

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 3

July 9, 2024

1:30 PM

Tuesday, July 9, 2024 Meeting Schedule

08:30 a.m. FAM
10:30 a.m. EIA
11:30 a.m. Break
12:00 p.m. EOP
01:30 p.m. BOD
02:30 p.m. Sp Exec

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. Written public comments received by 5:00 p.m. (business days) before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>.

If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmDsUWpKR1c2Zz09>

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

Teleconference Locations:

3008 W. 82nd Place • Inglewood, CA 90305

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

Conference Room • 1545 Victory Blvd. 2nd Floor • Glendale, CA 91201

1. Call to Order

- a. Invocation: Director Stephen J. Faessel, City of Anaheim
- b. Pledge of Allegiance: Director 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))

5. OTHER MATTERS AND REPORTS

- A. Report on Directors' Events Attended at Metropolitan's Expense **21-3514**

Attachments: [07092024 BOD 5A Report](#)

- B. Chair's Monthly Activity Report **21-3515**

Attachments: [07082024 BOD 5B Report](#)

- C. General Manager's summary of activities **21-3516**

Attachments: [07092024 BOD 5C Report](#)

- D. General Counsel's summary of activities **21-3517**

Attachments: [07092024 BOD 5D Report](#)

- E. General Auditor's summary of activities **21-3518**

Attachments: [07092024 BOD 5E Report](#)

- F. Ethics Officer's summary of activities **21-3519**

Attachments: [07092024 BOD 5F Report](#)

- G. Presentation of Commendatory Resolution for Director Michael Gualtieri representing Central Basin Municipal Water District

- H. Presentation of Commendatory Resolution for Director Glen Peterson representing Las Virgenes Municipal Water District

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

6. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the Minutes of the Special Board Meeting for March 26, 2024, Board of Directors Meeting for June 11, 2024 and Special Board Meeting for June 13, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions). [REVISED SUBJECT 7/1/2024] **21-3520**

Attachments: [07092024 SP BOD 6A \(03262024\) Minutes](#)
[07092024 BOD 6A \(06112024\) Minutes](#)
[07092024 SP BOD 6A \(06132024\) Minutes](#)

- B.** Authorize the preparation of commendatory resolution honoring The Rancho California Water District for 2024 recipient of the Outstanding Public Service Announcement Emmy Awards "Be a Water Hero" Campaign. [ADDED ITEM 6/28/24] **21-3596**

- C.** Authorize the preparation of commendatory resolution honoring Elsinore Valley Municipal Water District recipient of the American Water Works Association National 2024 Hydrant Hysteria Competition. [ADDED ITEM 6/28/24] **21-3597**

- D.** Approve Committee Assignments

7. CONSENT CALENDAR ITEMS - ACTION

- 7-1** Award a \$2,197,460 contract to J.F. Shea Construction Inc. for the replacement of a section of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11; and authorize an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed amount of \$395,000 to provide technical support during construction; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **21-3523**

Attachments: [07092024 EOT 7-1 B-L](#)
[07082024 EOT 7-1 Presentation](#)

- 7-2** Authorize an agreement with Arcadis, U.S. Inc., in an amount not to exceed \$1.525 million for Data Management and Data Analytics Consulting & Implementation Services to implement Phase 1 of the Data Analytics project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **21-3525**

Attachments: [07092024 EOT 7-2 B-L](#)
[07082024 EOT 7-2 Presentation](#)

- 7-3** Authorize entering into a not-to-exceed \$401,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Chino Basin Advanced Water Purification Demonstration Facility; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 6/28/24] (OWS) **21-3528**

Attachments: [07092024 OWS 7-3 B-L](#)
[07082024 OWS 7-3 to 7-8 Presentation](#)

- 7-4** Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 6/28/24] (OWS) **21-3529**

Attachments: [07092024 OWS 7-4 B-L](#)
[07082024 OWS 7-4 Presentation](#)

- 7-5** Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 6/28/24] (OWS) **21-3530**

Attachments: [07092024 OWS 7-5 B-L](#)
[07082024 OWS 7-5 Presentation](#)

- 7-6** Authorize entering into a not-to exceed \$499,802 funding agreement with the City of Long Beach under the Future Supply Actions Funding Program for the Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 6/28/24] (OWS) **21-3531**

Attachments: [07092024 OWS 7-6 B-L](#)
[07082024 OWS 7-6 Presentation](#)

- 7-7** Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 6/28/24] (OWS) **21-3532**

Attachments: [07092024 OWS 7-7 B-L](#)
[07082024 OWS 7-7 Presentation](#)

- 7-8** Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the Future Supply Actions Funding Program for the OceanWell Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 6/28/24] (OWS) **21-3533**

Attachments: [07092024 OWS 7-8 B-L](#)
[07082024 OWS 7-8 Presentation](#)

- 7-9** Authorize the General Manager to grant a Permanent Easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAM) **21-3534**

Attachments: [07092024 FAM 7-9 B-L](#)
[07092024 FAM 7-9 Presentation](#)

- 7-10** ITEM 7-10 MOVED FROM CONSENT TO ACTION ITEM 8-4 (FAM) **21-3599**

- 7-11** Authorize an additional six-month term to the existing agreement with Public Financial Management Asset Management for investment management services in an amount not to exceed \$250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [REVISED SUBJECT 7/2/24] (FAM) **21-3595**

Attachments: [07092024 FAM 7-11 B-L](#)

8. OTHER BOARD ITEMS - ACTION

- 8-1** Authorize a \$600,000 increase to an existing agreement with J.F. Shea Construction Inc. for a new not to exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project dependent areas) (EOT) **21-3524**
- Attachments:** [07092024 EOT 8-1 B-L](#)
[07082024 EOT 8-1 Presentation](#)
- 8-2** By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for fiscal year 2024/25 and up to \$4.30 million for fiscal year 2025/26; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA (OWS) **21-3527**
- Attachments:** [07092024 OWS 8-2 B-L](#)
[07082024 OWS 8-2 Presentation](#)
- 8-3** Report on Baker Electric, Inc. v. Metropolitan Water District of Southern California, et al., (Los Angeles Superior Court Case No. 21STCV15612) regarding Metropolitan's CRA 6.9 kV Power Cables Replacement Project, Contract No. 1915; authorize an increase in the maximum amount payable under contract with Musick, Peeler & Garrett LLP, for legal services by \$750,000 to an amount not-to-exceed \$3,250,000; and authorize an increase in the maximum amount payable under contract with Exponent, Inc. for consulting services by \$120,000 to an amount not-to-exceed \$720,000; the General Manager has determined that the proposed actions are 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 REVISED 6/28/24] (LC) **21-3537**

- 8-4** Authorize the execution of an amendment to an existing lease with Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan's fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes. The additional proposed leasehold parcels are commonly known as Riverside County Assessor Parcels Numbers 833-060-004; 833-060-008; 833-060-018; 833-100-005; 833-100-007; 833-100-011; 833-100-012; 833-100-016; 833-100-017; 833-060-001; 833-060-024; 833-060-025; 827-190-003; 827-190-004; 827-190-005; 827-190-006; 827-190-007; 827-190-009; 827-190-010; 827-190-012; 833-060-026; 006-090-008; 006-090-009; 006-090-010; 006-090-011; 006-090-012; 006-090-013; 006-090-029; 006-120-082; 006-120-089; 006-150-065; 006-220-057. The General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiators; agency negotiators: Kevin Webb and Kieran Callanan; negotiating parties: Linda D. Noroian dba Nish Noroian Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8]. [MOVED FROM CONSENT TO ACTION 7/1/24] (FAM) **21-3535**

Attachments: [07092024 FAM 8-4 B-L](#)
[07092024 FAM 8-4 Presentation - REVISED](#)

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

9. BOARD INFORMATION ITEMS

- 9-1** Conservation Report **21-3522**
Attachments: [07092024 BOD 9-1 Report](#)
- 9-2** Colorado River Housing Community Planning Update (EOT) **21-3536**
Attachments: [07092024 EOT 9-2 Report](#)
- 9-3** Report on SB 1255 (Durazo, D – Los Angeles): Public water systems: needs analysis: water rate assistance program (June 3, 2024) (Leg) **21-3590**
Attachments: [07092024 LEG 9-3 B-L](#)
[07082024 LEG 9-3 Presentation](#)

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.

July 9, 2024 Board Meeting

Item 5A



**Metropolitan Water District of Southern California
Summary of Events**

Attended by Directors at Metropolitan’s Expense in June 2024

Date(s)	Location	Meeting Hosted by:	Participating Director(s)
June 11	San Diego, CA	Colorado River Board Meeting	Gloria Cordero
June 20	Sacramento, CA	DCA Oversight Committee	Miguel Luna
June 28	San Diego, CA	Discussion on Colorado River guidelines with Chair of Imperial Irrigation District.	Adán Ortega, Jr.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

● Chair of the Board Adán Ortega Jr.'s Monthly Activity Report – June 2024

Summary

This report highlights my activities as Chair of the Board during the month of June 2024 on matters relating to The Metropolitan Water District of Southern California's business.

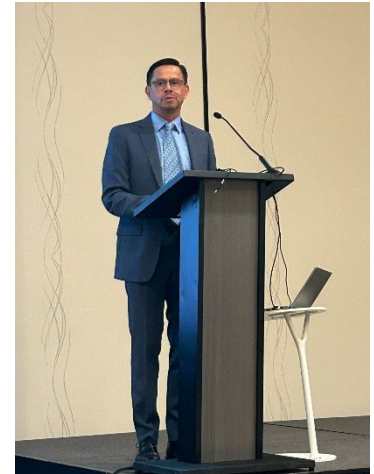
Monthly Activities

Key Activities

- Attended Member Agency Board and City Council meetings with General Manager Adel Hagekhalil and Interim General Manager Deven Upadhyay. I made two stops in June and one virtually: Foothill Municipal Water District, Western Municipal Water District, and the City of Beverly Hills Public Works Commission (virtual). We addressed the interrelation between CAMP4Water, the Biennial Budget Process, Bay-Delta Issues, and the Colorado River, as well as our collective resiliency in addressing the State Water Project Exclusive Areas challenges. We also answered questions and comments from the member agency directors and, in some instances, members of the public, including local elected officials.



- Attended the American Water Works Association (AWWA) Annual Conference and Exposition Public Officials Breakfast, where I provided welcoming remarks and congratulated Heather Collins on her new position as president-elect of AWWA. We are proud of her election to lead AWWA.



- Participated in Pasadena's public forum panel "Where Will Pasadena Get Our Water?" alongside water experts to discuss how we will ensure water reliability and affordability in the face of a hotter and drier climate and other water supply challenges. Pasadena Councilmember-Elect Rick Cole moderated the panel, which besides myself, included Chief Executive Officer of Mouton Niguel Water District Joone Kim-Lopez, Executive Director of Stewards of the Arroyo Seco and former Metropolitan Water District Board Chair Tim Brick, and Assistant General Manager of Pasadena Water and Power Stacie Takeguchi. Metropolitan Water District Board Director Cynthia Kurtz was also in attendance.



- I joined Interim General Manager Deven Upadhyay in the virtual Pride event and delivered a toast with closing remarks to celebrate the LGBTQ+ community, embracing diversity and inclusion and honoring our progress toward equality. Joining us virtually was Director Judy Abdo.



Other Activities

- Interim General Manager Deven Upadhyay and I held a virtual All-Staff Update to address the Metropolitan Board's decision to place General Manager Adel Hagekhalil on leave and appoint Deven Upadhyay as Interim General Manager. With about 1,000 staff members present, we reassured the staff of our commitment to due process and maintaining a safe working environment for everyone. We emphasized our dedication to upholding high service standards and encouraged the team to stay focused on our mission of providing safe and reliable drinking water to the community. The internal broadcast was recorded for later viewing by anyone who missed it.

<https://www.youtube.com/watch?v=NV3gFUHZVWU>



- I was interviewed by Ian James of the Los Angeles Times and a reporter for Politico regarding the Board's decision to place the General Manager on temporary leave.

Regularly Scheduled/Ongoing Meetings

- I continue to meet regularly to review the Board's organizational issues and coordinate activities with the Board Vice Chairs and Department Heads.



General Manager's Monthly Report



Activities for the Month of June 2024



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Message from the General Manager

As we begin a new fiscal year, I am filled with optimism about the year ahead, bolstered by our collective achievements during the past 12 months. Metropolitan's many accomplishments reflect our position as an important leader within the water industry. I am profoundly grateful to our dedicated and expert employees and for the collaboration among our member agency partners and board leaders, which together have driven this progress for the District.

Among our recent accomplishments are:

1. The recent award of nearly \$100 million to help advance Pure Water Southern California, which is part of a package of funding from the federal Large Scale Water Recycling Program that will benefit our entire region and the Colorado River basin, through support for projects in the cities of Los Angeles and Ventura and Washington County in Utah;
2. Progress on the CAMP4W process, which will fulfill the Board's promise to integrate financial, water resource, and climate planning;
3. The adoption of our biennial budget after an extensive and public process, that responds to historic inflation and low water sales, and enables necessary investments in the District's programs, projects and workforce;
4. Organizational changes, such as the creation of the Office of Safety, Security and Protection, that are bringing greater efficiencies and collaboration to our work;
5. The deployment of cutting-edge science and creative partnerships to support initiatives and holistic approaches that promote greater sustainability, reliability for the Delta and Colorado River basin; and
6. Metropolitan's One Water Awards, which showcase the significant influence of our conservation programs across various industries and customers.

There are many more examples—and much more to do in the coming year. By staying the course and working together, we will continue to strengthen our foundation, pursue innovation, extend our leadership in the industry, and ensure a workplace rooted in respect, teamwork, and safety.

Deven Upadhyay
Interim General Manager



Strategic Priorities Update

The General Manager's Strategic Priorities guide actions in key areas of change and opportunity that will strengthen Metropolitan and its ability to fulfill its mission. Review the General Manager's [Business Plan for FY23-24](#) and the ["SMART Tracker"](#) dashboard of specific actions that advance the Strategic Priorities.



Empower the workforce and promote diversity, equity, and inclusion



Goal Dashboard

8 of 9 Outcomes completed
1 Outcome in progress

■ Build a safe, inclusive, and accountable workplace where all employees feel valued, respected, and able to meaningfully contribute to decisions about their work to fulfill Metropolitan's Mission.

The EEO Office reported an average case closure rate of 105 business days for the current quarter (April-June 2024). The EEO Office will continue to prioritize its commitment to conducting prompt, thorough and fair investigations. We are optimistic that as legacy cases are closed and with the EEO Office now fully established, we will bring the average closure rate lower, and we will continue to regularly report complaint statistics to the Board. EEO continued its outreach and availability at field locations with two trainings in June at Weymouth and Lake Mathews.

The final report from the community planner on the District Housing & Property Improvements Program at the Desert Facilities has been provided to the Board. Its recommendations were made after an iterative nine-month process, which included multiple engagements of the workforce to solicit their input. Staff is reviewing the recommendations and will return to the Board in the coming fiscal year with final staff recommendations and next steps.

A communications plan for Metropolitan's updated Vision and Values has been initiated, with materials on display in the rotunda for June's National Safety Month. The focus in the weeks and months to come is on multi-layered internal communications that provide short-term and long-term reinforcement. Short-term activations include initiatives such as reminders upon computer log-in and



Desert Housing

Community Planning
report completed and
provided to the Board

posters at work sites, and longer term activations include measures such as incorporating into the performance evaluation aspects of the START values. A core group meets regularly to ensure continued progress to promote and embed the Vision and Values as a part of transforming and improving our workplace culture.

The newly established Executive Safety Committee (ESC) meeting is scheduled for July. The ESC will meet bi-monthly thereafter. In addition, Executive leadership is scheduled for safety leadership training in August.

■ **Prepare and support the workforce by expanding training and skill development and updating strategies to recruit and retain diverse talent at a time when Metropolitan's needs are evolving and employee expectations about the workplace are changing.**

Recruitment launched a new tool that allows for proactive candidate identification for historically hard to fill positions. This tool is a highly visible online presence that celebrates the unique aspects of Metropolitan and the individual positions. Individuals interested submit their information and are then contacted by the Recruitment team once a position becomes available. This innovative approach to attracting passive job seekers is part of our concerted efforts to decrease our recruitment time and to generate a deep and diverse applicant pool.

A monthly recruitment status report now provides Group Managers with enhanced visibility into the status of their recruitments, enabling more informed operational decisions.

Community-based organizations were updated on workforce development efforts this month, and information was shared regarding the upcoming Apprenticeship class recruitment. We are in final stages of interviews for a Workforce Development Manager to accelerate progress on overall efforts.

The Organizational Development & Training Unit continued the 14th cohort of Metropolitan Management University with a class concentrating on persuasive communication, trust building, and effective performance reviews. The first Interim Manager Training program was launched in June, completed by 18 interim managers with significant time left on their interim assignment.

HR developed a task list inventory that detailed roles and responsibilities in the HR Group and identified if procedures and back-ups exist for each core function. This supports knowledge management and succession planning by identifying areas of opportunity to build redundancy and also creates a roadmap for cross-training.



Recruitment

Regular tracking and coordination, and an outreach tool for hard-to-fill positions are among strategies to reduce recruitment times



Sustain Metropolitan's mission with a strengthened business model



Goal Dashboard

4 of 5 Outcomes completed
1 Outcome in process

- **Develop revenue and business model options that support the needs of the member agencies as well as Metropolitan's financial sustainability and climate adaptation needs.**

Metropolitan convened its second workshop with member agency managers to discuss the treated water surcharge. The next workshop is scheduled for July 18.

Staff worked closely with member agencies and ACWA to engage in state legislative proposals for Low Income Rate Assistance. These proposals ultimately did not garner broad enough consensus to advance this year.

Metropolitan held its second discussion on business model at the CAMP4W Task Force on June 26.

- **Manage rate pressure on member agencies through attention to programmatic costs, organizational efficiencies, and efforts to secure external funding for projects with broad and multi-purpose benefits.**

USBR approved nearly \$200M of our "Bucket 2" application for Inflation Reduction Act funding to conserve Colorado River water, focused on Antelope Valley East-Kern Water Agency High Desert Water Bank and turf removal. We are entering into negotiations on the details of these awards. No timeline yet on when they will be completed.

Metropolitan advocacy continued this month regarding a potential climate bond, to include funding for water resources and infrastructure, which is on the brink of being on the ballot as of this writing, and an update will be brought to the Board in July.



Grant Funding

"Bucket 2" funding awarded for storage and turf removal, worth nearly \$200M



Adapt to changing climate and water resources



Goal Dashboard

9 of 11 Outcomes completed

2 Outcomes in process

■ Provide each member agency access to an equivalent level of water supply reliability through the development of a Climate Adaptation Master Plan for Water (CAMP4W) that integrates water resource, financial and climate adaptation planning.

The CAMP4W Task Force met in June and examined how climate risk assessment and the decision making framework will be integrated into Metropolitan's current processes for planning and developing projects and programs.

Staff presented the Climate Vulnerability and Risk Assessment (CVRA), which identifies how Metropolitan is currently managing risk associated with climate change and provides structural recommendations that will enable it to better adapt.

This CVRA is a critical component of the CAMP4W process, providing a roadmap for Metropolitan's efforts to address key vulnerabilities, and supporting the adaptive management process. Specifically, the CVRA provides recommendations to improve upon Metropolitan's:

1. Characterization of a broad range of climate hazards (wildfire, extreme heat, sea level rise, stronger storms, and drought events)
2. Assessment of vulnerabilities to infrastructure, operations, workforce, and business model
3. Development of climate adaptation actions to build Metropolitan's resilience.

The CVRA did a deep dive into three areas: power supply vulnerabilities, water quality vulnerabilities, and the asset management and data needs related to water infrastructure degradation due to climate impacts. While many climate threats have been identified and characterized at a high level, more work is needed to document Metropolitan's specific vulnerabilities and establish actions to address those vulnerabilities.



Climate Risk

Completed a Vulnerability and Risk Assessment to better structure the development of adaptation strategies

■ Advance the long-term reliability and resilience of the region's water sources through a One Water approach that recognizes the interconnected nature of imported and local supplies, meets both community and ecosystem needs and adapts to a changing climate.

The \$30M DWR grant to augment our Commercial/Industrial/Institutional (CII) turf replacement rebate will launch on July 1, 2024. CII turf replacement has been increasing over the last five years, with a 70 percent increase in square feet replaced from FY2022/23 to FY2023/24. With the influx of grant funds, we expect this momentum to continue or even accelerate in the coming year.

PWSC program update was presented to the PWSC Subcommittee on June 25, focusing on the Large Scale Water Recycling grant and matching funds, LACSD amendment to increase LACSD responsibility for the AWT pretreatment processes, discussions around Member Agency "term sheets," and our continued examination of phasing alternatives and treated water augmentation.

Workshops and individual agency meetings were held to continue developing Member Agency agreements and term sheets. LACSD got authorization from their Personnel Committee to participate in the PWSC and provide funding for the RO pretreatment/MBR facilities. Meanwhile, a sub-agreement to address potential LACSD co-operation of the demo plant is being prepared.

The Los Angeles City Council's Energy & Environment Committee heard an update from City staff regarding the status of what is now being rebranded as Pure Water Los Angeles. A major point of emphasis was the City's collaboration with Metropolitan and the importance of the potential to interconnect with PWSC. City staff expressed confidence in their collaboration with Metropolitan. LADWP expects to have the OperationNext master plan complete by the end of the year at which point they will begin the PEIR. The department is also developing a demonstration DPR project at the Headworks Reservoir. LADWP and Metropolitan's technical teams have been meeting to discuss integration points, water quality and other issues for the agencies' respective Pure Water projects.

The Department of Water Resources presented to the Metropolitan Board in June regarding a benefit-cost analysis for the Delta Conveyance Project that cited specific benefits to water supplies, climate change adaptation, earthquake preparedness, and improved water quality. This analysis drew in part from the technical memo that examined scenarios centered around the year 2070, which was a follow-up to Metropolitan's comment letter on the Draft EIR.



Protect public health, the regional economy, and Metropolitan's assets



Goal Dashboard

6 of 7 Outcomes completed

1 Outcome delayed but in process

Proactively identify, assess, and reduce potential vulnerabilities to Metropolitan's system, operations, and infrastructure.

Metropolitan staff participated in the California ISO's annual summer readiness meeting in May 2024 and are working to support grid integrity and operations in advance of heat and fire risks. Metropolitan Desert C&D staff are reporting weekly to the CAISO on the amount and duration of short-term load reduction available by reducing pumping at Gene and Intake pump stations. This short-term load-shedding capability can be called on by the CAISO during system emergencies, and the CAISO reported that the statewide system has added significant bulk energy storage capacity (e.g., batteries) since last year, which will further reduce the risk of electric system disruptions.

Staff is further preparing for the upcoming fire season by reaching out to local Fire Departments and training a new cadre of Metropolitan EOC Duty Officers to be available 24/7 to initiate Metropolitan's response to a wildfire. EOC and ICP exercises continued in June, including EOC tabletop exercises on new EOC activation protocols focusing on remote staffing during emergencies.

Cybersecurity staff is preparing for the Member Agency Cybersecurity Summit on July 11 and the launch of a new steering committee next quarter to prepare for the adoption of the new National Institute of Standards and Technology Cybersecurity Framework 2.0.

The number of cyber threat investigations continues to be consistent at 10 percent of the total amount of threat detections. This metric will progress with improvements to existing tool configurations and increased staffing once the RFP for Managed Cyber Security Operations Center Services (CSOC) is awarded and executed.

Apply innovation, technology, and sustainable practices across project lifecycles (design, construction, operations, maintenance, and replacement).

The SCADA pilot at Mills is complete, and staff is further evaluating the pilot in order to make recommendations in the coming weeks.

Project planning and strategy development is currently underway for the Enterprise Content

Management system, with a kickoff meeting in June to officially launch the project.

Documentation for the Casa Loma Siphon Project was submitted to the Institute for Sustainable Infrastructure toward the project's Envision certification.



Partner with interested parties and the communities we serve



Goal Dashboard

6 of 7 Outcomes completed

1 Outcome partially deferred

■ **Grow and deepen collaboration and relationships among member agencies, interested parties and leaders on the issues most important to them and toward mutual and/or regional benefits.**

Funding for Community Partnering program for FY 23/24 was fully expended. Process improvements, including tracking location of projects will be implemented in FY 24/25.

Metropolitan accomplished the following this month:

- Collaborated with Council for Watershed Health on convening with community-based organizations in the ReDesign LA cohort
- Hosted a group for discussion on CAMP4W and initial steps to build relationships
- Created info postcard and public survey
- Began using these new tools at two community events

■ **Reach disadvantaged communities and non-traditional interested parties to better understand their needs and ensure their inclusion in decision making.**

Tribal representatives from the LA area joined Director Luna and others in an inspection trip to the Bay Delta. We have continued to make progress in Tribal outreach and engagement focused on workforce development efforts, through workshops and tours, engagement, and trust building. We intend to further support these existing outreach efforts with the hiring of a Workforce Development manager, which is currently in recruitment.

Small Business Enterprise (SBE) participation in Metropolitan contracts will next be reported following Finance's closure of the FY around mid-August.

Executive Summary

This executive summary is added to this report to provide a high-level snapshot of a key accomplishment from each area of the organization. Detailed information is reported in the pages following this summary.

Bay-Delta Resources

At the June 21 Delta Conveyance Design and Construction Authority (DCA) Board of Directors meeting, the DCA Board adopted a final budget for Fiscal Year 2024/25. Staff continues to make progress on the Multi-Benefit Landscape Restoration Projects on Webb Tract. In June, the second conceptual design workshop was completed. Thirty percent of the design is expected to be reached in August 2024. Additionally, staff published “Sub-Lethal Responses of Delta Smelt to Contaminants Under Different Flow Conditions” in the San Francisco Estuary and Watershed Science Journal.

Chief Financial Officer

In May, the Board approved a resolution to continue Metropolitan’s Water Standby Charge for fiscal year 2024/25. In addition, Metropolitan had its first Member Agency Manager Treated Water Cost Recovery Workshop.

Colorado River Resources

In June, the seven Colorado River Basin States met to discuss developing a consensus for the U.S. Bureau of Reclamation’s (Reclamation) Post-2026 Operational Guidelines environmental impact statement (EIS). This meeting took place shortly before the Upper Division States sent a letter to the Reclamation Commissioner about certain assumptions Reclamation will make in the EIS. This letter reflects Upper Division views on how Lake Powell would be operated if the 2007 Interim Guidelines expire, including assumptions about annual releases from Lake Powell and Upper Basin storage that differ from Lower Division positions. The Lower Division States are anticipated to send a letter in response. In addition, Vice Chair Cordero and Metropolitan staff received a briefing from the Navajo Nation about the agreement that would settle water rights for three tribes in Arizona: the Navajo Nation, the Hopi Tribe, the San Juan Southern Paiute Tribe.

Diversity, Equity & Inclusion

On June 26, in recognition of Pride Month, Business Outreach staff attended the Women Business Enterprise Council—West ,Women in Pride: Building Authentic Connections Through Inclusive Leadership, Vulnerability, and Safe Dialogue event. About 30 women business owners attended the intimate event.

Engineering Services

Metropolitan’s Garvey Reservoir is located in the City of Monterey Park. In anticipation of upcoming projects at the reservoir site and the environmental planning (CEQA) process that is currently underway to support those projects, Metropolitan staff provided tours of the facilities to councilpersons from the City, along with city support staff. On June 18, the project manager presented background information on Metropolitan, the upcoming rehabilitation projects, and the status of the CEQA process to the City Council.

Equal Employment Opportunity Office

To increase awareness of Metropolitan’s Equal Employment Opportunity (EEO) policies and programs across Metropolitan facilities, and to help safeguard the right to a discrimination-free, harassment-free and retaliation-free workplace for all employees, EEO conducted two trainings in June at the Weymouth Water Treatment Plant and Lake Mathews. The training included an overview of the EEO Office and its mission and guiding principles; EEO-protected categories and prohibited conduct; the complaint intake process; and investigative guidelines for conducting EEO investigations.

External Affairs

Metropolitan staff, including Asst. Group Manager for Treatment and Water Quality and incoming AWWA president Heather Collins, participated in the ACE24/AWWA conference including supporting California-Nevada Section with a sponsored reception, presentations on Pure Water Southern California, and tours of Weymouth and Diemer Treatment Plants. Staff also coordinated presentations/discussions for a World Bank delegation with officials from Burkina Faso, Ivory Coast, Lesotho, Argentina, Barbados, Brazil, Jamaica, Paraguay, and provided a tour of Weymouth for Korean Water and Wastewater Works Association (June 11-14).

Human Resources

The Organizational Development & Training Unit launched the first Interim Manager Training, a one-day, intensive class focused on communication, coaching, delegation, and common Employee Relations-related duties and challenges.

Recruitment staff has been working with All-Star Talent in an outreach campaign targeted towards hard-to-fill positions in the Desert, Environmental Planning, and Information Technology. This effort is aimed at making qualified candidates aware of the exciting opportunities available at Metropolitan. In addition, staff continues to make site visits which have included Jensen, Diamond Valley Lake, and Carson Reuse Facility.

Information Technology

The Maximo Mobile Project is replacing the outdated handheld technology with Apple iPads with full wireless capabilities. The iPads will be used to update Preventative Maintenance Work Orders, record labor hours, update asset information, and other data collection activities in the field. Additionally, the iPad provides access to email, text, phone, and video communications with staff and teams. Mapping capabilities and photo capturing allow for greater productivity for mobile assignments. The project has deployed over 420 iPads and is working with maintenance teams to deploy and integrate the devices into their workflows. Full deployment has been substantially completed with a few remaining follow-up tasks.

Safety, Security and Protection

The Security Team conducted a live webinar to showcase their roles and responsibilities, highlighting their efforts in protecting the nation's largest drinking water supplier. This session provided an in-depth look at the team's members, demonstrating their commitment to ensuring the safety and security of this critical infrastructure.

This year's National Safety Month theme was "See Something, Say Something" to heighten safety and security awareness at both office and field environments. Safety celebrations included employee participation to identify workplace security hazards through inspections. Safety hosted three webinars related to Metropolitan's safety training and security. At the Lake Mathews Safety Celebration, a variety of all electric vehicles were exhibited to provide staff with the opportunity to learn firsthand about the new technology and help promote Metropolitan's fleet transition to zero emission vehicles (ZEVs).

Safety and Environmental Services staff assisted in responding to illegal hazardous waste dumping near Lake Mathews and completed a cleanout of a sulfuric acid tank at the Mills Water Treatment Plant.

The Apprenticeship Program facilitated final exams for electrical apprentices and Technical Training reviewed training plans with managers to identify required regulatory trainings when performing specific work.

Sustainability, Resiliency and Innovation

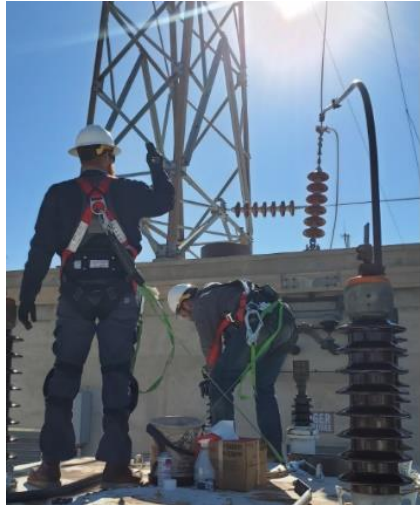
SRI continues its engagement with the Singapore Public Utilities Board (PUB) on water reuse, climate mitigation and emerging energy efficiencies. The team hosted an on-line exchange with team members from Metropolitan, PUB and LA County Sanitation Districts and the General Manager presented at the World Water Summit in Singapore with PUB on Climate Action and Mitigation to continue the exchange of information and technology.

Water Resource Management

Water Resource Management supported financial sustainability efforts by the State Water Contractors by presenting the results of the latest State Water Project financial audit conducted for Metropolitan by its consultant. On the Colorado River, staff chaired the Colorado River Basin Salinity Control Forum Technical Work Group and attended a two-day meeting. WRM staff continued its leadership in water conservation by presenting on efforts to reduce Non-Functional Turf at the American Water Works Association ACE24 conference. Staff participated and shared its expertise in water resource planning in an outreach effort with the World Bank Group and attended a peer-to-peer workshop with two water authorities from the Netherlands.

Water System Operations

Power Operations and Planning staff work each month to secure power for Colorado River Aqueduct (CRA) pumps, comply with regulations, and plan for future power reliability and resilience. This month, they focused on power scheduling, using Metropolitan's power resources from Hoover and Parker during peak pricing periods, and securing supplemental supplies during midday when abundant renewable energy allowed Metropolitan to be paid to use energy. Consequently, Metropolitan received a net refund from the California ISO for CRA energy for several weeks. These efforts, combined with reduced CRA pumping because of wet conditions and lower market energy prices, forecast CRA energy cost for fiscal year 2023/24 at \$41.7 million, about half of the budgeted \$82.6 million. This cost saving is significant and beneficial in an otherwise challenging budget year.



"The program gave me all the support and training needed to learn the trade."

- Gabriel Medina O&M Tech IV

"The best part of the program was the teamwork and comradery cultivated through the various challenges and learning opportunities in class with my classmates; as well as from working with and learning from the journeys."

- Jonathan Berry, O&M Tech IV

PROGRAM DESCRIPTION

Metropolitan's apprenticeship program is a comprehensive, structured training program designed to provide entry into journey-level skills training and contribute to Metropolitan's workforce. Apprentices receive technical and vocational trades training through a combination of structured on-the-job training, related classroom instruction, and home study.

The four-year program is certified by the California State Division of Apprenticeship Standards, accredited by Santiago Canyon College, and is taught by two full-time instructors.

IMPORTANCE TO METROPOLITAN

Metropolitan struggled to recruit qualified journey mechanics and electricians in the early 2000s. Because journeys are essential for maintaining our operating systems, we addressed this problem by establishing the apprenticeship program in 2003 to develop and train our own supply of skilled tradespeople.

The program continues to feed Metropolitan's trades workforce. Graduates of the apprenticeship program now make up more than 50% of our current mechanical and electrical maintenance staff.

MEMORABLE MOMENT

The apprenticeship program marks its 21st year of success at Metropolitan. Demand for qualified workers has not diminished, and the recruitment process for the next class of apprentices has begun. The job announcement was recently posted and the application period will open in August followed by testing and interviews throughout the fall.

Metropolitan will accept 750 applicants who will be invited to take a written test. This year, the test will be administered online through multiple proctored testing centers allowing us to offer increased accessibility to applicants while maintaining a consistent testing experience. The high scoring candidates will move forward to interviews and physical abilities testing. Ten mechanical apprentices and five electrical apprentices will be selected and begin work in early 2025.

In addition to academic instruction, for which they earn 36 college credits, apprentices are required to complete 7,280 hours of on-the-job training. Upon completion of the four-year program, apprentices earn a journey certificate from the State of California and remain employed as full-time Metropolitan employees.

Water Supply Conditions Report

Water Year 2023-2024

As of 06/30/2024

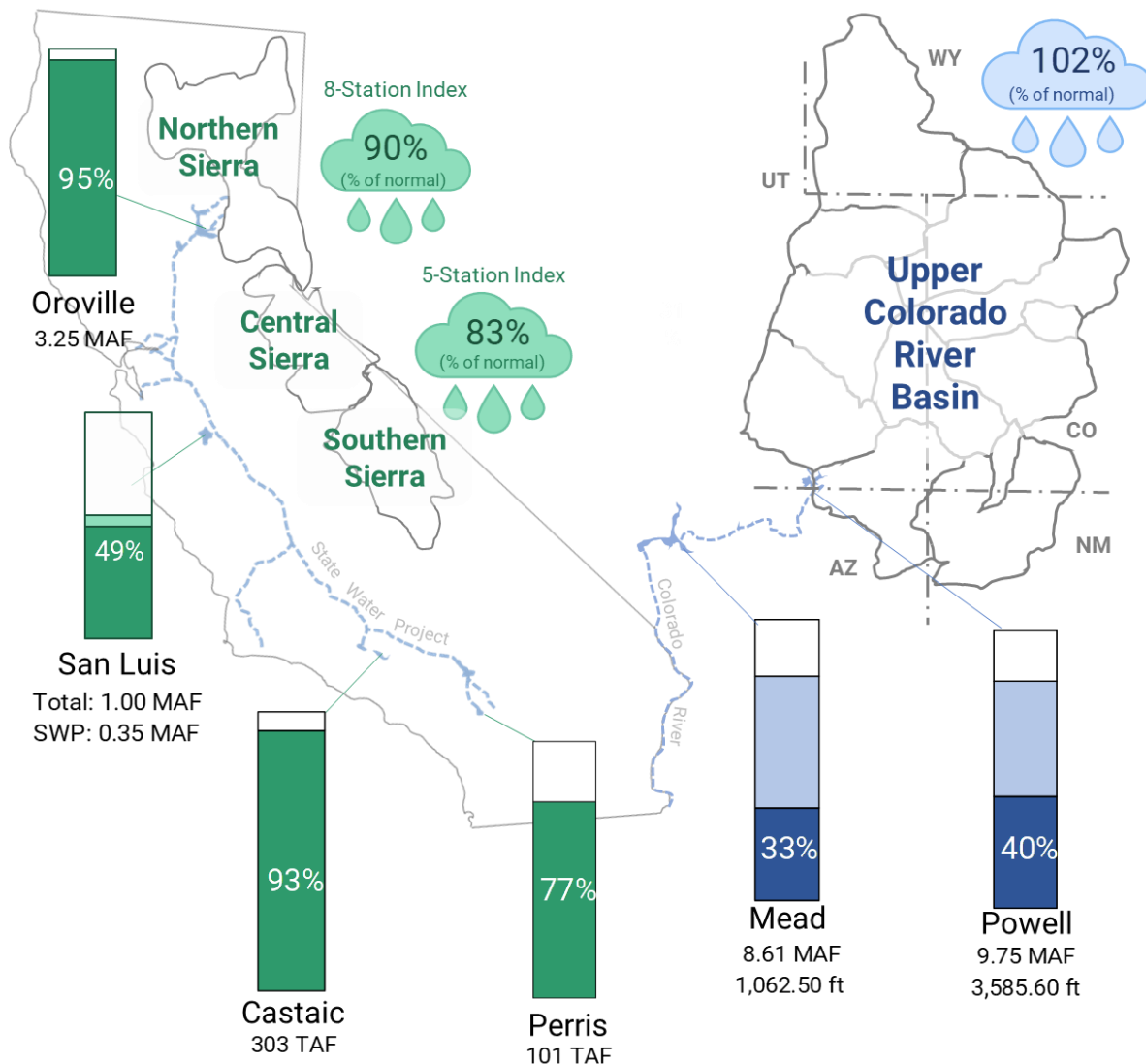
Extended Report: <https://www.mwdh2o.com/WSCR>

State Water Project Resources

SWP Allocation
40% Table A: 764,600 acre-feet

Colorado River Resources

Projected CRA Diversions
889,000 acre-feet



Reservoir Report

End of Month Reservoir Report

Monthly Update as of:

6/30/2024

<u>Reservoir</u>	<u>Current Storage</u>	<u>Percent of Capacity</u>
<i>Colorado River Basin</i>		
Lake Powell	9,748,844	40%
Lake Mead	8,614,000	33%
<i>DWR</i>		
Lake Oroville	3,361,421	98%
Shasta Lake	3,999,742	88%
San Luis Total	1,001,165	49%
San Luis CDWR	346,177	33%
Castaic Lake	302,593	93%
Silverwood Lake	71,844	96%
Lake Perris	100,717	77%
<i>MWD</i>		
DVL	741,479	92%
Lake Mathews	130,512	72%
Lake Skinner	37,280	85%



Hoover Dam



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
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General Manager: Adel Hagekhalil
Office of the GM (213) 217-6139
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Matters Impacting Metropolitan

U.S. Supreme Court Overturns Longstanding Chevron Deference Doctrine and Opens the Door to More Lawsuits Against Federal Agencies

On June 28, 2024, in a 6-3 decision in *Loper Bright Enterprises, Inc. v. Raimondo*, the U.S. Supreme Court overturned the longstanding Chevron doctrine, which required courts to defer to an administrative agency's reasonable interpretation of an ambiguous statute. Most recently, on July 1, 2024, in another 6-3 decision, the U.S. Supreme Court held in *Corner Post, Inc. v. Board of Governors* that the Administrative Procedure Act (APA) does not require lawsuits over EPA and other agencies' rules and "final agency action" to begin within six years of their promulgation but rather within six years of when a party was first injured by a particular policy. Courts had previously held that such suits must be brought within six years of when the rule was first promulgated.

The *Chevron* doctrine, also referred to as *Chevron* deference, was an administrative law principle established by the Supreme Court 40 years ago in *Chevron U.S.A. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984). However, writing for the majority in *Loper Bright*, Chief Justice Roberts held that the APA requires courts to exercise their independent judgment in deciding whether an agency has acted within its statutory authority, and courts may not defer to an agency interpretation of the law "simply because a statute is ambiguous." The majority opinion was joined by Justices Thomas, Alito, Gorsuch, Kavanaugh, and Barrett. Justices Thomas and Gorsuch also filed concurring opinions. In his concurring opinion, Justice Thomas emphasized that *Chevron* deference violates the Constitution's separation of powers by curbing judicial authority and expanding agencies' executive power beyond constitutional limits. Justice Gorsuch wrote separately to explain that *stare decisis*—the judicial principle that courts should rely on their previous decisions when interpreting the law—supports overturning the *Chevron* doctrine, and that deference to administrative agencies is inconsistent with both the role of the judiciary and the mandate of the APA.

Justice Kagan filed a dissenting opinion in *Loper Bright* that was joined by Justices Sotomayor and Jackson. Justice Kagan wrote that "in one fell swoop, the majority today gives itself exclusive power over every open issue—no matter how expertise-driven or policy-laden—involving the meaning of regulatory law." In Justice Kagan's view, *Chevron* deference properly put authority to carry out Congressional intent in the hands of experts, who are appointed by the President and in turn face accountability for their policymaking decisions. As she explained, "Some interpretive issues arising in the regulatory context involve scientific or technical subject matter. Agencies have expertise in those areas; courts do not. Some demand a detailed understanding of complex and interdependent regulatory programs. Agencies know those programs inside-out; again, courts do not."

Chief Justice Roberts made clear that the *Loper Bright* majority's opinion does not "call into question prior cases that relied on the *Chevron* framework," and the holdings of those cases that specific agency actions are lawful are still good law. Even so, the majority's opinion in *Loper Bright* may impact all three branches of government, especially in light of the subsequent *Corner Post* decision. Writing for the dissent in *Corner Post*, Justice Ketanji Brown Jackson warned that the result of that decision could be a "tsunami of lawsuits" over older rules, particularly as it comes shortly after the Supreme Court overturned the *Chevron* precedent that guided many initial decisions on whether those regulations are lawful: "At the end of a momentous Term, this much is clear: The tsunami of lawsuits against agencies that the Court's holdings in this case and *Loper Bright* have authorized has the potential to devastate the functioning of the Federal Government."

As a result of these two decisions, courts will have more say over regulations in areas such as environmental protection, workplace safety, and energy, and may substitute their own judgment for that of an agency's. For example, the United States Environmental Protection Agency, the Occupational Safety and Health Administration, the



Federal Energy Regulatory Commission, and other federal agencies may face more lawsuits regarding regulations and greater scrutiny by courts of new—and potentially existing—regulations. Agencies may also have a more difficult time defending their actions on appeal. In turn, Congress will have to either try to draft legislation to avoid ambiguity, or expressly delegate authority to the executive body to address areas of ambiguity.

