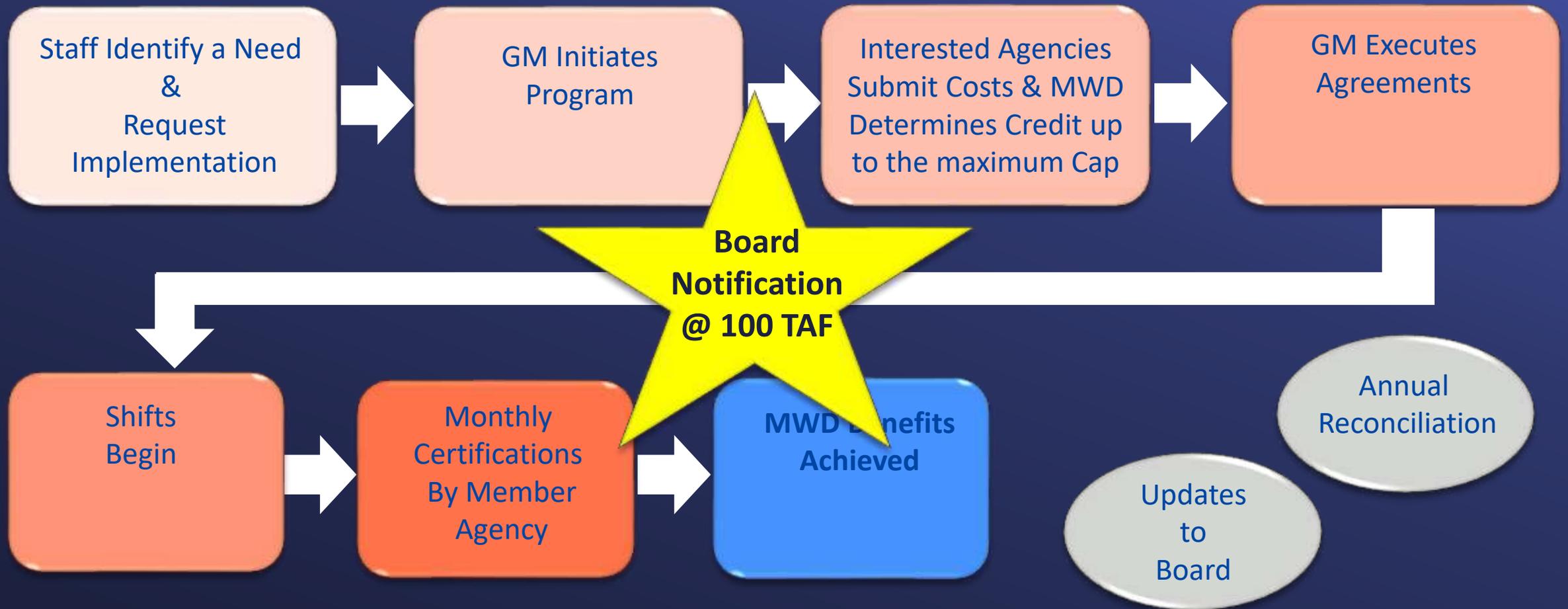
Operational Shift Cost Offset Program

Board Updates

- Monthly Updates in WRM Manager’s Oral Report
- Return to the Board as cumulative Program shifts near 100 TAF

Program & Year	Total AF
OSCOPE 2021	30 TAF
OSCOPE 2022	51 TAF
OSCOPE 2023	6 TAF
Total OSCOP	87 TAF
2022 Extended Shutdown	400 AF
2023 Extended Shutdown	100 AF
Total Shutdown	500 AF
Total Operational Shifts	~ 87 TAF

Proposed Implementation Process



Operational Shift Cost Offset Program

Summary

- Fully initiated by Metropolitan
- Active program → Efficient implementation of shifts
- Broader coverage → Greater operational flexibility
- Additional benefits:
 - Regional reliability
 - Reduces the need to purchase costly transfer supplies
 - Eliminates financial barriers for member agencies
- Metropolitan determines credit not to exceed approved Treatment Surcharge Rate + \$5/AF
- Board Feedback when cumulative program shifts reach 100 TAF

Operational Shift Cost Offset Program

Next Steps

- Incorporate committee feedback
- Board Action April 2026





- **Board of Directors**
Legislation and Communications Committee

3/10/2026 Board Meeting

9-5

Subject

Information on Facilities Naming Criteria and Procedures

Executive Summary

An oral report will be provided on the March 2, 2026, meeting of the Ad Hoc Committee on Communications and Facilities Naming.

Fiscal Impact

None

Applicable Policy

By Minute Item 51004, dated November 14, 2017, the Board established the creation of the Ad Hoc Facilities Naming Committee.

By Minute Item 51324, dated September 11, 2018, the Board adopted the Metropolitan Facilities Naming Policy Principle as a Board-Adopted Policy Principle. It outlines criteria and procedures to name Metropolitan facilities.

Related Board Action(s)/Future Action(s)

The Ad Hoc Committee on Communications and Facilities Naming may recommend naming facilities as nominations are received and reviewed. Board approval is required for a facility to be named or renamed.

Details and Background

At the March 2, 2026, meeting, the Ad Hoc Committee on Communications and Facilities Naming reviewed the adopted Facilities Naming Policy Principle, which includes naming criteria and procedures. The committee discussed excluding certain facilities from naming, such as the Metropolitan Headquarters Building at Union Station and the Headquarters rotunda. It was noted that the policy declares that Metropolitan has “sole discretion” in whether to name a facility and the name chosen, and this would address the issue. In addition, it was clarified that the naming criteria “ordinarily not for living persons” means that ordinarily naming will be for a deceased person, but in an extraordinary case may be for a person who is still living. The committee does not recommend changing the adopted criteria and procedures at this time.

The committee has received two nominations which it will review and for which it will provide recommendations to the Board.



Carolyn Schaffer
Group Manager, External Affairs

3/5/2026
Date



Shivaji Deshmukh
General Manager

3/5/2026
Date

Ref# ea12713069