As noted in *Loper Bright*, the decision may help provide more certainty and mitigate the whiplash that regulated entities experience when new administrations interpret statutes differently from prior administrations. One example is the

numerous definitions of the Clean Water Act term “waters of the United States” (WOTUS) proposed by various administrations over the years. However, the decision may also result in courts across the country reaching different conclusions about how to interpret the same statutory language. The Supreme Court may eventually resolve some of these disputes – like with WOTUS – but most lawsuits will not reach the Supreme Court. This means that the same statutory provision may be interpreted and applied differently in various parts of the country. Metropolitan staff will monitor the impact of these rulings.

Matters Concluded and/or Terminated

Supervisors Association v. Metropolitan (Public Employment Relations Board)

On December 11, 2023, The Supervisors Association of The Metropolitan Water District of Southern California, IBEW Local 11, Unit 76, filed an unfair practice charge with the Public Employment Relations Board regarding the discipline of one of its members. In the charge, the Association contended that Metropolitan disciplined one of its members due to union

activity. On February 5, 2024, PERB issued a complaint and the parties participated in a settlement conference. The parties subsequently agreed upon a settlement in which the Association member received the lesser discipline of a written reprimand and the member also agreed to participate in training. As a result of the settlement, the Association agreed to dismiss its PERB charge and submitted its withdrawal of the charge on June 25, 2024. The Legal Department represented Metropolitan.

Matters Received

<u>Category</u>	<u>Received</u>	<u>Description</u>				
Government Code Claims	3	(1) Claim that MWD vehicle tracked rocks from access road onto Claimant's parking lot without sweeping up the rocks; and (2) two claims relating to motor vehicle accidents involving MWD vehicles				
Subpoenas	1	Deposition Subpoena for Production of Business Records, served by Defendants in the case <i>Jose Angel Santos v. Horizon Window Care, Inc., Mario Sanchez</i> , Riverside County Superior Court, Case No. CVRI2306535, requesting employee records relating to plaintiff, who worked at various MWD field locations as a temporary employee from the Carpenters Union				
Requests Pursuant to the Public Records Act	7	<table><tr><th><u>Requestor</u></th><th><u>Documents Requested</u></th></tr><tr><td>Center for Contract Compliance</td><td>Bid results and contract documents for Live Oak Landscape and Tree Maintenance Services at Live Oak Reservoir</td></tr></table>	<u>Requestor</u>	<u>Documents Requested</u>	Center for Contract Compliance	Bid results and contract documents for Live Oak Landscape and Tree Maintenance Services at Live Oak Reservoir
<u>Requestor</u>	<u>Documents Requested</u>					
Center for Contract Compliance	Bid results and contract documents for Live Oak Landscape and Tree Maintenance Services at Live Oak Reservoir					



<u>Requestor</u>	<u>Documents Requested</u>
Flatiron Construction Corp.	Proposals submitted by the prime contractors in response to the RFQ/RFP for the Progressive Design-Build Services for the Sepulveda Feeder Pump Station Project
JJ Property Maintenance Network	Current contract for janitorial supplies
Los Angeles Times (2 requests)	(1) Copy of Katano Kasaine's May 27, 2024 letter regarding General Manager, Adel Hagekhalil; and (2) documents during the time period January 1, 2023 and June 24, 2024 regarding (a) MWD contracts with Jeff Millman (Relay Team), Varouj Abkian (Abkian Management Group), Janine Hamner (J&J Consulting Group), and Mohsen Mortada (3 iStrategies); (b) reports from these consultants; and (c) communications between Katano Kasaine and Adel Hagekhalil and between Katano Kasaine and Mohsen Mortada relating to these consultants, the FY 23/24 and FY 24/25 budget process, LA City Watch articles, and CAMP4W discussions
MWD Supervisors Association	MWD board presentations regarding wage increases, lump sum payments, and financial costs to MWD for the increases and payments made to members of AFSCME Local 1902, MAPA/AFSCME Local 1001, Association of Confidential Employees, and Unrepresented Employees
Private Citizen	Employment contract, including all amendments, and related staff reports, for General Manager Adel Hagekhalil



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
Delta Conveyance Project CEQA Cases <i>City of Stockton v. California Department of Water Resources</i> <i>County of Butte v. California Department of Water Resources</i> <i>County of Sacramento v. California Department of Water Resources</i> <i>County of San Joaquin et al. v. California Department of Water Resources</i> <i>Sacramento Area Sewer District v. California Department of Water Resources</i> <i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i> <i>Sierra Club, et al. v. California Department of Water Resources</i> <i>South Delta Water Agency and Rudy Mussi Investment L.P. v. California Department of Water Resources</i> <i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> Sacramento County Superior Ct. (Judge Acquisto)	<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 Second case management conference and hearing on motion for preliminary injunction re geotechnical work held May 31, 2024 Deadline for DWR to prepare the administrative record extended to Sept. 30, 2024 Next case management conference Oct. 18, 2024 Ruling on motions for preliminary injunction re geotechnical work TBD June 20, 2024 trial court issued a preliminary injunction halting pre-construction geotechnical soil testing until DWR certifies that the DCP is consistent with the Delta Plan <u>Aug. 19, 2024 deadline for DWR to appeal the injunction</u>
Delta Conveyance Project Water Right Permit Litigation <i>Central Delta Water Agency et al. v. State Water Resources Control Board</i> Fresno County Superior Court (Judge Brickey <u>Whalen</u>)	<ul style="list-style-type: none"> Complaint filed April 16, 2024, alleges that the State Water Board must rule on DWR's 2009 petition to extend the time to perfect its State Water Project rights before the State Water Board may begin to adjudicate DWR's petition to change its water rights to add new points of diversion for the Delta Conveyance Project July 17, 2024 hearing date for State Water Resources Control Board demurrer (motion to dismiss) <u>and motion to strike</u>



Subject	Status
<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 • April 16, 2024 DWR moved to dismiss the cross appeals as untimely • Motion to dismiss cross appeals denied without prejudice to renewing the motion in merits briefing Parties meeting and conferring on briefing schedule
<p>SWP-CVP 2019 BiOp Cases</p> <p><i>Pacific Coast Fed'n of Fishermen's Ass'ns, et al. v. Raimondo, et al.</i> (PCFFA)</p> <p><i>Calif. Natural Resources Agency, et al. v. Raimondo, et al.</i> (CNRA)</p> <p>Federal District Court, Eastern Dist. of California, Fresno Division (Judge Thurston)</p>	<ul style="list-style-type: none"> • SWC intervened in both <i>PCFFA</i> and <i>CNRA</i> cases • Federal defendants reinitiated consultation on Oct 1, 2021 • March 28, 2024 order extending the Interim Operations Plan and the stay of the cases through the issuance of a new Record of Decision or December 20, 2024, whichever is first
<p>CESA Incidental Take Permit Cases</p> <p>Coordinated Case Name <i>CDWR Water Operations Cases, JCCP 5117</i> (Coordination Trial Judge Gevercer)</p> <p><i>Metropolitan & Mojave Water Agency v. Calif. Dept. of Fish & Wildlife, et al.</i> (CESA/CEQA/Breach of Contract)</p> <p><i>State Water Contractors & Kern County Water Agency v. Calif. Dept. of Fish & Wildlife, et al.</i> (CESA/CEQA)</p> <p><i>Tehama-Colusa Canal Auth., et al. v. Calif. Dept. of Water Resources</i> (CEQA)</p> <p><i>San Bernardino Valley Municipal Water Dist. v. Calif. Dept. of Water Resources, et al.</i> (CEQA/CESA/ Breach of Contract/Takings)</p>	<ul style="list-style-type: none"> • Administrative records certified in October 2023 • Parties are conferring on stipulation to delay setting a merits briefing schedule by 90 days and extending the time to bring the action to trial by six months



Subject	Status
<p><i>Sierra Club, et al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust)</p> <p><i>North Coast Rivers Alliance, et al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust)</p> <p><i>Central Delta Water Agency, et. al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust/ Delta Protection Acts/Area of Origin)</p> <p><i>San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al.</i> (CEQA/CESA)</p>	
<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> <p>(Judge Arguelles)</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 • Coordinated cases remitted to trial court for re-hearing of fee motions consistent with the court of appeal’s opinion • Dec. 26, 2023 order denying fee motions • Six notices of appeal filed
<p>COA Addendum/ No-Harm Agreement</p> <p><i>North Coast Rivers Alliance v. DWR</i> Sacramento County Superior Ct. (Judge Rockwell)</p>	<ul style="list-style-type: none"> • Plaintiffs allege violations of CEQA, Delta Reform Act & public trust doctrine • Westlands Water District and North Delta Water Agency granted leave to intervene • Metropolitan & SWC monitoring • Deadline to prepare administrative record last extended to Nov. 18, 2022
<p>Water Management Tools Contract Amendment</p> <p><i>California Water Impact Network et al. v. DWR</i> Sacramento County Superior Ct. (Judge Acquisto)</p> <p><i>North Coast Rivers Alliance, et al. v. DWR</i> Sacramento County Super. Ct. (Judge Acquisto)</p>	<ul style="list-style-type: none"> • 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



Subject	Status
	<ul style="list-style-type: none">Dec. 20, 2022 DWR filed notice of certification of the administrative record and filed answers in both cases



<i>San Diego County Water Authority v. Metropolitan, et al.</i>		
Cases	Date	Status
2014, 2016	Sept. 30	Based on the Court of Appeal's Sept. 21 opinion (described above), and the Board's Sept. 28 authorization, Metropolitan paid \$35,871,153.70 to SDCWA for 2015-2017 Water Stewardship Rate charges under the Exchange Agreement and statutory interest.
2017	July 23, 2020	Dismissal without prejudice entered.
2018	April 11, 2022	Court entered order of voluntary dismissal of parties' WaterFix claims and cross-claims.
2014, 2016, 2018	June 11, 2021	Deposition of non-party witness.
	Aug. 25	Hearing on Metropolitan's motion for further protective order regarding deposition of non-party witness.
	Aug. 25	Court issued order consolidating the 2014, 2016, and 2018 cases for all purposes, including trial.
	Aug. 30	Court issued order granting Metropolitan's motion for a further protective order regarding deposition of non-party witness.
	Aug. 31	SDCWA filed consolidated answer to Metropolitan's cross-complaints in the 2014, 2016, and 2018 cases.
	Feb. 22	Metropolitan and SDCWA each filed motions for summary adjudication.
	April 13	Hearing on Metropolitan's and SDCWA's motions for summary adjudication.
	May 4	Court issued order granting Metropolitan's motion for summary adjudication on cross-claim for declaratory relief that the conveyance facility owner, Metropolitan, determines fair compensation, including any offsetting benefits; and denying its motion on certain other cross-claims and an affirmative defense.
	May 11	Court issued order granting SDCWA's motion for summary adjudication on cross-claim for declaratory relief in the 2018 case regarding lawfulness of the Water Stewardship Rate's inclusion in the wheeling rate and transportation rates in 2019-2020; certain cross-claims and affirmative defenses on the ground that Metropolitan has a duty to charge no more than fair compensation, which includes reasonable credit for any offsetting benefits, with the court also stating that whether that duty arose and whether Metropolitan breached that duty are issues to be resolved at trial; affirmative defenses that SDCWA's claims are untimely and SDCWA has not satisfied claims presentation requirements; affirmative defense in the 2018 case that SDCWA has not satisfied contract dispute resolution requirements; claim, cross-claims, and affirmative defenses regarding applicability of



Cases	Date	Status
2014, 2016, 2018 (cont.)		Proposition 26, finding that Proposition 26 applies to Metropolitan's rates and charges, with the court also stating that whether Metropolitan violated Proposition 26 is a separate issue; and cross-claims and affirmative defenses regarding applicability of Government Code section 54999.7, finding that section 54999.7 applies to Metropolitan's rates. Court denied SDCWA's motion on certain other cross-claims and affirmative defenses.
	May 16-27	Trial occurred but did not conclude.
	June 3, June 24, July 1	Trial continued, concluding on July 1.
	June 24	SDCWA filed motion for partial judgment.
	July 15	Metropolitan filed opposition to motion for partial judgment.
	Aug. 19	Post-trial briefs filed.
	Sept. 14	Court issued order granting in part and denying in part SDCWA's motion for partial judgment (granting motion as to Metropolitan's dispute resolution, waiver, and consent defenses; denying motion as to Metropolitan's reformation cross-claims and mistake of fact and law defenses; and deferring ruling on Metropolitan's cost causation cross-claim).
	Sept. 21	Metropolitan filed response to order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	Sept. 22	SDCWA filed objection to Metropolitan's response to order granting in part and denying in part SDCWA's motion for partial judgment.
	Sept. 27	Post-trial closing arguments.
	Oct. 20	Court issued order that it will rule on SDCWA's motion for partial judgment as to Metropolitan's cost causation cross-claim simultaneously with the trial statement of decision.
	Dec. 16	Parties filed proposed trial statements of decision.
	Dec. 21	SDCWA filed the parties' stipulation and proposed order for judgment on Water Stewardship Rate claims for 2015-2020.
	Dec. 27	Court entered order for judgment on Water Stewardship Rate claims for 2015-2020 as proposed by the parties.
	March 14, 2023	Court issued tentative statement of decision (tentatively ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)



Cases	Date	Status
2014, 2016, 2018 (cont.)	March 14	Court issued amended order granting in part and denying in part SDCWA's motion for partial judgment (ruling that Metropolitan's claims for declaratory relief regarding cost causation are not subject to court review).
	March 29	SDCWA filed objections to tentative statement of decision
	April 3	Metropolitan filed response to amended order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	April 25	Court issued statement of decision (ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)
	Jan. 10, 2024	Parties filed joint status report and stipulated proposal on form of judgment
	Jan. 17	Court issued order approving stipulated proposal on form of judgment (setting briefing and hearing)
	April 3	Court entered final judgment
	April 3	Court issued writ of mandate regarding demand management costs
	April 3	SDCWA filed notice of appeal
	April 17	Metropolitan filed notice of cross-appeal
	May 3	Participating member agencies filed notice of appeal
	<u>May 31</u>	<u>Parties filed opening briefs on prevailing party</u>
	<u>June 28</u>	<u>Parties filed response briefs on prevailing party</u>
	July 18	Hearing on prevailing party
All Cases	April 15, 2021	Case Management Conference on 2010-2018 cases. Court set trial in 2014, 2016, and 2018 cases on May 16-27, 2022.
	April 27	SDCWA served notice of deposition of non-party witness.
	May 13-14	Metropolitan filed motions to quash and for protective order regarding deposition of non-party witness.
	June 4	Ruling on motions to quash and for protective order.



Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Albright, Yee & Schmit, APC	Employment Matter	211923	05/23	\$60,000
	<u>Employment Matter</u>	<u>216064</u>	<u>06/24</u>	<u>\$100,000</u>
Andrade Gonzalez LLP	MWD v. DWR, CDFW and CDNR Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185894	07/20	\$250,000
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
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
	AFSCME Local 1902 v. MWD, PERB Case No. LA-CE-1438-M	201889	09/15/21	\$20,000
	MWD MOU Negotiations**	201893	10/05/21	\$100,000
BDG Law Group, APLC	Gutierrez v. MWD	216054	03/24	\$100,000
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	\$75,000
	Pure Water Southern California	207966	11/22	\$100,000
	Progressive Design Build	216053	04/24	\$250,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Buchalter, a Professional Corp.	Union Pacific Industry Track Agreement	193464	12/07/20	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
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	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	200468	07/21	N/A
Castañeda + Heidelman LLP	Employment Matter	216055	04/24	\$100,000
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$100,000
Curls Bartling P.C.*	Bond Counsel	200470	07/21	N/A
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422
Duncan, Weinberg, Genzer & Pembroke	Power Issues	6255	09/95	\$3,175,000
Ellison, Schneider, Harris & Donlan	Colorado River Issues	69374	09/05	\$175,000
	Issues re SWRCB	84457	06/07	\$200,000
Erin Joyce Law, PC	Employment Matter	216039	11/23	\$100,000
Greines, Martin, Stein & Richland LLP	SDCWA v. MWD	207958	10/22	\$100,000
	Colorado River Matters	207965	11/22	\$100,000
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	\$200,000
Hanson Bridgett LLP	SDCWA v. MWD	124103	03/12	\$1,100,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$500,000
	Tax Issues	180200	04/19	\$50,000
	Alternative Project Delivery (ADP)	207961	10/22	\$250,000
	Ad Valorem Property Taxes	216042	11/23	\$100,000
Hausman & Sosa, LLP	Jones v. MWD	216056	05/24	\$100,000
Hawkins Delafield & Wood LLP*	Bond Counsel	193469	07/21	N/A
Hemming Morse, LLP	Baker Electric v. MWD	211933	08/23	\$100,000
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$1,250,000
	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
Innovative Legal Services, P.C.	Employment Matter	211915	01/19/23	\$125,000
Internet Law Center	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$100,000
Amira Jackmon, Attorney at Law*	Bond Counsel	200464	07/21	N/A
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance	137992	02/14	\$45,000
Jones Hall, A Professional Law Corp*	Bond Counsel	200465	07/21	N/A
Kronenberger Rosenfeld, LLP	Systems Integrated, LLC v. MWD	211920	04/23	\$250,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Kutak Rock LLP	Delta Islands Land Management	207959	10/22	\$10,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$240,821
	FLSA Audit	180199	02/19	\$50,000
	EEO Advice	216041	12/23	\$100,000
Lieff Cabraser Heimann & Bernstein, LLP	PFAS Multi-District Litigation	216048	03/24	\$200,000 \$100,000
Manatt, Phelps & Phillips	SDCWA v. MWD rate litigation	146627	06/16	\$4,400,000
	Raftelis-Subcontractor of Manatt, Agr. #146627: Per 5/2/22 Engagement Letter between Manatt and Raftelis, MWD paid Raftelis Financial Consultants, Inc.	Invoice No. 23949		\$56,376.64 for expert services & reimbursable expenses in SDCWA v. MWD
Marten Law LLP	PFAS Multi-District Litigation	216034	09/23	\$550,000
Meyers Nave Riback Silver & Wilson	Pure Water Southern California	207967	11/22	\$100,000
Miller Barondess, LLP	SDCWA v. MWD	138006	12/14	\$600,000
Morgan, Lewis & Bockius	SDCWA v. MWD	110226	07/10	\$8,750,000
	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$2,500,000
	Arvin-Edison v. Dow Chemical	203452	01/22	\$100,000
	Semitropic TCP Litigation	207954	09/22	\$75,000
	<u>Employment Matter</u>	<u>216063</u>	<u>06/24</u>	<u>\$100,000</u>
Nixon Peabody LLP*	Bond Counsel [re-opened]	193473	07/21	N/A \$100,000
	Special Finance Project	207960	10/22	\$50,000
Norton Rose Fulbright US LLP*	Bond Counsel	200466	07/21	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Olson Remcho LLP	Government Law	131968	07/14	\$400,000
	Executive Committee/Ad Hoc Committees Advice	207947	08/22	\$60,000
	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
Procopio, Cory, Hargreaves & Savitch, LLP	CityWatch Los Angeles Public Records Act Request	216046	02/24	\$75,000
Rains Lucia Stern St. Phalle & Silver, PC	Employment Matter	211919	4/23	\$60,000
Renne Public Law Group, LLP	ACE v. MWD (PERB Case No. LA-CE-1574-M)	203466	05/22	\$100,000
	ACE v. MWD (PERB Case No. LA-CE-1611-M)	207962	10/22	\$50,000
	Employee Relations and Personnel Matters	216045	01/24	\$50,000
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
	Oswalt v. MWD	211925	05/23	\$100,000
Seyfarth Shaw LLP	Claim (Contract #201897)	201897	11/04/21	\$350,000
	Claim (Contract #203436)	203436	11/15/21	\$350,000
	Claim (Contract #203454)	203454	01/22	\$210,000
	Reese v. MWD	207952	11/22	\$750,000
	General Labor/Employment Advice	211917	3/23	\$100,000
	Civil Rights Department Complaint	211931	07/23	\$100,000
	Crawford v. MWD	216035	09/23	\$100,000
	Tiegs v. MWD	216043	12/23	\$250,000
	Zarate v. MWD	216044	01/24	\$250,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
	Lorentzen v. MWD	216036	09/23	\$100,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	200471	07/21	N/A
Theodora Oringher PC	Construction Contracts - General Conditions Update	185896	07/20	\$100,000
Thompson Coburn LLP	NERC Energy Reliability Standards	193451	08/20	\$300,000
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	\$100,000

*Expenditures paid by Bond Proceeds/Finance

**Expenditures paid by another group



Office of the General Auditor

• General Auditor's Report for June 2024

Summary

This report highlights significant activities of the Office of the General Auditor for the month ended June 30, 2024.

Purpose

Informational

Attachments

1. Final memo on Ransomware Readiness Assessment

Detailed Report

Audit & Advisory Projects

Twenty-six projects are in progress:

- Eleven audit projects are in the report preparation phase, including:
 - One draft report pending management response (IBI Group)
 - One preliminary draft report pending management comment (Surplus Personal Property)
- Eleven projects are in the execution phase, including five audits and six advisories.
- Four audit projects are in the planning phase.

Work priority is being given to the 11 carry-forward audits.

Final Reports

1. **Ransomware Readiness Assessment** (project number 22-7424) issued June 18, 2024
 - Internal audit assessed Metropolitan's readiness for a ransomware attack as of February 2022.

Follow-Up Reviews

We will follow up on nine audits from prior fiscal years. We will follow up on nine audits from prior years. Follow-up audit forms have been received back from management for seven of the audits, and follow-up audit work is in progress for all seven.

Other General Auditor Activities

1. **FY 2024/25 General Auditor Internal Audit Plan**
Completed. Next fiscal year's internal audit plan was approved by the Board at the June Board of Directors meeting.
2. **External Auditor Support**
Assistance to external auditor Macias Gini & O'Connell LLP continues in accordance with their work plan.

Date of Report: July 9, 2024

Board Report (General Auditor's Report for June 2024)

3. **2024 Business Plan**

Preparation of the General Auditor's Business Plan, including FY 2023/24 accomplishments and FY 2024/25 goals, is in progress and will be presented to the Board at the July Executive Committee Special Meeting.

4. **Training**

Internal audit management attended The Institute of Internal Auditors' State of Internal Audit in the Public Sector training.

5. **Project Management System**

Implemented automated reporting tools to make the audit report preparation process more efficient and accurate.

PUBLIC INFORMATION

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: June 18, 2024

To: Executive Committee

From: Scott Suzuki, CPA, CIA, CISA, CFE, General Auditor

Subject: Ransomware Readiness Assessment
(Project Number 22-7424)

This memo presents the results of our assessment of Metropolitan's readiness for a ransomware attack as of February 2022. We shared our results with the Information Technology Group and Water System Operations Group, which stated they took corrective action to resolve our observations. We may validate the corrective action taken in a future cybersecurity audit.

Due to the sensitive nature of the critical infrastructure information, we shared the details of our observations with the Audit Subcommittee of the Executive Committee in a separate confidential memo not subject to public release.

Ransomware is a type of malicious software, or malware, that encrypts data on a computer, making it unusable. Ransomware is frequently delivered to end users through spear phishing e-mails. A malicious cybercriminal then holds the data hostage until a ransom is paid. If the ransom is not paid, the victim's data remains unavailable. Cybercriminals may also pressure victims to pay the ransom by threatening to destroy the victim's data or to release it to the public.

Key areas to focus on with ransomware are prevention, business continuity, and remediation. As ransomware techniques evolve and become more sophisticated, even with the most robust prevention controls in place, there is no guarantee against exploitation. This makes contingency and remediation planning crucial to business recovery and continuity.

The objective of our review was to assess the implementation of ransomware guidance issued by the federal Cybersecurity & Infrastructure Security Agency. The scope of our assessment included business applications maintained by the Information Technology Group and the Water System Operations Group. The methodology for this assessment did not include testing typical of an audit, and accordingly, we made no conclusions on the objectives for the assessment.

We offered recommendations to enhance ransomware readiness based on the information received during interviews.

We appreciate the cooperation and courtesies provided by the Information Technology Group and the Water System Operations Group.

PUBLIC INFORMATION

The completion of this project will be included in a status report to the Board of Directors. If you have any questions regarding our assessment, please do not hesitate to contact me directly at 213.217.6528 or Deputy General Auditor Kathryn Andrus at 213.217.7213.

cc: Board of Directors
Interim General Manager
General Counsel
Ethics Officer
Office of the General Manager Distribution
Assistant General Managers
Information Technology Group Distribution
Water System Operations Group Distribution
External Auditor





Ethics Office Monthly Report

JUNE 2024

EDUCATION

Provided ethics education to employees at the Lake Mathews. Since initiating new live ethics education last December, the Ethics Office has trained 1371 employees.

At the Ethics, Organization, and Personnel Committee, staff provided a focused presentation to directors about the state's pay to play law (the Levine Act).

Staff presented an Ethics Office overview for ten new hires at new employee orientations hosted by Human Resources.

COMPLIANCE

Assisted directors and employees with their Annual, Assuming Office, and Leaving Office Form 700 filings. Assistance included filing for multiple positions, troubleshooting the electronic filing system, and notifications of deadlines.

Finalized compliance efforts for the 2023 Annual Form 700 filings and achieved 100 percent compliance from all designated employees.

ADVICE

Addressed 18 advice matters related to the following: conflicts of interest, financial disclosure, post-employment lobbying, and other ethics-related topics.

INVESTIGATIONS

Received 14 complaints involving the following allegations:

- Mistreatment of staff and inappropriate race-based comments by a manager.
- Favoritism in a recruitment process by a manager.
- Mistreatment of staff, retaliation, and harassment based on gender by a manager.
- Discrimination based on gender and favoritism in a recruitment process by a manager.
- Harassment based on gender by a manager.
- Inappropriate race-based comments by a Metropolitan official.
- Retaliation by a Metropolitan official.
- Harassment of a Metropolitan official based on gender.
- Mishandling of a safety incident by management.
- Retaliation against an employee by a manager.
- Unauthorized release of confidential information.
- Retaliation against an employee by a coworker for protected EEO

COMPLAINTS MAY BE FILED AT:

ANONYMOUS ETHICS HOTLINE (Convercent)
(800) 461-9330
<http://www.mwdethicshotline.net/>

ETHICS OFFICE
(213) 217-5832
ethicsoffice@mw dh2o.com

activity.

- Favoritism in a recruitment process and unprofessional behavior by a manager.
- Unauthorized release of confidential information.

Referred six EEO-related matters to the EEO Office.

ETHICS OFFICER FINDINGS

The Ethics Officer determined that a manager did not retaliate against an employee for reporting potential workplace violations.

The Ethics Officer determined that three managers did not retaliate against an employee for reporting potential workplace violations.

ADVICE AND INVESTIGATIVE DATA

Advice Matters	18
Compliance Assistance	37
Complaints Received	14
Investigations Opened	0
Pending Investigations	3

MINUTES
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
March 26, 2024

53637 The Board of Directors of The Metropolitan Water District of Southern California met in a special session on Tuesday, March 26, 2024.

Chair Ortega called meeting to order at 12:42 p.m.

Director Dennstedt is using AB 2449 just cause due to physical injury, which prevents her from attending in person. Director Smith is using AB2449 just cause due to illness which prevents him from attending in person. The Directors appeared by audio and video.

53638 Board Secretary Fong-Sakai administered the roll call. Those responding present were: Directors Abdo, Ackerman, Alvarez, Armstrong, Bryant, Camacho, De Jesus, Dennstedt (AB 2449), Dick, Erdman, Fellow (teleconference posted location available for the public), Fong-Sakai, Gray (teleconference posted location available for the public), Jung (teleconference posted location available for the public), Kurtz, Lefevre (teleconference posted location available for the public), Luna, McCoy, McMillan, Miller, Morris, Ortega, Peterson, Pressman, Quinn, Seckel, Smith (AB 2449), and Sutley.

Those not responding were: Directors Cordero, Douglas, Faessel, Goldberg, Kassakhian, Petersen, Phan, and Ramos.

Directors entered the meeting after the roll call: Directors Garza and Gualtieri.

Board Secretary Fong-Sakai declared a quorum present.

Directors Garza and Gualtieri entered the meeting.

53639 Chair Ortega invited members of the public to address the Board limited to the items listed on the agenda (in-person and teleconference). None were made.

53640 Approval for the creation of an Ad Hoc Committee for the department heads' evaluation will proceed until September 1, 2024, or the completion of the evaluation process. Appoint Director Pressman as Chair, Directors Bryant, Dennstedt, Phan, and Smith as members of the Ad Hoc Committee. (Item 5A)

53641 Approve Committee Assignments (Item 5B)

The Subcommittee on 360 Evaluations is vacated.

Audits Subcommittee of Executive Committee, appoint Board Secretary Fong-Sakai as vice chair.

Ad Hoc Subcommittee on Equal Employment Opportunity Investigation, remove Director Ramos and appoint Director Pressman as a member.

Ad Hoc San Diego Litigation, remove Directors Dick, Gray, Ortega, and Sutley. Appoint Director Sutley as Chair, Directors Camacho, Armstrong, and Alvarez as members.

Director Camacho moved, seconded by Director Miller that the Board approve the Board Items 5A through 5B as follows:

The following is a record of the vote:

Record of Vote on Item:	5A & 5B								
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos							
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Gualtieri	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy	x	x	641				
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Peterson	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	26724				
		Petersen							
		Quinn	x	x	26724				
		Luna	x	x	26724				
		Douglas							
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai	x	x	22400				
		Goldberg							
		Miller	x	x	22400				
		Smith	x	x	22400				
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray	x						
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				362954				
Present and not voting									
Absent	23187								

The motion to approve the Consent Calendar Items 5A through 5B (**M.I. No. 53640 through 53641**) passed by a vote of 362,954 ayes; 0 noes; 0 abstain; 0 not voting; and 23,187 absent.

Directors Dennstedt and Smith, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

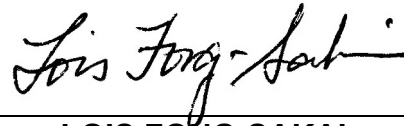
53642 Chair Ortega asked if there were any Follow-up Items. There were none.

53643 Chair Ortega asked if there were any Future Agenda Items. There were none.

53644 There being no objection, the meeting was adjourned at 12:53 p.m.



ADÁN ORTEGA, JR.
CHAIR OF THE BOARD



LOIS FONG-SAKAI
SECRETARY OF THE BOARD

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

June 11, 2024

53645 The Board of Directors of The Metropolitan Water District of Southern California met in a regular session on Tuesday, June 11, 2024.

Chair Ortega called the meeting to order at 2:20 p.m.

Director Lefevre is using AB 2449 just cause due to him being the primary caretaker, which prevents him from attending in person. The Director appeared by audio.

53646 The Meeting was opened with an invocation by Director Dennis Erdman, Municipal Water District of Orange County.

53647 The Pledge of Allegiance was given by Director Desi Alvarez, West Basin Municipal Water District.

53648 Board Executive Secretary Hudson administered the roll call. Those responding present were: Directors Abdo, Ackerman, Alvarez, Armstrong, Bryant, Camacho Crawford, De Jesus, Dennstedt, Dick, Douglas, Erdman, Fellow, Garza, Goldberg, Jung (teleconference posted location available for the public), Kurtz, Lefevre (AB 2449), Lewitt, McMillan, Miller, Morris, Ortega, Petersen, Phan (teleconference posted location available for the public), Pressman, Quinn, Seckel, and Sutley.

Director Lefevre announced during the roll that no one was in the room with her 18 years of age or older.

Those not responding were: Directors Cordero, Faessel, Fong-Sakai, Gray, Kassakhian, Luna, McCoy, and Smith.

Board Executive Secretary Hudson declared a quorum present.

Director entered the meeting after the roll call: Ramos (teleconference posted location available for the public)

Chair Ortega called on Director Lefevre to introduce Member Agency Manager Guest Chuck Schaich, City of Torrance. Chair Ortega, Director Lefevre, and Mr. Schaich made remarks.

Chair Ortega welcomed and thanked Mr. Schaich for joining the board and encouraged him to comment on matters important to the City of Torrance.

Chair Ortega announced that Metropolitan's Black Employees Association will be celebrating Juneteenth through the telling of its historic significance, focusing on

Metropolitan's sponsorship of the San Fernando Valley Pride March and Festival, highlighting events held throughout the month that highlight Metropolitan efforts in Safety for National Safety Month; Spotlighting visits by Metropolitan Dads to their children's classrooms to talk about their jobs and importance of conservation; lastly, for transparency reasons, the agendas have been updated to show where written public comment is located.

53649 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.	Wigs Mendoza	NAANEA, Volunteer advocate of Indigenous People	100th Anniversary or Centennial of the Indian Citizen Citizenship Act of 1924
2.	Mark Gold	Director, Natural Resources Defense Council	Item 7-10
3.	Board Vice Chair Abdo	Metropolitan Director	Item 7-10
4.	Director Petersen	Metropolitan Director	Item 7-10

Chair Ortega addressed the following: Other Matters and Reports.

53650 Chair Ortega asked if there were any corrections to the report of events attended by Directors at Metropolitan's expense during the month of May, as previously posted and distributed to the Board. None were made.

53651 Chair Ortega announced that his monthly report will be posted after today's meeting. In addition, he commended the legal, finance, and general manager's office for the successful bond sale.

53652 General Manager Hagekhalil provided an update on: the efforts Metropolitan is taking to recognize National Safety Month, Cybersecurity Summit on July 11, 2024, the upcoming board member educational sessions, Colorado River negotiations, and the upcoming CAMP4W Business Model discussions.

53653 General Counsel Scully stated she had nothing to add to the written report.

53654 General Auditor Suzuki reported the next fiscal year audit plan is on the board agenda for approval.

53655 Ethics Officer Salinas stated he had nothing to add to the written report.

53656 Chair Ortega announced the induction of new James Crawford from Central Basin Municipal Water District (Agenda Item 5G).

- (a) Received credentials
- (b) Reported on credentials by General Counsel
- (c) Filed credentials
- (d) Administered Oath of Office
- (e) Filed Oath

Director Garza introduced Director Crawford. Directors Garza and Crawford made remarks.

53657 Chair Ortega announced the induction of new Director Jay Lewitt from Las Virgenes Municipal Water District (Agenda Item 5H).

- (a) Received credentials
- (b) Reported on credentials by General Counsel
- (c) Filed credentials
- (d) Administered Oath of Office
- (e) Filed Oath

Former Director Glen Peterson introduced Director Lewitt. Mr. Peterson and Director Lewitt made remarks.

53658 Chair Ortega asked the Directors if there were any comments or discussions on the Approval of the Minutes of the Subcommittee on Audits for January 23, 2024, and the Board of Directors for May 14, 2024 (Copies have been submitted to each Director any additions, corrections, or omissions) (Agenda Item 6A). No amendments were made.

Board Vice Chair Camacho requested that items 7-8 and 7-9 be pulled from the Consent Calendar.

53659 Approval of Committee Assignments (Agenda Item 6B).

Appoint Director Lewitt to the Legislation and Communications Committee, One Water and Stewardship Committee, and the Ad Hoc Committee on Bay-Delta Negotiations.

Appoint Director Kurtz to the Ad Hoc Committee on San Diego Litigation.

53660 Approve Commendatory Resolution for Director Michael Gualtieri representing Central Basin Municipal Water District (Agenda Item 6C).

53661 Approve Commendatory Resolution for Director Glen Peterson representing Las Virgenes Municipal Water District (Agenda Item 6D).

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 Lewitt disclosed that Item 7-6 is an agreement with Las Virgenes Municipal Water District; he is required to disclose for the record that he receives per diem, medical, and related benefits from Las Virgenes. He is allowed to participate in the item.

53662 Approve the nomination and naming of the Wildflower Trail at Diamond Valley Lake in honor of Metropolitan Board Vice Chair Judy Abdo, as set forth Agenda Item 7-10 board letter.

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

Director(s)

1. Sutley

53663 Approve the General Auditor's Internal Audit Plan for fiscal year 2024/2, as set forth in Agenda Item 7-1 board letter.

53664 Authorize on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in amounts not to exceed \$3 million each, for a maximum of three years for engineering services, as set forth in Agenda Item 7-2 board letter.

53665 Award an \$897,469 contract to Exaro Technologies Corporation for the construction of a cathodic protection system on the Santa Monica Feeder, as set forth in Agenda Item 7-3 board letter.

53666 Approve up to \$2.257 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program to renew or replace all the expiring excess liability and specialty insurance policies for and maintain the \$25 million self-insured retention for FY 2024/25, and include up to \$225,000 to obtain cyber liability coverage, as set forth in Agenda Item 7-4 board letter.

53667 Approve the Statement of Investment Policy for fiscal year 2024/25; and delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2024/2, as set forth in Agenda Item 7-5 board letter.

53668 Authorize the General Manager to grant a permanent easement to Las Virgenes Municipal Water District for water pipeline purposes on Metropolitan fee-owned property in the City of Los Angeles within Assessor Parcel Number 2723-009-905, as set forth in Agenda Item 7-6 board letter.

53669 Authorize amending agreements with Hazen and Sawyer for a new not-to-exceed amount of \$2,000,000 and CDM Smith Inc. for a new not-to-exceed amount of \$500,000, and authorize a new agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 for a period of three years to provide support services in the development and implementation of the CAMP4W, as set forth in Agenda Item 7-7 board letter.

Director Morris moved, seconded by Director Fellow that the Board approve the Consent Calendar Items 6A, 6B, 6C, 6D, and 7-1 through 7-7, and 7-10 as follows:

The following is a record of the vote:

Record of Vote on Consent Item(s):		6A, 6B, 6C, 6D, and 7-1 through 7-7 & 7-10							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x	x	33601				
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan	x	x	3431				
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				368919				
Present and not voting									
Absent	17222								

The motion to approve the Consent Calendar Items 6A, 6B, 6C, 6D, and 7-1 through 7-7 and 7-10 (**M.I. No. 53658 through 53669**) passed by a vote of 368,919 ayes; 0 noes; 0 abstain; 0 not voting; and 17,222 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

53670 Table Board Items 7-8 and 7-9 to allow future consideration.

Director Camacho moved, seconded by Director Pressman, that the Board approve to table Board Items 7-8 and 7-9 as follows:

The following is a record of the vote:

Record of Vote on Consent Item(s):	7-8 & 7-9								
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x	x	33601				
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan	x	x	3431				
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				368919				
Present and not voting									
Absent	17222								

The motion to table the Board Items 7-8 and 7-9 (**M.I. No. 53670**) passed by a vote of 368,919 ayes; 0 noes; 0 abstain; 0 not voting; and 17,222 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

53671 Approve and appropriate an increase of \$25 million to the Capital Investment Plan for FYs 2022/23 and 2023/24 budget for a new biennium amount of \$625 million (Agenda Item 8-1).

Director Erdman moved, seconded by Director Morris, that the Board approve the Board Item 8-1 as follows:

Chair Ortega called for a vote on the motion for Agenda Item 8-1 Option 1.

Director Pressman left the meeting.

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	6038	Faessel							
Beverly Hills	4493	Pressman							
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x	x	33601				
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan	x	x	3431				
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				364426				
Present and not voting									
Absent	21715								

The motion to approve the Board Item 8-1 (**M.I. No. 53671**) passed by a vote of 364,426 ayes; 0 noes; 0 abstain; 0 not voting; and 21,715 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

Director Pressman entered the meeting.

53672 By a two-thirds vote, authorize two payments of up to \$993,600 for support of the CRB, SAC, and Authority for FY 2024/2025 and \$1,023,408 for FY 2025/2026 (Agenda Item 8-2).

Director Quinn moved, seconded by Director Miller, that the Board approve the Board Item 8-2 as follows:

Chair Ortega called for a vote on the motion for Agenda Item 8-2 Option 1.

The following is a record of the vote:

Record of Vote on Item:		8-2							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x	x	33601				
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan	x	x	3431				
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				368919				
Present and not voting									
Absent	17222								

The motion to approve the Board Item 8-2 (**M.I. No. 53672**) passed by a vote of 368,919 ayes; 0 noes; 0 abstain; 0 not voting; and 17,222 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

53673 Authorize entering into a three year-contract with We Are RALLY, LLC for media placement services related to drought awareness and water conservation not to exceed \$10.5 million (Agenda Item 8-3).

Director Camacho moved, seconded by Director Sutley, that the Board approve the Board Item 8-3 as follows:

Chair Ortega called for a vote on the motion for Agenda Item 8-3 Option 1.

Director Phan left the meeting.

The following is a record of the vote:

Record of Vote on Item:		8-3							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x			x	4493		
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x			x	33601		
		Smith							
			Subtotal:		33601		33601		
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x			x	13418		
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				313977		51512		
Present and not voting									
Absent	20653								

The motion to approve the Board Item 8-3 (**M.I. No. 53673**) passed by a vote of 313,977 ayes; 51,512 noes; 0 abstain; 0 not voting; and 20,653 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

Chair Ortega asked if anyone wanted to hear Agenda Item 8-4 in closed session. No requests were made.

53674 Approve the recommendation as discussed in closed session at the Legal and Claims Committee (Agenda Item 8-4).

Director Garza moved, seconded by Director Morris, that the Board approve the Board Item 8-4 as follows:

Chair Ortega called for a vote on the motion or Agenda Item 8-4.

The following is a record of the vote:

Record of Vote on Item:	8-4								
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x						
		Miller	x						
		Smith							
			Subtotal:						
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				298287				
Present and not voting	67201								
Absent	20653								

The motion to approve the Board Item 8-4 (**M.I. No. 53674**) passed by a vote of 298,287 ayes; 0 noes; 0 abstain; 67,201 not voting; and 20,653 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

Chair Ortega asked if anyone wanted to hear Agenda Item 8-5 in closed session. No requests were made.

53675 Authorize the General Manager to enter into an option agreement with the AES Corporation, LLC for a long-term lease of up to 6,742 acres in the Palo Verde Mesa for carbon-free energy production and storage uses, subject to the price and terms direction given in closed session (Agenda Item 8-5).

Director Dick moved, seconded by Director De Jesus, that the Board approve the Board Item 8-5 as follows:

Chair Ortega called for a vote on the motion or Agenda Item 8-5.

The following is a record of the vote:

Record of Vote on Item:		8-5							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x	x	33601				
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				365488				
Present and not voting									
Absent	20653								

The motion to approve the Board Item 8-5 (**M.I. No. 53675**) passed by a vote of 365,488 ayes; 0 noes; 0 abstain; 0 not voting; and 20,653 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

Chair Ortega announced a Special Board Meeting will be held on Thursday, June 13, 2024 at 10:30 a.m.

53676 Refer correspondence received alleging employment violations to the ad hoc committee (Agenda Item 8-6).

Director Ortega moved, seconded by Director Fellow, that the Board approve the Board Item 8-6 as follows:

Chair Ortega called for a vote on the motion for Agenda Item 8-6.

The following is a record of the vote:

Record of Vote on Item:		8-6							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel							
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy							
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung	x	x	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	x	x	20043				
		Petersen	x	x	20043				
		Quinn	x	x	20043				
		Luna							
		Douglas	x	x	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	33601				
		Miller	x	x	33601				
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				365488				
Present and not voting									
Absent	20653								

The motion to approve the Board Item 8-6 (**M.I. No. 53676**) passed by a vote of 365,488 ayes; 0 noes; 0 abstain; 0 not voting; and 20,653 absent.

Directors Lefevre, using AB 2449 just cause did not have anyone over the age of 18 present during the vote.

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

Director(s)

1. Seckel
2. Erdman

Chair Ortega and staff responded to the Directors' comments and questions.

53677 Chair Ortega asked if there were questions or need for discussion on Board Information Item 9-1. No requests were made.

53678 Chair Ortega asked if there were any Follow-Up Items. There were none.

53679 Chair Ortega asked if there were any Future Agenda Items. There were none.

53680 There being no objection, at 3:44 p.m., Chair Ortega adjourned the meeting in honor of ACWA Tim Quinn's daughter, Audrey Macnus, and Metropolitan Pilot John Soder's daughter, Katie Soder, who recently passed away.



ADÁN ORTEGA, JR.
CHAIR OF THE BOARD



RICKITA HUDSON
BOARD EXECUTIVE SECRETARY

MINUTES
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
June 13, 2024

53681 The Board of Directors of The Metropolitan Water District of Southern California met in a special session on Thursday, June 13, 2024.

Chair Ortega called meeting to order at 10:30 a.m.

53682 The Pledge of Allegiance was given by Board Vice Chair Camacho, Inland Empire Utilities Agency.

53683 Board Executive Secretary Hudson administered the roll call. Those responding present were: Directors Abdo, Alvarez, Bryant, Camacho, Cordero, Crawford, De Jesus (teleconference posted location available for the public), Dennstedt, Douglas, Erdman, Faessel (teleconference posted location available for the public), Fellow, Garza, Goldberg, Gray (teleconference posted location available for the public), Kurtz, Lefevre (teleconference posted location available for the public), Lewitt (teleconference posted location available for the public), McCoy, McMillan, Morris, Ortega, Pressman (teleconference posted location available for the public), Quinn, Ramos (teleconference posted location available for the public), and Seckel (teleconference posted location available for the public).

Those not responding were: Directors Fong-Sakai, Jung, Kassakhian, Luna, Miller, Petersen, and Smith.

Directors entered the meeting after the roll call: Ackerman (teleconference posted location available for the public), Armstrong (teleconference posted location available for the public), Dick (teleconference posted location available for the public), Phan (teleconference posted location available for the public), and Sutley.

Board Executive Secretary Hudson declared a quorum present.

53684 Chair Ortega requested a motion to waive confidentiality about the close session on June 11, 2024.

Director Fellow moved, seconded by Director Morris that the Board approve the waiver of confidentiality of the closed session as follows:

Directors Ackerman, Armstrong, Phan, and Sutley entered the meeting.

The following is a record of the vote:

Record of Vote on Item:		Waive of confidentiality of closed session item							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel	x	x	6038				
Beverly Hills	4493	Pressman	x	x	4493				
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan	x	x	13073				
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy	x	x	641				
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung							
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero	x	x	6558				
Los Angeles	80172	Sutley	x	x	26724				
		Petersen							
		Quinn	x	x	26724				
		Luna							
		Douglas	x	x	26724				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	21545				
		Seckel	x	x	21545				
		Dick							
		Erdman	x	x	21545				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	67201				
		Miller							
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan	x			x	3431		
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	13532				
		Gray	x	x	13532				
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				376164		3431		
Present and not voting									
Absent	6546								

The motion to approve the motion to waive confidentiality about the close session on June 11, 2024 (**M.I. No. 53684**) passed by a vote of 376,164 ayes; 3,431 noes; 0 abstain; 0 not voting; and 6,546 absent.

Chair Ortega made remarks regarding the closed session discussion June 11, 2024.

53685 Chair Ortega invited members of the public to address the Board limited to the items listed on the agenda (in-person and teleconference).

	Name	Affiliation	Comment
1.	Evelyn Wendell	We Tap.org	Items 5A, B, and C
2.	Karen Quog	City of Glendale	Items 5A, B, and C
3.	Bruce Reznick	LA Waterkeeper	Items 5A, B, and C
4.	Connor Everts	Environmental Water Caucus and Environmental Justice Coalition for Water	Items 5A, B, and C
5.	Alan Shanahan	AFSCME, Local 1902	Items 5A, B, and C
6.	Mark Gold	National Resource Defense Council	Items 5A, B, and C
7.	Liz Crosson	MWD Employee	Items 5A, B, and C
8.	No Name Provided	MWD Employee	Items 5A, B, and C
9.	Lauren Ahkiam	Climate Co Director	Items 5A, B, and C
10.	Caty Wagner	Sierra Club, California	Items 5A, B, and C
11.	Ruben Lopez	Hines Village Resident	Items 5A, B, and C
12.	Barbra Barrigan	Executive Director, ReStore the Delta	Items 5A, B, and C
13.	Mike Jones	MWD Employee	Items 5A, B, and C
14.	Lina Morris	Individual	Items 5A, B, and C
15.	Trish Gonzalez	Former MWD Employee	Items 5A, B, and C
16.	Deegan Newton	MWD Employee	Items 5A, B, and C
17.	Ashley Overhouse	Policy Advisor for Defenders of Wildlife and Private Citizen	Items 5A, B, and C
18.	John Munson	Sierra Club Water Committee	Items 5A, B, and C
19.	Jan Warren	Member Environmental Community	Items 5A, B, and C
20.	Hans Johnson	President East Area, Democratic Club of LA County	Items 5A, B, and C

21.	Sidney Pitcher		Items 5A, B, and C
22.	Ellen Mackey	MWD Employee	Items 5A, B, and C
23.	Neal Desai	National Parks Conservation Association	Items 5A, B, and C
24.	Penelope Home		Items 5A, B, and C
25.	Wes Chong	LA Resident	Items 5A, B, and C
26.	Crystal Moreno	Ecological Shingle Springs Band of Miwok Indians	Items 5A, B, and C
27.	Charming Evelyn	Sierra Club CA	Items 5A, B, and C
28.	John Mendoza	City of Pomona	Items 5A, B, and C
29.	Annette Eckhardt	WAM and Metropolitan Employee	Items 5A, B, and C
30.	Juan Martinez	Delegate of the 64 Districts	Central Basin
31.	Fernando East	Central Basin Resident	Central Basin

Chair Ortega called the meeting into closed session to discuss Agenda Items:
5A Review of Department Head Performance Evaluation for the General Manager; 5B
Public Employee Discipline/Dismissal/Release; and 5C Discussion of Correspondence
Alleging Employment Violations and to Provide Direction on Potential Interim Measures.

Director Dick entered the meeting during closed session.

Directors McMillian, Quinn, and Goldberg left the meeting during closed session.

The Board returned to open session at 3:27 p.m.; in closed session, the Board discussed
and conferred with legal counsel regarding Items 5A, 5B, and 5C.

53686 For Item 5A, there was no reportable action.

53687 For Item 5B, there was no reportable action.

53688 For Item 5C (Discussion of correspondence alleging employment violations and to
provide direction on potential interim measures), the Board voted to place the General
Manager on administrative leave effective immediately and to temporarily appoint Deven
Upadhyay as the Interim General Manager.

A record of the votes made in closed session are attached to the minutes.

Chair Ortega made remarks to the public and employees regarding the future of Metropolitan.

53689 Chair Ortega asked if there were any Follow-up Items. There were none.

53690 Chair Ortega asked if there were any Future Agenda Items. There were none.

53691 There being no objection, the meeting was adjourned at 3:31 p.m.



ADÁN ORTEGA, JR.
CHAIR OF THE BOARD



RICKITA HUDSON
BOARD EXECUTIVE SECRETARY

The following is a record of the vote:

Director Fellow moved, seconded by Director Camacho, that the Board approve placing the General Manager on administrative leave effective immediately.

Record of Vote on Item:		5C-1							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel	x	x	6038				
Beverly Hills	4493	Pressman							
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan							
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy	x	x	641				
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung							
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero	x	x	6558				
Los Angeles	80172	Sutley	x	x	40086				
		Petersen							
		Quinn							
		Luna							
		Douglas	x	x	40086				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	x	x	16159				
		Seckel	x	x	16159				
		Dick	x	x	16159				
		Erdman	x	x	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg	x	x	67201				
		Miller							
		Smith							
			Subtotal:		67201				
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x					x	13532
		Gray	x	x	13532				
			Subtotal:		13532				13532
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				345066				13532
Present and not voting									
Absent	27543								

The motion to approve the motion (Item 5C1) (M.I. No. **53686**) passed by a vote of 345,066 ayes, 0 noes, 13,532 abstain, 0 not voting, and 27,543 absent.

Director Morris moved, seconded by Director Bryant, that the Board approve temporarily appointing Deven Upadhyay as the Interim General Manager.

The following is a record of the vote:

Record of Vote on Item:		5C - 2							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel	x	x	6038				
Beverly Hills	4493	Pressman							
Burbank	3175	Ramos	x	x	3175				
Calleguas Municipal Water District	13073	McMillan							
Central Basin Municipal Water District	19324	Garza	x	x	9662				
		Crawford	x	x	9662				
			Subtotal:		19324				
Compton	641	McCoy	x	x	641				
Eastern Municipal Water District	12060	Armstrong	x	x	12060				
Foothill Municipal Water District	2409	Bryant	x	x	2409				
Fullerton	2561	Jung							
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	x	x	16030				
Las Virgenes	3090	Lewitt	x	x	3090				
Long Beach	6558	Cordero	x	x	6558				
Los Angeles	80172	Sutley							
		Petersen							
		Quinn							
		Luna							
		Douglas	x					x	80172
			Subtotal:						80172
Municipal Water Dist. of Orange County	64634	Ackerman							
		Seckel	x	x	21545				
		Dick	x	x	21545				
		Erdman	x	x	21545				
			Subtotal:		64634				
Pasadena	3864	Kurtz	x	x	3864				
San Diego County Water Authority	67201	Fong-Sakai							
		Goldberg							
		Miller							
		Smith							
			Subtotal:						
San Fernando	260	Ortega	x	x	260				
San Marino	800	Morris	x	x	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	x	x	4861				
Three Valleys Municipal Water District	8634	De Jesus	x	x	8634				
Torrance	3590	Lefevre	x	x	3590				
Upper San Gabriel Valley Mun. Wat. Dist.	13418	Fellow	x	x	13418				
West Basin Municipal Water District	27064	Alvarez	x	x	13532				
		Gray	x	x	13532				
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	x	x	14775				
Total	386141				211225				80172
Present and not voting									
Absent	94744								

The motion to approve the motion (Item 5C2) (**M.I. No. 53686**) passed by a vote of 211,225 ayes; 0 noes; 80,172 abstain; 0 not voting; and 94,744 absent.



- **Board of Directors**
Engineering, Operations, and Technology Committee

7/9/2024 Board Meeting

7-1

Subject

Award a \$2,197,460 contract to J.F. Shea Construction Inc. for the replacement of a section of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11; and authorize an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed amount of \$395,000 to provide technical support during construction; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Rialto Pipeline supplies untreated water from the East Branch of the State Water Project to the F.E. Weymouth Water Treatment Plant (Weymouth plant). This project will replace a deteriorated 35-foot-long segment of 120-inch diameter steel pipe on the Rialto Pipeline and rehabilitate Service Connection CB-11. Inspections have shown that the mortar lining is failing, and the steel pipe is corroding within the portion to be replaced. These improvements will enhance the reliability of water deliveries along the Rialto Pipeline.

This action awards a \$2,197,460 contract to J.F. Shea Construction Inc. for replacement of 35 feet of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11 during a planned 2024/2025 shutdown. This action also increases the amount of an existing agreement with Brown and Caldwell to provide technical support during construction. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the Subcontractors for Low Bidder, and **Attachment 4** for the Location Map.

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

Staff Recommendation: Option #1

Option #1

- a. Award a \$2,197,460 contract to J.F. Shea Construction Inc. for replacement of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11.
- b. Authorize an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed amount of \$395,000 to provide construction support services.

Fiscal Impact: Expenditure of \$3,600,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This option will improve the operational reliability of the Rialto Pipeline and reduce the risk of unplanned outages.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option will forego an opportunity to improve the operational reliability of the Rialto Pipeline, which may lead to costly urgent repairs.

Alternatives Considered

During the planning phase of this project, staff considered different options to address the failure of mortar lining and corrosion within an approximately 35-foot-long segment of the Rialto Pipeline. Initially staff considered performing weld repairs and cement mortar re-lining of the existing pipeline using an existing accessway that is located over 700 feet from the repair site. Staff estimated that repairing the pipeline from the existing accessway would require cutting steel pipe segments into small strips, transporting them through the pipe, and reassembling them inside the 120-inch diameter pipe. The selected option to excavate and replace the 35-foot segment of pipe in its entirety can be completed more efficiently and cost-effectively during a shorter shutdown than repairing the existing pipe.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 53141, dated February 13, 2023, the Board authorized the procurement of a triple offset valve to rehabilitate the CB-11 service connection.

By Minute Item 53494, dated January 9, 2024, the Board authorized the procurement of plug valves to be installed on the Foothill and Rialto Feeder.

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of \$636.5 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26.

Summary of Outreach Completed

Metropolitan has coordinated with the City of Upland to obtain approved plan check drawings and a noise variance for the proposed construction activities.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because the action consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.

CEQA determination for Option #2:

None required

Details and Background

Background

The Rialto Pipeline was built in 1972 and conveys untreated water from California Department of Water Resources' Devil Canyon Powerplant afterbays in San Bernardino to Metropolitan's Live Oak Reservoir in La Verne and Metropolitan's nearby San Dimas Power Plant. The pipeline extends approximately 30 miles, supplying water to the Weymouth plant and serving three member agencies through 11 service connections.

Approximately 16 miles of the Rialto Pipeline are prestressed concrete cylinder pipe, while the remaining 14 miles are welded steel pipe. The pipeline ranges in diameter from 96 inches to 120 inches.

A December 2020 inspection of the Rialto Pipeline revealed severe corrosion and localized pitting in an approximately 35-foot-long segment of a 120-inch diameter steel pipe located in the City of Upland. Temporary repairs were made, and this section of pipe is currently structurally sound. Replacement of this segment is recommended due to the extent of damage and to ensure the long-term integrity of the pipeline. Replacement of the section of pipe will also allow for the rehabilitation of Service Connection CB-11, which is located in the vicinity of the damaged section of pipe.

The turnout structure for Service Connection CB-11, located in the City of Rancho Cucamonga, was originally constructed as a dewatering pump well under the original Rialto Pipeline construction contract. In 2005, the turnout was converted to a 40 cubic feet per second service connection to deliver water to recharge groundwater basins, and a 24-inch diameter butterfly valve was installed. Since that conversion, this turnout can no longer be used as a dewatering location on the pipeline. The existing butterfly valve has a disk in the flow path that obstructs lowering a pump through the valve and into the pipeline for dewatering activities.

The Rialto Pipeline is typically shut down and dewatered every five to seven years for inspections and maintenance. During the planned shutdown, the valve at Service Connection CB-11 will be replaced with a full-port triple offset valve that will allow staff to lower a dewatering pump into the pipeline at this location. The use of this location to dewater the pipeline will shorten the overall duration of future shutdowns of the pipeline by approximately 24 hours. In addition to replacing the turnout valve, piping adjacent to the turnout valve and six blowoff valves on the feeder have deteriorated and will also be replaced during the shutdown.

Final design is now complete for replacement of the deteriorated section of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11. Due to the long lead time for the manufacture of large-diameter valves, a procurement contract was awarded in February 2023 by Metropolitan's Board for the 20-inch isolation valve. The valve has been delivered and is currently being stored at Metropolitan's La Verne facility. Staff recommends the award of a construction contract at this time.

Rialto Pipeline Rehabilitation – Construction

The scope of the construction contract consists of replacing a 35-foot segment of 120-inch diameter steel pipe on the Rialto Pipeline, replacement of the isolation valve at Service Connection CB-11 with a Metropolitan-furnished triple offset ball valve, and replacement of corroded piping. Metropolitan forces will dewater the pipelines, replace six deteriorating blowoff valves, establish clearances, and return the system to service. The work will be conducted during a planned twelve-day shutdown scheduled for February 2025.

A total of \$3,600,000 is allocated for this work. In addition to the contract amount, \$150,000 will be allocated for technical support during construction by Brown and Caldwell as described below. Allocated funds for work by Metropolitan staff include: \$530,000 for Metropolitan force shutdown activities; \$207,000 for construction management and inspection; \$177,000 for submittals review, responding to requests for information, and preparation of record drawings; \$144,000 for contract administration, environmental monitoring support, project management, and other owner's costs; and \$194,540 for remaining budget. **Attachment 1** provides the allocation of the required funds.

Award of Construction Contract (J.F. Shea Construction Inc.)

Specification No. 2058 to rehabilitate the Rialto Pipeline was advertised for bids on May 3, 2024. As shown in **Attachment 2**, two bids were received and opened on June 6, 2024. The low bid from J.F. Shea Construction Inc. in the amount of \$2,197,460 complies with the requirements of the specifications. The other bid was \$2,433,000, while the engineer's estimate for this project was approximately \$2,650,000. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the bid amount. J.F. Shea Construction Inc. has agreed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

This action awards a \$2,197,460 contract to J.F. Shea Construction Inc. for the replacement of a 35 ft section of steel pipe on the Rialto Pipeline and the replacement of piping and an isolation valve located at Service Connection CB-11. As described above, Metropolitan staff will perform construction management and inspection. Engineering Services' performance metric target range for construction management and inspection of projects with construction less than \$3 million is 9 to 15 percent. For this project, the performance metric goal for inspection, which includes previously allocated fabrication inspection (\$70,000), is 8.2 percent of the total construction cost (\$3,382,460), which includes the construction contract (\$2,197,460), Metropolitan-furnished equipment (\$655,000), and Metropolitan force construction (\$530,000).

Construction Support (Brown and Caldwell) – Amendment to Existing Agreement

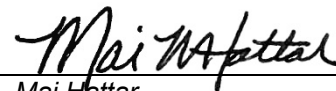
This action authorizes an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed total of \$395,000. Brown and Caldwell was prequalified via Request for Qualification No. 1215 based on its experience with pipeline projects through urban areas. Brown and Caldwell provided engineering support services during the project's final design phase and is the engineer of record.

Brown and Caldwell will review contractor submittals and requests for information, review the asbestos control plan prior to submittal to the South Coast Air Quality Management District, and provide asbestos abatement monitoring services. The increase in the Brown and Caldwell agreement supplements the existing agreement's capacity to cover costs for the construction phase of the Rialto Pipeline Rehabilitation project.

This action authorizes a \$150,000 amendment to an existing agreement with Brown and Caldwell for a new, not-to-exceed total of \$395,000 for technical support during construction for the rehabilitation of the Rialto Pipeline. The subconsultant planned for this agreement includes Aurora Industrial Hygiene.

Project Milestone

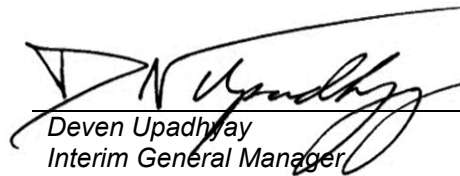
March 2025 – Completion of construction



Mai Hattar
Interim Chief Engineer
Engineering Services

6/26/2024

Date



Deven Upadhyay
Interim General Manager

6/26/2024

Date

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – Subcontractors for Low Bidder

Attachment 4 – Location Map

Ref# es12699997

Allocation of Funds for Rialto Pipeline Rehabilitation

	Current Board Action (Jul. 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	144,000
Submittals Review & Record Drwgs.	177,000
Construction Inspection & Support	207,000
Metropolitan Force Construction	500,000
Materials & Supplies	-
Incidental Expenses	30,000
Professional/Technical Services	-
Brown and Caldwell	150,000
Right-of-Way	-
Equipment Use	-
Contracts	-
J.F. Shea Construction, Inc.	2,197,460
Remaining Budget	194,540
Total	\$ 3,600,000

The amount expended to date on the Rialto Pipeline Rehabilitation project is approximately \$1 million. The total estimated cost to complete this project, including the funds allocated for the work described in this action, is \$4.6 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on June 6, 2024, at 2:00 P.M.

Specifications No. 2058

Rialto Pipeline Rehabilitation

The work consists of replacement of a 35-foot section of steel pipe on the Rialto Pipeline and the replacement of a pipe spool and isolation valve located at service connection CB-11 for the Rialto Pipeline Rehabilitation project.

Engineer's estimate: \$2,650,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
J.F. Shea Construction Inc. Walnut, CA	\$2,197,460	550,000	25	Yes
Mladen Buntich Construction Co. Inc Upland, CA	\$2,433,000	-	-	-

¹ Small Business Enterprise (SBE) participation level established at 25 percent for this contract.

The Metropolitan Water District of Southern California**Subcontractors for Low Bidder****Specifications No. 2058
Rialto Pipeline Rehabilitation****Low bidder: J.F. Shea Construction Inc.**

Subcontractor and Location	Service Category, Specialty
Western Paving Contractors Inc. Irwindale, CA	Paving
Environmental Construction Group Signal Hill, CA	Demolition/Abatement
Capital Industrial Coatings Huntington Beach, CA	Painting
Dean's Welding Temecula, CA	Furnish, Fitup & Weld Pipe





Engineering, Operations, & Technology Committee

Rialto Pipeline Rehabilitation

Item 7-1

July 8, 2024

Item 7-1

Rialto Pipeline Rehabilitation

Subject

Award a \$2,197,460 contract to J.F. Shea Construction Inc. for the replacement of a section of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11; and authorize an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed amount of \$395,000 to provide technical support during construction

Purpose

This action rehabilitates a 35-foot section of steel pipe and Service Connection CB-11 on the Rialto Pipeline which will enhance the reliability of water deliveries

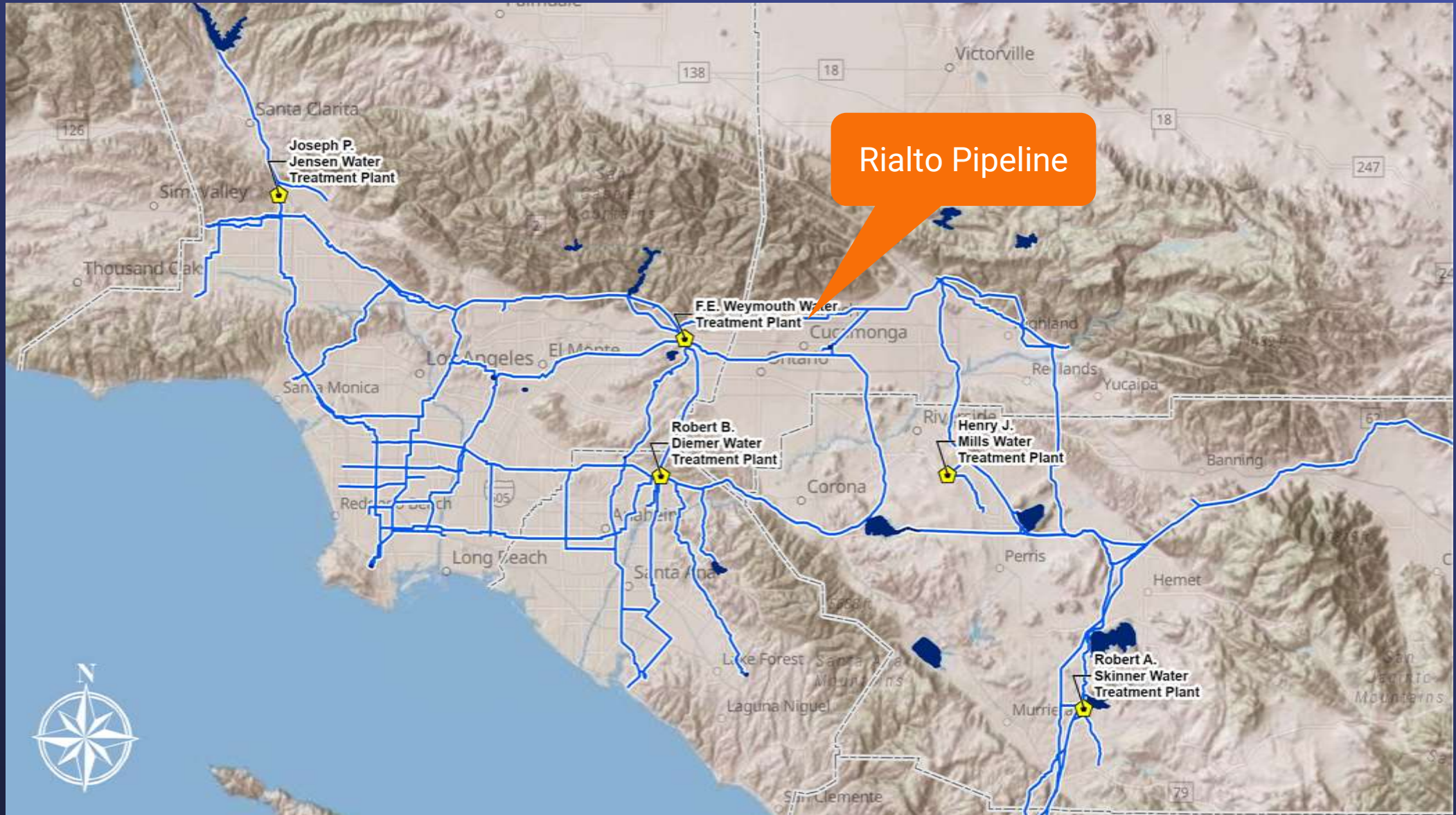
Recommendation and Fiscal Impact

Award a construction contract to rehabilitate a portion of the Rialto Pipeline and Service Connection CB-11

Fiscal Impact of \$3,600,000

Budgeted

Location Map



Background

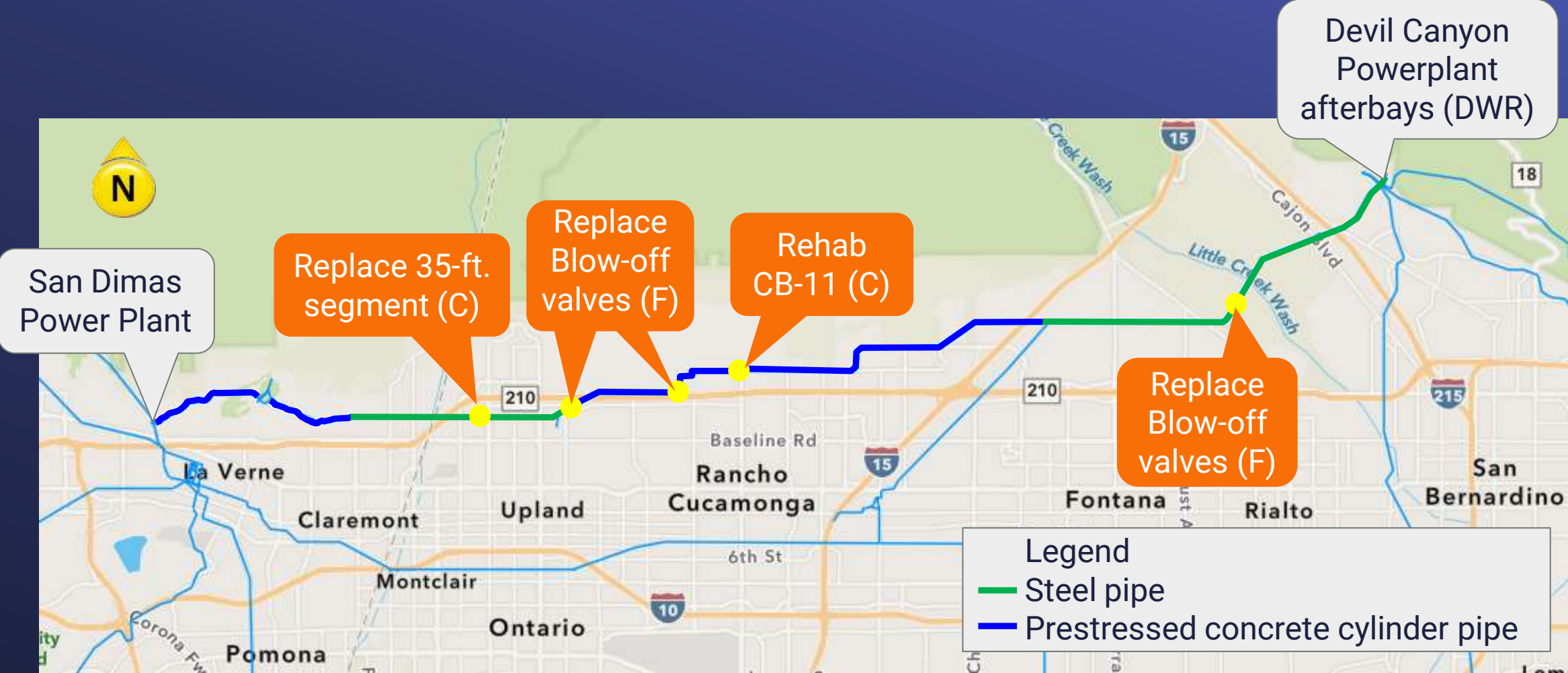


Severe corrosion and pitting in 120-inch diam.
35-ft. steel segment (Dec. 2020 inspection)



Existing deteriorated blow-off
valve, typical of six

Rehabilitation work

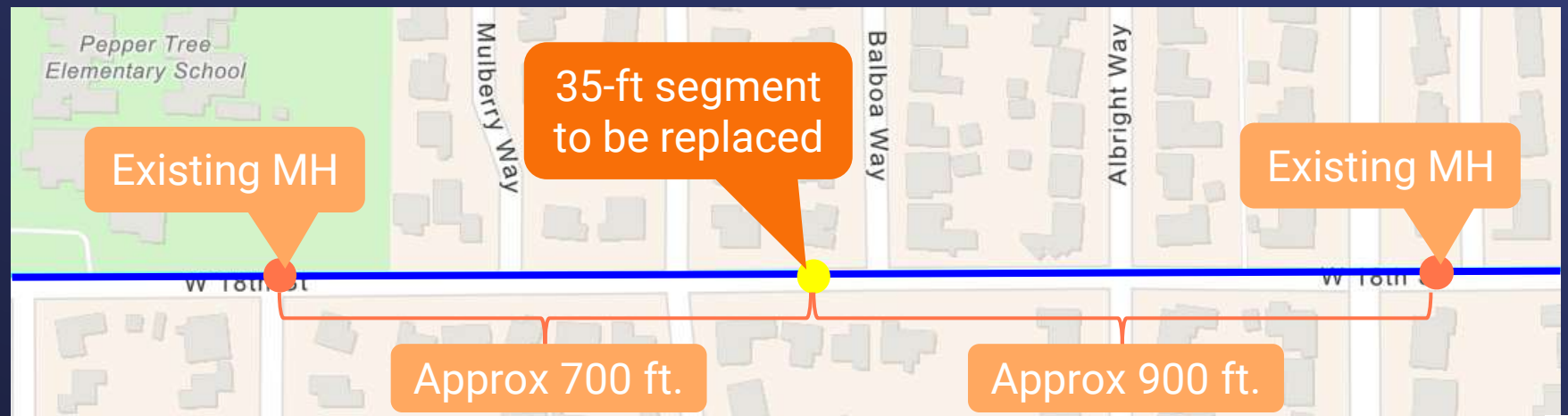


Rialto Pipeline Rehabilitation by Contractor (C) or Metropolitan Forces (F)

Rialto Pipeline Rehabilitation Construction

Alternatives Considered

- Perform weld repairs & cement mortar re-lining
 - No excavation required
 - Longer repair duration requires two shutdowns
 - Extensive weld repairs
- Selected Alternative - Replace 35-foot section of pipe
 - Shorter repair duration - can be completed in one shutdown



Rialto Pipeline Rehabilitation Construction

Brown and Caldwell – Agreement Amendment

- Engineer of record for final design
- Scope of Work
 - Review contractor submittals
 - Respond to RFIs
 - Provide monitoring services
- Amendment amount: \$150,000
- New NTE amount: \$395,000
- SBE participation level: 25%

Rialto Pipeline Rehabilitation Construction



New 20" triple offset ball valve

Scope of Work

- Contractor
 - Remove & replace a 35-foot segment of 121.5-inch diameter steel pipe
 - Replace isolation valve & corroded piping at Service Connection CB-11
- Metropolitan
 - Shutdown pipeline & return to service
 - Install blow-off valves
 - Construction management & inspection
 - Project management, public outreach & contract administration

Bid Results

Specifications No. 2058

Bids Received	June 6, 2024
No. of Bidders	2
Low Bid	\$2,197,460
Other Bid	\$2,433,000
Engineer's Estimate	\$2,650,000
SBE Participation*	25%

*SBE (Small Business Enterprise) participation level set at 25%

Allocation of Funds

Rialto Pipeline Rehabilitation

Metropolitan Labor

Owner Costs (Proj. Mgmt., Contract Admin., Envir. Support)	\$	144,000
--	----	---------

Construction Inspection & Support		207,000
-----------------------------------	--	---------

Force Construction		500,000
--------------------	--	---------

Submittals Review, Tech. Support, Record Dwgs.		177,000
--	--	---------

Materials & Incidentals		30,000
-------------------------	--	--------

Professional/Technical Services

Brown and Caldwell		150,000
--------------------	--	---------

Contracts

J.F. Shea Construction Inc.		2,197,460
-----------------------------	--	-----------

Remaining Budget		194,540
------------------	--	---------

Total	\$	3,600,000
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Project Schedule



Board Options

- Option #1
 - a. Award a \$2,197,460 contract to J.F. Shea Construction Inc. for replacement of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11.
 - b. Authorize an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed amount of \$395,000 to provide construction support services.
- Option #2

Do not proceed with the project at this time.

Staff Recommendation

- Option #1





- **Board of Directors**
Engineering, Operations, and Technology Committee

7/9/2024 Board Meeting

7-2

Subject

Authorize an agreement with Arcadis, U.S. Inc., in an amount not to exceed \$1.525 million for Data Management and Data Analytics Consulting & Implementation Services to implement Phase 1 of the Data Analytics project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This project will modernize Metropolitan's data analytics capabilities empowering staff (users) to access and analyze data to support decision-making and reporting more efficiently. Arcadis was chosen as the successful respondent to Request for Proposal (RFP) DH-1348, published on May 24, 2023. This project will establish a centralized standard data warehouse to facilitate efficient data-driven decision-making, reduce data quality issues and eliminate extensive manual report preparation.

During an extensive process, staff from all groups were interviewed, and 25 priority use cases were defined. A Data Analytics use case is the use of an automated processes to access multiple data sources to efficiently create useful information that informs decision-making and routine reporting. In addition to the design and implementation of the data warehouse that will support the 25 priority use cases, this first phase of the project will develop two of the 25 priority use cases including: (1) Developing an Automated Water Operations Dashboard and (2) Automating financial reporting activities.

Timing and Urgency

There is currently no centralized enterprise data warehouse that allows sharing and meaningful integration of data across the enterprise to serve quick business analytics for decision-makers and analytics users. Currently, significant staff time is dedicated to collecting data and generating reports every time certain data is requested because of the limited availability of a centralized enterprise data warehouse.

There are a few data marts currently managed by Metropolitan's Business Intelligence team which are used to generate some key analytics such as limited financials, project controls, water sales, etc. However, the data processes and data management techniques are outdated and need redesign, automation, and modernization due to the ever-increasing volume of business data and the introduction of new business-specific applications. Additionally, there are currently no fundamental data governance guidelines in place across the organization, at the enterprise level or at the business group level.

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

Staff Recommendation: Option #1

Option #1

Authorize an agreement with Arcadis, U.S. Inc., in an amount not to exceed \$1.525 million for Data Management and Data Analytics Consulting & Implementation Services to implement Phase 1 of the Data Analytics project.

Fiscal Impact: Expenditures of \$1.880 million in capital funds for 2024-2026

Business Analysis: This option would implement the prerequisite data management processes, including the design of the enterprise data warehouse and the development of reporting dashboards for two high-priority use cases.

Option #2

Authorize an agreement with Arcadis, U.S. Inc., in an amount not to exceed \$945k for Data Management and Data Analytics Consulting & Implementation Services to implement a subset of Phase 1 of the Data Analytics project.

Fiscal Impact: Expenditures of \$1.3 million in capital funds for 2024-2026

Business Analysis: This option would implement the prerequisite data management processes, including the design of the enterprise data warehouse and the development of reporting dashboards for one high-priority use case.

Option #3

Do nothing at this time

Fiscal Impact: No expenditures of capital funds

Business Analysis: Metropolitan will continue generating manual reports to support business decisions.

Alternatives Considered

Option #2 and Option #3

Applicable Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 52778, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/2024.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because there is no potential for the activity in question to have a significant effect on the environment. (State CEQA Guidelines Section 15061(b)(3).)

CEQA determination for Option #2 and Option #3:

None required

Details and Background

Background

Metropolitan has numerous data repositories within its enterprise systems, including Oracle Financials (EBS), Supervisory Control and Data Acquisition system, and Water Information System, among other enterprise applications.

Data from these systems should be optimized in order to be analyzed, retrieved, governed, stored, and shared across various business groups. As a prerequisite, there is a need to collect and integrate data from the applicable systems, design and develop new data marts, and develop an enterprise data warehouse which would facilitate implementation of various data analytics use cases, as well as enable self-service analytics and reporting.

RFP DH-1348 was issued for Data Management and Data Analytics Consulting & Implementation Services on May 24, 2023, and closed on July 7, 2023. Metropolitan received a total of nineteen responsive proposals from the competitive process. The Business Outreach participation goal designated for this solicitation was ten percent.

Proposals were reviewed by staff from the groups. After careful deliberation, the evaluation team chose Arcadis as the winner of the RFP. Arcadis has 30+ years of experience in delivering these types of services and is qualified as both a Small Business Enterprise and a Regional Business Enterprise. Based on their proposal, references, and experience, the RFP evaluation panel recommended this vendor be awarded all components of the work.


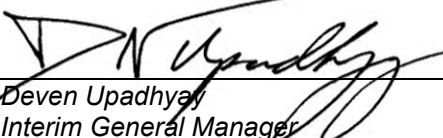
Scope of Work

The scope of work for this project includes:

- Analyze, review and assess the selected two use cases under Phase 1.
- Engage Metropolitan Stakeholders and business groups in multiple workshops/working sessions.
- Finalize and document requirements, data sources, and use case definitions.
- Build the technical foundation for the data analytics project to implement 25 use cases.
- Based on the updated data sources and other key use case components from these working sessions, design, architect and develop additional data marts that are not currently present but are needed for the selected use cases.
- Redesign the existing data marts to incorporate common/conformed facts and dimensions to allow the information to be combined with other data sources, upgrade data load processes, tune for performance, and enhance data integrity.
- Design, architect and implement the end-to-end solution for the selected use cases under Phase 1 (includes data models, automated data processes, and analytics dashboards).
- Provide knowledge transfer sessions for Metropolitan users.
- The technical foundation will result in reduced costs for the remaining use cases. Staff will return to the Board with a detailed plan for implementing the remaining priority use cases.

This action authorizes \$1.880 million for the Data Management and Data Analytics Consulting and Implementation Services Project. The total project budget includes funds for awarding a new contract with Arcadis for \$1.525 million for professional and technical services. Other costs included are \$250k for internal labor costs by Metropolitan staff, including owner costs and project management, and \$105k in contingency funds. Most of the costs will be used for building the data marts and integrations between systems in order to produce the data necessary for the two high-priority use cases. Less back-end development work will be required for the remainder of the 25 use cases. Upon completion of Phase I, future phases will be brought to the Board for authorization for the development of the remainder of the 25 use cases.

This project has been evaluated and recommended by Metropolitan's Capital Investment Plan Evaluation Team, and funds are available within the fiscal year 2022/24 capital expenditure plan. See **Attachment 1** for the Financial Statement.

 Charlie Eckstrom Group Manager, Information Technology	6/24/2024 Date
 Deven Upadhyay Interim General Manager	6/28/2024 Date

Attachment 1 – Financial Statement

Ref# IT12691559

Allocated Funds for Enterprise Data Analytics

	Current Board Action (July 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt.)	250,000
Submittals Review & Record Drwgs	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	1,525,000
Equipment Use	-
Contracts	-
Remaining Budget	105,000
Total	\$ 1,880,000



Engineering, Operations, & Technology Committee

Data Management and Data Analytics Consulting & Implementation Services Phase I

Item 7-2

July 8, 2024

Subject

Authorize and agreement with Arcadis, U.S. Inc. in an amount not to exceed \$1.525 million for the Data Management and Data Analytics Consulting and Implementation Services Phase 1

Purpose

- Modernize data and analytics capabilities
- Establish an agile, cross-functional operating model to derive meaningful data insights
- Enables data-driven, fast and effective decision-making

Recommendation and Fiscal Impact

Authorize an agreement with Arcadis, U.S. Inc.
Fiscal Impact of \$1,880,000

Budgeted

Item 7-2

Data Management and Data Analytics Consulting & Implementation Services Phase I

What is Data Analytics?



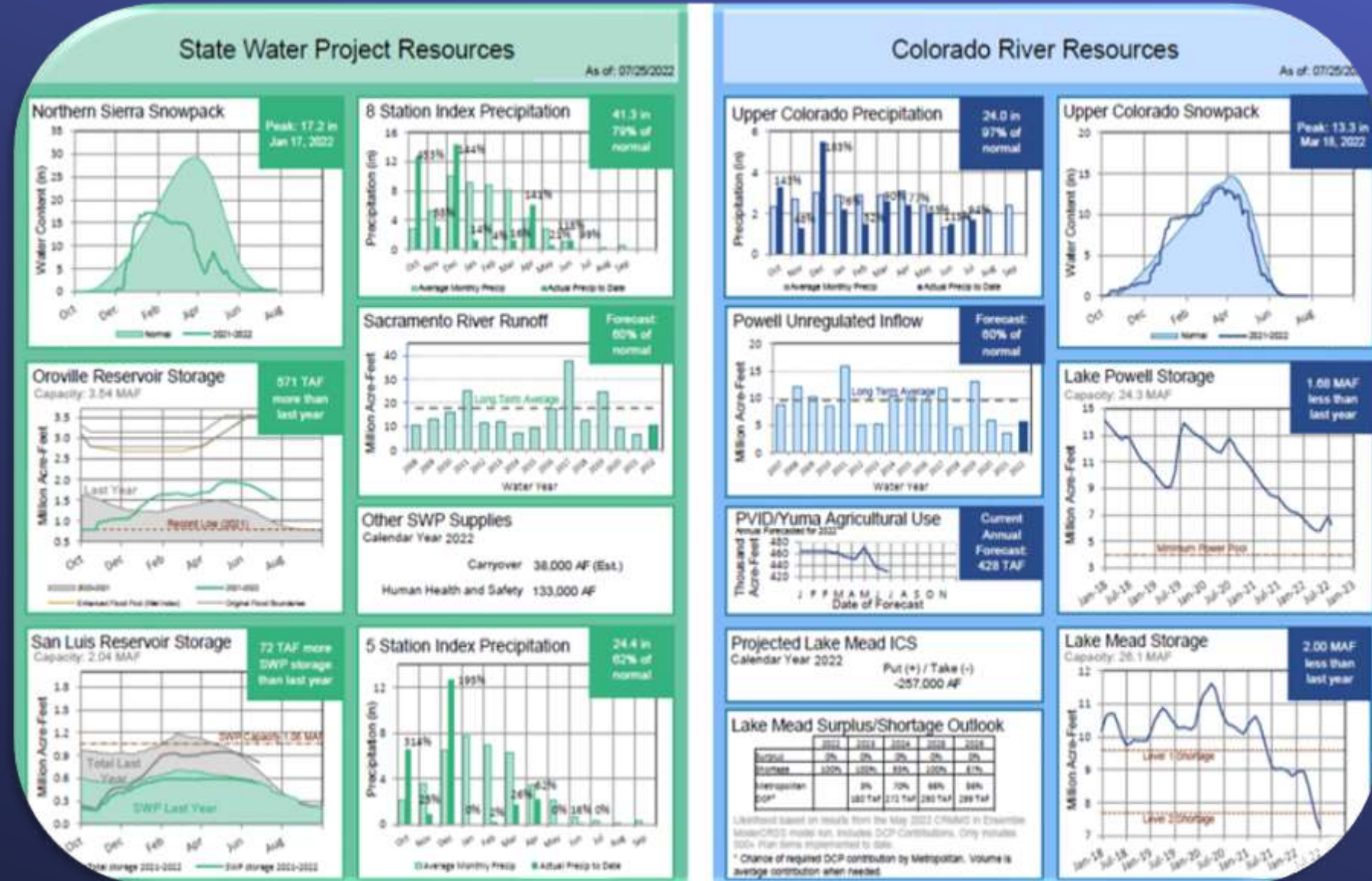
Data Analytics

[ˈdā-tə ə-nə-ˈli-tiks]

The science of analyzing raw data to make conclusions about that information.

- Enhance decision-making capabilities
- Improve operational efficiencies and minimize risks
- Establish predictive analytics and prescriptive analytics

Data Analytics Example 1



State Water and Colorado Resources Dashboard - All-in-one-place,
powered by automated data processes

Data Analytics
Example 2



Rideshare Dashboard

Background

- Metropolitan has numerous data repositories including SCADA, WINS, Oracle Financials, LIMS, etc.
- Data maintained in silos, not integrated with other systems
- Historical data not readily available
- Reports generated manually

Previous Activities

- Interviewed Metropolitan business users in working sessions
- Identified 81 use cases and prioritized Top 25
- Developed Data Analytics Strategy, Current & Future State Architecture & Implementation Roadmap
- Implemented a Proof of Concept (POC) using Machine Learning showcasing anomaly detection on Billing Meter readings
- Issued an RFP for Top 25 use cases implementation

Data Management
and Data
Analytics
Consulting &
Implementation
Services Phase 1

Metropolitan Scope of Work

- Project management
- Technical oversight
- Provide infrastructure & toolsets
- Review of consultant's work

Data Management and Data Analytics Consulting & Implementation Services Phase 1

New Agreement – Arcadis, U.S. Inc.

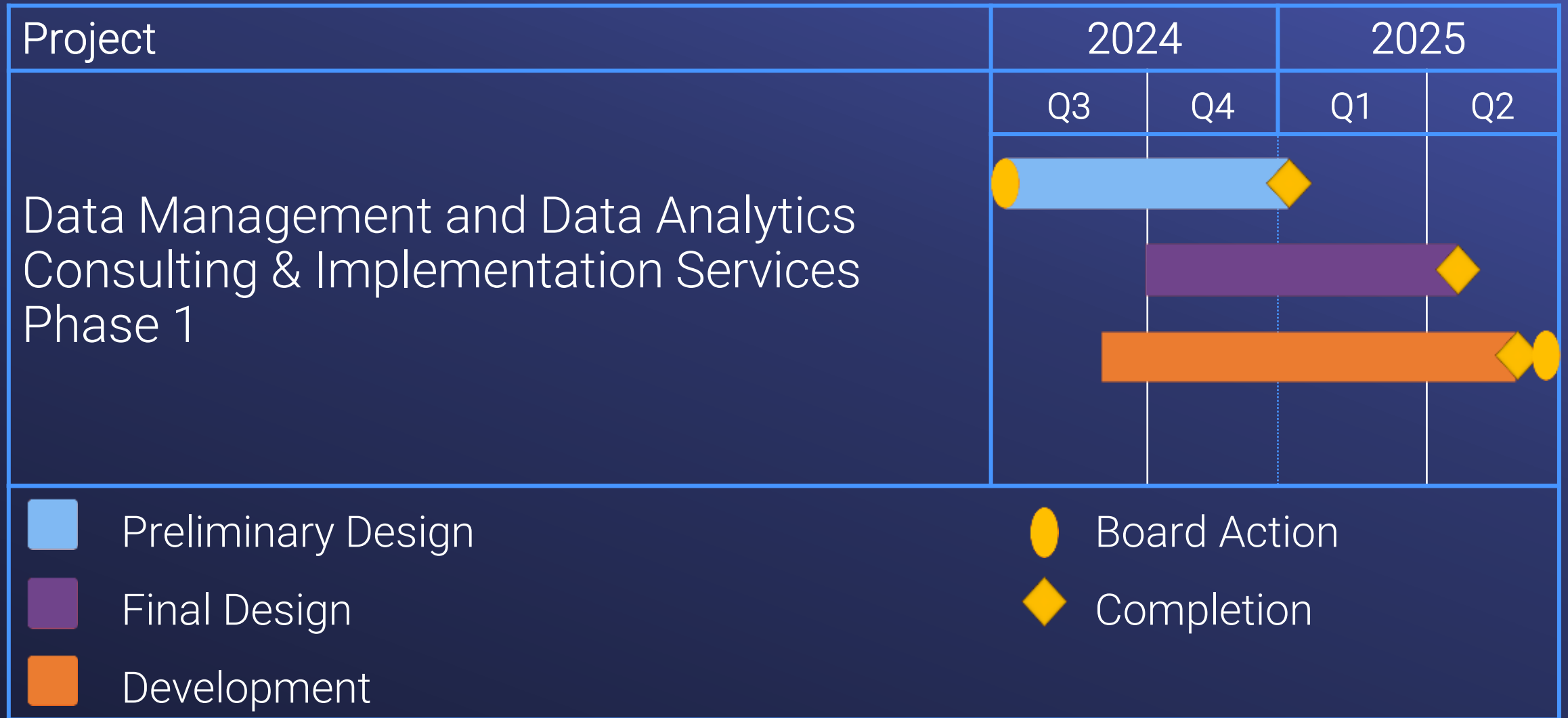
- Selected through RFP No. 1348
- Scope of Work
 - Develop enterprise data warehouse framework for 25 use-cases
 - Develop and implement two use-cases:
 - One using both IBM Cognos Analytics and Microsoft Power BI
 - Second to be developed using one of these technologies
 - Provide knowledge transfer sessions for Metropolitan users
- NTE amount: \$1,880,000
- SBE participation level: 10%

Allocation of Funds

Data Management and Data Analytics Consulting & Implementation Services Phase 1

Metropolitan Labor	\$ 250,000
Professional/Technical Services	
Arcadis, U.S. Inc.	1,525,000
Contingency	105,000
<hr/>	
Total	\$ 1,880,000

Project Schedule



Board Options

- Option #1

Authorize an agreement with Arcadis, U.S. Inc., in an amount not to exceed \$1.525 million for Data Management and Data Analytics Consulting & Implementation Services to implement Phase 1 of the Data Analytics project.

- Option #2

Authorize an agreement with Arcadis, U.S. Inc., in an amount not to exceed \$945k for Data Management and Data Analytics Consulting & Implementation Services to implement a subset of Phase 1 of the Data Analytics project.

- Option #3

Do nothing at this time.

Staff Recommendation

- Option #1





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

7-3

Subject

Authorize entering into a not-to-exceed \$401,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Chino Basin Advanced Water Purification Demonstration Facility; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The purpose of this letter is to seek board authorization to enter into one of the agreements with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program (FSA Program) for the Chino Basin Advanced Water Purification Demonstration Facility.

In December 2023, Metropolitan issued a Request for Proposals (RFP) under the FSA Program. The FSA Program funds technical studies and pilot tests targeting barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. A technical review panel evaluated the proposals and developed a collective rating. Based on the panel findings and compliance with program requirements, staff recommends funding all eight proposals.

Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval. This letter concerns one of these proposals.

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

Staff Recommendation: Option #1

Option #1

Authorize entering into a not-to-exceed \$401,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Chino Basin Advanced Water Purification Demonstration Facility.

Fiscal Impact: The funding requested for the proposed study will be expended over a two-year period and is within the approved FSA Program budget of \$3 million for Fiscal Years 24/25 and 25/26. The total expenditures for the eight proposed studies under the FSA Program is \$2.96 million.

Business Analysis: By providing funding for member agency studies under the FSA Program, Metropolitan will remove barriers to future water resource production and increase regional water supply reliability.

Option #2

Do not authorize entering into a not-to-exceed \$401,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Chino Basin Advanced Water Purification Demonstration Facility.

Fiscal Impact: No impact. Metropolitan would miss leveraging \$401,500 of FSA Program funds for the study.

Business Analysis: Metropolitan would potentially delay an opportunity to remove a barrier to local resource development.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48449, dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager.

By Minute Item 49381, dated April 9, 2013, the Board adopted the CEQA determination and approved the proposal, Foundational Actions Funding Program, and directed staff to issue a Request for Proposals.

By Minute Item 50358, dated January 12, 2016, the Board adopted the CEQA determination and the 2015 Integrated Resources Plan Update.

By Minute Item 51168, dated April 10, 2018, the Board adopted the CEQA determination and approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

By Minute Item 53409, dated October 10, 2023, the Board approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

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

Not applicable

Summary of Outreach Completed

Member Agency Manager's Meeting:

- August 2023 – Round 3 Authorization
- June 2024 – Round 3 Recommended Proposals

Webinars:

- August 2023 – Workshop for Round 3
- December 2023 – Request for Proposals – Pre-Bid

Member Agency:

- November 2023 – West Basin Caucus
- January 2024 – Foothill MWD

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background: Future Supply Actions Funding Program

Metropolitan's 2010 Integrated Water Resources Management Plan Update (2010 IRP Update) recognized the need to prepare for an uncertain future and that additional resources beyond the region's core supplies may be required. To address this uncertainty, the 2010 IRP Update established a Foundational Actions approach for removing barriers to new supply development. Foundational Actions are low-risk, preliminary steps that the region can take to accelerate the development of new water resources should the need arise. The 2010 IRP Update identified the following four local resources for Foundational Actions:

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater capture
- Groundwater enhancement

In 2013, the Board approved the Foundational Actions Funding Program (FAF Program) to advance technical studies and pilot tests to address critical resource development barriers. Under the FAF Program, Metropolitan provided \$2.97 million in co-funding for 13-member agency-sponsored technical studies. The goals of the program were to:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Remove barriers to water resource implementation.

The 13 studies funded under the FAF Program yielded tangible regional benefits for each of the local resources. These benefits included furthering the science of seawater desalination intake technologies, developing implementation pathways for stormwater capture, validating new technologies for groundwater treatment, and completing preliminary studies for direct potable reuse. The FAF Program concluded with a symposium where results from the studies were shared with over 230 participants from across Southern California.

The 2015 Integrated Water Resources Plan Update called for the region to continue the Foundational Actions approach and revised the program's name to the Future Supply Actions Funding Program (FSA Program). In 2018, the Board approved a follow-up to the original FSA Program that included two components:

1. A \$975,000 funding agreement with WRF for seven potable and non-potable reuse studies.
2. A second round of member agency funding totaling \$3.5 million for 14 studies.

The 21 studies funded under the FSA Program produced valuable regional benefits for the targeted local resources. These benefits included progressing in the fields of artificial intelligence applications in recycled water projects, stormwater diversion and percolation analysis, desalination brine diffusion, and groundwater utilization analysis. The studies within the program have concluded with MWD and WRF-hosted webinars. Webinar recordings and final reports for each study are available on the FSA Program's website: <https://www.mwdh2o.com/planning-for-tomorrow/funding-opportunities/>.

Third Round of the FSA Program

In October 2023, the Board authorized two additional rounds of funding for the FSA Program totaling \$6 million. In December 2023, Metropolitan released an RFP for the first of the two authorized funding rounds (**Attachment 1**). Member agencies could request up to \$500,000 for one or more proposals, which they must match dollar-for-dollar with other funds. Member agencies were encouraged to partner with other member agencies as well as other stakeholders. Staff held an informational webinar and answered member agency questions.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. These proposals covered all four resource types and ranged from a data-driven planning study to pilot tests of innovative new technologies.

A technical review panel of Metropolitan staff and external experts performed independent evaluations of each proposal. Once completed, the panel convened to compare findings and collectively rate the proposals.

Attachment 2 contains a list of the panel members and their affiliations. The proposals were evaluated against the following criteria:

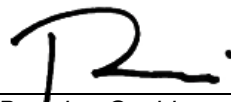
- How does the proposal increase the water supply resiliency of future production?
- Does the proposal address a catalytic/critical path to implementation for local supplies?
- Will the potential results from the study have regional applicability?
- Does the proposal have a well-defined and innovative work plan?

Based on the panel's findings, compliance with program requirements, and available funding, staff recommends funding all eight proposals. Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval.

Funding Agreement

The purpose of this letter is to seek board authorization to enter into an agreement with Inland Empire Utilities Agency for the Chino Basin Advanced Water Purification Demonstration Facility Study. The agreement funds portions of the design and construction of an approximately 100 GPM Advanced Water Purification Demonstration Facility for the Chino Basin Program, which will guide the design and operation of a full-scale advanced water purification facility with significant water supply resilience and reliability benefits. The Demonstration Facility will test microfiltration, high-recovery reverse osmosis, and an ultraviolet light and advanced oxidation process. The demonstration study will advance research and innovation related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry.


Staff requests board authorization to enter into an FSA Program funding agreement for a not-to-exceed amount of \$401,500 with Inland Empire Utilities Agency for the Chino Basin Advanced Water Purification Demonstration Facility.



Brandon Goshi
Interim Manager
Water Resource Management

7/1/2024

Date


for Devan N. Upadhyay
Interim General Manager

7/2/2024

Date

Attachment 1 – 2023 Request for Proposals Foundational Supply Actions Funding Program

Attachment 2 – Review Panel Members and Affidavit

Attachment 3 – Recommended Proposals and Proposal Descriptions

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group

**2023 Request for Proposals for
Future Supply Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....December 1, 2023.
Pre-bid webinar.....December 13, 2023 @ 02:00 P.M.
Proposals due by.....February 5, 2024 @ 02:00 PM.

NOTICE

An optional pre-bid webinar will be held on **December 13, 2023**, from 02:00 p.m. to 03:00 p.m.
All Member Agencies and proposal partners are encouraged to participate.

Metropolitan Contact: Jonathan Jordan
E-mail Address: FSAfundingprogram@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot tests under the Future Supply Actions (FSA) Funding Program. The FSA Funding Program goal is to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2023 FSA Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit study proposals for the program described herein.

1.1 Objective

Metropolitan has proposed a 2023 FSA Funding Program with objectives to help address regional funding needs for actions that:

- Augment water resiliency to reduce climate change driven water resource barriers.
- Advance the field of knowledge for the four resources (recycled water, seawater desalination, stormwater, and groundwater).
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (IRP) established a planning framework, including a core resources program, designed to ensure the region's reliability into the future. The 2010 IRP Update recognized that the future is uncertain and additional water resources may need to be developed under some conditions. To address this future uncertainty, the 2010 IRP established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supplies should the need arise.

In 2013, Metropolitan established the Foundational Actions Funding Program (FAF Program) to fund Member Agency studies focused on removing barriers to future local supply production. The 2015 IRP reaffirmed this forward-looking approach and updated the name to Future Supply Actions. Future Supply Actions represent one component of the overall 2015 IRP strategy. In 2018, Metropolitan released a second round of FSA funding for member agency studies. The 2020 IRP continued this progressive trend by adopting a scenario-based strategy to ensure regional reliability through 2045, referred to as the "Regional Needs Assessment." Given the successes of the 2013 and 2018 programs, the 2023 FSA reinforces Metropolitan's commitment to the 2020 IRP strategy in maintaining existing and developing new local supplies.

In 2022, Metropolitan's Board of Directors (Board) adopted a resolution calling for "Equitable reliability across the service area through a balanced combination of infrastructure, storage, demand management, and water supply programs." Metropolitan is collaborating with our Member Agencies on the regional Climate Adaptation Master Plan for Water (CAMP4W). CAMP4W will consider Member Agency projects that innovate and enhance regional water supply reliability. The FSA Funding Program has proven to be a capable vehicle for achieving the goals outlined in the resolution. To that end, Metropolitan encourages its member

agencies to propose innovative studies that benefit the region, innovate, reduce barriers, and create a climate change-resilient region.

1.2 Description

The FSA Funding Program promotes technical studies and pilot tests that enable effective future resource planning and potential implementation for the following resources:

- Recycled water, including potable reuse
- Desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FSA Funding Program may include, but are not limited to:

- Pilot and bench-scale studies
- Demonstration studies
- Tracer alternative studies
- System integration studies
- Innovative treatment processes
- New sensor technologies
- Advanced ocean intakes and outfall tests
- Brine disposal or harvesting research
- Novel approaches for AI and machine learning

Examples of Member Agency studies funded under the 2013 FAF and 2018 FSA programs are listed on the FSA Funding Program's website: www.mwdh2o.com/fsa.

The FSA Funding Program is designed to encourage short-term studies targeting barriers to future supply production and would not include:

- Design of full-scale projects
- Long-term studies requiring more than two years to complete
- Construction of full-scale projects
- Funding CEQA documentation for projects
- Existing studies or projects
- Acquisition of property

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or other non-Member Agency entities. A single designated lead Member Agency must submit the proposal. The proposal must disclose the names of the partnering Member Agencies or other entities. Each Member Agency may be the

lead agency on a maximum of three proposals per funding round. If partnering on a proposal, the lead Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency.

1.4 Funding

Metropolitan expects to fund approximate 12 to 16 technical studies or pilot tests total during two separate rounds. This round of the FSA Funding Program will fund up to 8 technical studies or pilot tests, and up to \$3 million. The next FSA Funding Program round is expected to begin in two to three years. In total, up to \$6 million are available for the current and following funding rounds. Proposals submitted in response to this RFP will only be considered for the current funding round.

Member Agencies may submit proposal funding requests of up to \$500,000 per agency or up to \$500,000 for a single study. Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Member Agencies can include in-kind services in their proposal; however, in-kind services do not count towards the required funding match. If partnering on a proposal, a breakdown of each Member Agency's funding request and the respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). The Member Agency match funding may not be associated with other Metropolitan funding programs.

A significant FSA Funding Program principle is having the studies or tests benefit the Metropolitan's services area. Due to this core principle, studies or tests funded through this program must be publicly accessible to the extent allowed under applicable law.

1.5 Anticipated Schedule

Date	Milestone
12/01/2023	Release of RFP
12/13/2023	Non-mandatory pre-bid webinar at 02:00 p.m.
01/12/2024	Questions for clarification will close at 1:00 p.m.
02/05/2024	RFP proposals due by 2:00 p.m.
Q1 2024	Proposal awards (Contingent upon Board action)
Q1—Q2 2024	Agreements signed by recipients (Goal)
Q1 2025	Work Initiation Deadline
Q4 2026	Final Report Deadline

1.6 Non-mandatory Pre-Bid Webinar

- A pre-bid Webinar will be held from 02:00 p.m. to 03:00 p.m., Wednesday, **December 13, 2023**. Metropolitan will discuss the details of the FSA Funding Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal webinar (see Questions for Clarification section).
- While participation is not mandatory, all interested parties and prospective applicants are encouraged to attend. Participants are invited to present relevant questions at the pre-proposal webinar.
- Directions on how to participate in the pre-proposal Webinar will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.

1.7 Questions for Clarification

Questions for clarification regarding this RFP shall be submitted in writing via e-mail to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by 1:00 p.m., Friday, **January 12, 2024**. As appropriate, Metropolitan will respond to questions, provide information updates, and issue RFP addendums through the following link: www.mwdh2o.com/fsa. The responsibility solely lies with each interested party and prospective applicant to check and review the FSA Funding Program website for all updates.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety before the proposal preparation.
2. All proposals submitted become the property of Metropolitan. Metropolitan has no expressed or implied obligation to reimburse the responding party for any expenses incurred in preparing proposals in response to this request.
3. Applicants may modify or amend proposals only if Metropolitan receives the amendment before the deadline stated herein for receiving proposals.

4. A proposal that is conditional, incomplete, contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal may be considered non-responsive.
5. Additional copies of the RFP will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.
6. Submission of a proposal indicates acceptance by the party of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Metropolitan and the recipient(s).

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals, revise terms and conditions, or elect not to award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.
4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Proposals submitted in response to this RFP only qualify for the current funding round. Once submitted, the proposal is the property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section (Gov. Code) 7920.000 et. seq. All required submittal information is subject to disclosure to the general public. Unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.

2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code Section 7929.42 including “trade secrets” under Evidence Code Section 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential or supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FSA Funding Program objectives and eligibility and will evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Board approval.
2. During the evaluation process, Metropolitan may request clarification from the applicant as necessary. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that are, or could be, collectively part of an overall study or pilot test, then only one eligible proposal may be selected for funding.
4. If applicable, Member Agencies with study work plans contingent on regulatory permitting must provide a list of required permits, expected award date, and the anticipated study timeline impacts if the permitting process is delayed. The ability to complete studies in the FSA Funding Program round timeframe is a scoring consideration. Metropolitan may request additional information on the permitting schedule.

1.13 Agreement Process

1. After proposals are selected for funding, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if the recipient does not sign agreements within three months of final contract negotiations.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit deliverables by task, including reports, invoices, interim study or test documents, and a final report documenting study or test results, other findings, and recommendations for future action. Recipients must provide any generated presentations or preliminary reports to Metropolitan during the life of the agreement.
4. The final report and symposium presentation will be worth 25 percent of the total funding and can be invoiced after the delivery of the final report and presentation.

Metropolitan will withhold the final funding until the final report and presentation are accepted by Metropolitan staff.

5. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
6. The FSA invoice intervals will be flexibly negotiated on a case-by-case basis during the agreement process; options available to agencies in this FSA round include quarterly, semi-annual, or based on deliverables. Funds will be disbursed after verification of study status based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per submitted progress payment.
7. Funding recipients are expected to provide an initial forecast of spending to Metropolitan after the study or test initiation. The recipient will need to provide a forecast as a part of the submitted progress reports.
8. Final reports must be completed and submitted by **December 28, 2026**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of the final report and presentation.
9. Member Agencies and study/pilot test participants will also be encouraged to participate in the FSA symposium. The symposium will highlight the study results and allow participants to present the final presentation to other member agencies and regional stakeholders.
10. Attachment A is Metropolitan's Sample Agreement. Applicant is requested to carefully review and comment as necessary on any of the provisions set forth in the Sample Agreement. Metropolitan reserves the right to modify, add or delete any of the provisions of the Agreement before issuance.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate and rank the proposals. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document.

Criteria and Weight:

1. Reduces Barriers to Future Production: 30 percent
2. Regional Benefit/Applicability: 20 percent
3. Innovative Process, Approach, or Technology: 20 percent
4. Work Plan/Schedule: 15 percent
5. Costs: 15 percent

The selection criteria are described further in Section 2.2 of this document.

In addition to the selection criteria above, Metropolitan will award a bonus to studies that objectively demonstrate regional benefit across the Metropolitan service area. To incentivize Member Agency cooperation on regional studies, Metropolitan will grant a 5% bonus to the proposals with 3 or more participating Member agencies. Partner Agencies must have at least \$10,000 vested in the study or test to qualify as a participating agency.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Proposal Submittal and PDF Format Guidelines

- Proposals will only be accepted in PDF format.
- The proposal must be formatted for white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 pages, including attachments.
- Materials presented in the Appendix will not be used in the proposal evaluation and should exclusively contain reference or supplementary content
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- The PDF should include the entire proposal (executive summary, support letters, attachments, etc.) in one file.
- Support letters: Proposals can include no more than five support letters of no longer than one page. Support letters will not count against the page limitations and will be considered to support regional benefit. Support letters should be addressed to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by the proposal submittal deadline. Support letters received after the proposal submittal deadline will not be considered.
- **Proposals that do not conform to these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Reduces Barriers to Future Production
- F. Criteria Two – Regional Benefit / Applicability
- G. Criteria Three – Innovative Process, Approach, or Technology
- H. Criteria Five – Work Plan / Schedule / Permitting
- I. Criteria Four – Costs
- J. Appendix A: Support Letters

A. Executive Summary Letter

This letter shall be a formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). The letter shall provide a brief description of the proposal and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP. An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from study participants (not considered as part of the 20-page limit for proposals) in Section I.

C. Key Individuals

- Proposal participants / cooperating agencies

- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal and conveys a clear understanding of the proposal's goals and objectives.

E. Criteria One – Increases Water Supply Resiliency

In this section, the applicant shall describe the following in narrative form all of which is applicable:

- Describe how the proposed actions increase future local supply potential.
- Describe how the proposed actions are critical to resource resiliency and planning for climate change-driven uncertainty.
- Describe how the proposed actions **removes barriers** to supply development including, but not limited to, technical, regulatory, permitting, and institutional barriers.
- Describe how the proposed actions increase regional climate resiliency or safeguards current local supplies.

F. Criteria Two – Regional Benefit / Applicability

In this section, the applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan's member agencies, retail agencies, and regional stakeholders. The proposal should describe how the study results are transferable to other regional member agencies and stakeholders.
- If applicable, describe other co-benefits, such as water quality, energy, wastewater, infrastructure, environmental, etc.
- Metropolitan will award a 5% bonus to proposals with 3 or more participating Member agencies.

G. Criteria Three – Innovative Process, Approach, or Technology

In this section, the applicant shall describe in narrative form the following:

- Describe how these actions are unique and innovative. Describe the current state of technology. Identify similar completed or ongoing studies and how the proposed actions differ (include a literature search summary).

- Describe how these actions will advance the field of knowledge to develop future water resources. Include how the results of the proposed actions could be used in future research.
- Describe how the study or test results enable future actions that address regional barriers when compared to the status quo. Identify and describe the follow-up actions necessary for wide-scale implementation, such as submission of results to the State or Federal regulators required for regulatory acknowledgment or adoption. Include any future studies or steps to leverage results from the study or test.

H. Criteria Four – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. Every task must have a specific deliverable and due date. Meeting dates and study milestones should be identified. Deliverables may include but are not limited to technical memoranda, summary reports, progress reports, draft technical reports, final technical reports, presentations, and related information. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also, describe the technical expertise of the proposal team.

Cite the proposed schedule, including the start date (no later than **January 01, 2025**), tasks, deliverables, reports, completion date (no later than **December 28, 2026**), and other key milestone dates. The schedule should be linked to the tasks and task deliverables. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instructions for evaluation:

- Work plan and schedule must provide detail and completeness to measure the proposed implemented actions for success. Identify potential challenges, issues, and prerequisites related to proposal implementation and describe how they will be addressed.
- Describe how the proposed objectives can be achieved in the stated time period with the allotted personnel and budget.
- The proposal should include a table of required permits describing each permit, expected award date, and impact to the study workplan if delayed.

I. Criteria Five – Costs

Proposal must provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include in-kind services in the funding match. If partnering with other Member Agencies, provide separate cost tables and a proposal total cost table for each Member Agency. The

grand total non-Metropolitan funding match for each cost table must equal or exceed the requested Metropolitan funded amount. Also, provide a list summarizing all sources of the funding match, their respective monetary contribution, and the status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for a grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and the matching funds.

Cost Table Example – Study Total				
Cost Category		Non-Metropolitan Share (Funding Match)	Requested MWD Funding	Total
(a)	List proposed tasks on separate lines			
(b)	Proposed Task			
(c)	...			
Grand Total				

Cost Table Example – Lead Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Partner Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

The following includes additional information and instruction for evaluation:

- Describe the cost-effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FSA Funding Program agreement.

2.3 Submittal Instructions

Proposals for this RFP will be accepted in PDF format via e-mail.

By e-mail:

- **Proposal must be submitted electronically as an attachment to an e-mail at FSAfundingprogram@mwdh2o.com by 02:00 p.m. PST, on February 05, 2024**
- The e-mail date and time will act as a timestamp for the submittal. Notice of receipt will be sent upon successful receipt of the proposal.
- The PDF file size is limited to no more 20 MB.
- The e-mail subject line should contain the following: "Proposal for Future Supply Actions Funding Program".
- The e-mail's body should include the proposal's title, lead Member Agency name, the applicable resource (groundwater, recycling, seawater desalination or stormwater), and contact information.
- If submitting multiple proposals, please submit each proposal individually in a separate e-mail.
- Member Agencies are encouraged to submit proposals before the closing time and date.

Proposals received after the stated time and date will be considered late and automatically rejected by Metropolitan. Member agencies are **responsible for submitting the proposal correctly in form and content and within the stipulated deadline**. Late proposals will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 02:00 p.m., February 05, 2024.

2023 Future Supply Actions Funding Program

Review Panel Members and Panel Affidavit

Heather Collins

Assistant Group Manager, Treatment & Water Quality Group, Metropolitan Water District
President-Elect, American Water Works Association

Dr. Adrian Hightower

Sustainability and Resilience Manager, Metropolitan Water District

Dr. Malynda Cappelle

Facility Manager, Brackish Groundwater National Desalination Research Facility, Bureau of Reclamation

Dr. Roy Wolfe

Wolfe Water Consulting, LLC.

Dr. Robert Wilkinson

Adjunct Professor, Bren School of Environmental Science and Management, University of California,
Santa Barbara

DocuSign Envelope ID: 55107BE7-2B6D-4340-8FC9-B3A7E84057CD

Affidavit

Affidavit for Review Panelists

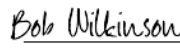
The undersigned members of the Review Panel for the Future Supply Actions Funding Program 2023 RFP objectively reviewed the proposals to ensure compliance with the FSA Program objectives and eligibility requirements and confirm the panel's collective findings.

DocuSigned by:



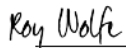
Marynda Cappelle, PhD
Consultant

DocuSigned by:



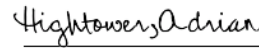
Robert Wilkinson, PhD
Consultant

DocuSigned by:



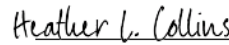
Roy Wolfe, PhD
Consultant

DocuSigned by:



Adrian Hightower, PhD
Special Projects Manager

DocuSigned by:



Heather Collins, PE
Assistant Group Manager

2023 Future Supply Actions Funding Program RFP
Recommended Proposals and Proposal Descriptions

Proposal Name	Lead Agency	Description	Maximum Funding Level
Groundwater			
Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment	Western MWD	<ul style="list-style-type: none"> This pilot study will generate ferric chemicals onsite and offers the potential to lower treated water arsenic concentrations using the coagulation-filtration method. This technology offers potential operations and maintenance cost savings and avoids manganese addition that typically occurs for liquid ferric chemicals. 	\$207,500
PFAS and Groundwater Wells	IEUA	<ul style="list-style-type: none"> The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. Three Valleys MWD, Western MWD, and Jurupa Community Services District are also participating in the study. 	\$298,500
Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study	Long Beach	<ul style="list-style-type: none"> The study will evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins. The outcomes of the Project will ultimately increase Long Beach's water supply reliability by reducing its reliance on imported water supplies and integrating new water resources into its supply portfolio. 	\$499,802
Stormwater			
Lake Henshaw Oxygenation Pilot Study	SDCWA	<ul style="list-style-type: none"> The Pilot Study is intended to inform the Vista Irrigation District and the City of Escondido regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. 	\$500,000

Proposal Name	Lead Agency	Description	Maximum Funding Level
Data-Driven Resource Optimization and Planning System (DROPS)	Foothill MWD	<ul style="list-style-type: none"> DROPS is a pioneering tool that integrates advanced data analytics with artificial intelligence to enhance water management capabilities. DROPS achieves previously unattained levels of accuracy in terms of identifying impervious areas by triangulating aerial imagery, topographical data, remote-sensing data, and environmental databases and supplementing those datasets with analysis and insights from AI integration. 	\$54,900

Recycled Water			
Chino Basin Advance Water Purification Demonstration Facility	IEUA	<ul style="list-style-type: none"> Demonstration study for the design and construction of an approximately 100 gpm Advanced Water Purification Demonstration Facility for the Chino Basin Program. The demonstration study will advance innovative technologies and approaches related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry. 	\$401,500
Headworks Reservoir Complex Direct Potable Reuse Pilot	LADWP	<ul style="list-style-type: none"> The objective of the pilot is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies. The pilot will explore the feasibility of post-RO treatment strategies for chemical control. 	\$500,000
Seawater Desalination			
OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System	Las Virgenes MWD	<ul style="list-style-type: none"> Pilot study of the OceanWell submerged reverse osmosis system in the Las Virgenes Reservoir. The study will serve as a stress test that will bring the technology from a TRL 4 to TRL 6. Calleguas MWD and Eastern MWD are contributing to this study. 	\$500,000
Total	8 Studies		\$2,962,202



One Water and Stewardship Committee

Authorization for Future Supply Action Funding Program Agreements

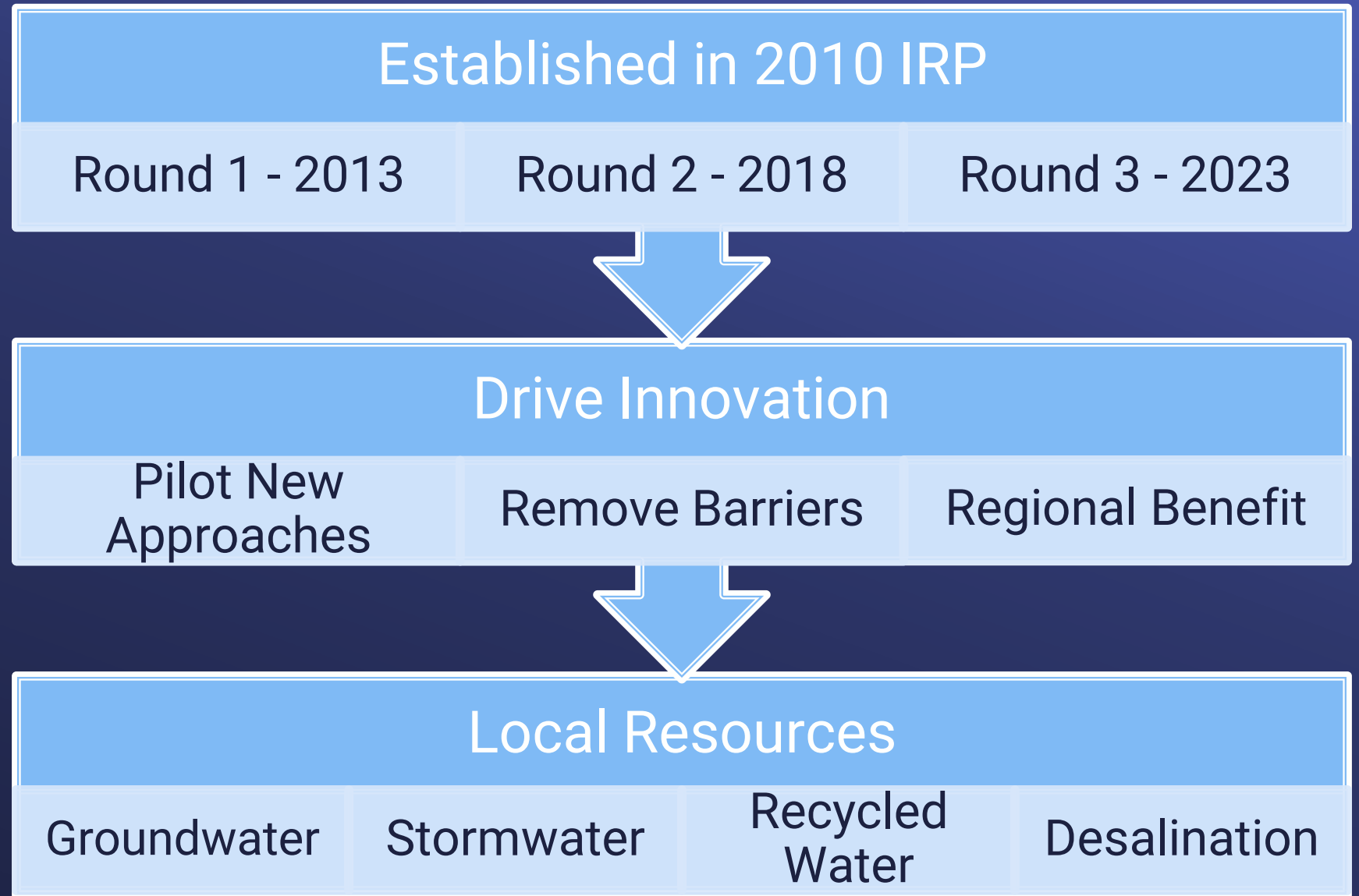
Items 7-3, 7-4, 7-5, 7-6, 7-7, 7-8
July 8, 2024

Overview

- Background
- Round 3
- Proposals Received
- Next Steps



Background



FSA Round 3 Core Program Elements



Up to 8 Studies



Up to \$3 Million



Up to \$500k per member agency or per study



100% dollar-for-dollar match



2-year studies



Selected through RFP



Studies must meet minimum criteria



Selected by expert panel

FSA Round 3 Timeline

October 2023 – Board authorized rounds 3 and 4

December 2023 – RFP released / pre-bid webinar

February 2024 – RFP closed

April 2024 – Expert review completed

June 2024 – Member Agency Managers Meeting

July 2024 – OWS Committee

Proposals Received



10 Agencies

Resources Represented	Proposals	Funding
Groundwater	3	\$1,005,802
Stormwater	2	\$554,900
Recycled Water	2	\$901,500
Seawater Desalination	1	\$500,000
Total	8	\$2,962,202

Scoring Criteria and Reviewers



Reviewers composed of 2 internal and 3 external subject matter experts



Proposals were ranked based on evaluation criteria

Ranking Criteria	Percentage
Reduces Barriers to Future Production	30%
Regional Benefit/Applicability	20%
Innovative Process, Approach, or Technology	20%
Work Plan/Schedule	15%
Costs	15%

Eight Recommended Proposals – Process for Agreements

Proposals under \$250K - GM Authority

WMWD – Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment

FMWD – Data-Driven Resource Optimization and Planning System (DROPS)

Proposals over \$250K – Board Approval Needed

LVMWD – OceanWell - Offshore Desalination Buoy Pilot

IEUA – Chino Basin Advance Water Purification Demonstration Facility

LBU – GW Augmentation, Collection System, and New Wells Site Study

IEUA – PFAS and Groundwater Wells

SDCWA – Lake Henshaw Oxygenation Pilot Study

LADWP – Headworks Reservoir Complex Direct Potable Reuse Pilot

Identifying and Removing PFAS Used in Well Drilling Pilot Study

Item 7-3



Inland Empire Utilities Agency (Lead),
TVMWD, WMWD, and Jurupa Community
Services District



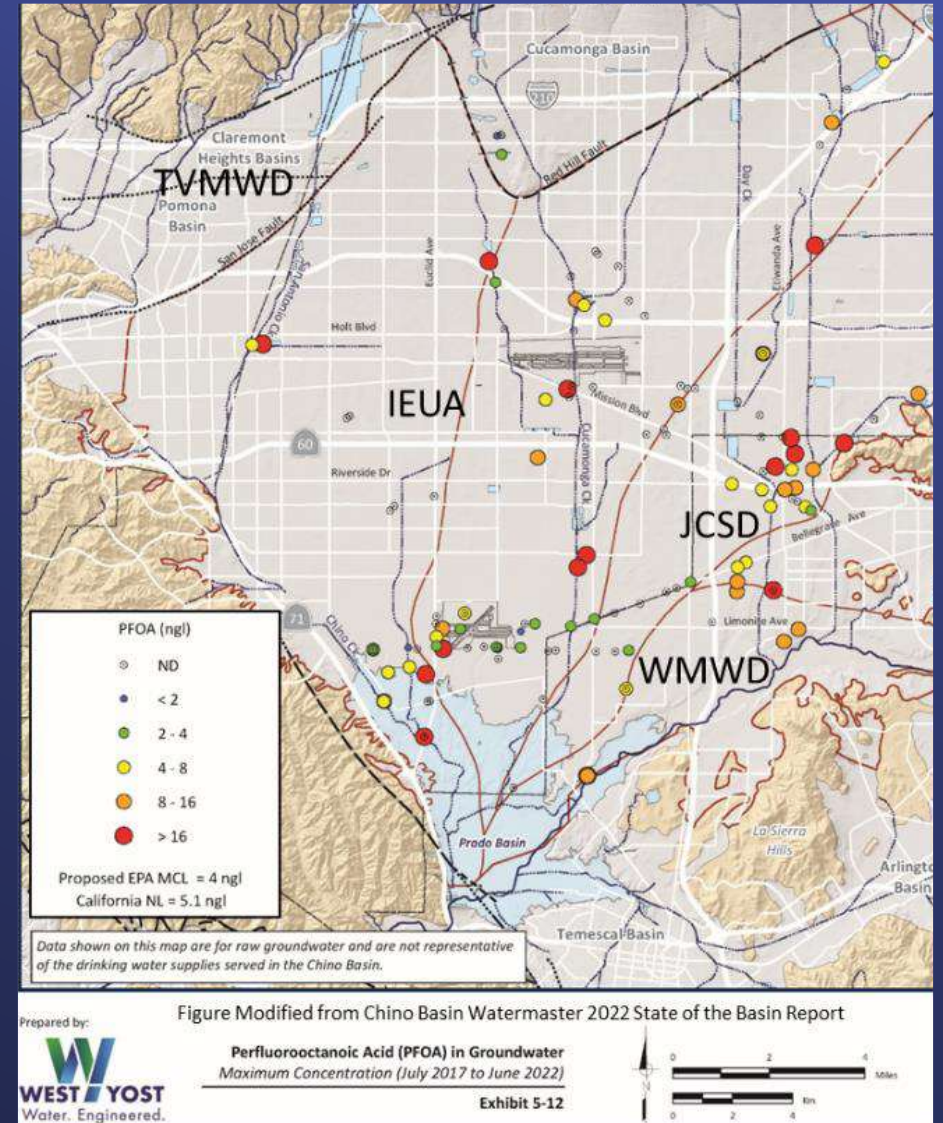
Requested: \$298,500
Total Funding: \$597,000



Groundwater



The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells.



Chino Basin Advance Water Purification Demonstration Facility

Item 7-4



Inland Empire Utilities Agency



Requested: \$401,500

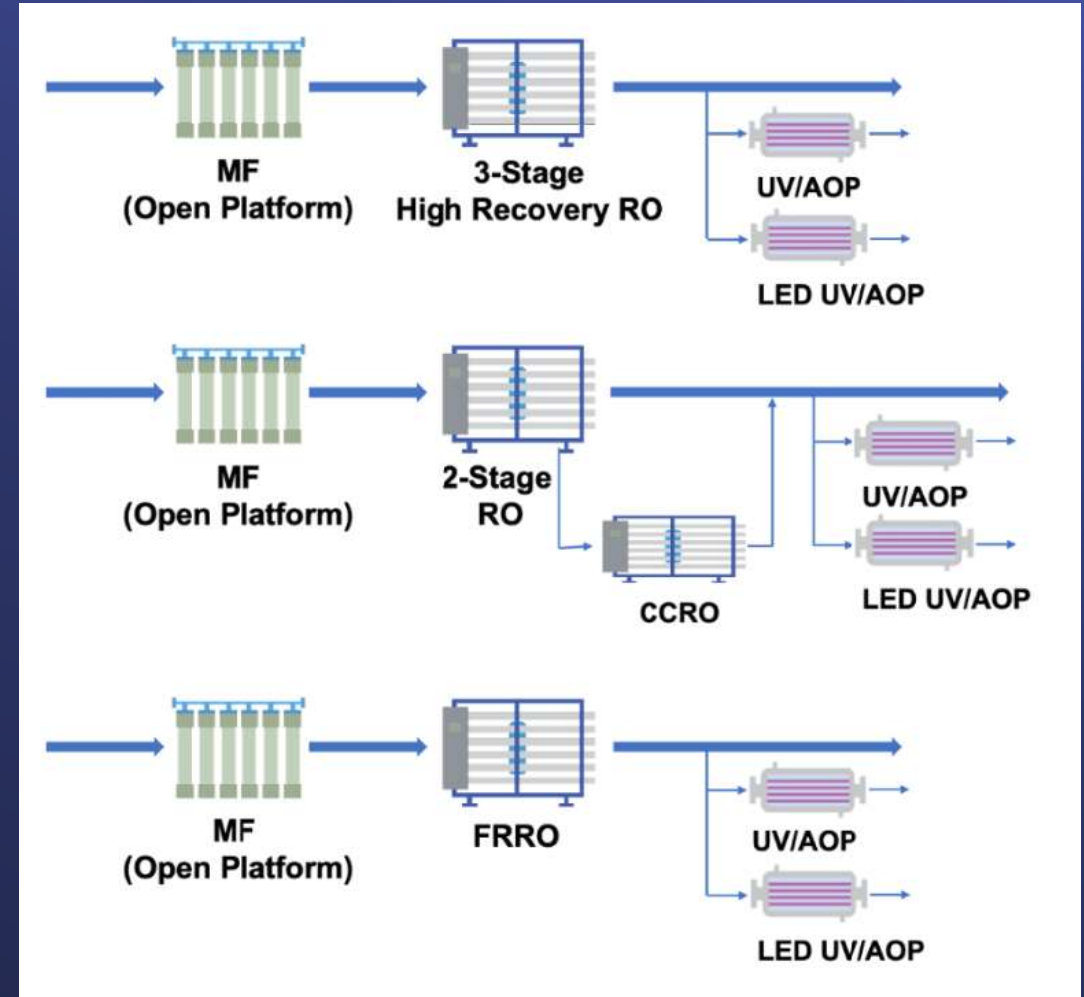
Total Funding: \$5,348,500



Recycled Water



The demonstration study will advance research and innovation related to advanced water treatment technologies.



Lake Henshaw Oxygenation Pilot Study

Item 7-5



San Diego County Water Authority (Lead),
Vista Irrigation District, and City of
Escondido



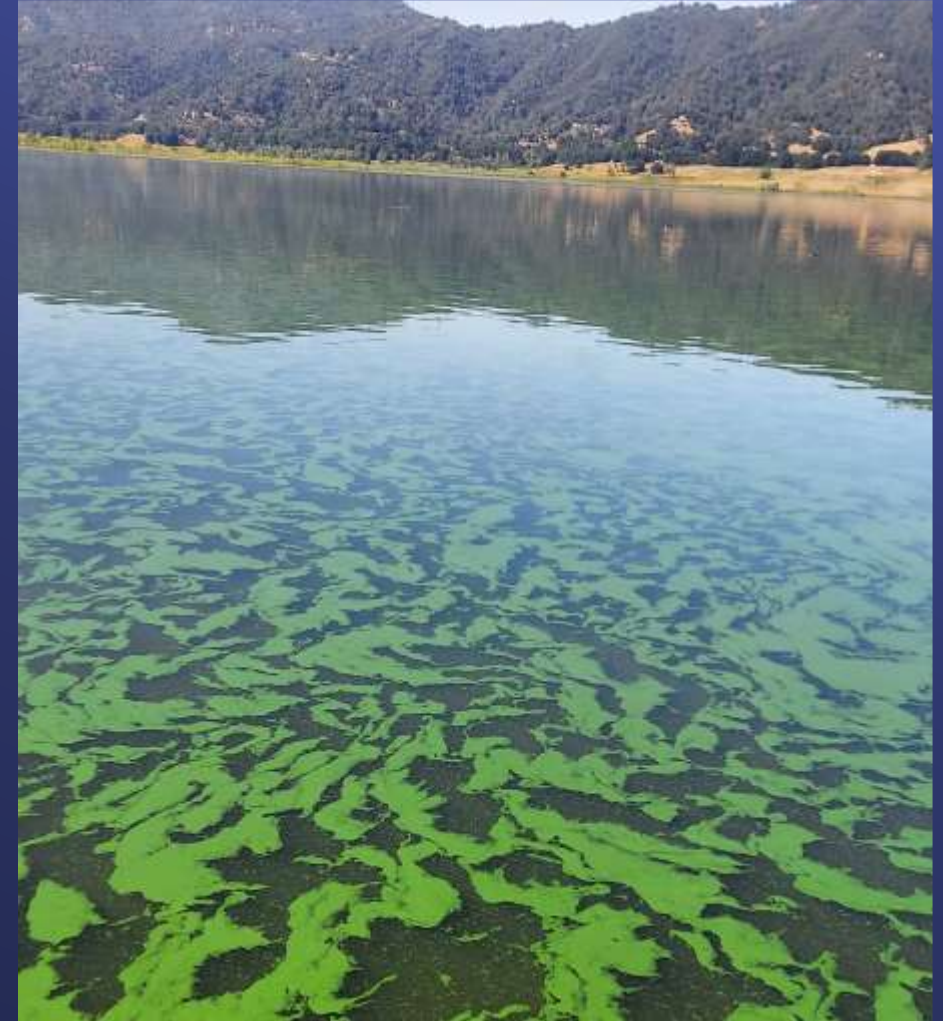
Requested: \$500,000
Total Funding: \$2,747,307



Stormwater



The Pilot Study is intended to inform the
Vista Irrigation District and the City of
Escondido regarding the effectiveness of
oxygenation in limiting harmful algal bloom
formation and cyanotoxin production.



GW Augmentation, Collection System, and New Wells Site Study

Item 7-6



Long Beach Utilities (Lead) and Water Replenishment District



Requested: \$499,902
Total Funding: \$ 2,038,580



Groundwater



The objective of the study is to evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins.

Metropolitan Water District of Southern California
2023 Future Supply Actions
Funding Program Application

Groundwater Augmentation, Groundwater
Collection System and New Wells Site Study



1800 E. Wardlow Road
Long Beach, CA 90807

Applicant Information:

Christopher J. Garner
General Manager
Long Beach Utilities Department

Submittal Date: February 5, 2023

Headworks Reservoir Complex Direct Potable Reuse Pilot

Item 7-7



Los Angeles DWP



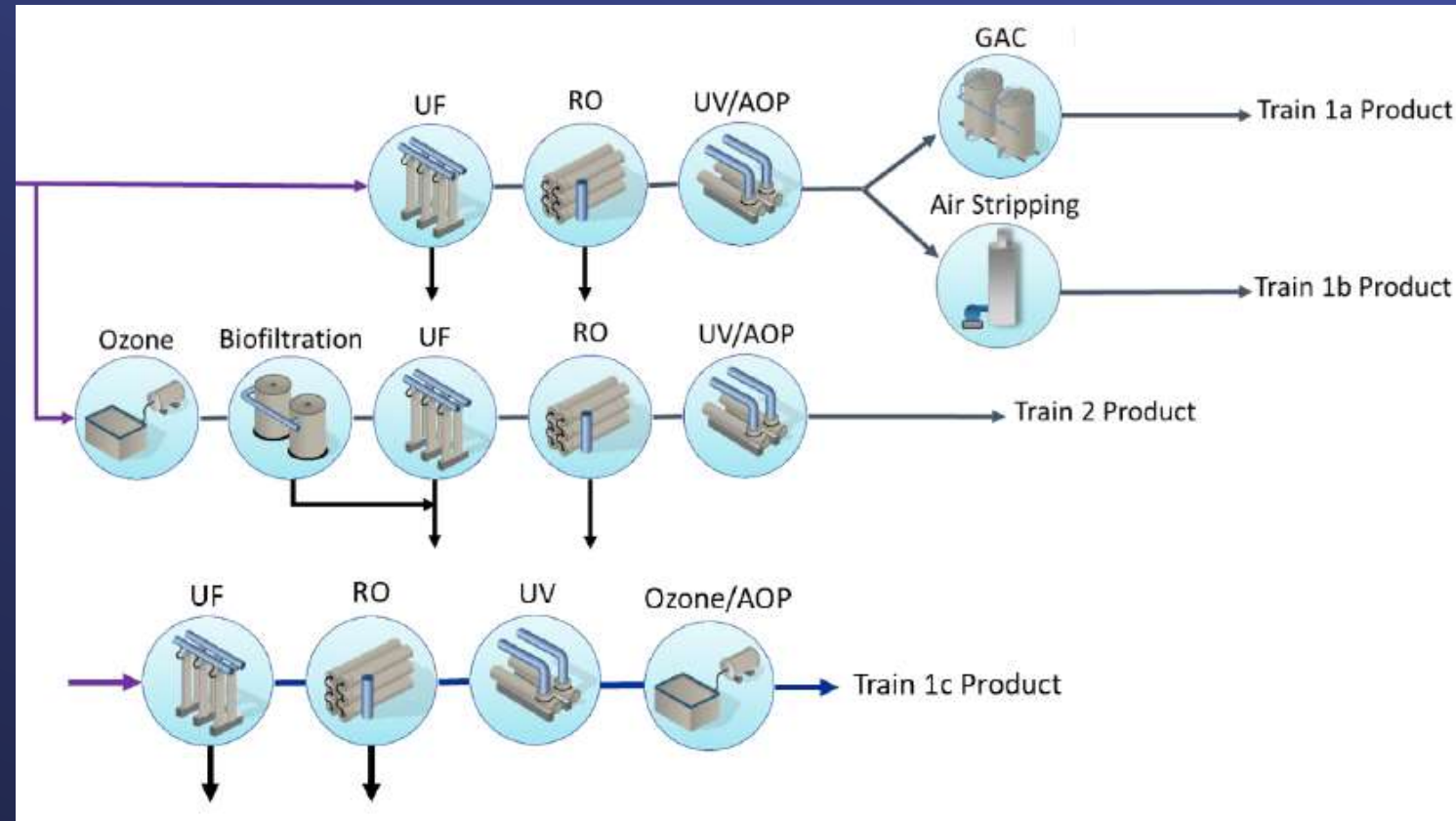
Requested: \$500,000
Total Funding: \$3,996,026



Recycled Water



The objective is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies.



OceanWell – Offshore Desalination Buoy Pilot

Item 7-8



Las Virgenes Municipal Water District (Lead), CMWD, and EMWD



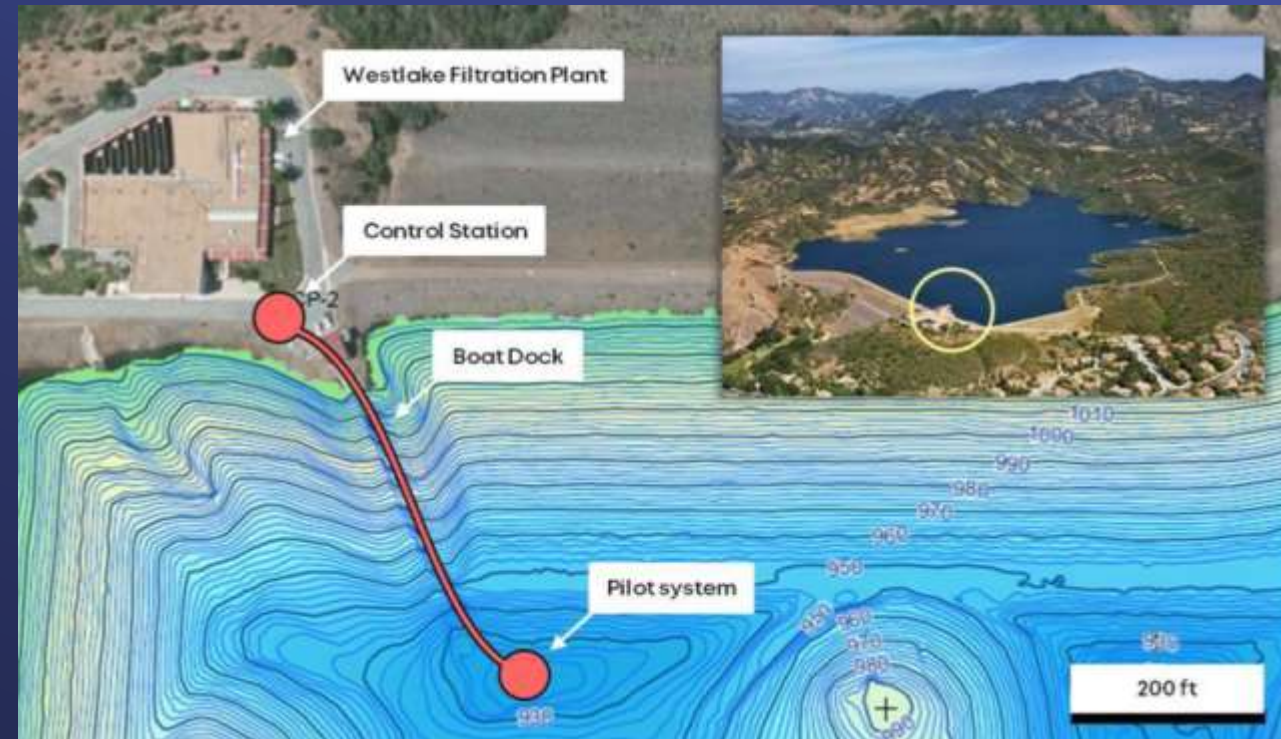
Requested: \$500,000
Total Funding: \$1,296,910



Seawater Desalination



The study seeks to validate the OceanWell submerged reverse osmosis technology by conducting a pilot test in the Las Virgenes Reservoir.



Next Steps

Implement funding agreements with selected proposals



Track the progress of the studies



Hold a symposium to share results when studies are complete



2017 - Foundational Actions Funding Program Symposium





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

7-4

Subject

Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The purpose of this letter is to seek board authorization to enter into one of the agreements with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program (FSA Program) for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.

In December 2023, Metropolitan issued a Request for Proposals (RFP) under the FSA Program. The FSA Program funds technical studies and pilot tests targeting barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. A technical review panel evaluated the proposals and developed a collective rating. Based on the panel findings and compliance with program requirements, staff recommends funding all eight proposals.

Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval. This letter concerns one of these proposals.

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

Staff Recommendation: Option #1

Option #1

Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.

Fiscal Impact: The funding requested for the proposed study will be expended over a two-year period and is within the approved FSA Program budget of \$3 million for Fiscal Years 24/25 and 25/26. The total expenditures for the eight proposed studies under the FSA Program is \$2.96 million.

Business Analysis: By providing funding for member agency studies under the FSA Program, Metropolitan will remove barriers to future water resource production and increase regional water supply reliability.

Option #2

Do not authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.

Fiscal Impact: No impact. Metropolitan would miss leveraging \$298,500 of other funds for the study.

Business Analysis: Metropolitan would potentially delay an opportunity to remove a barrier to local resource development.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48449, dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager.

By Minute Item 49381, dated April 9, 2013, the Board adopted the CEQA determination and approved the proposal, Foundational Actions Funding Program, and directed staff to issue a Request for Proposals.

By Minute Item 50358, dated January 12, 2016, the Board adopted the CEQA determination and the 2015 Integrated Resources Plan Update.

By Minute Item 51168, dated April 10, 2018, the Board adopted the CEQA determination and approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

By Minute Item 53409 dated October 10, 2023, the Board approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

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

Not applicable

Summary of Outreach Completed

Member Agency Manager's Meeting:

- August 2023 – Round 3 Authorization
- June 2024 – Round 3 Recommended Proposals

Webinars:

- August 2023 – Workshop for Round 3
- December 2023 – Request for Proposals – Pre-Bid

Member Agency:

- November 2023 – West Basin Caucus
- January 2024 – Foothill MWD

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background: Future Supply Actions Funding Program

Metropolitan's 2010 Integrated Water Resources Management Plan Update (2010 IRP Update) recognized the need to prepare for an uncertain future and that additional resources beyond the region's core supplies may be required. To address this uncertainty, the 2010 IRP Update established a Foundational Actions approach for removing barriers to new supply development. Foundational Actions are low-risk, preliminary steps that the region can take to accelerate the development of new water resources should the need arise. The 2010 IRP Update identified the following four local resources for Foundational Actions:

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater capture
- Groundwater enhancement

In 2013, the Board approved the Foundational Actions Funding Program (FAF Program) to advance technical studies and pilot tests to address critical resource development barriers. Under the FAF Program, Metropolitan provided \$2.97 million in co-funding for 13-member agency-sponsored technical studies. The goals of the program were to:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Remove barriers to water resource implementation.

The 13 studies funded under the FAF Program yielded tangible regional benefits for each of the local resources. These benefits included furthering the science of seawater desalination intake technologies, developing implementation pathways for stormwater capture, validating new technologies for groundwater treatment, and completing preliminary studies for direct potable reuse. The FAF Program concluded with a symposium where results from the studies were shared with over 230 participants from across Southern California.

The 2015 Integrated Water Resources Plan Update called for the region to continue the Foundational Actions approach and revised the program's name to the Future Supply Actions Funding Program (FSA Program). In 2018, the Board approved a follow-up to the original FSA Program that included two components:

1. A \$975,000 funding agreement with WRF for seven potable and non-potable reuse studies.
2. A second round of member agency funding totaling \$3.5 million for 14 studies.

The 21 studies funded under the FSA Program produced valuable regional benefits for the targeted local resources. These benefits included progressing in the fields of artificial intelligence applications in recycled water projects, stormwater diversion and percolation analysis, desalination brine diffusion, and groundwater utilization analysis. The studies within the program have concluded with MWD and WRF-hosted webinars. Webinar recordings and final reports for each study are available on the FSA Program's website: <https://www.mwdh2o.com/planning-for-tomorrow/funding-opportunities/>.

Third Round of the FSA Program

In October 2023, the Board authorized two additional rounds of funding for the FSA Program totaling \$6 million. In December 2023, Metropolitan released an RFP for the first of the two authorized funding rounds (**Attachment 1**). Member agencies could request up to \$500,000 for one or more proposals, which they must match dollar-for-dollar with other funds. Member agencies were encouraged to partner with other member agencies as well as other stakeholders. Staff held an informational webinar and answered member agency questions.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. These proposals covered all four resource types and ranged from a data-driven planning study to pilot tests of innovative new technologies.

A technical review panel of Metropolitan staff and external experts performed independent evaluations of each proposal. Once completed, the panel convened to compare findings and collectively rate the proposals.

Attachment 2 contains a list of the panel members and their affiliations. The proposals were evaluated against the following criteria:

- How does the proposal increase the water supply resiliency of future production?
- Does the proposal address a catalytic/critical path to implementation for local supplies?
- Will the potential results from the study have regional applicability?
- Does the proposal have a well-defined and innovative work plan?

Based on the panel's findings, compliance with program requirements, and available funding, staff recommends funding all eight proposals. Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval.

Funding Agreement

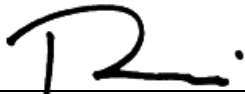
The purpose of this letter is to seek board authorization to enter into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency for the Identifying and Removing PFAS Used in Well Drilling Pilot Study. Three Valleys Municipal Water District, Western Municipal Water District, and Jurupa Community Services District will be contributing to the study as partners, with the Inland Empire Utilities Agency serving as the Lead Agency.

The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. This knowledge can be used as one means of keeping PFAS from the groundwater environment. Elimination of this PFAS source will increase the reliability of existing and new water supply wells and provide a viable alternative to well-head PFAS treatment.

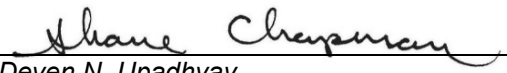
The study will be conducted in the following steps:

1. Obtaining a variety of drilling mud products and Chino Basin well water samples and submitting them for chemical analyses for PFAS.
2. Conducting bench-scale testing of tested PFAS-producing drilling products to illustrate short-term (up to 90 days) impacts on water when in contact with the drilling mud products in an aqueous environment simulating groundwater conditions.
3. Select and conduct pilot chemical well rehabilitation for both a monitoring well and production well with PFAS detection in water samples and other indicators of the presence of drilling mud. Pilot chemical well rehabilitation using a more aggressive chemical process can be employed to oxidize and remove lingering drilling mud products and remove or reduce PFAS from detection.

Staff requests board authorization to enter into an FSA Program funding agreement for a not-to-exceed amount of \$298,500 with the Inland Empire Utilities Agency for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.



Brandon Goshi
Interim Manager,
Water Resource Management
7/1/2024
Date



for Deven N. Upadhyay
Interim General Manager
7/2/2024
Date

Attachment 1 – 2023 Request for Proposals for Foundational Supply Actions Funding Program

Attachment 2 – Review Panel Members and Affidavit

Attachment 3 – Recommended Proposals and Proposal Descriptions

Ref# wrm12693575

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group

**2023 Request for Proposals for
Future Supply Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....December 1, 2023.
Pre-bid webinar.....December 13, 2023 @ 02:00 P.M.
Proposals due by.....February 5, 2024 @ 02:00 PM.

NOTICE

An optional pre-bid webinar will be held on **December 13, 2023**, from 02:00 p.m. to 03:00 p.m.
All Member Agencies and proposal partners are encouraged to participate.

Metropolitan Contact: Jonathan Jordan
E-mail Address: FSAfundingprogram@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot tests under the Future Supply Actions (FSA) Funding Program. The FSA Funding Program goal is to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2023 FSA Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit study proposals for the program described herein.

1.1 Objective

Metropolitan has proposed a 2023 FSA Funding Program with objectives to help address regional funding needs for actions that:

- Augment water resiliency to reduce climate change driven water resource barriers.
- Advance the field of knowledge for the four resources (recycled water, seawater desalination, stormwater, and groundwater).
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (IRP) established a planning framework, including a core resources program, designed to ensure the region's reliability into the future. The 2010 IRP Update recognized that the future is uncertain and additional water resources may need to be developed under some conditions. To address this future uncertainty, the 2010 IRP established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supplies should the need arise.

In 2013, Metropolitan established the Foundational Actions Funding Program (FAF Program) to fund Member Agency studies focused on removing barriers to future local supply production. The 2015 IRP reaffirmed this forward-looking approach and updated the name to Future Supply Actions. Future Supply Actions represent one component of the overall 2015 IRP strategy. In 2018, Metropolitan released a second round of FSA funding for member agency studies. The 2020 IRP continued this progressive trend by adopting a scenario-based strategy to ensure regional reliability through 2045, referred to as the "Regional Needs Assessment." Given the successes of the 2013 and 2018 programs, the 2023 FSA reinforces Metropolitan's commitment to the 2020 IRP strategy in maintaining existing and developing new local supplies.

In 2022, Metropolitan's Board of Directors (Board) adopted a resolution calling for "Equitable reliability across the service area through a balanced combination of infrastructure, storage, demand management, and water supply programs." Metropolitan is collaborating with our Member Agencies on the regional Climate Adaptation Master Plan for Water (CAMP4W). CAMP4W will consider Member Agency projects that innovate and enhance regional water supply reliability. The FSA Funding Program has proven to be a capable vehicle for achieving the goals outlined in the resolution. To that end, Metropolitan encourages its member

agencies to propose innovative studies that benefit the region, innovate, reduce barriers, and create a climate change-resilient region.

1.2 Description

The FSA Funding Program promotes technical studies and pilot tests that enable effective future resource planning and potential implementation for the following resources:

- Recycled water, including potable reuse
- Desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FSA Funding Program may include, but are not limited to:

- Pilot and bench-scale studies
- Demonstration studies
- Tracer alternative studies
- System integration studies
- Innovative treatment processes
- New sensor technologies
- Advanced ocean intakes and outfall tests
- Brine disposal or harvesting research
- Novel approaches for AI and machine learning

Examples of Member Agency studies funded under the 2013 FAF and 2018 FSA programs are listed on the FSA Funding Program's website: www.mwdh2o.com/fsa.

The FSA Funding Program is designed to encourage short-term studies targeting barriers to future supply production and would not include:

- Design of full-scale projects
- Long-term studies requiring more than two years to complete
- Construction of full-scale projects
- Funding CEQA documentation for projects
- Existing studies or projects
- Acquisition of property

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or other non-Member Agency entities. A single designated lead Member Agency must submit the proposal. The proposal must disclose the names of the partnering Member Agencies or other entities. Each Member Agency may be the

lead agency on a maximum of three proposals per funding round. If partnering on a proposal, the lead Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency.

1.4 Funding

Metropolitan expects to fund approximate 12 to 16 technical studies or pilot tests total during two separate rounds. This round of the FSA Funding Program will fund up to 8 technical studies or pilot tests, and up to \$3 million. The next FSA Funding Program round is expected to begin in two to three years. In total, up to \$6 million are available for the current and following funding rounds. Proposals submitted in response to this RFP will only be considered for the current funding round.

Member Agencies may submit proposal funding requests of up to \$500,000 per agency or up to \$500,000 for a single study. Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Member Agencies can include in-kind services in their proposal; however, in-kind services do not count towards the required funding match. If partnering on a proposal, a breakdown of each Member Agency's funding request and the respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). The Member Agency match funding may not be associated with other Metropolitan funding programs.

A significant FSA Funding Program principle is having the studies or tests benefit the Metropolitan's services area. Due to this core principle, studies or tests funded through this program must be publicly accessible to the extent allowed under applicable law.

1.5 Anticipated Schedule

Date	Milestone
12/01/2023	Release of RFP
12/13/2023	Non-mandatory pre-bid webinar at 02:00 p.m.
01/12/2024	Questions for clarification will close at 1:00 p.m.
02/05/2024	RFP proposals due by 2:00 p.m.
Q1 2024	Proposal awards (Contingent upon Board action)
Q1—Q2 2024	Agreements signed by recipients (Goal)
Q1 2025	Work Initiation Deadline
Q4 2026	Final Report Deadline

1.6 Non-mandatory Pre-Bid Webinar

- A pre-bid Webinar will be held from 02:00 p.m. to 03:00 p.m., Wednesday, **December 13, 2023**. Metropolitan will discuss the details of the FSA Funding Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal webinar (see Questions for Clarification section).
- While participation is not mandatory, all interested parties and prospective applicants are encouraged to attend. Participants are invited to present relevant questions at the pre-proposal webinar.
- Directions on how to participate in the pre-proposal Webinar will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.

1.7 Questions for Clarification

Questions for clarification regarding this RFP shall be submitted in writing via e-mail to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by 1:00 p.m., Friday, **January 12, 2024**. As appropriate, Metropolitan will respond to questions, provide information updates, and issue RFP addendums through the following link: www.mwdh2o.com/fsa. The responsibility solely lies with each interested party and prospective applicant to check and review the FSA Funding Program website for all updates.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety before the proposal preparation.
2. All proposals submitted become the property of Metropolitan. Metropolitan has no expressed or implied obligation to reimburse the responding party for any expenses incurred in preparing proposals in response to this request.
3. Applicants may modify or amend proposals only if Metropolitan receives the amendment before the deadline stated herein for receiving proposals.

4. A proposal that is conditional, incomplete, contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal may be considered non-responsive.
5. Additional copies of the RFP will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.
6. Submission of a proposal indicates acceptance by the party of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Metropolitan and the recipient(s).

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals, revise terms and conditions, or elect not to award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.
4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Proposals submitted in response to this RFP only qualify for the current funding round. Once submitted, the proposal is the property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section (Gov. Code) 7920.000 et. seq. All required submittal information is subject to disclosure to the general public. Unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.

2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code Section 7929.42 including “trade secrets” under Evidence Code Section 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential or supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FSA Funding Program objectives and eligibility and will evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Board approval.
2. During the evaluation process, Metropolitan may request clarification from the applicant as necessary. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that are, or could be, collectively part of an overall study or pilot test, then only one eligible proposal may be selected for funding.
4. If applicable, Member Agencies with study work plans contingent on regulatory permitting must provide a list of required permits, expected award date, and the anticipated study timeline impacts if the permitting process is delayed. The ability to complete studies in the FSA Funding Program round timeframe is a scoring consideration. Metropolitan may request additional information on the permitting schedule.

1.13 Agreement Process

1. After proposals are selected for funding, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if the recipient does not sign agreements within three months of final contract negotiations.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit deliverables by task, including reports, invoices, interim study or test documents, and a final report documenting study or test results, other findings, and recommendations for future action. Recipients must provide any generated presentations or preliminary reports to Metropolitan during the life of the agreement.
4. The final report and symposium presentation will be worth 25 percent of the total funding and can be invoiced after the delivery of the final report and presentation.

Metropolitan will withhold the final funding until the final report and presentation are accepted by Metropolitan staff.

5. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
6. The FSA invoice intervals will be flexibly negotiated on a case-by-case basis during the agreement process; options available to agencies in this FSA round include quarterly, semi-annual, or based on deliverables. Funds will be disbursed after verification of study status based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per submitted progress payment.
7. Funding recipients are expected to provide an initial forecast of spending to Metropolitan after the study or test initiation. The recipient will need to provide a forecast as a part of the submitted progress reports.
8. Final reports must be completed and submitted by **December 28, 2026**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of the final report and presentation.
9. Member Agencies and study/pilot test participants will also be encouraged to participate in the FSA symposium. The symposium will highlight the study results and allow participants to present the final presentation to other member agencies and regional stakeholders.
10. Attachment A is Metropolitan's Sample Agreement. Applicant is requested to carefully review and comment as necessary on any of the provisions set forth in the Sample Agreement. Metropolitan reserves the right to modify, add or delete any of the provisions of the Agreement before issuance.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate and rank the proposals. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document.

Criteria and Weight:

1. Reduces Barriers to Future Production: 30 percent
2. Regional Benefit/Applicability: 20 percent
3. Innovative Process, Approach, or Technology: 20 percent
4. Work Plan/Schedule: 15 percent
5. Costs: 15 percent

The selection criteria are described further in Section 2.2 of this document.

In addition to the selection criteria above, Metropolitan will award a bonus to studies that objectively demonstrate regional benefit across the Metropolitan service area. To incentivize Member Agency cooperation on regional studies, Metropolitan will grant a 5% bonus to the proposals with 3 or more participating Member agencies. Partner Agencies must have at least \$10,000 vested in the study or test to qualify as a participating agency.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Proposal Submittal and PDF Format Guidelines

- Proposals will only be accepted in PDF format.
- The proposal must be formatted for white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 pages, including attachments.
- Materials presented in the Appendix will not be used in the proposal evaluation and should exclusively contain reference or supplementary content
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- The PDF should include the entire proposal (executive summary, support letters, attachments, etc.) in one file.
- Support letters: Proposals can include no more than five support letters of no longer than one page. Support letters will not count against the page limitations and will be considered to support regional benefit. Support letters should be addressed to Jonathan Jordan at FSAfundingprogram@mw2o.com by the proposal submittal deadline. Support letters received after the proposal submittal deadline will not be considered.
- **Proposals that do not conform to these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Reduces Barriers to Future Production
- F. Criteria Two – Regional Benefit / Applicability
- G. Criteria Three – Innovative Process, Approach, or Technology
- H. Criteria Five – Work Plan / Schedule / Permitting
- I. Criteria Four – Costs
- J. Appendix A: Support Letters

A. Executive Summary Letter

This letter shall be a formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). The letter shall provide a brief description of the proposal and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP. An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from study participants (not considered as part of the 20-page limit for proposals) in Section I.

C. Key Individuals

- Proposal participants / cooperating agencies

- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal and conveys a clear understanding of the proposal's goals and objectives.

E. Criteria One – Increases Water Supply Resiliency

In this section, the applicant shall describe the following in narrative form all of which is applicable:

- Describe how the proposed actions increase future local supply potential.
- Describe how the proposed actions are critical to resource resiliency and planning for climate change-driven uncertainty.
- Describe how the proposed actions **removes barriers** to supply development including, but not limited to, technical, regulatory, permitting, and institutional barriers.
- Describe how the proposed actions increase regional climate resiliency or safeguards current local supplies.

F. Criteria Two – Regional Benefit / Applicability

In this section, the applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan's member agencies, retail agencies, and regional stakeholders. The proposal should describe how the study results are transferable to other regional member agencies and stakeholders.
- If applicable, describe other co-benefits, such as water quality, energy, wastewater, infrastructure, environmental, etc.
- Metropolitan will award a 5% bonus to proposals with 3 or more participating Member agencies.

G. Criteria Three – Innovative Process, Approach, or Technology

In this section, the applicant shall describe in narrative form the following:

- Describe how these actions are unique and innovative. Describe the current state of technology. Identify similar completed or ongoing studies and how the proposed actions differ (include a literature search summary).

- Describe how these actions will advance the field of knowledge to develop future water resources. Include how the results of the proposed actions could be used in future research.
- Describe how the study or test results enable future actions that address regional barriers when compared to the status quo. Identify and describe the follow-up actions necessary for wide-scale implementation, such as submission of results to the State or Federal regulators required for regulatory acknowledgment or adoption. Include any future studies or steps to leverage results from the study or test.

H. Criteria Four – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. Every task must have a specific deliverable and due date. Meeting dates and study milestones should be identified. Deliverables may include but are not limited to technical memoranda, summary reports, progress reports, draft technical reports, final technical reports, presentations, and related information. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also, describe the technical expertise of the proposal team.

Cite the proposed schedule, including the start date (no later than **January 01, 2025**), tasks, deliverables, reports, completion date (no later than **December 28, 2026**), and other key milestone dates. The schedule should be linked to the tasks and task deliverables. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instructions for evaluation:

- Work plan and schedule must provide detail and completeness to measure the proposed implemented actions for success. Identify potential challenges, issues, and prerequisites related to proposal implementation and describe how they will be addressed.
- Describe how the proposed objectives can be achieved in the stated time period with the allotted personnel and budget.
- The proposal should include a table of required permits describing each permit, expected award date, and impact to the study workplan if delayed.

I. Criteria Five – Costs

Proposal must provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include in-kind services in the funding match. If partnering with other Member Agencies, provide separate cost tables and a proposal total cost table for each Member Agency. The

grand total non-Metropolitan funding match for each cost table must equal or exceed the requested Metropolitan funded amount. Also, provide a list summarizing all sources of the funding match, their respective monetary contribution, and the status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for a grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and the matching funds.

Cost Table Example – Study Total				
Cost Category		Non-Metropolitan Share (Funding Match)	Requested MWD Funding	Total
(a)	List proposed tasks on separate lines			
(b)	Proposed Task			
(c)	...			
Grand Total				

Cost Table Example – Lead Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Partner Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

The following includes additional information and instruction for evaluation:

- Describe the cost-effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FSA Funding Program agreement.

2.3 Submittal Instructions

Proposals for this RFP will be accepted in PDF format via e-mail.

By e-mail:

- **Proposal must be submitted electronically as an attachment to an e-mail at FSAfundingprogram@mwdh2o.com by 02:00 p.m. PST, on February 05, 2024**
- The e-mail date and time will act as a timestamp for the submittal. Notice of receipt will be sent upon successful receipt of the proposal.
- The PDF file size is limited to no more 20 MB.
- The e-mail subject line should contain the following: "Proposal for Future Supply Actions Funding Program".
- The e-mail's body should include the proposal's title, lead Member Agency name, the applicable resource (groundwater, recycling, seawater desalination or stormwater), and contact information.
- If submitting multiple proposals, please submit each proposal individually in a separate e-mail.
- Member Agencies are encouraged to submit proposals before the closing time and date.

Proposals received after the stated time and date will be considered late and automatically rejected by Metropolitan. Member agencies are **responsible for submitting the proposal correctly in form and content and within the stipulated deadline**. Late proposals will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 02:00 p.m., February 05, 2024.

2023 Future Supply Actions Funding Program

Review Panel Members and Panel Affidavit

Heather Collins

Assistant Group Manager, Treatment & Water Quality Group, Metropolitan Water District
President-Elect, American Water Works Association

Dr. Adrian Hightower

Sustainability and Resilience Manager, Metropolitan Water District

Dr. Malynda Cappelle

Facility Manager, Brackish Groundwater National Desalination Research Facility, Bureau of Reclamation

Dr. Roy Wolfe

Wolfe Water Consulting, LLC.

Dr. Robert Wilkinson

Adjunct Professor, Bren School of Environmental Science and Management, University of California,
Santa Barbara

DocuSign Envelope ID: 55107BE7-2B6D-4340-8FC9-B3A7E84057CD

Affidavit

Affidavit for Review Panelists

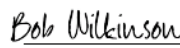
The undersigned members of the Review Panel for the Future Supply Actions Funding Program 2023 RFP objectively reviewed the proposals to ensure compliance with the FSA Program objectives and eligibility requirements and confirm the panel's collective findings.

DocuSigned by:



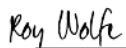
Marynda Cappelle, PhD
Consultant

DocuSigned by:



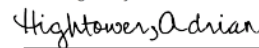
Robert Wilkinson, PhD
Consultant

DocuSigned by:



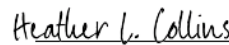
Roy Wolfe, PhD
Consultant

DocuSigned by:



Adrian Hightower, PhD
Special Projects Manager

DocuSigned by:



Heather Collins, PE
Assistant Group Manager

2023 Future Supply Actions Funding Program RFP
Recommended Proposals and Proposal Descriptions

Proposal Name	Lead Agency	Description	Maximum Funding Level
Groundwater			
Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment	Western MWD	<ul style="list-style-type: none"> This pilot study will generate ferric chemicals onsite and offers the potential to lower treated water arsenic concentrations using the coagulation-filtration method. This technology offers potential operations and maintenance cost savings and avoids manganese addition that typically occurs for liquid ferric chemicals. 	\$207,500
PFAS and Groundwater Wells	IEUA	<ul style="list-style-type: none"> The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. Three Valleys MWD, Western MWD, and Jurupa Community Services District are also participating in the study. 	\$298,500
Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study	Long Beach	<ul style="list-style-type: none"> The study will evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins. The outcomes of the Project will ultimately increase Long Beach's water supply reliability by reducing its reliance on imported water supplies and integrating new water resources into its supply portfolio. 	\$499,802
Stormwater			
Lake Henshaw Oxygenation Pilot Study	SDCWA	<ul style="list-style-type: none"> The Pilot Study is intended to inform the Vista Irrigation District and the City of Escondido regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. 	\$500,000

Proposal Name	Lead Agency	Description	Maximum Funding Level
Data-Driven Resource Optimization and Planning System (DROPS)	Foothill MWD	<ul style="list-style-type: none"> DROPS is a pioneering tool that integrates advanced data analytics with artificial intelligence to enhance water management capabilities. DROPS achieves previously unattained levels of accuracy in terms of identifying impervious areas by triangulating aerial imagery, topographical data, remote-sensing data, and environmental databases and supplementing those datasets with analysis and insights from AI integration. 	\$54,900

Recycled Water			
Chino Basin Advance Water Purification Demonstration Facility	IEUA	<ul style="list-style-type: none"> Demonstration study for the design and construction of an approximately 100 gpm Advanced Water Purification Demonstration Facility for the Chino Basin Program. The demonstration study will advance innovative technologies and approaches related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry. 	\$401,500
Headworks Reservoir Complex Direct Potable Reuse Pilot	LADWP	<ul style="list-style-type: none"> The objective of the pilot is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies. The pilot will explore the feasibility of post-RO treatment strategies for chemical control. 	\$500,000
Seawater Desalination			
OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System	Las Virgenes MWD	<ul style="list-style-type: none"> Pilot study of the OceanWell submerged reverse osmosis system in the Las Virgenes Reservoir. The study will serve as a stress test that will bring the technology from a TRL 4 to TRL 6. Calleguas MWD and Eastern MWD are contributing to this study. 	\$500,000
Total	8 Studies		\$2,962,202



One Water & Stewardship Committee

Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study

Item 7-4

July 8, 2024

Introduction

Slide

Item 7-4

Subject

Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study

Purpose

Reduce Barriers to future water resource production within the Metropolitan service area.

Recommendations

Authorize staff to enter into a \$298,500 funding agreement with Inland Empire Utilities Agency under the FSA Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.

Fiscal Impact

Metropolitan would invest \$298,500 in the proposed study under the FSA Program over a two-year period.

Board Options: Item 7-4

(IEUA – PFAS Used in Well Drilling Pilot Study – FSA Program)

Option #1

- Authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.

Option #2

- Do not authorize entering into a not-to-exceed \$298,500 funding agreement with the Inland Empire Utilities Agency under the FSA Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study.

Staff Recommendation

Option #1





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

7-5

Subject

Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The purpose of this letter is to seek board authorization to enter into one of the agreements with the San Diego County Water Authority under the Future Supply Actions Funding Program (FSA Program) for the Lake Henshaw Oxygenation Pilot Study.

In December 2023, Metropolitan issued a Request for Proposals (RFP) under the FSA Program. The FSA Program funds technical studies and pilot tests targeting barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. A technical review panel evaluated the proposals and developed a collective rating. Based on the panel findings and compliance with program requirements, staff recommends funding all eight proposals.

Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require Board approval. This letter concerns one of these proposals.

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

Staff Recommendation: Option #1

Option #1

Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the FSA Program for the Lake Henshaw Oxygenation Pilot Study.

Fiscal Impact: The funding requested for the proposed study will be expended over a two-year period and is within the approved FSA Program budget of \$3 million for Fiscal Years 24/25 and 25/26. The total expenditures for the eight proposed studies under the FSA Program is \$2.96 million.

Business Analysis: By providing funding for member agency studies under the FSA Program, Metropolitan will remove barriers to future water resource production and increase regional water supply reliability.

Option #2

Do not authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the FSA Program for the Lake Henshaw Oxygenation Pilot Study.

Fiscal Impact: No impact. Metropolitan would miss leveraging \$500,000 of other funds for the study.

Business Analysis: Metropolitan would potentially delay an opportunity to remove a barrier to local resource development.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48449, dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager.

By Minute Item 49381, dated April 9, 2013, the Board adopted the CEQA determination and approved the proposal. Foundational Actions Funding Program, and directed staff to issue a Request for Proposals.

By Minute Item 50358, dated January 12, 2016, the Board adopted the CEQA determination and the 2015 Integrated Resources Plan Update.

By Minute Item 51168, dated April 10, 2018, the Board adopted the CEQA determination and approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

By Minute Item 53409, dated October 10, 2023, the Board approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

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

Not applicable

Summary of Outreach Completed

Member Agency Manager's Meeting:

- August 2023 – Round 3 Authorization
- June 2024 – Round 3 Recommended Proposals

Webinars:

- August 2023 – Workshop for Round 3
- December 2023 – Request for Proposals – Pre-Bid

Member Agency:

- November 2023 – West Basin Caucus
- January 2024 – Foothill MWD

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background: Future Supply Actions Funding Program

Metropolitan's 2010 Integrated Water Resources Management Plan Update (2010 IRP Update) recognized the need to prepare for an uncertain future and that additional resources beyond the region's core supplies may be required. To address this uncertainty, the 2010 IRP Update established a Foundational Actions approach for removing barriers to new supply development. Foundational Actions are low-risk, preliminary steps that the region can take to accelerate the development of new water resources should the need arise. The 2010 IRP Update identified the following four local resources for Foundational Actions:

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater capture
- Groundwater enhancement

In 2013, the Board approved the Foundational Actions Funding Program (FAF Program) to advance technical studies and pilot tests to address critical resource development barriers. Under the FAF Program, Metropolitan provided \$2.97 million in co-funding for 13-member agency-sponsored technical studies. The goals of the program were to:

- Advance the field of knowledge for future water resource production;
- Provide results that are unique, yet transferable to other areas in the region; and
- Remove barriers to water resource implementation.

The 13 studies funded under the FAF Program yielded tangible regional benefits for each of the local resources. These benefits included furthering the science of seawater desalination intake technologies, developing implementation pathways for stormwater capture, validating new technologies for groundwater treatment, and completing preliminary studies for direct potable reuse. The FAF Program concluded with a symposium where results from the studies were shared with over 230 participants from across Southern California.

The 2015 Integrated Water Resources Plan Update called for the region to continue the Foundational Actions approach and revised the program's name to the Future Supply Actions Funding Program (FSA Program). In 2018, the Board approved a follow-up to the original FSA Program that included two components:

1. A \$975,000 funding agreement with WRF for seven potable and non-potable reuse studies.
2. A second round of member agency funding totaling \$3.5 million for 14 studies.

The 21 studies funded under the FSA Program produced valuable regional benefits for the targeted local resources. These benefits included progressing in the fields of artificial intelligence applications in recycled water projects, stormwater diversion and percolation analysis, desalination brine diffusion, and groundwater utilization analysis. The studies within the program have concluded with MWD and WRF-hosted webinars. Webinar recordings and final reports for each study are available on the FSA Program's website: <https://www.mwdh2o.com/planning-for-tomorrow/funding-opportunities/>.

Third Round of the FSA Program

In October 2023, the Board authorized two additional rounds of funding for the FSA Program totaling \$6 million. In December 2023, Metropolitan released an RFP for the first of the two authorized funding rounds (**Attachment 1**). Member agencies could request up to \$500,000 for one or more proposals, which they must match dollar-for-dollar with other funds. Member agencies were encouraged to partner with other member agencies as well as other stakeholders. Staff held an informational webinar and answered member agency questions.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. These proposals covered all four resource types and ranged from a data-driven planning study to pilot tests of innovative new technologies.

A technical review panel of Metropolitan staff and external experts performed independent evaluations of each proposal. Once completed, the panel convened to compare findings and collectively rate the proposals.

Attachment 2 contains a list of the panel members and their affiliations. The proposals were evaluated against the following criteria:

- How does the proposal increase the water supply resiliency of future production?
- Does the proposal address a catalytic/critical path to implementation for local supplies?
- Will the potential results from the study have regional applicability?
- Does the proposal have a well-defined and innovative work plan?

Based on the panel's findings, compliance with program requirements, and available funding, staff recommends funding all eight proposals. Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval.

Funding Agreement

The purpose of this letter is to seek board authorization to enter into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. The Pilot Study involves a field trial to evaluate the performance and effectiveness of oxygenation to improve water quality and mitigate HABs at Lake Henshaw using a supersaturated dissolved oxygen system.

This study is being proposed by the San Diego County Water Authority, in partnership with Vista Irrigation District (the District), with support from the City of Escondido (the City). The Pilot Study is intended to inform the District and the City regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production.

Staff requests board authorization to enter into an FSA Program funding agreement for a not-to-exceed amount of \$500,000 with San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study.



Brandon Goshi
Interim Manager,
Water Resource Management

7/2/2024

Date

for 
Devan N. Upadhyay
Interim General Manager

7/2/2024

Date

Attachment 1 – 2023 Request for Proposals for Foundational Supply Actions Funding Program

Attachment 2 – Review Panel Members and Affidavit

Attachment 3 – Recommended Proposals and Proposal Descriptions

Ref# wrm12695302

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group

**2023 Request for Proposals for
Future Supply Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....December 1, 2023.
Pre-bid webinar.....December 13, 2023 @ 02:00 P.M.
Proposals due by.....February 5, 2024 @ 02:00 PM.

NOTICE

An optional pre-bid webinar will be held on **December 13, 2023**, from 02:00 p.m. to 03:00 p.m.
All Member Agencies and proposal partners are encouraged to participate.

Metropolitan Contact: Jonathan Jordan
E-mail Address: FSAfundingprogram@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot tests under the Future Supply Actions (FSA) Funding Program. The FSA Funding Program goal is to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2023 FSA Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit study proposals for the program described herein.

1.1 Objective

Metropolitan has proposed a 2023 FSA Funding Program with objectives to help address regional funding needs for actions that:

- Augment water resiliency to reduce climate change driven water resource barriers.
- Advance the field of knowledge for the four resources (recycled water, seawater desalination, stormwater, and groundwater).
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (IRP) established a planning framework, including a core resources program, designed to ensure the region's reliability into the future. The 2010 IRP Update recognized that the future is uncertain and additional water resources may need to be developed under some conditions. To address this future uncertainty, the 2010 IRP established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supplies should the need arise.

In 2013, Metropolitan established the Foundational Actions Funding Program (FAF Program) to fund Member Agency studies focused on removing barriers to future local supply production. The 2015 IRP reaffirmed this forward-looking approach and updated the name to Future Supply Actions. Future Supply Actions represent one component of the overall 2015 IRP strategy. In 2018, Metropolitan released a second round of FSA funding for member agency studies. The 2020 IRP continued this progressive trend by adopting a scenario-based strategy to ensure regional reliability through 2045, referred to as the "Regional Needs Assessment." Given the successes of the 2013 and 2018 programs, the 2023 FSA reinforces Metropolitan's commitment to the 2020 IRP strategy in maintaining existing and developing new local supplies.

In 2022, Metropolitan's Board of Directors (Board) adopted a resolution calling for "Equitable reliability across the service area through a balanced combination of infrastructure, storage, demand management, and water supply programs." Metropolitan is collaborating with our Member Agencies on the regional Climate Adaptation Master Plan for Water (CAMP4W). CAMP4W will consider Member Agency projects that innovate and enhance regional water supply reliability. The FSA Funding Program has proven to be a capable vehicle for achieving the goals outlined in the resolution. To that end, Metropolitan encourages its member

agencies to propose innovative studies that benefit the region, innovate, reduce barriers, and create a climate change-resilient region.

1.2 Description

The FSA Funding Program promotes technical studies and pilot tests that enable effective future resource planning and potential implementation for the following resources:

- Recycled water, including potable reuse
- Desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FSA Funding Program may include, but are not limited to:

- Pilot and bench-scale studies
- Demonstration studies
- Tracer alternative studies
- System integration studies
- Innovative treatment processes
- New sensor technologies
- Advanced ocean intakes and outfall tests
- Brine disposal or harvesting research
- Novel approaches for AI and machine learning

Examples of Member Agency studies funded under the 2013 FAF and 2018 FSA programs are listed on the FSA Funding Program's website: www.mwdh2o.com/fsa.

The FSA Funding Program is designed to encourage short-term studies targeting barriers to future supply production and would not include:

- Design of full-scale projects
- Long-term studies requiring more than two years to complete
- Construction of full-scale projects
- Funding CEQA documentation for projects
- Existing studies or projects
- Acquisition of property

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or other non-Member Agency entities. A single designated lead Member Agency must submit the proposal. The proposal must disclose the names of the partnering Member Agencies or other entities. Each Member Agency may be the

lead agency on a maximum of three proposals per funding round. If partnering on a proposal, the lead Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency.

1.4 Funding

Metropolitan expects to fund approximate 12 to 16 technical studies or pilot tests total during two separate rounds. This round of the FSA Funding Program will fund up to 8 technical studies or pilot tests, and up to \$3 million. The next FSA Funding Program round is expected to begin in two to three years. In total, up to \$6 million are available for the current and following funding rounds. Proposals submitted in response to this RFP will only be considered for the current funding round.

Member Agencies may submit proposal funding requests of up to \$500,000 per agency or up to \$500,000 for a single study. Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Member Agencies can include in-kind services in their proposal; however, in-kind services do not count towards the required funding match. If partnering on a proposal, a breakdown of each Member Agency's funding request and the respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). The Member Agency match funding may not be associated with other Metropolitan funding programs.

A significant FSA Funding Program principle is having the studies or tests benefit the Metropolitan's services area. Due to this core principle, studies or tests funded through this program must be publicly accessible to the extent allowed under applicable law.

1.5 Anticipated Schedule

Date	Milestone
12/01/2023	Release of RFP
12/13/2023	Non-mandatory pre-bid webinar at 02:00 p.m.
01/12/2024	Questions for clarification will close at 1:00 p.m.
02/05/2024	RFP proposals due by 2:00 p.m.
Q1 2024	Proposal awards (Contingent upon Board action)
Q1—Q2 2024	Agreements signed by recipients (Goal)
Q1 2025	Work Initiation Deadline
Q4 2026	Final Report Deadline

1.6 Non-mandatory Pre-Bid Webinar

- A pre-bid Webinar will be held from 02:00 p.m. to 03:00 p.m., Wednesday, **December 13, 2023**. Metropolitan will discuss the details of the FSA Funding Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal webinar (see Questions for Clarification section).
- While participation is not mandatory, all interested parties and prospective applicants are encouraged to attend. Participants are invited to present relevant questions at the pre-proposal webinar.
- Directions on how to participate in the pre-proposal Webinar will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.

1.7 Questions for Clarification

Questions for clarification regarding this RFP shall be submitted in writing via e-mail to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by 1:00 p.m., Friday, **January 12, 2024**. As appropriate, Metropolitan will respond to questions, provide information updates, and issue RFP addendums through the following link: www.mwdh2o.com/fsa. The responsibility solely lies with each interested party and prospective applicant to check and review the FSA Funding Program website for all updates.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety before the proposal preparation.
2. All proposals submitted become the property of Metropolitan. Metropolitan has no expressed or implied obligation to reimburse the responding party for any expenses incurred in preparing proposals in response to this request.
3. Applicants may modify or amend proposals only if Metropolitan receives the amendment before the deadline stated herein for receiving proposals.

4. A proposal that is conditional, incomplete, contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal may be considered non-responsive.
5. Additional copies of the RFP will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.
6. Submission of a proposal indicates acceptance by the party of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Metropolitan and the recipient(s).

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals, revise terms and conditions, or elect not to award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.
4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Proposals submitted in response to this RFP only qualify for the current funding round. Once submitted, the proposal is the property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section (Gov. Code) 7920.000 et. seq. All required submittal information is subject to disclosure to the general public. Unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.

2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code Section 7929.42 including “trade secrets” under Evidence Code Section 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential or supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FSA Funding Program objectives and eligibility and will evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Board approval.
2. During the evaluation process, Metropolitan may request clarification from the applicant as necessary. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that are, or could be, collectively part of an overall study or pilot test, then only one eligible proposal may be selected for funding.
4. If applicable, Member Agencies with study work plans contingent on regulatory permitting must provide a list of required permits, expected award date, and the anticipated study timeline impacts if the permitting process is delayed. The ability to complete studies in the FSA Funding Program round timeframe is a scoring consideration. Metropolitan may request additional information on the permitting schedule.

1.13 Agreement Process

1. After proposals are selected for funding, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if the recipient does not sign agreements within three months of final contract negotiations.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit deliverables by task, including reports, invoices, interim study or test documents, and a final report documenting study or test results, other findings, and recommendations for future action. Recipients must provide any generated presentations or preliminary reports to Metropolitan during the life of the agreement.
4. The final report and symposium presentation will be worth 25 percent of the total funding and can be invoiced after the delivery of the final report and presentation.

Metropolitan will withhold the final funding until the final report and presentation are accepted by Metropolitan staff.

5. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
6. The FSA invoice intervals will be flexibly negotiated on a case-by-case basis during the agreement process; options available to agencies in this FSA round include quarterly, semi-annual, or based on deliverables. Funds will be disbursed after verification of study status based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per submitted progress payment.
7. Funding recipients are expected to provide an initial forecast of spending to Metropolitan after the study or test initiation. The recipient will need to provide a forecast as a part of the submitted progress reports.
8. Final reports must be completed and submitted by **December 28, 2026**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of the final report and presentation.
9. Member Agencies and study/pilot test participants will also be encouraged to participate in the FSA symposium. The symposium will highlight the study results and allow participants to present the final presentation to other member agencies and regional stakeholders.
10. Attachment A is Metropolitan's Sample Agreement. Applicant is requested to carefully review and comment as necessary on any of the provisions set forth in the Sample Agreement. Metropolitan reserves the right to modify, add or delete any of the provisions of the Agreement before issuance.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate and rank the proposals. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document.

Criteria and Weight:

1. Reduces Barriers to Future Production: 30 percent
2. Regional Benefit/Applicability: 20 percent
3. Innovative Process, Approach, or Technology: 20 percent
4. Work Plan/Schedule: 15 percent
5. Costs: 15 percent

The selection criteria are described further in Section 2.2 of this document.

In addition to the selection criteria above, Metropolitan will award a bonus to studies that objectively demonstrate regional benefit across the Metropolitan service area. To incentivize Member Agency cooperation on regional studies, Metropolitan will grant a 5% bonus to the proposals with 3 or more participating Member agencies. Partner Agencies must have at least \$10,000 vested in the study or test to qualify as a participating agency.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Proposal Submittal and PDF Format Guidelines

- Proposals will only be accepted in PDF format.
- The proposal must be formatted for white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 pages, including attachments.
- Materials presented in the Appendix will not be used in the proposal evaluation and should exclusively contain reference or supplementary content
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- The PDF should include the entire proposal (executive summary, support letters, attachments, etc.) in one file.
- Support letters: Proposals can include no more than five support letters of no longer than one page. Support letters will not count against the page limitations and will be considered to support regional benefit. Support letters should be addressed to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by the proposal submittal deadline. Support letters received after the proposal submittal deadline will not be considered.
- **Proposals that do not conform to these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Reduces Barriers to Future Production
- F. Criteria Two – Regional Benefit / Applicability
- G. Criteria Three – Innovative Process, Approach, or Technology
- H. Criteria Five – Work Plan / Schedule / Permitting
- I. Criteria Four – Costs
- J. Appendix A: Support Letters

A. Executive Summary Letter

This letter shall be a formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). The letter shall provide a brief description of the proposal and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP. An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from study participants (not considered as part of the 20-page limit for proposals) in Section I.

C. Key Individuals

- Proposal participants / cooperating agencies

- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal and conveys a clear understanding of the proposal's goals and objectives.

E. Criteria One – Increases Water Supply Resiliency

In this section, the applicant shall describe the following in narrative form all of which is applicable:

- Describe how the proposed actions increase future local supply potential.
- Describe how the proposed actions are critical to resource resiliency and planning for climate change-driven uncertainty.
- Describe how the proposed actions **removes barriers** to supply development including, but not limited to, technical, regulatory, permitting, and institutional barriers.
- Describe how the proposed actions increase regional climate resiliency or safeguards current local supplies.

F. Criteria Two – Regional Benefit / Applicability

In this section, the applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan's member agencies, retail agencies, and regional stakeholders. The proposal should describe how the study results are transferable to other regional member agencies and stakeholders.
- If applicable, describe other co-benefits, such as water quality, energy, wastewater, infrastructure, environmental, etc.
- Metropolitan will award a 5% bonus to proposals with 3 or more participating Member agencies.

G. Criteria Three – Innovative Process, Approach, or Technology

In this section, the applicant shall describe in narrative form the following:

- Describe how these actions are unique and innovative. Describe the current state of technology. Identify similar completed or ongoing studies and how the proposed actions differ (include a literature search summary).

- Describe how these actions will advance the field of knowledge to develop future water resources. Include how the results of the proposed actions could be used in future research.
- Describe how the study or test results enable future actions that address regional barriers when compared to the status quo. Identify and describe the follow-up actions necessary for wide-scale implementation, such as submission of results to the State or Federal regulators required for regulatory acknowledgment or adoption. Include any future studies or steps to leverage results from the study or test.

H. Criteria Four – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. Every task must have a specific deliverable and due date. Meeting dates and study milestones should be identified. Deliverables may include but are not limited to technical memoranda, summary reports, progress reports, draft technical reports, final technical reports, presentations, and related information. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also, describe the technical expertise of the proposal team.

Cite the proposed schedule, including the start date (no later than **January 01, 2025**), tasks, deliverables, reports, completion date (no later than **December 28, 2026**), and other key milestone dates. The schedule should be linked to the tasks and task deliverables. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instructions for evaluation:

- Work plan and schedule must provide detail and completeness to measure the proposed implemented actions for success. Identify potential challenges, issues, and prerequisites related to proposal implementation and describe how they will be addressed.
- Describe how the proposed objectives can be achieved in the stated time period with the allotted personnel and budget.
- The proposal should include a table of required permits describing each permit, expected award date, and impact to the study workplan if delayed.

I. Criteria Five – Costs

Proposal must provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include in-kind services in the funding match. If partnering with other Member Agencies, provide separate cost tables and a proposal total cost table for each Member Agency. The

grand total non-Metropolitan funding match for each cost table must equal or exceed the requested Metropolitan funded amount. Also, provide a list summarizing all sources of the funding match, their respective monetary contribution, and the status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for a grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and the matching funds.

Cost Table Example – Study Total				
Cost Category		Non-Metropolitan Share (Funding Match)	Requested MWD Funding	Total
(a)	List proposed tasks on separate lines			
(b)	Proposed Task			
(c)	...			
Grand Total				

Cost Table Example – Lead Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Partner Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

The following includes additional information and instruction for evaluation:

- Describe the cost-effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FSA Funding Program agreement.

2.3 Submittal Instructions

Proposals for this RFP will be accepted in PDF format via e-mail.

By e-mail:

- **Proposal must be submitted electronically as an attachment to an e-mail at FSAfundingprogram@mwdh2o.com by 02:00 p.m. PST, on February 05, 2024**
- The e-mail date and time will act as a timestamp for the submittal. Notice of receipt will be sent upon successful receipt of the proposal.
- The PDF file size is limited to no more 20 MB.
- The e-mail subject line should contain the following: "Proposal for Future Supply Actions Funding Program".
- The e-mail's body should include the proposal's title, lead Member Agency name, the applicable resource (groundwater, recycling, seawater desalination or stormwater), and contact information.
- If submitting multiple proposals, please submit each proposal individually in a separate e-mail.
- Member Agencies are encouraged to submit proposals before the closing time and date.

Proposals received after the stated time and date will be considered late and automatically rejected by Metropolitan. Member agencies are **responsible for submitting the proposal correctly in form and content and within the stipulated deadline**. Late proposals will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 02:00 p.m., February 05, 2024.

2023 Future Supply Actions Funding Program

Review Panel Members and Panel Affidavit

Heather Collins

Assistant Group Manager, Treatment & Water Quality Group, Metropolitan Water District
President-Elect, American Water Works Association

Dr. Adrian Hightower

Sustainability and Resilience Manager, Metropolitan Water District

Dr. Malynda Cappelle

Facility Manager, Brackish Groundwater National Desalination Research Facility, Bureau of Reclamation

Dr. Roy Wolfe

Wolfe Water Consulting, LLC.

Dr. Robert Wilkinson

Adjunct Professor, Bren School of Environmental Science and Management, University of California,
Santa Barbara

DocuSign Envelope ID: 55107BE7-2B6D-4340-8FC9-B3A7E84057CD

Affidavit

Affidavit for Review Panelists

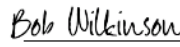
The undersigned members of the Review Panel for the Future Supply Actions Funding Program 2023 RFP objectively reviewed the proposals to ensure compliance with the FSA Program objectives and eligibility requirements and confirm the panel's collective findings.

DocuSigned by:



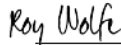
Malynnda Cappelle, PhD
Consultant

DocuSigned by:



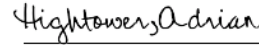
Robert Wilkinson, PhD
Consultant

DocuSigned by:



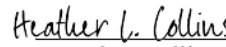
Roy Wolfe, PhD
Consultant

DocuSigned by:



Adrian Hightower, PhD
Special Projects Manager

DocuSigned by:



Heather Collins, PE
Assistant Group Manager

**2023 Future Supply Actions Funding Program RFP
Recommended Proposals and Proposal Descriptions**

Proposal Name	Lead Agency	Description	Maximum Funding Level
Groundwater			
Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment	Western MWD	<ul style="list-style-type: none"> This pilot study will generate ferric chemicals onsite and offers the potential to lower treated water arsenic concentrations using the coagulation-filtration method. This technology offers potential operations and maintenance cost savings and avoids manganese addition that typically occurs for liquid ferric chemicals. 	\$207,500
PFAS and Groundwater Wells	IEUA	<ul style="list-style-type: none"> The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. Three Valleys MWD, Western MWD, and Jurupa Community Services District are also participating in the study. 	\$298,500
Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study	Long Beach	<ul style="list-style-type: none"> The study will evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins. The outcomes of the Project will ultimately increase Long Beach's water supply reliability by reducing its reliance on imported water supplies and integrating new water resources into its supply portfolio. 	\$499,802
Stormwater			
Lake Henshaw Oxygenation Pilot Study	SDCWA	<ul style="list-style-type: none"> The Pilot Study is intended to inform the Vista Irrigation District and the City of Escondido regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. 	\$500,000

Proposal Name	Lead Agency	Description	Maximum Funding Level
Data-Driven Resource Optimization and Planning System (DROPS)	Foothill MWD	<ul style="list-style-type: none"> DROPS is a pioneering tool that integrates advanced data analytics with artificial intelligence to enhance water management capabilities. DROPS achieves previously unattained levels of accuracy in terms of identifying impervious areas by triangulating aerial imagery, topographical data, remote-sensing data, and environmental databases and supplementing those datasets with analysis and insights from AI integration. 	\$54,900

Recycled Water			
Chino Basin Advance Water Purification Demonstration Facility	IEUA	<ul style="list-style-type: none"> Demonstration study for the design and construction of an approximately 100 gpm Advanced Water Purification Demonstration Facility for the Chino Basin Program. The demonstration study will advance innovative technologies and approaches related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry. 	\$401,500
Headworks Reservoir Complex Direct Potable Reuse Pilot	LADWP	<ul style="list-style-type: none"> The objective of the pilot is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies. The pilot will explore the feasibility of post-RO treatment strategies for chemical control. 	\$500,000
Seawater Desalination			
OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System	Las Virgenes MWD	<ul style="list-style-type: none"> Pilot study of the OceanWell submerged reverse osmosis system in the Las Virgenes Reservoir. The study will serve as a stress test that will bring the technology from a TRL 4 to TRL 6. Calleguas MWD and Eastern MWD are contributing to this study. 	\$500,000
Total	8 Studies		\$2,962,202



One Water & Stewardship Committee

Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study

Item 7-5

July 8, 2024

Item 7-5 Introduction Slide

Subject

Authorize entering into a not-to-exceed \$500,000 funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study

Purpose

Reduce Barriers to future water resource production within the Metropolitan service area.

Recommendations

Authorize staff to enter into a \$500,000 funding agreement with San Diego County Water Authority under the FSA Program for the Lake Henshaw Oxygenation Pilot Study.

Fiscal Impact

Metropolitan would invest \$500,000 in the proposed study under the FSA Program over a two-year period.

Board Options: Item 7-5

(SDCWA – Lake Henshaw Oxygenation Pilot Study – FSA Program)

Option #1

- Authorize entering into a not-to-exceed \$500,000 funding agreement with San Diego County Water Authority under the FSA Program for the Lake Henshaw Oxygenation Pilot Study.

Option #2

- Do not authorize staff to enter into a not-to-exceed \$500,000 funding agreement with San Diego County Water Authority under the FSA Program for the Lake Henshaw Oxygenation Pilot Study.

Staff Recommendation

Option #1





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

7-6

Subject

Authorize entering into a not-to exceed \$499,802 funding agreement with the City of Long Beach under the Future Supply Actions Funding Program for the Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The purpose of this letter is to seek board authorization to enter into one of the agreements with the City of Long Beach under the Future Supply Actions Program (FSA Program) for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.

In December 2023, Metropolitan issued a Request for Proposals (RFP) under the FSA Program. The FSA Program funds technical studies and pilot tests targeting barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. A technical review panel evaluated the proposals and developed a collective rating. Based on the panel findings and compliance with program requirements, staff recommends funding all eight proposals.

Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval. This letter concerns one of these proposals.

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

Staff Recommendation: Option #1

Option #1

Authorize entering into a not-to-exceed \$499,802 funding agreement with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.

Fiscal Impact: The funding requested for the proposed study will be expended over a two-year period and is within the approved FSA Program budget of \$3 million for Fiscal Years 24/25 and 25/26. The total expenditures for the eight proposed studies under the FSA Program is \$2.96 million.

Business Analysis: By providing funding for member agency studies under the FSA Program, Metropolitan will remove barriers to future water resource production and increase regional water supply reliability.

Option #2

Do not authorize entering into a not-to-exceed \$499,802 funding agreement with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.

Fiscal Impact: No impact. Metropolitan would miss leveraging \$499,802 of other funds for the study.

Business Analysis: Metropolitan would potentially delay an opportunity to remove a barrier to local resource development.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48449, dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager.

By Minute Item 49381, dated April 9, 2013, the Board adopted the CEQA determination and approved the proposal. Foundational Actions Funding Program, and directed staff to issue a Request for Proposals.

By Minute Item 50358, dated January 12, 2016, the Board adopted the CEQA determination and the 2015 Integrated Resources Plan Update.

By Minute Item 51168, dated April 10, 2018, the Board adopted the CEQA determination and approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

By Minute Item 53409, dated October 10, 2023, the Board approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

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

Not applicable

Summary of Outreach Completed

Member Agency Manager's Meeting:

- August 2023 – Round 3 Authorization
- June 2024 – Round 3 Recommended Proposals

Webinars:

- August 2023 – Workshop for Round 3
- December 2023 – Request for Proposals – Pre-Bid

Member Agency:

- November 2023 – West Basin Caucus
- January 2024 – Foothill MWD

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan's 2010 Integrated Water Resources Management Plan Update (2010 IRP Update) recognized the need to prepare for an uncertain future and that additional resources beyond the region's core supplies may be required. To address this uncertainty, the 2010 IRP Update established a Foundational Actions approach for removing barriers to new supply development. Foundational Actions are low-risk, preliminary steps that the region can take to accelerate the development of new water resources should the need arise. The 2010 IRP Update identified the following four local resources for Foundational Actions:

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater capture
- Groundwater enhancement

In 2013, the Board approved the Foundational Actions Funding Program (FAF Program) to advance technical studies and pilot tests to address critical resource development barriers. Under the FAF Program, Metropolitan provided \$2.97 million in co-funding for 13-member agency-sponsored technical studies. The goals of the program were to:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Remove barriers to water resource implementation.

The 13 studies funded under the FAF Program yielded tangible regional benefits for each of the local resources. These benefits included furthering the science of seawater desalination intake technologies, developing implementation pathways for stormwater capture, validating new technologies for groundwater treatment, and completing preliminary studies for direct potable reuse. The FAF Program concluded with a symposium where results from the studies were shared with over 230 participants from across Southern California.

The 2015 Integrated Water Resources Plan Update called for the region to continue the Foundational Actions approach and revised the program's name to the Future Supply Actions Funding Program (FSA Program). In 2018, the Board approved a follow-up to the original FSA Program that included two components:

1. A \$975,000 funding agreement with WRF for seven potable and non-potable reuse studies.
2. A second round of member agency funding totaling \$3.5 million for 14 studies.

The 21 studies funded under the FSA Program produced valuable regional benefits for the targeted local resources. These benefits included progressing in the fields of artificial intelligence applications in recycled water projects, stormwater diversion and percolation analysis, desalination brine diffusion, and groundwater utilization analysis. The studies within the program have concluded with MWD and WRF-hosted webinars. Webinar recordings and final reports for each study are available on the FSA Program's website: <https://www.mwdh2o.com/planning-for-tomorrow/funding-opportunities/>.

Third Round of the FSA Program

In October 2023, the Board authorized two additional rounds of funding for the FSA Program totaling \$6 million. In December 2023, Metropolitan released an RFP for the first of the two authorized funding rounds (**Attachment 1**). Member agencies could request up to \$500,000 for one or more proposals, which they must match dollar-for-dollar with other funds. Member agencies were encouraged to partner with other member

agencies as well as other stakeholders. Staff held an informational webinar and answered member agency questions.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. These proposals covered all four resource types and ranged from a data-driven planning study to pilot tests of innovative new technologies.

A technical review panel of Metropolitan staff and external experts performed independent evaluations of each proposal. Once completed, the panel convened to compare findings and collectively rate the proposals.

Attachment 2 contains a list of the panel members and their affiliations. The proposals were evaluated against the following criteria:

- How does the proposal increase the water supply resiliency of future production?
- Does the proposal address a catalytic/critical path to implementation for local supplies?
- Will the potential results from the study have regional applicability?
- Does the proposal have a well-defined and innovative work plan?

Based on the panel's findings, compliance with program requirements, and available funding, staff recommends funding all eight proposals. Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval.

Funding Agreement

The purpose of this letter is to seek board authorization to enter into a not-to-exceed \$499,802 funding agreement with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study. The objective of the study is to evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins.

An existing groundwater model, prepared by the United States Geological Survey, will be updated and calibrated to serve as the backbone of the study. Potential areas for groundwater recharge through means of direct injection will be evaluated within the Central Basin. Once potential recharge areas are identified, the City of Long Beach will update and calibrate its groundwater collection system hydraulic model to recommend system improvements in support of future groundwater augmentation infrastructure. Once both groundwater and hydraulic models are updated and system improvements are recommended, potential injection and extraction well sites will be evaluated for feasibility with the intent that the most suitable sites will advance into design. The results of the study will be summarized in a Final Report and establish a framework for the City of Long Beach's future Groundwater Augmentation Program.

Staff requests board authorization to enter into an FSA Program funding agreement for a not-to-exceed amount of \$499,802 with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.



Brandon Goshi
Interim Manager,
Water Resource Management

7/2/2024

Date

Shane Chapman
for Deven N. Upadhyay
Interim General Manager

7/2/2024

Date

Attachment 1 – 2023 Request for Proposals for Future Supply Actions Funding Program

Attachment 2 – Review Panel Members and Affidavit

Attachment 3 – Recommended Proposals and Proposal Descriptions

Ref# wrm12695391

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group

**2023 Request for Proposals for
Future Supply Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....December 1, 2023.
Pre-bid webinar.....December 13, 2023 @ 02:00 P.M.
Proposals due by.....February 5, 2024 @ 02:00 PM.

NOTICE

An optional pre-bid webinar will be held on **December 13, 2023**, from 02:00 p.m. to 03:00 p.m.
All Member Agencies and proposal partners are encouraged to participate.

Metropolitan Contact: Jonathan Jordan
E-mail Address: FSAfundingprogram@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot tests under the Future Supply Actions (FSA) Funding Program. The FSA Funding Program goal is to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2023 FSA Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit study proposals for the program described herein.

1.1 Objective

Metropolitan has proposed a 2023 FSA Funding Program with objectives to help address regional funding needs for actions that:

- Augment water resiliency to reduce climate change driven water resource barriers.
- Advance the field of knowledge for the four resources (recycled water, seawater desalination, stormwater, and groundwater).
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (IRP) established a planning framework, including a core resources program, designed to ensure the region's reliability into the future. The 2010 IRP Update recognized that the future is uncertain and additional water resources may need to be developed under some conditions. To address this future uncertainty, the 2010 IRP established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supplies should the need arise.

In 2013, Metropolitan established the Foundational Actions Funding Program (FAF Program) to fund Member Agency studies focused on removing barriers to future local supply production. The 2015 IRP reaffirmed this forward-looking approach and updated the name to Future Supply Actions. Future Supply Actions represent one component of the overall 2015 IRP strategy. In 2018, Metropolitan released a second round of FSA funding for member agency studies. The 2020 IRP continued this progressive trend by adopting a scenario-based strategy to ensure regional reliability through 2045, referred to as the "Regional Needs Assessment." Given the successes of the 2013 and 2018 programs, the 2023 FSA reinforces Metropolitan's commitment to the 2020 IRP strategy in maintaining existing and developing new local supplies.

In 2022, Metropolitan's Board of Directors (Board) adopted a resolution calling for "Equitable reliability across the service area through a balanced combination of infrastructure, storage, demand management, and water supply programs." Metropolitan is collaborating with our Member Agencies on the regional Climate Adaptation Master Plan for Water (CAMP4W). CAMP4W will consider Member Agency projects that innovate and enhance regional water supply reliability. The FSA Funding Program has proven to be a capable vehicle for achieving the goals outlined in the resolution. To that end, Metropolitan encourages its member

agencies to propose innovative studies that benefit the region, innovate, reduce barriers, and create a climate change-resilient region.

1.2 Description

The FSA Funding Program promotes technical studies and pilot tests that enable effective future resource planning and potential implementation for the following resources:

- Recycled water, including potable reuse
- Desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FSA Funding Program may include, but are not limited to:

- Pilot and bench-scale studies
- Demonstration studies
- Tracer alternative studies
- System integration studies
- Innovative treatment processes
- New sensor technologies
- Advanced ocean intakes and outfall tests
- Brine disposal or harvesting research
- Novel approaches for AI and machine learning

Examples of Member Agency studies funded under the 2013 FAF and 2018 FSA programs are listed on the FSA Funding Program's website: www.mwdh2o.com/fsa.

The FSA Funding Program is designed to encourage short-term studies targeting barriers to future supply production and would not include:

- Design of full-scale projects
- Long-term studies requiring more than two years to complete
- Construction of full-scale projects
- Funding CEQA documentation for projects
- Existing studies or projects
- Acquisition of property

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or other non-Member Agency entities. A single designated lead Member Agency must submit the proposal. The proposal must disclose the names of the partnering Member Agencies or other entities. Each Member Agency may be the

lead agency on a maximum of three proposals per funding round. If partnering on a proposal, the lead Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency.

1.4 Funding

Metropolitan expects to fund approximate 12 to 16 technical studies or pilot tests total during two separate rounds. This round of the FSA Funding Program will fund up to 8 technical studies or pilot tests, and up to \$3 million. The next FSA Funding Program round is expected to begin in two to three years. In total, up to \$6 million are available for the current and following funding rounds. Proposals submitted in response to this RFP will only be considered for the current funding round.

Member Agencies may submit proposal funding requests of up to \$500,000 per agency or up to \$500,000 for a single study. Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Member Agencies can include in-kind services in their proposal; however, in-kind services do not count towards the required funding match. If partnering on a proposal, a breakdown of each Member Agency's funding request and the respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). The Member Agency match funding may not be associated with other Metropolitan funding programs.

A significant FSA Funding Program principle is having the studies or tests benefit the Metropolitan's services area. Due to this core principle, studies or tests funded through this program must be publicly accessible to the extent allowed under applicable law.

1.5 Anticipated Schedule

Date	Milestone
12/01/2023	Release of RFP
12/13/2023	Non-mandatory pre-bid webinar at 02:00 p.m.
01/12/2024	Questions for clarification will close at 1:00 p.m.
02/05/2024	RFP proposals due by 2:00 p.m.
Q1 2024	Proposal awards (Contingent upon Board action)
Q1—Q2 2024	Agreements signed by recipients (Goal)
Q1 2025	Work Initiation Deadline
Q4 2026	Final Report Deadline

1.6 Non-mandatory Pre-Bid Webinar

- A pre-bid Webinar will be held from 02:00 p.m. to 03:00 p.m., Wednesday, **December 13, 2023**. Metropolitan will discuss the details of the FSA Funding Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal webinar (see Questions for Clarification section).
- While participation is not mandatory, all interested parties and prospective applicants are encouraged to attend. Participants are invited to present relevant questions at the pre-proposal webinar.
- Directions on how to participate in the pre-proposal Webinar will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.

1.7 Questions for Clarification

Questions for clarification regarding this RFP shall be submitted in writing via e-mail to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by 1:00 p.m., Friday, **January 12, 2024**. As appropriate, Metropolitan will respond to questions, provide information updates, and issue RFP addendums through the following link: www.mwdh2o.com/fsa. The responsibility solely lies with each interested party and prospective applicant to check and review the FSA Funding Program website for all updates.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety before the proposal preparation.
2. All proposals submitted become the property of Metropolitan. Metropolitan has no expressed or implied obligation to reimburse the responding party for any expenses incurred in preparing proposals in response to this request.
3. Applicants may modify or amend proposals only if Metropolitan receives the amendment before the deadline stated herein for receiving proposals.

4. A proposal that is conditional, incomplete, contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal may be considered non-responsive.
5. Additional copies of the RFP will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.
6. Submission of a proposal indicates acceptance by the party of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Metropolitan and the recipient(s).

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals, revise terms and conditions, or elect not to award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.
4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Proposals submitted in response to this RFP only qualify for the current funding round. Once submitted, the proposal is the property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section (Gov. Code) 7920.000 et. seq. All required submittal information is subject to disclosure to the general public. Unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.

2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code Section 7929.42 including “trade secrets” under Evidence Code Section 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential or supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FSA Funding Program objectives and eligibility and will evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Board approval.
2. During the evaluation process, Metropolitan may request clarification from the applicant as necessary. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that are, or could be, collectively part of an overall study or pilot test, then only one eligible proposal may be selected for funding.
4. If applicable, Member Agencies with study work plans contingent on regulatory permitting must provide a list of required permits, expected award date, and the anticipated study timeline impacts if the permitting process is delayed. The ability to complete studies in the FSA Funding Program round timeframe is a scoring consideration. Metropolitan may request additional information on the permitting schedule.

1.13 Agreement Process

1. After proposals are selected for funding, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if the recipient does not sign agreements within three months of final contract negotiations.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit deliverables by task, including reports, invoices, interim study or test documents, and a final report documenting study or test results, other findings, and recommendations for future action. Recipients must provide any generated presentations or preliminary reports to Metropolitan during the life of the agreement.
4. The final report and symposium presentation will be worth 25 percent of the total funding and can be invoiced after the delivery of the final report and presentation.

Metropolitan will withhold the final funding until the final report and presentation are accepted by Metropolitan staff.

5. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
6. The FSA invoice intervals will be flexibly negotiated on a case-by-case basis during the agreement process; options available to agencies in this FSA round include quarterly, semi-annual, or based on deliverables. Funds will be disbursed after verification of study status based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per submitted progress payment.
7. Funding recipients are expected to provide an initial forecast of spending to Metropolitan after the study or test initiation. The recipient will need to provide a forecast as a part of the submitted progress reports.
8. Final reports must be completed and submitted by **December 28, 2026**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of the final report and presentation.
9. Member Agencies and study/pilot test participants will also be encouraged to participate in the FSA symposium. The symposium will highlight the study results and allow participants to present the final presentation to other member agencies and regional stakeholders.
10. Attachment A is Metropolitan's Sample Agreement. Applicant is requested to carefully review and comment as necessary on any of the provisions set forth in the Sample Agreement. Metropolitan reserves the right to modify, add or delete any of the provisions of the Agreement before issuance.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate and rank the proposals. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document.

Criteria and Weight:

1. Reduces Barriers to Future Production: 30 percent
2. Regional Benefit/Applicability: 20 percent
3. Innovative Process, Approach, or Technology: 20 percent
4. Work Plan/Schedule: 15 percent
5. Costs: 15 percent

The selection criteria are described further in Section 2.2 of this document.

In addition to the selection criteria above, Metropolitan will award a bonus to studies that objectively demonstrate regional benefit across the Metropolitan service area. To incentivize Member Agency cooperation on regional studies, Metropolitan will grant a 5% bonus to the proposals with 3 or more participating Member agencies. Partner Agencies must have at least \$10,000 vested in the study or test to qualify as a participating agency.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Proposal Submittal and PDF Format Guidelines

- Proposals will only be accepted in PDF format.
- The proposal must be formatted for white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 pages, including attachments.
- Materials presented in the Appendix will not be used in the proposal evaluation and should exclusively contain reference or supplementary content
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- The PDF should include the entire proposal (executive summary, support letters, attachments, etc.) in one file.
- Support letters: Proposals can include no more than five support letters of no longer than one page. Support letters will not count against the page limitations and will be considered to support regional benefit. Support letters should be addressed to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by the proposal submittal deadline. Support letters received after the proposal submittal deadline will not be considered.
- **Proposals that do not conform to these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Reduces Barriers to Future Production
- F. Criteria Two – Regional Benefit / Applicability
- G. Criteria Three – Innovative Process, Approach, or Technology
- H. Criteria Five – Work Plan / Schedule / Permitting
- I. Criteria Four – Costs
- J. Appendix A: Support Letters

A. Executive Summary Letter

This letter shall be a formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). The letter shall provide a brief description of the proposal and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP. An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from study participants (not considered as part of the 20-page limit for proposals) in Section I.

C. Key Individuals

- Proposal participants / cooperating agencies

- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal and conveys a clear understanding of the proposal's goals and objectives.

E. Criteria One – Increases Water Supply Resiliency

In this section, the applicant shall describe the following in narrative form all of which is applicable:

- Describe how the proposed actions increase future local supply potential.
- Describe how the proposed actions are critical to resource resiliency and planning for climate change-driven uncertainty.
- Describe how the proposed actions **removes barriers** to supply development including, but not limited to, technical, regulatory, permitting, and institutional barriers.
- Describe how the proposed actions increase regional climate resiliency or safeguards current local supplies.

F. Criteria Two – Regional Benefit / Applicability

In this section, the applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan's member agencies, retail agencies, and regional stakeholders. The proposal should describe how the study results are transferable to other regional member agencies and stakeholders.
- If applicable, describe other co-benefits, such as water quality, energy, wastewater, infrastructure, environmental, etc.
- Metropolitan will award a 5% bonus to proposals with 3 or more participating Member agencies.

G. Criteria Three – Innovative Process, Approach, or Technology

In this section, the applicant shall describe in narrative form the following:

- Describe how these actions are unique and innovative. Describe the current state of technology. Identify similar completed or ongoing studies and how the proposed actions differ (include a literature search summary).

- Describe how these actions will advance the field of knowledge to develop future water resources. Include how the results of the proposed actions could be used in future research.
- Describe how the study or test results enable future actions that address regional barriers when compared to the status quo. Identify and describe the follow-up actions necessary for wide-scale implementation, such as submission of results to the State or Federal regulators required for regulatory acknowledgment or adoption. Include any future studies or steps to leverage results from the study or test.

H. Criteria Four – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. Every task must have a specific deliverable and due date. Meeting dates and study milestones should be identified. Deliverables may include but are not limited to technical memoranda, summary reports, progress reports, draft technical reports, final technical reports, presentations, and related information. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also, describe the technical expertise of the proposal team.

Cite the proposed schedule, including the start date (no later than **January 01, 2025**), tasks, deliverables, reports, completion date (no later than **December 28, 2026**), and other key milestone dates. The schedule should be linked to the tasks and task deliverables. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instructions for evaluation:

- Work plan and schedule must provide detail and completeness to measure the proposed implemented actions for success. Identify potential challenges, issues, and prerequisites related to proposal implementation and describe how they will be addressed.
- Describe how the proposed objectives can be achieved in the stated time period with the allotted personnel and budget.
- The proposal should include a table of required permits describing each permit, expected award date, and impact to the study workplan if delayed.

I. Criteria Five – Costs

Proposal must provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include in-kind services in the funding match. If partnering with other Member Agencies, provide separate cost tables and a proposal total cost table for each Member Agency. The

grand total non-Metropolitan funding match for each cost table must equal or exceed the requested Metropolitan funded amount. Also, provide a list summarizing all sources of the funding match, their respective monetary contribution, and the status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for a grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and the matching funds.

Cost Table Example – Study Total				
Cost Category		Non-Metropolitan Share (Funding Match)	Requested MWD Funding	Total
(a)	List proposed tasks on separate lines			
(b)	Proposed Task			
(c)	...			
Grand Total				

Cost Table Example – Lead Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Partner Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

The following includes additional information and instruction for evaluation:

- Describe the cost-effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FSA Funding Program agreement.

2.3 Submittal Instructions

Proposals for this RFP will be accepted in PDF format via e-mail.

By e-mail:

- **Proposal must be submitted electronically as an attachment to an e-mail at FSAfundingprogram@mwdh2o.com by 02:00 p.m. PST, on February 05, 2024**
- The e-mail date and time will act as a timestamp for the submittal. Notice of receipt will be sent upon successful receipt of the proposal.
- The PDF file size is limited to no more 20 MB.
- The e-mail subject line should contain the following: "Proposal for Future Supply Actions Funding Program".
- The e-mail's body should include the proposal's title, lead Member Agency name, the applicable resource (groundwater, recycling, seawater desalination or stormwater), and contact information.
- If submitting multiple proposals, please submit each proposal individually in a separate e-mail.
- Member Agencies are encouraged to submit proposals before the closing time and date.

Proposals received after the stated time and date will be considered late and automatically rejected by Metropolitan. Member agencies are **responsible for submitting the proposal correctly in form and content and within the stipulated deadline**. Late proposals will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 02:00 p.m., February 05, 2024.

2023 Future Supply Actions Funding Program

Review Panel Members and Panel Affidavit

Heather Collins

Assistant Group Manager, Treatment & Water Quality Group, Metropolitan Water District
President-Elect, American Water Works Association

Dr. Adrian Hightower

Sustainability and Resilience Manager, Metropolitan Water District

Dr. Malynda Cappelle

Facility Manager, Brackish Groundwater National Desalination Research Facility, Bureau of Reclamation

Dr. Roy Wolfe

Wolfe Water Consulting, LLC.

Dr. Robert Wilkinson

Adjunct Professor, Bren School of Environmental Science and Management, University of California,
Santa Barbara

DocuSign Envelope ID: 55107BE7-2B6D-4340-8FC9-B3A7E84057CD

Affidavit

Affidavit for Review Panelists

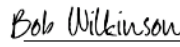
The undersigned members of the Review Panel for the Future Supply Actions Funding Program 2023 RFP objectively reviewed the proposals to ensure compliance with the FSA Program objectives and eligibility requirements and confirm the panel's collective findings.

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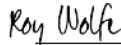
Malynnda Cappelle, PhD
Consultant

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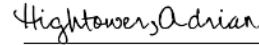
Robert Wilkinson, PhD
Consultant

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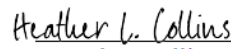
Roy Wolfe, PhD
Consultant

DocuSigned by:



Adrian Hightower, PhD
Special Projects Manager

DocuSigned by:



Heather Collins, PE
Assistant Group Manager

**2023 Future Supply Actions Funding Program RFP
Recommended Proposals and Proposal Descriptions**

Proposal Name	Lead Agency	Description	Maximum Funding Level
Groundwater			
Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment	Western MWD	<ul style="list-style-type: none"> This pilot study will generate ferric chemicals onsite and offers the potential to lower treated water arsenic concentrations using the coagulation-filtration method. This technology offers potential operations and maintenance cost savings and avoids manganese addition that typically occurs for liquid ferric chemicals. 	\$207,500
PFAS and Groundwater Wells	IEUA	<ul style="list-style-type: none"> The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. Three Valleys MWD, Western MWD, and Jurupa Community Services District are also participating in the study. 	\$298,500
Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study	Long Beach	<ul style="list-style-type: none"> The study will evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins. The outcomes of the Project will ultimately increase Long Beach's water supply reliability by reducing its reliance on imported water supplies and integrating new water resources into its supply portfolio. 	\$499,802
Stormwater			
Lake Henshaw Oxygenation Pilot Study	SDCWA	<ul style="list-style-type: none"> The Pilot Study is intended to inform the Vista Irrigation District and the City of Escondido regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. 	\$500,000

Proposal Name	Lead Agency	Description	Maximum Funding Level
Data-Driven Resource Optimization and Planning System (DROPS)	Foothill MWD	<ul style="list-style-type: none"> DROPS is a pioneering tool that integrates advanced data analytics with artificial intelligence to enhance water management capabilities. DROPS achieves previously unattained levels of accuracy in terms of identifying impervious areas by triangulating aerial imagery, topographical data, remote-sensing data, and environmental databases and supplementing those datasets with analysis and insights from AI integration. 	\$54,900

Recycled Water			
Chino Basin Advance Water Purification Demonstration Facility	IEUA	<ul style="list-style-type: none"> Demonstration study for the design and construction of an approximately 100 gpm Advanced Water Purification Demonstration Facility for the Chino Basin Program. The demonstration study will advance innovative technologies and approaches related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry. 	\$401,500
Headworks Reservoir Complex Direct Potable Reuse Pilot	LADWP	<ul style="list-style-type: none"> The objective of the pilot is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies. The pilot will explore the feasibility of post-RO treatment strategies for chemical control. 	\$500,000
Seawater Desalination			
OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System	Las Virgenes MWD	<ul style="list-style-type: none"> Pilot study of the OceanWell submerged reverse osmosis system in the Las Virgenes Reservoir. The study will serve as a stress test that will bring the technology from a TRL 4 to TRL 6. Calleguas MWD and Eastern MWD are contributing to this study. 	\$500,000
Total	8 Studies		\$2,962,202



One Water & Stewardship Committee

Authorize entering into a not-to exceed \$499,802 funding agreement with the City of Long Beach under the Future Supply Actions Funding Program for the Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study

Item 7-6

July 8, 2024

Item 7-6 Introduction Slide

Subject

Authorize entering into a not-to exceed \$499,802 funding agreement with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study

Purpose

Reduce Barriers to future water resource production within the Metropolitan service area.

Recommendations

Authorize staff to enter into a \$499,802 funding agreement with Long Beach Utilities under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.

Fiscal Impact

Metropolitan would invest \$499,802 in the proposed study under the FSA Program over a two-year period.

Board Options: Item 7-6

(LBU – GW Augmentation, Collection System and New Wells Site Study– FSA Program)

Option #1

- Authorize entering into a not-to-exceed \$499,802 funding agreement with the City of Long Beach Utilities under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.

Option #2

- Do not authorize entering into a not-to-exceed \$499,802 funding agreement with the City of Long Beach under the FSA Program for the Groundwater Augmentation, Groundwater Collection System and New Wells Site Study.

Staff Recommendation

Option #1





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

7-7

Subject

Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The purpose of this letter is to seek board authorization to enter into one of the agreements with the Los Angeles Department of Water and Power under the Future Supply Actions Funding Program (FSA Program) for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

In December 2023, Metropolitan issued a Request for Proposals (RFP) under the FSA Program. The FSA Program funds technical studies and pilot tests targeting barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. A technical review panel evaluated the proposals and developed a collective rating. Based on the panel findings and compliance with program requirements, staff recommends funding all eight proposals.

Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval. This letter concerns one of these proposals.

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

Staff Recommendation: Option #1

Option #1

Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the FSA Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

Fiscal Impact: The funding requested for the proposed study will be expended over a two-year period and is within the approved FSA Program budget of \$3 million for Fiscal Years 24/25 and 25/26. The total expenditures for the eight proposed studies under the FSA Program is \$2.96 million.

Business Analysis: By providing funding for member agency studies under the FSA Program, Metropolitan will remove barriers to future water resource production and increase regional water supply reliability.

Option #2

Do not authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the FSA Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

Fiscal Impact: No impact. Metropolitan would miss leveraging \$500,000 of other funds for the study.

Business Analysis: Metropolitan would potentially delay an opportunity to remove a barrier to local resource development.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48449, dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager.

By Minute Item 49381, dated April 9, 2013, the Board adopted the CEQA determination and approved the proposal, Foundational Actions Funding Program and directed staff to issue a Request for Proposals.

By Minute Item 50358, dated January 12, 2016, the Board adopted the CEQA determination and the 2015 Integrated Resources Plan Update.

By Minute Item 51168 dated April 10, 2018, the Board adopted the CEQA determination and approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

By Minute Item 53409 dated October 10, 2023, the Board approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

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

Not applicable

Summary of Outreach Completed

Member Agency Manager's Meeting:

- August 2023 – Round 3 Authorization
- June 2024 – Round 3 Recommended Proposals

Webinars:

- August 2023 – Workshop for Round 3
- December 2023 – Request for Proposals – Pre-Bid

Member Agency:

- November 2023 – West Basin Caucus
- January 2024 – Foothill MWD

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required.

Details and Background

Background: Future Supply Actions Funding Program

Metropolitan's 2010 Integrated Water Resources Management Plan Update (2010 IRP Update) recognized the need to prepare for an uncertain future and that additional resources beyond the region's core supplies may be required. To address this uncertainty, the 2010 IRP Update established a Foundational Actions approach for removing barriers to new supply development. Foundational Actions are low-risk, preliminary steps that the region can take to accelerate the development of new water resources should the need arise. The 2010 IRP Update identified the following four local resources for Foundational Actions:

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater capture
- Groundwater enhancement

In 2013, the Board approved the Foundational Actions Funding Program (FAF Program) to advance technical studies and pilot tests to address critical resource development barriers. Under the FAF Program, Metropolitan provided \$2.97 million in co-funding for 13-member agency-sponsored technical studies. The goals of the program were to:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Remove barriers to water resource implementation.

The 13 studies funded under the FAF Program yielded tangible regional benefits for each of the local resources. These benefits included furthering the science of seawater desalination intake technologies, developing implementation pathways for stormwater capture, validating new technologies for groundwater treatment, and completing preliminary studies for direct potable reuse. The FAF Program concluded with a symposium where results from the studies were shared with over 230 participants from across Southern California.

The 2015 Integrated Water Resources Plan Update called for the region to continue the Foundational Actions approach and revised the program's name to the Future Supply Actions Funding Program (FSA Program). In 2018, the Board approved a follow-up to the original FSA Program that included two components:

1. A \$975,000 funding agreement with WRF for seven potable and non-potable reuse studies.
2. A second round of member agency funding totaling \$3.5 million for 14 studies.

The 21 studies funded under the FSA Program produced valuable regional benefits for the targeted local resources. These benefits included progressing in the fields of artificial intelligence applications in recycled water projects, stormwater diversion and percolation analysis, desalination brine diffusion, and groundwater utilization analysis. The studies within the program have concluded with MWD and WRF-hosted webinars. Webinar recordings and final reports for each study are available on the FSA Program's website: <https://www.mwdh2o.com/planning-for-tomorrow/funding-opportunities/>.

Third Round of the FSA Program

In October 2023, the Board authorized two additional rounds of funding for the FSA Program totaling \$6 million. In December 2023, Metropolitan released an RFP for the first of the two authorized funding rounds (**Attachment 1**). Member agencies could request up to \$500,000 for one or more proposals, which they must match dollar-for-dollar with other funds. Member agencies were encouraged to partner with other member agencies as well as other stakeholders. Staff held an informational webinar and answered member agency questions.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. These proposals covered all four resource types and ranged from a data-driven planning study to pilot tests of innovative new technologies.

A technical review panel of Metropolitan staff and external experts performed independent evaluations of each proposal. Once completed, the panel convened to compare findings and collectively rate the proposals.

Attachment 2 contains a list of the panel members and their affiliations. The proposals were evaluated against the following criteria:

- How does the proposal increase the water supply resiliency of future production?
- Does the proposal address a catalytic/critical path to implementation for local supplies?
- Will the potential results from the study have regional applicability?
- Does the proposal have a well-defined and innovative work plan?

Based on the panel's findings, compliance with program requirements, and available funding, staff recommends funding all eight proposals. Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require board approval.

Funding Agreement

The purpose of this letter is to seek board authorization to enter into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power (LADWP) under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot. The objective of the pilot is to demonstrate compliance with the recently approved direct potable reuse (DPR) regulations and test advanced treatment technologies.

LADWP intends to conduct an initial pilot study, using water from the Los Angeles-Glendale Water Reclamation Plant, that will: (a) serve as a platform for testing specific DPR techniques and strategies; (b) allow LADWP to engage with the SWRCB Division of Drinking Water in the evaluation of treatment technologies; and (c) facilitate future implementation of DPR within the LADWP system. The initial pilot testing will utilize a 50-gallon-per-minute supply flow to generate data in support of future demonstration-scale and full-scale facilities and to evaluate four potential process trains for addressing pathogens and chemical contaminants in DPR, including four unique process additions for supplemental chemical reduction.

Staff requests board authorization to enter into an FSA Program funding agreement for a not-to-exceed amount of \$500,000 with the LADWP under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.



Brandon Goshi
Interim Manager
Water Resource Management

7/1/2024

Date


for Deven N. Upadhyay
Interim General Manager

7/2/2024

Date

Attachment 1 – 2023 Request for Proposals for Future Supply Actions Funding Program

Attachment 2 – Review Panel Members and Affidavit

Attachment 3 – Recommended Proposals and Proposal Descriptions

Ref# wrm12698711

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group

**2023 Request for Proposals for
Future Supply Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....December 1, 2023.
Pre-bid webinar.....December 13, 2023 @ 02:00 P.M.
Proposals due by.....February 5, 2024 @ 02:00 PM.

NOTICE

An optional pre-bid webinar will be held on **December 13, 2023**, from 02:00 p.m. to 03:00 p.m.
All Member Agencies and proposal partners are encouraged to participate.

Metropolitan Contact: Jonathan Jordan
E-mail Address: FSAfundingprogram@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot tests under the Future Supply Actions (FSA) Funding Program. The FSA Funding Program goal is to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2023 FSA Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit study proposals for the program described herein.

1.1 Objective

Metropolitan has proposed a 2023 FSA Funding Program with objectives to help address regional funding needs for actions that:

- Augment water resiliency to reduce climate change driven water resource barriers.
- Advance the field of knowledge for the four resources (recycled water, seawater desalination, stormwater, and groundwater).
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (IRP) established a planning framework, including a core resources program, designed to ensure the region's reliability into the future. The 2010 IRP Update recognized that the future is uncertain and additional water resources may need to be developed under some conditions. To address this future uncertainty, the 2010 IRP established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supplies should the need arise.

In 2013, Metropolitan established the Foundational Actions Funding Program (FAF Program) to fund Member Agency studies focused on removing barriers to future local supply production. The 2015 IRP reaffirmed this forward-looking approach and updated the name to Future Supply Actions. Future Supply Actions represent one component of the overall 2015 IRP strategy. In 2018, Metropolitan released a second round of FSA funding for member agency studies. The 2020 IRP continued this progressive trend by adopting a scenario-based strategy to ensure regional reliability through 2045, referred to as the "Regional Needs Assessment." Given the successes of the 2013 and 2018 programs, the 2023 FSA reinforces Metropolitan's commitment to the 2020 IRP strategy in maintaining existing and developing new local supplies.

In 2022, Metropolitan's Board of Directors (Board) adopted a resolution calling for "Equitable reliability across the service area through a balanced combination of infrastructure, storage, demand management, and water supply programs." Metropolitan is collaborating with our Member Agencies on the regional Climate Adaptation Master Plan for Water (CAMP4W). CAMP4W will consider Member Agency projects that innovate and enhance regional water supply reliability. The FSA Funding Program has proven to be a capable vehicle for achieving the goals outlined in the resolution. To that end, Metropolitan encourages its member

agencies to propose innovative studies that benefit the region, innovate, reduce barriers, and create a climate change-resilient region.

1.2 Description

The FSA Funding Program promotes technical studies and pilot tests that enable effective future resource planning and potential implementation for the following resources:

- Recycled water, including potable reuse
- Desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FSA Funding Program may include, but are not limited to:

- Pilot and bench-scale studies
- Demonstration studies
- Tracer alternative studies
- System integration studies
- Innovative treatment processes
- New sensor technologies
- Advanced ocean intakes and outfall tests
- Brine disposal or harvesting research
- Novel approaches for AI and machine learning

Examples of Member Agency studies funded under the 2013 FAF and 2018 FSA programs are listed on the FSA Funding Program's website: www.mwdh2o.com/fsa.

The FSA Funding Program is designed to encourage short-term studies targeting barriers to future supply production and would not include:

- Design of full-scale projects
- Long-term studies requiring more than two years to complete
- Construction of full-scale projects
- Funding CEQA documentation for projects
- Existing studies or projects
- Acquisition of property

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or other non-Member Agency entities. A single designated lead Member Agency must submit the proposal. The proposal must disclose the names of the partnering Member Agencies or other entities. Each Member Agency may be the

lead agency on a maximum of three proposals per funding round. If partnering on a proposal, the lead Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency.

1.4 Funding

Metropolitan expects to fund approximate 12 to 16 technical studies or pilot tests total during two separate rounds. This round of the FSA Funding Program will fund up to 8 technical studies or pilot tests, and up to \$3 million. The next FSA Funding Program round is expected to begin in two to three years. In total, up to \$6 million are available for the current and following funding rounds. Proposals submitted in response to this RFP will only be considered for the current funding round.

Member Agencies may submit proposal funding requests of up to \$500,000 per agency or up to \$500,000 for a single study. Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Member Agencies can include in-kind services in their proposal; however, in-kind services do not count towards the required funding match. If partnering on a proposal, a breakdown of each Member Agency's funding request and the respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). The Member Agency match funding may not be associated with other Metropolitan funding programs.

A significant FSA Funding Program principle is having the studies or tests benefit the Metropolitan's services area. Due to this core principle, studies or tests funded through this program must be publicly accessible to the extent allowed under applicable law.

1.5 Anticipated Schedule

Date	Milestone
12/01/2023	Release of RFP
12/13/2023	Non-mandatory pre-bid webinar at 02:00 p.m.
01/12/2024	Questions for clarification will close at 1:00 p.m.
02/05/2024	RFP proposals due by 2:00 p.m.
Q1 2024	Proposal awards (Contingent upon Board action)
Q1—Q2 2024	Agreements signed by recipients (Goal)
Q1 2025	Work Initiation Deadline
Q4 2026	Final Report Deadline

1.6 Non-mandatory Pre-Bid Webinar

- A pre-bid Webinar will be held from 02:00 p.m. to 03:00 p.m., Wednesday, **December 13, 2023**. Metropolitan will discuss the details of the FSA Funding Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal webinar (see Questions for Clarification section).
- While participation is not mandatory, all interested parties and prospective applicants are encouraged to attend. Participants are invited to present relevant questions at the pre-proposal webinar.
- Directions on how to participate in the pre-proposal Webinar will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.

1.7 Questions for Clarification

Questions for clarification regarding this RFP shall be submitted in writing via e-mail to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by 1:00 p.m., Friday, **January 12, 2024**. As appropriate, Metropolitan will respond to questions, provide information updates, and issue RFP addendums through the following link: www.mwdh2o.com/fsa. The responsibility solely lies with each interested party and prospective applicant to check and review the FSA Funding Program website for all updates.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety before the proposal preparation.
2. All proposals submitted become the property of Metropolitan. Metropolitan has no expressed or implied obligation to reimburse the responding party for any expenses incurred in preparing proposals in response to this request.
3. Applicants may modify or amend proposals only if Metropolitan receives the amendment before the deadline stated herein for receiving proposals.

4. A proposal that is conditional, incomplete, contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal may be considered non-responsive.
5. Additional copies of the RFP will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.
6. Submission of a proposal indicates acceptance by the party of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Metropolitan and the recipient(s).

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals, revise terms and conditions, or elect not to award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.
4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Proposals submitted in response to this RFP only qualify for the current funding round. Once submitted, the proposal is the property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section (Gov. Code) 7920.000 et. seq. All required submittal information is subject to disclosure to the general public. Unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.

2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code Section 7929.42 including “trade secrets” under Evidence Code Section 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential or supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FSA Funding Program objectives and eligibility and will evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Board approval.
2. During the evaluation process, Metropolitan may request clarification from the applicant as necessary. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that are, or could be, collectively part of an overall study or pilot test, then only one eligible proposal may be selected for funding.
4. If applicable, Member Agencies with study work plans contingent on regulatory permitting must provide a list of required permits, expected award date, and the anticipated study timeline impacts if the permitting process is delayed. The ability to complete studies in the FSA Funding Program round timeframe is a scoring consideration. Metropolitan may request additional information on the permitting schedule.

1.13 Agreement Process

1. After proposals are selected for funding, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if the recipient does not sign agreements within three months of final contract negotiations.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit deliverables by task, including reports, invoices, interim study or test documents, and a final report documenting study or test results, other findings, and recommendations for future action. Recipients must provide any generated presentations or preliminary reports to Metropolitan during the life of the agreement.
4. The final report and symposium presentation will be worth 25 percent of the total funding and can be invoiced after the delivery of the final report and presentation.

Metropolitan will withhold the final funding until the final report and presentation are accepted by Metropolitan staff.

5. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
6. The FSA invoice intervals will be flexibly negotiated on a case-by-case basis during the agreement process; options available to agencies in this FSA round include quarterly, semi-annual, or based on deliverables. Funds will be disbursed after verification of study status based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per submitted progress payment.
7. Funding recipients are expected to provide an initial forecast of spending to Metropolitan after the study or test initiation. The recipient will need to provide a forecast as a part of the submitted progress reports.
8. Final reports must be completed and submitted by **December 28, 2026**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of the final report and presentation.
9. Member Agencies and study/pilot test participants will also be encouraged to participate in the FSA symposium. The symposium will highlight the study results and allow participants to present the final presentation to other member agencies and regional stakeholders.
10. Attachment A is Metropolitan's Sample Agreement. Applicant is requested to carefully review and comment as necessary on any of the provisions set forth in the Sample Agreement. Metropolitan reserves the right to modify, add or delete any of the provisions of the Agreement before issuance.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate and rank the proposals. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document.

Criteria and Weight:

1. Reduces Barriers to Future Production: 30 percent
2. Regional Benefit/Applicability: 20 percent
3. Innovative Process, Approach, or Technology: 20 percent
4. Work Plan/Schedule: 15 percent
5. Costs: 15 percent

The selection criteria are described further in Section 2.2 of this document.

In addition to the selection criteria above, Metropolitan will award a bonus to studies that objectively demonstrate regional benefit across the Metropolitan service area. To incentivize Member Agency cooperation on regional studies, Metropolitan will grant a 5% bonus to the proposals with 3 or more participating Member agencies. Partner Agencies must have at least \$10,000 vested in the study or test to qualify as a participating agency.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Proposal Submittal and PDF Format Guidelines

- Proposals will only be accepted in PDF format.
- The proposal must be formatted for white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 pages, including attachments.
- Materials presented in the Appendix will not be used in the proposal evaluation and should exclusively contain reference or supplementary content
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- The PDF should include the entire proposal (executive summary, support letters, attachments, etc.) in one file.
- Support letters: Proposals can include no more than five support letters of no longer than one page. Support letters will not count against the page limitations and will be considered to support regional benefit. Support letters should be addressed to Jonathan Jordan at FSAfundingprogram@mw2o.com by the proposal submittal deadline. Support letters received after the proposal submittal deadline will not be considered.
- **Proposals that do not conform to these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Reduces Barriers to Future Production
- F. Criteria Two – Regional Benefit / Applicability
- G. Criteria Three – Innovative Process, Approach, or Technology
- H. Criteria Five – Work Plan / Schedule / Permitting
- I. Criteria Four – Costs
- J. Appendix A: Support Letters

A. Executive Summary Letter

This letter shall be a formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). The letter shall provide a brief description of the proposal and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP. An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from study participants (not considered as part of the 20-page limit for proposals) in Section I.

C. Key Individuals

- Proposal participants / cooperating agencies

- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal and conveys a clear understanding of the proposal's goals and objectives.

E. Criteria One – Increases Water Supply Resiliency

In this section, the applicant shall describe the following in narrative form all of which is applicable:

- Describe how the proposed actions increase future local supply potential.
- Describe how the proposed actions are critical to resource resiliency and planning for climate change-driven uncertainty.
- Describe how the proposed actions **removes barriers** to supply development including, but not limited to, technical, regulatory, permitting, and institutional barriers.
- Describe how the proposed actions increase regional climate resiliency or safeguards current local supplies.

F. Criteria Two – Regional Benefit / Applicability

In this section, the applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan's member agencies, retail agencies, and regional stakeholders. The proposal should describe how the study results are transferable to other regional member agencies and stakeholders.
- If applicable, describe other co-benefits, such as water quality, energy, wastewater, infrastructure, environmental, etc.
- Metropolitan will award a 5% bonus to proposals with 3 or more participating Member agencies.

G. Criteria Three – Innovative Process, Approach, or Technology

In this section, the applicant shall describe in narrative form the following:

- Describe how these actions are unique and innovative. Describe the current state of technology. Identify similar completed or ongoing studies and how the proposed actions differ (include a literature search summary).

- Describe how these actions will advance the field of knowledge to develop future water resources. Include how the results of the proposed actions could be used in future research.
- Describe how the study or test results enable future actions that address regional barriers when compared to the status quo. Identify and describe the follow-up actions necessary for wide-scale implementation, such as submission of results to the State or Federal regulators required for regulatory acknowledgment or adoption. Include any future studies or steps to leverage results from the study or test.

H. Criteria Four – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. Every task must have a specific deliverable and due date. Meeting dates and study milestones should be identified. Deliverables may include but are not limited to technical memoranda, summary reports, progress reports, draft technical reports, final technical reports, presentations, and related information. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also, describe the technical expertise of the proposal team.

Cite the proposed schedule, including the start date (no later than **January 01, 2025**), tasks, deliverables, reports, completion date (no later than **December 28, 2026**), and other key milestone dates. The schedule should be linked to the tasks and task deliverables. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instructions for evaluation:

- Work plan and schedule must provide detail and completeness to measure the proposed implemented actions for success. Identify potential challenges, issues, and prerequisites related to proposal implementation and describe how they will be addressed.
- Describe how the proposed objectives can be achieved in the stated time period with the allotted personnel and budget.
- The proposal should include a table of required permits describing each permit, expected award date, and impact to the study workplan if delayed.

I. Criteria Five – Costs

Proposal must provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include in-kind services in the funding match. If partnering with other Member Agencies, provide separate cost tables and a proposal total cost table for each Member Agency. The

grand total non-Metropolitan funding match for each cost table must equal or exceed the requested Metropolitan funded amount. Also, provide a list summarizing all sources of the funding match, their respective monetary contribution, and the status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for a grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and the matching funds.

Cost Table Example – Study Total				
Cost Category		Non-Metropolitan Share (Funding Match)	Requested MWD Funding	Total
(a)	List proposed tasks on separate lines			
(b)	Proposed Task			
(c)	...			
Grand Total				

Cost Table Example – Lead Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Partner Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

The following includes additional information and instruction for evaluation:

- Describe the cost-effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FSA Funding Program agreement.

2.3 Submittal Instructions

Proposals for this RFP will be accepted in PDF format via e-mail.

By e-mail:

- **Proposal must be submitted electronically as an attachment to an e-mail at FSAfundingprogram@mwdh2o.com by 02:00 p.m. PST, on February 05, 2024**
- The e-mail date and time will act as a timestamp for the submittal. Notice of receipt will be sent upon successful receipt of the proposal.
- The PDF file size is limited to no more 20 MB.
- The e-mail subject line should contain the following: "Proposal for Future Supply Actions Funding Program".
- The e-mail's body should include the proposal's title, lead Member Agency name, the applicable resource (groundwater, recycling, seawater desalination or stormwater), and contact information.
- If submitting multiple proposals, please submit each proposal individually in a separate e-mail.
- Member Agencies are encouraged to submit proposals before the closing time and date.

Proposals received after the stated time and date will be considered late and automatically rejected by Metropolitan. Member agencies are **responsible for submitting the proposal correctly in form and content and within the stipulated deadline**. Late proposals will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 02:00 p.m., February 05, 2024.

2023 Future Supply Actions Funding Program

Review Panel Members and Panel Affidavit

Heather Collins

Assistant Group Manager, Treatment & Water Quality Group, Metropolitan Water District
President-Elect, American Water Works Association

Dr. Adrian Hightower

Sustainability and Resilience Manager, Metropolitan Water District

Dr. Malynda Cappelle

Facility Manager, Brackish Groundwater National Desalination Research Facility, Bureau of Reclamation

Dr. Roy Wolfe

Wolfe Water Consulting, LLC.

Dr. Robert Wilkinson

Adjunct Professor, Bren School of Environmental Science and Management, University of California,
Santa Barbara

DocuSign Envelope ID: 55107BE7-2B6D-4340-8FC9-B3A7E84057CD

Affidavit

Affidavit for Review Panelists

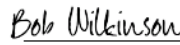
The undersigned members of the Review Panel for the Future Supply Actions Funding Program 2023 RFP objectively reviewed the proposals to ensure compliance with the FSA Program objectives and eligibility requirements and confirm the panel's collective findings.

DocuSigned by:



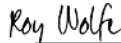
Malynnda Cappelle, PhD
Consultant

DocuSigned by:



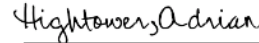
Robert Wilkinson, PhD
Consultant

DocuSigned by:



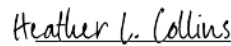
Roy Wolfe, PhD
Consultant

DocuSigned by:



Adrian Hightower, PhD
Special Projects Manager

DocuSigned by:



Heather Collins, PE
Assistant Group Manager

**2023 Future Supply Actions Funding Program RFP
Recommended Proposals and Proposal Descriptions**

Proposal Name	Lead Agency	Description	Maximum Funding Level
Groundwater			
Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment	Western MWD	<ul style="list-style-type: none"> This pilot study will generate ferric chemicals onsite and offers the potential to lower treated water arsenic concentrations using the coagulation-filtration method. This technology offers potential operations and maintenance cost savings and avoids manganese addition that typically occurs for liquid ferric chemicals. 	\$207,500
PFAS and Groundwater Wells	IEUA	<ul style="list-style-type: none"> The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. Three Valleys MWD, Western MWD, and Jurupa Community Services District are also participating in the study. 	\$298,500
Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study	Long Beach	<ul style="list-style-type: none"> The study will evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins. The outcomes of the Project will ultimately increase Long Beach's water supply reliability by reducing its reliance on imported water supplies and integrating new water resources into its supply portfolio. 	\$499,802
Stormwater			
Lake Henshaw Oxygenation Pilot Study	SDCWA	<ul style="list-style-type: none"> The Pilot Study is intended to inform the Vista Irrigation District and the City of Escondido regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. 	\$500,000

Proposal Name	Lead Agency	Description	Maximum Funding Level
Data-Driven Resource Optimization and Planning System (DROPS)	Foothill MWD	<ul style="list-style-type: none"> DROPS is a pioneering tool that integrates advanced data analytics with artificial intelligence to enhance water management capabilities. DROPS achieves previously unattained levels of accuracy in terms of identifying impervious areas by triangulating aerial imagery, topographical data, remote-sensing data, and environmental databases and supplementing those datasets with analysis and insights from AI integration. 	\$54,900

Recycled Water			
Chino Basin Advance Water Purification Demonstration Facility	IEUA	<ul style="list-style-type: none"> Demonstration study for the design and construction of an approximately 100 gpm Advanced Water Purification Demonstration Facility for the Chino Basin Program. The demonstration study will advance innovative technologies and approaches related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry. 	\$401,500
Headworks Reservoir Complex Direct Potable Reuse Pilot	LADWP	<ul style="list-style-type: none"> The objective of the pilot is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies. The pilot will explore the feasibility of post-RO treatment strategies for chemical control. 	\$500,000
Seawater Desalination			
OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System	Las Virgenes MWD	<ul style="list-style-type: none"> Pilot study of the OceanWell submerged reverse osmosis system in the Las Virgenes Reservoir. The study will serve as a stress test that will bring the technology from a TRL 4 to TRL 6. Calleguas MWD and Eastern MWD are contributing to this study. 	\$500,000
Total	8 Studies		\$2,962,202



One Water & Stewardship Committee

Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot

Item 7-7

July 8, 2024

Item 7-7 Introduction Slide

Subject

Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department of Water and Power under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot

Purpose

Reduce Barriers to future water resource production within the Metropolitan service area.

Recommendations

Authorize staff to enter into a \$500,000 funding agreement with Los Angeles Water and Power under the FSA Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

Fiscal Impact

Metropolitan would invest \$500,000 in the proposed study under the FSA Program over a two-year period.

Board Options: Item 7-7

(LADWP – Headworks Reservoir Complex Direct Potable Reuse Pilot – FSA Program)

Option #1

- Authorize entering into a not-to-exceed \$500,000 funding agreement with the Los Angeles Department Water and Power under the FSA Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

Option #2

- Do not authorize entering into a not-to-exceed \$500,000 funding agreement with Los Angeles Department Water and Power under the FSA Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot.

Staff Recommendation

Option #1





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

7-8

Subject

Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the Future Supply Actions Funding Program for the OceanWell Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The purpose of this letter is to seek Board authorization to enter into one of the agreements with Las Virgenes Municipal Water District under the Future Supply Actions Program (FSA Program) for the OceanWell Pilot Study.

In December 2023, Metropolitan issued a Request for Proposals (RFP) under the FSA Program. The FSA Program funds technical studies and pilot tests targeting barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. A technical review panel evaluated the proposals and developed a collective rating. Based on the panel findings and compliance with program requirements, staff recommends funding all eight proposals.

Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require Board approval. This letter concerns one of these proposals.

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

Staff Recommendation: Option #1

Option #1

Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the FSA Program for the OceanWell Pilot Study.

Fiscal Impact: The funding requested for the proposed study will be expended over a two-year period and is within the approved FSA Program budget of \$3 million for Fiscal Years 24/25 and 25/26. The total expenditures for the eight proposed studies under the FSA Program is \$2.96 million.

Business Analysis: By providing funding for member agency studies under the FSA Program, Metropolitan will remove barriers to future water resource production and increase regional water supply reliability.

Option #2

Do not authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the FSA Program for the OceanWell Pilot Study.

Fiscal Impact: No impact. Metropolitan would miss leveraging \$500,000 of other funds for the study.

Business Analysis: Metropolitan would potentially delay an opportunity to remove a barrier to local resource development.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48449, dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager.

By Minute Item 49381, dated April 9, 2013, the Board adopted the CEQA determination and approved the proposal. Foundational Actions Funding Program, and directed staff to issue a Request for Proposals.

By Minute Item 50358, dated January 12, 2016, the Board adopted the CEQA determination and the 2015 Integrated Resources Plan Update.

By Minute Item 51168, dated April 10, 2018, the Board adopted the CEQA determination and approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

By Minute Item 53409, dated October 10, 2023, the Board approved an approach to issue a Request for Proposals to fund member agency studies and research under the Future Supply Actions Funding Program.

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

Not applicable

Summary of Outreach Completed

Member Agency Manager's Meeting:

- August 2023 – Round 3 Authorization
- June 2024 – Round 3 Recommended Proposals

Webinars:

- August 2023 – Workshop for Round 3
- December 2023 – Request for Proposals – Pre-Bid

Member Agency:

- November 2023 – West Basin Caucus
- January 2024 – Foothill MWD

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes or as part of a study leading to an action that a public agency has not yet approved, adopted, or funded. (State CEQA Guidelines Section 15306.)

CEQA determination for Option #2:

None required

Details and Background

Background: Future Supply Actions Funding Program

Metropolitan's 2010 Integrated Water Resources Management Plan Update (2010 IRP Update) recognized the need to prepare for an uncertain future and that additional resources beyond the region's core supplies may be required. To address this uncertainty, the 2010 IRP Update established a Foundational Actions approach for removing barriers to new supply development. Foundational Actions are low-risk, preliminary steps that the region can take to accelerate the development of new water resources should the need arise. The 2010 IRP Update identified the following four local resources for Foundational Actions:

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater capture
- Groundwater enhancement

In 2013, the Board approved the Foundational Actions Funding Program (FAF Program) to advance technical studies and pilot tests to address critical resource development barriers. Under the FAF Program, Metropolitan provided \$2.97 million in co-funding for 13-member agency-sponsored technical studies. The goals of the program were to:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Remove barriers to water resource implementation.

The 13 studies funded under the FAF Program yielded tangible regional benefits for each of the local resources. These benefits included furthering the science of seawater desalination intake technologies, developing implementation pathways for stormwater capture, validating new technologies for groundwater treatment, and completing preliminary studies for direct potable reuse. The FAF Program concluded with a symposium where results from the studies were shared with over 230 participants from across Southern California.

The 2015 Integrated Water Resources Plan Update called for the region to continue the Foundational Actions approach and revised the program's name to the Future Supply Actions Funding Program (FSA Program). In 2018, the Board approved a follow-up to the original FSA Program that included two components:

1. A \$975,000 funding agreement with WRF for seven potable and non-potable reuse studies.
2. A second round of member agency funding totaling \$3.5 million for 14 studies.

The 21 studies funded under the FSA Program produced valuable regional benefits for the targeted local resources. These benefits included progressing in the fields of artificial intelligence applications in recycled water projects, stormwater diversion and percolation analysis, desalination brine diffusion, and groundwater utilization analysis. The studies within the program have concluded with MWD and WRF-hosted webinars. Webinar recordings and final reports for each study are available on the FSA Program's website:

<https://www.mwdh2o.com/planning-for-tomorrow/funding-opportunities/>.

Third Round of the FSA Program

In October 2023, the Board authorized two additional rounds of funding for the FSA Program totaling \$6 million. In December 2023, Metropolitan released an RFP for the first of the two authorized funding rounds (**Attachment 1**). Member agencies could request up to \$500,000 for one or more proposals, which they must match dollar-for-dollar with other funds. Member agencies were encouraged to partner with other member agencies as well as other stakeholders. Staff held an informational webinar and answered member agency questions.

Metropolitan received eight proposals from seven lead member agencies with a total funding request of \$2.96 million. These proposals covered all four resource types and ranged from a data-driven planning study to pilot tests of innovative new technologies.

A technical review panel of Metropolitan staff and external experts performed independent evaluations of each proposal. Once completed, the panel convened to compare findings and collectively rate the proposals.

Attachment 2 contains a list of the panel members and their affiliations. The proposals were evaluated against the following criteria:

- How does the proposal increase the water supply resiliency of future production?
- Does the proposal address a catalytic/critical path to implementation for local supplies?
- Will the potential results from the study have regional applicability?
- Does the proposal have a well-defined and innovative work plan?

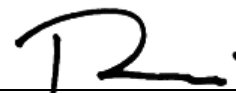
Based on the panel's findings, compliance with program requirements, and available funding, staff recommends funding all eight proposals. Staff will implement agreements for two proposals with funding requests under the General Manager's contracting authority of up to \$250,000. Six proposals with funding requests over \$250,000 require Board approval.

Funding Agreement

The purpose of this letter is to seek Board authorization to enter into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District for the OceanWell Pilot Study. Calleguas Municipal Water District and Eastern Municipal Water District will be contributing to the study as partners to Las Virgenes Municipal Water District, who is the lead member agency. The title of the study is "OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System."

The study seeks to validate the OceanWell submerged reverse osmosis (SRO) technology by conducting a pilot test in the Las Virgenes Reservoir. The OceanWell SRO module will be suspended from a moored dock in the Las Vergenes Reservoir. The study will monitor and report on the system's performance and impacts over a series of three testing phases: (1) factory acceptance testing, (2) baseline testing in the reservoir, and (3) longevity testing of the best-in-class operations determined from the baseline tests. This study would further research and knowledge in submerged seawater desalination.

Staff requests Board authorization to enter into an FSA Program funding agreement for a not-to-exceed amount of \$500,000 with Las Virgenes Municipal Water District for the OceanWell Pilot Study.



Brandon Goshi
Interim Manager,
Water Resource Management

7/1/2024

Date



for Devan N. Upadhyay
Interim General Manager

7/2/2024

Date

Attachment 1 – 2023 Request for Proposals for Future Supply Actions Funding Program

Attachment 2 – Review Panel Members and Affidavit

Attachment 3 – Recommended Proposals and Proposal Descriptions

Ref# wrm12695868

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Water Resource Management Group

**2023 Request for Proposals for
Future Supply Actions Funding Program**



KEY DATES

Request for Proposals (RFP) Issued.....December 1, 2023.
Pre-bid webinar.....December 13, 2023 @ 02:00 P.M.
Proposals due by.....February 5, 2024 @ 02:00 PM.

NOTICE

An optional pre-bid webinar will be held on **December 13, 2023**, from 02:00 p.m. to 03:00 p.m.
All Member Agencies and proposal partners are encouraged to participate.

Metropolitan Contact: Jonathan Jordan
E-mail Address: FSAfundingprogram@mwdh2o.com

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SECTION 1: INFORMATION FOR MEMBER AGENCIES

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot tests under the Future Supply Actions (FSA) Funding Program. The FSA Funding Program goal is to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2023 FSA Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit study proposals for the program described herein.

1.1 Objective

Metropolitan has proposed a 2023 FSA Funding Program with objectives to help address regional funding needs for actions that:

- Augment water resiliency to reduce climate change driven water resource barriers.
- Advance the field of knowledge for the four resources (recycled water, seawater desalination, stormwater, and groundwater).
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (IRP) established a planning framework, including a core resources program, designed to ensure the region's reliability into the future. The 2010 IRP Update recognized that the future is uncertain and additional water resources may need to be developed under some conditions. To address this future uncertainty, the 2010 IRP established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supplies should the need arise.

In 2013, Metropolitan established the Foundational Actions Funding Program (FAF Program) to fund Member Agency studies focused on removing barriers to future local supply production. The 2015 IRP reaffirmed this forward-looking approach and updated the name to Future Supply Actions. Future Supply Actions represent one component of the overall 2015 IRP strategy. In 2018, Metropolitan released a second round of FSA funding for member agency studies. The 2020 IRP continued this progressive trend by adopting a scenario-based strategy to ensure regional reliability through 2045, referred to as the "Regional Needs Assessment." Given the successes of the 2013 and 2018 programs, the 2023 FSA reinforces Metropolitan's commitment to the 2020 IRP strategy in maintaining existing and developing new local supplies.

In 2022, Metropolitan's Board of Directors (Board) adopted a resolution calling for "Equitable reliability across the service area through a balanced combination of infrastructure, storage, demand management, and water supply programs." Metropolitan is collaborating with our Member Agencies on the regional Climate Adaptation Master Plan for Water (CAMP4W). CAMP4W will consider Member Agency projects that innovate and enhance regional water supply reliability. The FSA Funding Program has proven to be a capable vehicle for achieving the goals outlined in the resolution. To that end, Metropolitan encourages its member

agencies to propose innovative studies that benefit the region, innovate, reduce barriers, and create a climate change-resilient region.

1.2 Description

The FSA Funding Program promotes technical studies and pilot tests that enable effective future resource planning and potential implementation for the following resources:

- Recycled water, including potable reuse
- Desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FSA Funding Program may include, but are not limited to:

- Pilot and bench-scale studies
- Demonstration studies
- Tracer alternative studies
- System integration studies
- Innovative treatment processes
- New sensor technologies
- Advanced ocean intakes and outfall tests
- Brine disposal or harvesting research
- Novel approaches for AI and machine learning

Examples of Member Agency studies funded under the 2013 FAF and 2018 FSA programs are listed on the FSA Funding Program's website: www.mwdh2o.com/fsa.

The FSA Funding Program is designed to encourage short-term studies targeting barriers to future supply production and would not include:

- Design of full-scale projects
- Long-term studies requiring more than two years to complete
- Construction of full-scale projects
- Funding CEQA documentation for projects
- Existing studies or projects
- Acquisition of property

1.3 Who Can Submit?

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or other non-Member Agency entities. A single designated lead Member Agency must submit the proposal. The proposal must disclose the names of the partnering Member Agencies or other entities. Each Member Agency may be the

lead agency on a maximum of three proposals per funding round. If partnering on a proposal, the lead Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency.

1.4 Funding

Metropolitan expects to fund approximate 12 to 16 technical studies or pilot tests total during two separate rounds. This round of the FSA Funding Program will fund up to 8 technical studies or pilot tests, and up to \$3 million. The next FSA Funding Program round is expected to begin in two to three years. In total, up to \$6 million are available for the current and following funding rounds. Proposals submitted in response to this RFP will only be considered for the current funding round.

Member Agencies may submit proposal funding requests of up to \$500,000 per agency or up to \$500,000 for a single study. Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Member Agencies can include in-kind services in their proposal; however, in-kind services do not count towards the required funding match. If partnering on a proposal, a breakdown of each Member Agency's funding request and the respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). The Member Agency match funding may not be associated with other Metropolitan funding programs.

A significant FSA Funding Program principle is having the studies or tests benefit the Metropolitan's services area. Due to this core principle, studies or tests funded through this program must be publicly accessible to the extent allowed under applicable law.

1.5 Anticipated Schedule

Date	Milestone
12/01/2023	Release of RFP
12/13/2023	Non-mandatory pre-bid webinar at 02:00 p.m.
01/12/2024	Questions for clarification will close at 1:00 p.m.
02/05/2024	RFP proposals due by 2:00 p.m.
Q1 2024	Proposal awards (Contingent upon Board action)
Q1—Q2 2024	Agreements signed by recipients (Goal)
Q1 2025	Work Initiation Deadline
Q4 2026	Final Report Deadline

1.6 Non-mandatory Pre-Bid Webinar

- A pre-bid Webinar will be held from 02:00 p.m. to 03:00 p.m., Wednesday, **December 13, 2023**. Metropolitan will discuss the details of the FSA Funding Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal webinar (see Questions for Clarification section).
- While participation is not mandatory, all interested parties and prospective applicants are encouraged to attend. Participants are invited to present relevant questions at the pre-proposal webinar.
- Directions on how to participate in the pre-proposal Webinar will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.

1.7 Questions for Clarification

Questions for clarification regarding this RFP shall be submitted in writing via e-mail to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by 1:00 p.m., Friday, **January 12, 2024**. As appropriate, Metropolitan will respond to questions, provide information updates, and issue RFP addendums through the following link: www.mwdh2o.com/fsa. The responsibility solely lies with each interested party and prospective applicant to check and review the FSA Funding Program website for all updates.

1.8 General Proposal Information

1. Applicants are encouraged to carefully review this RFP in its entirety before the proposal preparation.
2. All proposals submitted become the property of Metropolitan. Metropolitan has no expressed or implied obligation to reimburse the responding party for any expenses incurred in preparing proposals in response to this request.
3. Applicants may modify or amend proposals only if Metropolitan receives the amendment before the deadline stated herein for receiving proposals.

4. A proposal that is conditional, incomplete, contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal may be considered non-responsive.
5. Additional copies of the RFP will be posted on the FSA Funding Program's website at www.mwdh2o.com/fsa.
6. Submission of a proposal indicates acceptance by the party of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Metropolitan and the recipient(s).

1.9 Rights Reserved to Metropolitan

Metropolitan reserves the right to:

1. Reject any and all proposals, revise terms and conditions, or elect not to award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.
4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

1.10 Validity

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Proposals submitted in response to this RFP only qualify for the current funding round. Once submitted, the proposal is the property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

1.11 Confidentiality

1. Metropolitan is subject to the Public Records Act, California Government Code Section (Gov. Code) 7920.000 et. seq. All required submittal information is subject to disclosure to the general public. Unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.

2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code Section 7929.42 including “trade secrets” under Evidence Code Section 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential or supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential information submitted, or return such information to the applicant if so requested.

1.12 Evaluation and Selection Process

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FSA Funding Program objectives and eligibility and will evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Board approval.
2. During the evaluation process, Metropolitan may request clarification from the applicant as necessary. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that are, or could be, collectively part of an overall study or pilot test, then only one eligible proposal may be selected for funding.
4. If applicable, Member Agencies with study work plans contingent on regulatory permitting must provide a list of required permits, expected award date, and the anticipated study timeline impacts if the permitting process is delayed. The ability to complete studies in the FSA Funding Program round timeframe is a scoring consideration. Metropolitan may request additional information on the permitting schedule.

1.13 Agreement Process

1. After proposals are selected for funding, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if the recipient does not sign agreements within three months of final contract negotiations.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit deliverables by task, including reports, invoices, interim study or test documents, and a final report documenting study or test results, other findings, and recommendations for future action. Recipients must provide any generated presentations or preliminary reports to Metropolitan during the life of the agreement.
4. The final report and symposium presentation will be worth 25 percent of the total funding and can be invoiced after the delivery of the final report and presentation.

Metropolitan will withhold the final funding until the final report and presentation are accepted by Metropolitan staff.

5. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
6. The FSA invoice intervals will be flexibly negotiated on a case-by-case basis during the agreement process; options available to agencies in this FSA round include quarterly, semi-annual, or based on deliverables. Funds will be disbursed after verification of study status based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per submitted progress payment.
7. Funding recipients are expected to provide an initial forecast of spending to Metropolitan after the study or test initiation. The recipient will need to provide a forecast as a part of the submitted progress reports.
8. Final reports must be completed and submitted by **December 28, 2026**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of the final report and presentation.
9. Member Agencies and study/pilot test participants will also be encouraged to participate in the FSA symposium. The symposium will highlight the study results and allow participants to present the final presentation to other member agencies and regional stakeholders.
10. Attachment A is Metropolitan's Sample Agreement. Applicant is requested to carefully review and comment as necessary on any of the provisions set forth in the Sample Agreement. Metropolitan reserves the right to modify, add or delete any of the provisions of the Agreement before issuance.

1.14 Negotiations

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

1.15 Selection Criteria

The review panel will use the criteria provided below to evaluate and rank the proposals. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document.

Criteria and Weight:

1. Reduces Barriers to Future Production: 30 percent
2. Regional Benefit/Applicability: 20 percent
3. Innovative Process, Approach, or Technology: 20 percent
4. Work Plan/Schedule: 15 percent
5. Costs: 15 percent

The selection criteria are described further in Section 2.2 of this document.

In addition to the selection criteria above, Metropolitan will award a bonus to studies that objectively demonstrate regional benefit across the Metropolitan service area. To incentivize Member Agency cooperation on regional studies, Metropolitan will grant a 5% bonus to the proposals with 3 or more participating Member agencies. Partner Agencies must have at least \$10,000 vested in the study or test to qualify as a participating agency.

SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

2.1 Proposal Submittal and PDF Format Guidelines

- Proposals will only be accepted in PDF format.
- The proposal must be formatted for white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 pages, including attachments.
- Materials presented in the Appendix will not be used in the proposal evaluation and should exclusively contain reference or supplementary content
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- The PDF should include the entire proposal (executive summary, support letters, attachments, etc.) in one file.
- Support letters: Proposals can include no more than five support letters of no longer than one page. Support letters will not count against the page limitations and will be considered to support regional benefit. Support letters should be addressed to Jonathan Jordan at FSAfundingprogram@mwdh2o.com by the proposal submittal deadline. Support letters received after the proposal submittal deadline will not be considered.
- **Proposals that do not conform to these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Reduces Barriers to Future Production
- F. Criteria Two – Regional Benefit / Applicability
- G. Criteria Three – Innovative Process, Approach, or Technology
- H. Criteria Five – Work Plan / Schedule / Permitting
- I. Criteria Four – Costs
- J. Appendix A: Support Letters

A. Executive Summary Letter

This letter shall be a formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). The letter shall provide a brief description of the proposal and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP. An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”

Please include the following information in your letter:

Name of Proposal	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

B. Entities Participating in Proposal

- List other entities participating in proposal.
- Provide support letters from study participants (not considered as part of the 20-page limit for proposals) in Section I.

C. Key Individuals

- Proposal participants / cooperating agencies

- Identify key individuals including program manager and management team
 - Name, title
 - Title
 - Phone Number
 - Mailing address
 - Fax Number
 - E-mail Address
 - Relevant experience

D. Proposal Description

Provide a concise summary that includes an overall description of the proposal and conveys a clear understanding of the proposal's goals and objectives.

E. Criteria One – Increases Water Supply Resiliency

In this section, the applicant shall describe the following in narrative form all of which is applicable:

- Describe how the proposed actions increase future local supply potential.
- Describe how the proposed actions are critical to resource resiliency and planning for climate change-driven uncertainty.
- Describe how the proposed actions **removes barriers** to supply development including, but not limited to, technical, regulatory, permitting, and institutional barriers.
- Describe how the proposed actions increase regional climate resiliency or safeguards current local supplies.

F. Criteria Two – Regional Benefit / Applicability

In this section, the applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan's member agencies, retail agencies, and regional stakeholders. The proposal should describe how the study results are transferable to other regional member agencies and stakeholders.
- If applicable, describe other co-benefits, such as water quality, energy, wastewater, infrastructure, environmental, etc.
- Metropolitan will award a 5% bonus to proposals with 3 or more participating Member agencies.

G. Criteria Three – Innovative Process, Approach, or Technology

In this section, the applicant shall describe in narrative form the following:

- Describe how these actions are unique and innovative. Describe the current state of technology. Identify similar completed or ongoing studies and how the proposed actions differ (include a literature search summary).

- Describe how these actions will advance the field of knowledge to develop future water resources. Include how the results of the proposed actions could be used in future research.
- Describe how the study or test results enable future actions that address regional barriers when compared to the status quo. Identify and describe the follow-up actions necessary for wide-scale implementation, such as submission of results to the State or Federal regulators required for regulatory acknowledgment or adoption. Include any future studies or steps to leverage results from the study or test.

H. Criteria Four – Work Plan / Schedule

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. Every task must have a specific deliverable and due date. Meeting dates and study milestones should be identified. Deliverables may include but are not limited to technical memoranda, summary reports, progress reports, draft technical reports, final technical reports, presentations, and related information. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also, describe the technical expertise of the proposal team.

Cite the proposed schedule, including the start date (no later than **January 01, 2025**), tasks, deliverables, reports, completion date (no later than **December 28, 2026**), and other key milestone dates. The schedule should be linked to the tasks and task deliverables. Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instructions for evaluation:

- Work plan and schedule must provide detail and completeness to measure the proposed implemented actions for success. Identify potential challenges, issues, and prerequisites related to proposal implementation and describe how they will be addressed.
- Describe how the proposed objectives can be achieved in the stated time period with the allotted personnel and budget.
- The proposal should include a table of required permits describing each permit, expected award date, and impact to the study workplan if delayed.

I. Criteria Five – Costs

Proposal must provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include in-kind services in the funding match. If partnering with other Member Agencies, provide separate cost tables and a proposal total cost table for each Member Agency. The

grand total non-Metropolitan funding match for each cost table must equal or exceed the requested Metropolitan funded amount. Also, provide a list summarizing all sources of the funding match, their respective monetary contribution, and the status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for a grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and the matching funds.

Cost Table Example – Study Total				
Cost Category		Non-Metropolitan Share (Funding Match)	Requested MWD Funding	Total
(a)	List proposed tasks on separate lines			
(b)	Proposed Task			
(c)	...			
Grand Total				

Cost Table Example – Lead Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Partner Member Agency					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested MWD Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

The following includes additional information and instruction for evaluation:

- Describe the cost-effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FSA Funding Program agreement.

2.3 Submittal Instructions

Proposals for this RFP will be accepted in PDF format via e-mail.

By e-mail:

- **Proposal must be submitted electronically as an attachment to an e-mail at FSAfundingprogram@mwdh2o.com by 02:00 p.m. PST, on February 05, 2024**
- The e-mail date and time will act as a timestamp for the submittal. Notice of receipt will be sent upon successful receipt of the proposal.
- The PDF file size is limited to no more 20 MB.
- The e-mail subject line should contain the following: "Proposal for Future Supply Actions Funding Program".
- The e-mail's body should include the proposal's title, lead Member Agency name, the applicable resource (groundwater, recycling, seawater desalination or stormwater), and contact information.
- If submitting multiple proposals, please submit each proposal individually in a separate e-mail.
- Member Agencies are encouraged to submit proposals before the closing time and date.

Proposals received after the stated time and date will be considered late and automatically rejected by Metropolitan. Member agencies are **responsible for submitting the proposal correctly in form and content and within the stipulated deadline**. Late proposals will be deemed non-responsive and not considered during the evaluation process.

Proposals will be received until 02:00 p.m., February 05, 2024.

2023 Future Supply Actions Funding Program

Review Panel Members and Panel Affidavit

Heather Collins

Assistant Group Manager, Treatment & Water Quality Group, Metropolitan Water District
President-Elect, American Water Works Association

Dr. Adrian Hightower

Sustainability and Resilience Manager, Metropolitan Water District

Dr. Malynda Cappelle

Facility Manager, Brackish Groundwater National Desalination Research Facility, Bureau of Reclamation

Dr. Roy Wolfe

Wolfe Water Consulting, LLC.

Dr. Robert Wilkinson

Adjunct Professor, Bren School of Environmental Science and Management, University of California,
Santa Barbara

DocuSign Envelope ID: 55107BE7-2B6D-4340-8FC9-B3A7E84057CD

Affidavit

Affidavit for Review Panelists

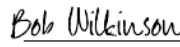
The undersigned members of the Review Panel for the Future Supply Actions Funding Program 2023 RFP objectively reviewed the proposals to ensure compliance with the FSA Program objectives and eligibility requirements and confirm the panel's collective findings.

DocuSigned by:



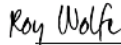
Malynnda Cappelle, PhD
Consultant

DocuSigned by:



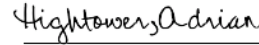
Robert Wilkinson, PhD
Consultant

DocuSigned by:



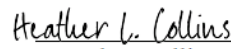
Roy Wolfe, PhD
Consultant

DocuSigned by:



Adrian Hightower, PhD
Special Projects Manager

DocuSigned by:



Heather Collins, PE
Assistant Group Manager

**2023 Future Supply Actions Funding Program RFP
Recommended Proposals and Proposal Descriptions**

Proposal Name	Lead Agency	Description	Maximum Funding Level
Groundwater			
Pilot Study of New Electrolytic Method for In-situ Generation of Ferric Arsenic Treatment	Western MWD	<ul style="list-style-type: none"> This pilot study will generate ferric chemicals onsite and offers the potential to lower treated water arsenic concentrations using the coagulation-filtration method. This technology offers potential operations and maintenance cost savings and avoids manganese addition that typically occurs for liquid ferric chemicals. 	\$207,500
PFAS and Groundwater Wells	IEUA	<ul style="list-style-type: none"> The study seeks to demonstrate to the water supply industry that improved well construction and development processes can reduce or eliminate certain PFAS contamination in groundwater wells. Three Valleys MWD, Western MWD, and Jurupa Community Services District are also participating in the study. 	\$298,500
Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study	Long Beach	<ul style="list-style-type: none"> The study will evaluate the impacts of using recycled water to augment groundwater resources in the Central and West Coast Basins. The outcomes of the Project will ultimately increase Long Beach's water supply reliability by reducing its reliance on imported water supplies and integrating new water resources into its supply portfolio. 	\$499,802
Stormwater			
Lake Henshaw Oxygenation Pilot Study	SDCWA	<ul style="list-style-type: none"> The Pilot Study is intended to inform the Vista Irrigation District and the City of Escondido regarding the effectiveness of oxygenation in limiting harmful algal bloom formation and cyanotoxin production. Oxygenation systems have not been tested in a broad, shallow lake such as Lake Henshaw and have not been systematically quantified in lakes in general. 	\$500,000

Proposal Name	Lead Agency	Description	Maximum Funding Level
Data-Driven Resource Optimization and Planning System (DROPS)	Foothill MWD	<ul style="list-style-type: none"> DROPS is a pioneering tool that integrates advanced data analytics with artificial intelligence to enhance water management capabilities. DROPS achieves previously unattained levels of accuracy in terms of identifying impervious areas by triangulating aerial imagery, topographical data, remote-sensing data, and environmental databases and supplementing those datasets with analysis and insights from AI integration. 	\$54,900

Recycled Water			
Chino Basin Advance Water Purification Demonstration Facility	IEUA	<ul style="list-style-type: none"> Demonstration study for the design and construction of an approximately 100 gpm Advanced Water Purification Demonstration Facility for the Chino Basin Program. The demonstration study will advance innovative technologies and approaches related to advanced water treatment technologies, with findings applicable to advanced water treatment projects and the industry. 	\$401,500
Headworks Reservoir Complex Direct Potable Reuse Pilot	LADWP	<ul style="list-style-type: none"> The objective of the pilot is to demonstrate compliance with the recently approved DPR regulations and test advanced treatment technologies. The pilot will explore the feasibility of post-RO treatment strategies for chemical control. 	\$500,000
Seawater Desalination			
OceanWell: A Climate-Resilient, Eco-Friendly, Submerged Reverse Osmosis System	Las Virgenes MWD	<ul style="list-style-type: none"> Pilot study of the OceanWell submerged reverse osmosis system in the Las Virgenes Reservoir. The study will serve as a stress test that will bring the technology from a TRL 4 to TRL 6. Calleguas MWD and Eastern MWD are contributing to this study. 	\$500,000
Total	8 Studies		\$2,962,202



One Water & Stewardship Committee

Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the Future Supply Actions Funding Program for the OceanWell Pilot Study

Item 7-8

July 8, 2024

Item 7-8 Introduction Slide

Subject

Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the Future Supply Actions Funding Program for the OceanWell Pilot Study

Purpose

Reduce Barriers to future water resource production within the Metropolitan service area.

Recommendations

Authorize staff to enter into a \$500,000 funding agreement with Las Virgenes Municipal Water District under the FSA Program for the OceanWell Pilot Study.

Fiscal Impact

Metropolitan would invest \$500,000 in the proposed study under the FSA Program over a two-year period.

Board Options: Item 7-8

(LVMWD – OceanWell Pilot Study – FSA Program)

Option #1

- Authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the FSA Program for the OceanWell Pilot Study.

Option #2

- Do not authorize entering into a not-to-exceed \$500,000 funding agreement with Las Virgenes Municipal Water District under the FSA Program for the OceanWell Pilot Study.

Staff Recommendation

Option #1





- **Board of Directors**
Finance and Asset Management Committee

7/9/2024 Board Meeting

7-9

Subject

Authorize the General Manager to grant a permanent easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the General Manager to grant San Diego Gas & Electric (SDGE) a permanent easement for the installation of natural gas lines across Metropolitan property (**Attachment 1**). The purpose is to enhance system operability and maintenance safety. Specifically, the project aims to upgrade and modernize natural gas infrastructure in the unincorporated community of Rainbow in northern San Diego County. Board authorization to grant this permanent easement is required as the real property interest to be conveyed exceeds five years.

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

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to grant a permanent easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065

Fiscal Impact: Metropolitan will receive a lump sum payment of \$13,100 for the easement area.

Business Analysis: Cooperation with other agencies and public utilities, by granting easements and other rights of entry, furthers the public interest and facilitates Metropolitan obtaining easements and other property rights critical for its own operations. Metropolitan will also receive positive revenue in the form of fees and fair market value for the easement.

Option #2

Do not approve the permanent easement

Fiscal Impact: Metropolitan will forgo the lump sum payment of \$13,100.

Business Analysis: San Diego Gas & Electric will not be permitted to improve their natural gas pipelines within Metropolitan property which may impact their future circulation and safety in the area, and they may use eminent domain action to obtain the necessary easement. This option could hinder opportunities to obtain reciprocal rights or permits from San Diego Gas & Electric right-of-ways for Metropolitan projects in the future.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 8230: Grants of Real Property Interests

Metropolitan Water District Administrative Code Section 8231: Appraisal of Real Property Interests

Metropolitan Water District Administrative Code Section 8232: Terms and Conditions of Management

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 48766, dated August 16, 2011, the Board adopted the proposed policy principles for managing Metropolitan's real property assets.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves the licensing of existing public structures and facilities, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action is exempt because it consists of minor alterations in land use limitations in areas with an average slope of less than 20 percent, which do not result in any changes in land use or density. (State CEQA Guidelines Section 15301 and Section 15305.)

CEQA determination for Option #2:

None required

Details and Background

Background

SDGE is requesting a permanent easement on Metropolitan's fee-owned property in San Diego County, identified as Assessor Parcel Number 102-650-065, to facilitate the removal and replacement of gas lines, including the 30-inch pipeline, minor grading, construction of a perimeter wall, a 10-inch blow-off pipeline, a 16-inch pipeline, and a 20-inch pipeline. The new pipelines will incorporate modern safety features, including thicker steel pipes, control valves, and improved visibility under normal operating conditions as part of the upgrade and modernization of the natural gas infrastructure in the unincorporated community of Rainbow in northern San Diego County. The proposed gas lines will not cross or impact any of our existing San Diego Pipelines Nos. 1, 2, and 3, which are in the area.

Staff has determined that the proposed easement would not interfere with Metropolitan's operations. The proposed permanent easement for natural gas line purposes will have the following key provisions:

- Subject to Metropolitan's paramount rights provision.
- For operation, maintenance, repair, and replacement of natural gas pipelines and appurtenances.
- SDGE shall provide Metropolitan reasonable access over and across the permanent easement.
- All plans for construction, maintenance, major repair, or replacement work shall be reviewed and approved by Metropolitan before the commencement of work.
- SDGE will keep the easement area free of trespass, noxious weeds, and trash at its sole cost and expense.
- The easement being granted is 1,685 square feet.

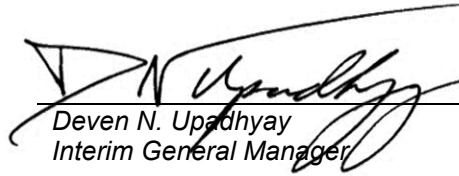
The fair market value for the proposed easement is \$5,100, as determined by a qualified licensed appraiser. There is also a one-time processing fee of \$8,000 for granting the permanent easement.



Elizabeth Crosson
Chief Sustainability, Resilience and
Innovation Officer

6/20/2024

Date



Deven N. Upadhyay
Interim General Manager

6/27/2024

Date

Attachment 1 – Location Map

Ref# sri12698224

Location Map





Finance and Asset Management Committee

San Diego Gas & Electric (SDGE) Permanent Easement

Item 7-9

July 9, 2024

Overview of the Easement Conveyance

Subject

- Authorize the granting of a permanent easement to San Diego Gas & Electric (SDGE) for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065

Purpose

- Establish rights to upgrade and modernize natural gas line infrastructure in Rainbow, Northern San Diego County

Distribution System Map



General Location Map



Site Map



Key Provisions

- Metropolitan's paramount rights provision
- Operation, maintenance, and other related natural gas pipeline rights
- SDGE will provide Metropolitan reasonable access
- All plans shall be approved by Metropolitan
- SDGE shall maintain the easement area
- The easement area will be 1,685 sq. ft.
- Metropolitan will receive \$13,100 for easement

Board Options

Option No. 1

Authorize the granting of a permanent easement to San Diego Gas & Electric (SDGE) for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065

Option No. 2

Do not approve the permanent easement.

Board Options

Staff Recommendation

- Option No. 1





- **Board of Directors**
Finance and Asset Management Committee

7/9/2024 Board Meeting

7-11

Subject

Authorize an additional six-month term to the existing agreement with Public Financial Management Asset Management for investment management services in an amount not to exceed \$250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Administrative Code stipulates the conditions under which competitive bidding is conducted and the circumstances under which sole source purchases are allowed. All contracts estimated to cost \$75,000 or more must be made through competitive bidding, except for those purchases listed in Administrative Code §8140.

The current professional services agreement for investment management services with Public Financial Management Asset Management (PFMAM) is managed by Metropolitan's Treasury Operations team in the Treasury and Debt Management Section. The contract was implemented through a competitive bidding process and is effective from July 1, 2019, through June 30, 2024, for an amount payable of up to \$500,000 per year. In order to enable the seamless management of Metropolitan's investment portfolio, staff is requesting an extension of the current agreement up to six months, effective as of July 1, 2024, through December 31, 2024, for an additional amount not to exceed \$250,000 to cover work through the extended term. This extension will provide sufficient time for the procurement process that governs the replacement of this agreement to be completed and ensure a successful transition to a new vendor, if so awarded through the ongoing procurement process.

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

Staff Recommendation: Option #1

Option #1

Authorize an additional six-month term to the existing agreement with PFMAM for investment management services in an amount not to exceed \$250,000.

Fiscal Impact: Allows Metropolitan's investment advisor, PFMAM, to continue to perform its services under the same contract terms to manage Metropolitan's portfolio for safety, liquidity and yield.

Business Analysis: Provides additional time for staff to ensure the procurement process is managed appropriately for the services required to invest Metropolitan's three portfolios.

Option #2

Do not approve an additional six-month term to the existing agreement with PFMAM.

Fiscal Impact: May prevent Metropolitan's portfolio from earning a reasonable return on investments.

Business Analysis: Not approving the contract extension of Professional Services Agreement 188640 would require the Treasurer and staff to directly manage the entirety of Metropolitan's daily investments which we have not been fully staffed to accommodate.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Act Section 125: Investment of Surplus Money

Metropolitan Water District Administrative Code Section 2701(a): Treasurer's Reports

Metropolitan Water District Administrative Code Section 5101: Investment of Surplus Funds

Metropolitan Water District Administrative Code Section 5114: Reporting Requirements of the Treasurer

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

The Administrative Code stipulates the conditions under which competitive bidding is conducted and the circumstances under which sole source purchases are allowed. All contracts estimated to cost \$75,000 or more must be made through competitive bidding, except for those purchases listed in Administrative Code §8140. Metropolitan currently has an agreement for investment management services that it now seeks to extend for a period of six months, pending completion of the procurement process for a new term.

Details

The current professional services agreement for investment management services is managed by Metropolitan's Treasury Operations team in the Treasury and Debt Management Section. Currently, investment management services are being provided by PFMAM through a contract that was implemented pursuant to a competitive bidding process in 2019, and the contract expired on June 30, 2024. In order to enable the seamless management of Metropolitan's investment portfolio, staff is requesting an extension of the current agreement for six months,


effective as of July 1, 2024, through December 31, 2024. The amendment would extend the agreement based on all existing terms, including compensation for work for an amount not to exceed \$250,000 for that time period. This extension will provide sufficient time for the procurement process that governs the replacement of this agreement to be completed.



Katano Kasaine
Assistant General Manager/
Chief Financial Officer

7/3/2024

Date



for Deven Upadhyay
Interim General Manager

7/3/2024

Date

Ref# cfo12696785



- **Board of Directors**
Engineering, Operations, and Technology Committee

7/9/2024 Board Meeting

8-1

Subject

Authorize a \$600,000 increase to an existing agreement with J.F. Shea Construction Inc. for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project-dependent areas)

Executive Summary

The Sepulveda Feeder pump stations consist of two new pump stations, one each located at the existing Venice and Sepulveda Pressure Control Facilities. The project will allow for water to be pumped from the Central Pool northward through the Sepulveda Feeder, thereby enabling greater deliveries of Colorado River Aqueduct (CRA) and Diamond Valley Lake (DVL) water supplies to State Water Project-dependent agencies in Metropolitan's western service area. The project will lessen the potential impacts of future low State Water Project (SWP) allocations on these agencies. The project utilizes progressive design-build (PDB) delivery to expedite the development of these pump stations.

An advantage of the PDB project delivery process is the ability to make early procurements of long-lead time equipment before the entire design of the facility is completed. The early procurement and delivery of critical equipment then allows for shortened construction/commissioning schedules for the overall project. The initial design of the pump stations under the Phase 1 PDB agreement with J.F. Shea Construction Inc. (J.F. Shea) has progressed to a point where electrical transformers for the two Sepulveda Feeder pump stations have been sized and bids received by the contractor. Procurement of this long-lead-time equipment by the PDB contractor is recommended at this time so that the planned 2026 operational date of the new facilities can be achieved.

This action authorizes a \$600,000 increase to an existing agreement with J.F. Shea for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment. See **Attachment 1** for the Allocation of Funds and **Attachment 2** for the Location Map.

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

Staff Recommendation: Option #1

Option #1

Authorize a \$600,000 increase to an existing design-build services agreement with J.F. Shea Construction Inc. for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project.

Fiscal Impact: Expenditure of \$690,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: The project will expand Metropolitan's ability to serve Diamond Valley Lake and Colorado River water to a portion of the distribution system that normally receives water from the State Water Project and will provide an alternate route to deliver treated water to the west service area during emergencies or when major feeders are removed from service for rehabilitation.

Option #2

Do not proceed with the procurement at this time.

Fiscal Impact: None

Business Analysis: This option would forego an opportunity for early procurement of long-lead equipment and may impact the project's ability to be ready for the planned 2026 completion.

Alternatives Considered

Alternatives for procuring long-lead equipment for the Sepulveda Feeder Pump Stations Project included using traditional procurement by Metropolitan staff in which drawings and specifications would be developed for advertisement and competitive bidding. It was determined that this traditional method would delay the completion of the project by two years when compared to having the PDB contractor procure equipment directly on a best-value basis. It is recommended that the PDB contractor procure the long-lead equipment identified in this board letter to expedite the project schedule.

Another alternative was to wait until the Guaranteed Maximum Price (GMP) was established and then start procuring equipment. The lead time for fabrication and delivery of some equipment can take up to 18 months, and the GMP will not be finalized until the fourth quarter of 2024. With this approach, there is a risk that equipment will not be delivered in time for the planned 2026 start-up and commissioning of the new facilities.

Staff determined that the recommended option to have the PDB contractor purchase long-lead equipment at this time will provide the earliest possible completion for the project.

Applicable Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 8148: Alternative Project Delivery

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 52703, dated February 8, 2022, the Board authorized the West Area Water Supply Reliability Improvements.

By Minute Item 53188, dated March 14, 2023, the Board authorized amendments to the Metropolitan Water District Administrative Code to provide for the implementation of new legislation authorizing the use of alternative project delivery methods.

By Minute Item 53377, dated September 12, 2023, the Board authorized an agreement for Phase 1 design-build services for the Sepulveda Feeder Pump Stations Project.

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of \$636.6 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action does not constitute an approval of the project for the purposes of CEQA. Environmental review will be completed prior to any decision by the Board which commits Metropolitan to the project. (State CEQA Guidelines Section 15352.)

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan's distribution system was initially constructed in the 1940s to deliver treated CRA supplies throughout its service area. The system was expanded in the 1970s to connect to and distribute SWP water supplies. The distribution system was designed to take advantage of the region's topography and primarily utilizes gravity to move water through the system. Completion of the SWP's West Branch allowed Metropolitan to serve water by gravity flow to areas further west than could be served by CRA water or stored water in DVL. While much of the service area benefits from access to both sources of supply and stored water in DVL, certain portions of the system can only receive limited DVL/CRA water due to inherent hydraulic limitations of the gravity-fed system. During multi-year droughts, as California recently experienced, SWP-dependent areas rely on stored SWP supplies, transfers, and exchange deliveries.

The west service area portion of Metropolitan's distribution system typically receives SWP water via the Jensen plant, Sepulveda Feeder, and connecting pipelines in the northwest portion of Metropolitan's system. During periods of low deliveries from the West Branch of the SWP, or when the Jensen plant is out of service, the west area can be served by the Weymouth plant through the East Valley Feeder and the Greg Avenue Pump Station. This backup system is limited to a maximum capacity of approximately 50 cubic feet per second (cfs). Throughout the recent statewide drought that ended in early 2023, the Greg Avenue Pump Station operated nearly full-time at its maximum capacity.

In February 2022, Metropolitan's Board approved planning efforts for the Sepulveda Feeder Pump Stations Project to increase delivery reliability in the west area. This project will enable Metropolitan to convey treated CRA and DVL water from its Central Pool northward along the Sepulveda Feeder to the west service area, supplementing deliveries from the Greg Avenue Pump Station. This concept requires two new pump stations along the Sepulveda Feeder: one each located adjacent to the existing Venice and Sepulveda Canyon Pressure Control Facilities. The project will be implemented in multiple stages. The initial stage of the project includes the construction of two pump stations capable of moving up to 30 cfs northward from the Central Pool to the west service area. However, once operational, the water supply benefits of the project to the west service area will total approximately 60 cfs of water supply as there will no longer be a need to send approximately 30 cfs of "operational water" southward on the Sepulveda Feeder from the Jensen plant during periods of low SWP demands. These operational water flows in the Sepulveda Feeder are currently necessary to maintain water quality during low SWP allocations. Therefore, once the initial phase of this project is complete, the operational flows from the Jensen plant into the Sepulveda Feeder can be diverted to the west service area.

The pump stations will not only enhance the reliability of water supplies in the west area in times of reduced SWP supplies, but they will increase overall system flexibility by enabling the Jensen exclusive area to receive flows when the Jensen plant is removed from service for maintenance and repairs. During the upcoming rehabilitation of prestressed concrete cylinder pipe (PCCP) portions of the Sepulveda Feeder, the pump stations will also aid in minimizing delivery impacts to member agencies as the PCCP lining work proceeds.

In September 2023, the Board authorized an agreement with J.F. Shea to begin Phase 1 of the PDB process. The agreement permits J.F. Shea, upon Metropolitan's approval, to commence procurement of required equipment during Phase 1, prior to agreement on the GMP. The design has progressed to a point where early work packages have been developed, and staff recommends procuring long-lead electrical transformers at this time to meet a planned 2026 shutdown. Since the not-to-exceed amount in the agreement does not include this equipment, an amendment to increase the existing not-to-exceed amount is necessary to allow for the procurement of equipment. It is anticipated that staff will return to the Board in late 2024 for additional amendments to the agreement to cover procurement of additional long-lead equipment and Phase 2 work, which includes completion of design and construction.

Sepulveda Feeder Pump Stations – PDB Phase 1 Agreement Amendment (J.F. Shea Construction Inc.)

The amended PDB agreement will enable J.F. Shea to procure electrical transformers for the two new pump stations at the Venice and Sepulveda Canyon PCS sites. These long-lead items can take up to 18 months to procure, and staff recommends procurement of this equipment at this time. J.F. Shea will lead the procurement effort, utilize a best-value competitive process to select the vendor, and store the equipment until needed for the Phase 2 construction work.

A total of \$690,000 is allocated for this work. In addition to the agreement amendment amount, allocated funds include the following for Metropolitan staff: \$24,000 for submittals review, technical support, and responding to manufacturer requests for information; and \$66,000 for contract administration and project management.

Attachment 1 provides the allocation of the required funds. The total estimated cost to complete the work, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$105 million to \$115 million.

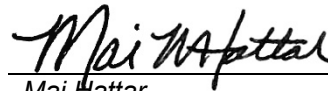
Proceeding with early procurement of the long-lead equipment at this time will enable the completion of the pump stations at the Venice and Sepulveda Canyon sites during a planned 2026 shutdown of the Sepulveda Feeder. This action authorizes a \$600,000 increase to an existing agreement with J.F. Shea for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project.

Project Milestones

November 2024 – Board award of a Phase 2 agreement for PDB services

December 2025 – Delivery of equipment

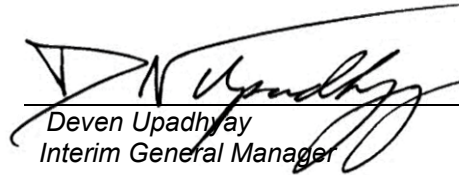
July 2026 – Completion of construction



Mai Hattar
Interim Chief Engineer
Engineering Services

6/24/2024

Date



Deven Upadhyay
Interim General Manager

6/27/2024

Date

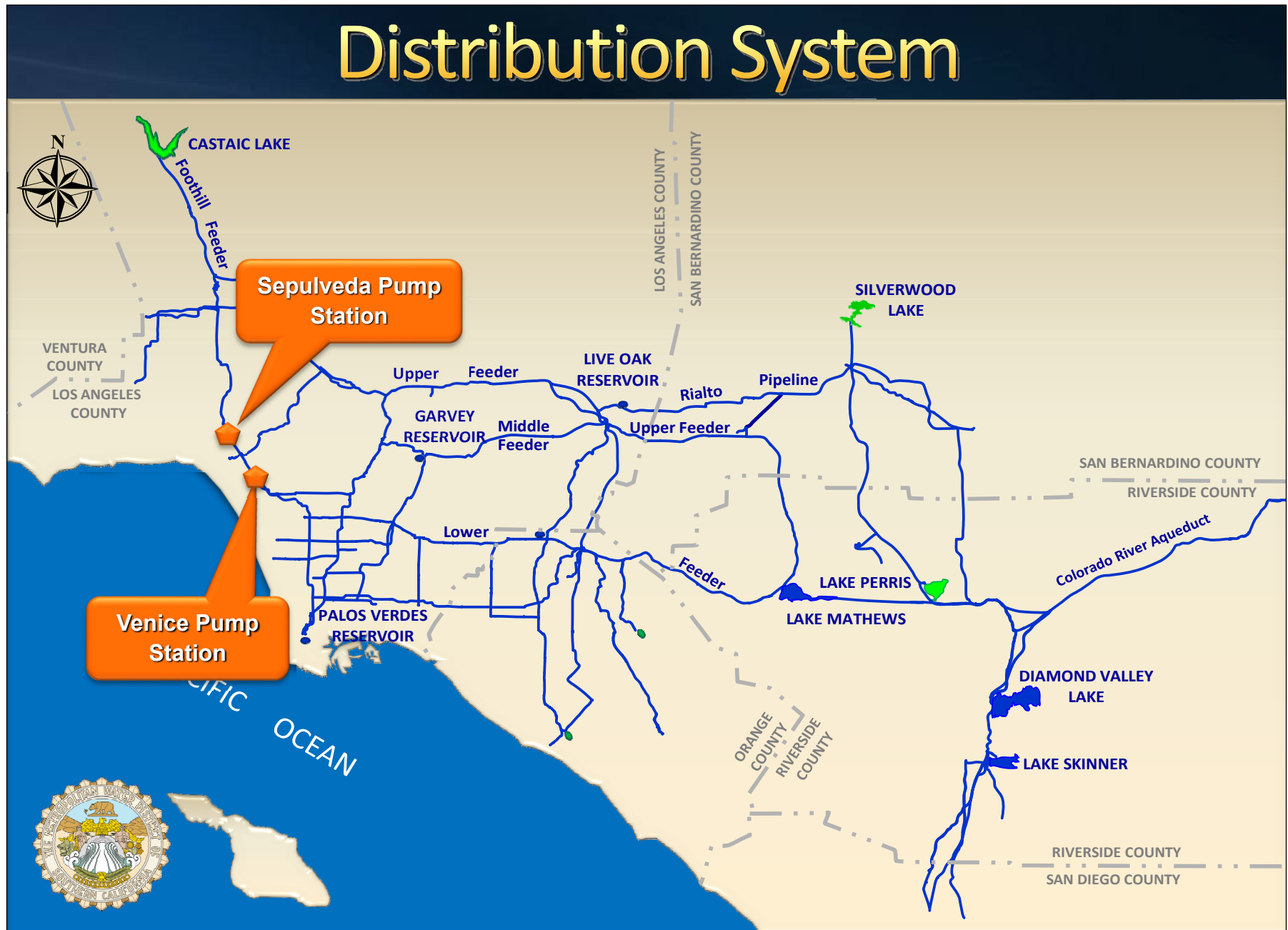
Attachment 1 – Allocation of Funds**Attachment 2 – Location Map**

Ref# es12700876

Allocation of Funds for Sepulveda Feeder Pump Stations

	Current Board Action (July 2024)
Labor	
Studies & Investigations	\$ -
Final Design	
Owner Costs (Program mgmt.)	66,000
Submittals Review & Record Drwgs.	24,000
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	-
J.F. Shea Construction Inc.	600,000
Remaining Budget	-
Total	\$ 690,000

The amount expended to date on the Sepulveda Feeder Pump Stations project is approximately \$4.5 million. The total estimated cost to complete this project, including the funds allocated for the work described in this action is anticipated to range from \$105 million to \$115 million.





Engineering, Operations, & Technology Committee

Sepulveda Feeder Pump Stations – Transformer Procurement

Item 8-1

July 8, 2024

Item 8-1

Sepulveda Feeder Pump Stations – Transformer Procurement

Subject

Authorize a \$600,000 increase to an existing agreement with J.F. Shea Construction Inc. for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations project. (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project dependent areas)

Purpose

Early procurement of the long-lead electrical transformers for the two new pump stations will expedite project completion

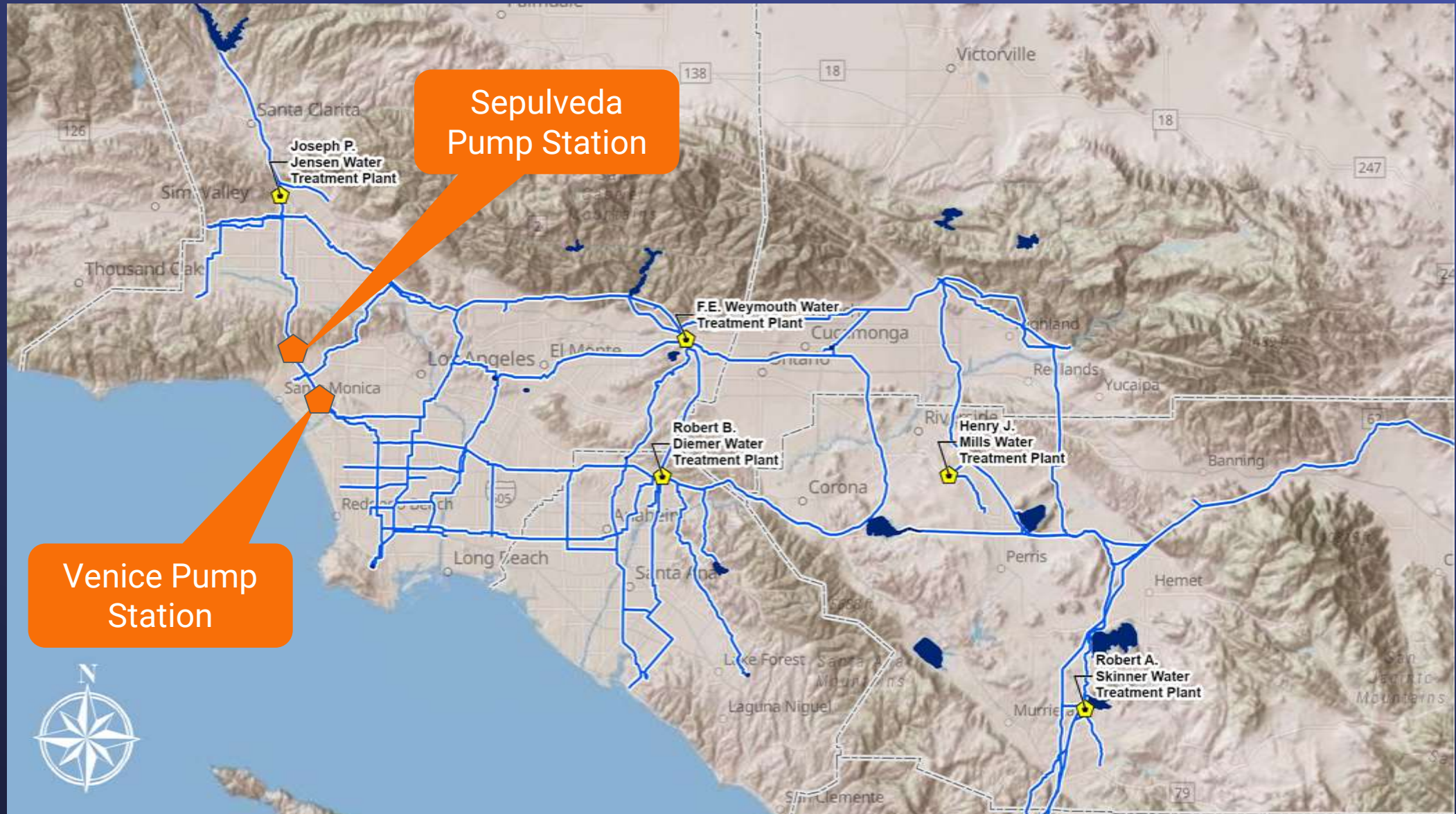
Recommendation and Fiscal Impact

Authorize an increase to an existing Progressive Design Build agreement for the Sepulveda Feeder Pump Stations project

Fiscal Impact of \$690,000

Budgeted

Location Map



Pumping Water Up the Sepulveda Feeder Enhances Drought Resiliency



Sepulveda Feeder Pump Stations Transformer Procurement



Sepulveda Pump Station Layout Rendering

Background

- Addition of pump stations at Sepulveda Canyon & Venice Pressure Control Facilities will allow Metropolitan to reverse normal flow in the Sepulveda Feeder
- Augments treated water deliveries to west service area
- Initial hydraulic capacity of pump stations of 30 cfs
- Offsets 60 cfs of State Water Project (SWP) usage

Progressive Design Build

- Owner has a single contract with the Design-Build firm
- Progressive Design Build (PDB) model utilizes a two-phase process
 - Phase 1: Design-Builder will progress the design collaboratively with Metropolitan to about 70% complete & propose a Guaranteed Maximum Price (GMP)
 - Phase 2: Once GMP is negotiated & upon board approval, Design-Builder will complete design & begin construction

Project Scope

- Two new pumping plants on the Sepulveda Feeder
- Project components
 - Pumps, motors, & interconnection piping
 - Valve structures
 - Mechanical eqpt. for surge protection
 - Electrical modifications & switchgear
 - Electrical & control buildings
- Lead time for electrical transformers can take up to 2.5 years



Proposed Electrical Room at Sepulveda



Venice Pump Station Layout Rendering

Sepulveda Feeder Pump Stations Transformer Procurement

Alternatives Considered

- Traditional procurement by Metropolitan staff
 - Competitive bidding would delay completion of project by up to two years
- Wait until GMP is established before starting procurement
 - Delays project completion

Sepulveda Feeder Pump Stations Transformer Procurement

Selected Alternative

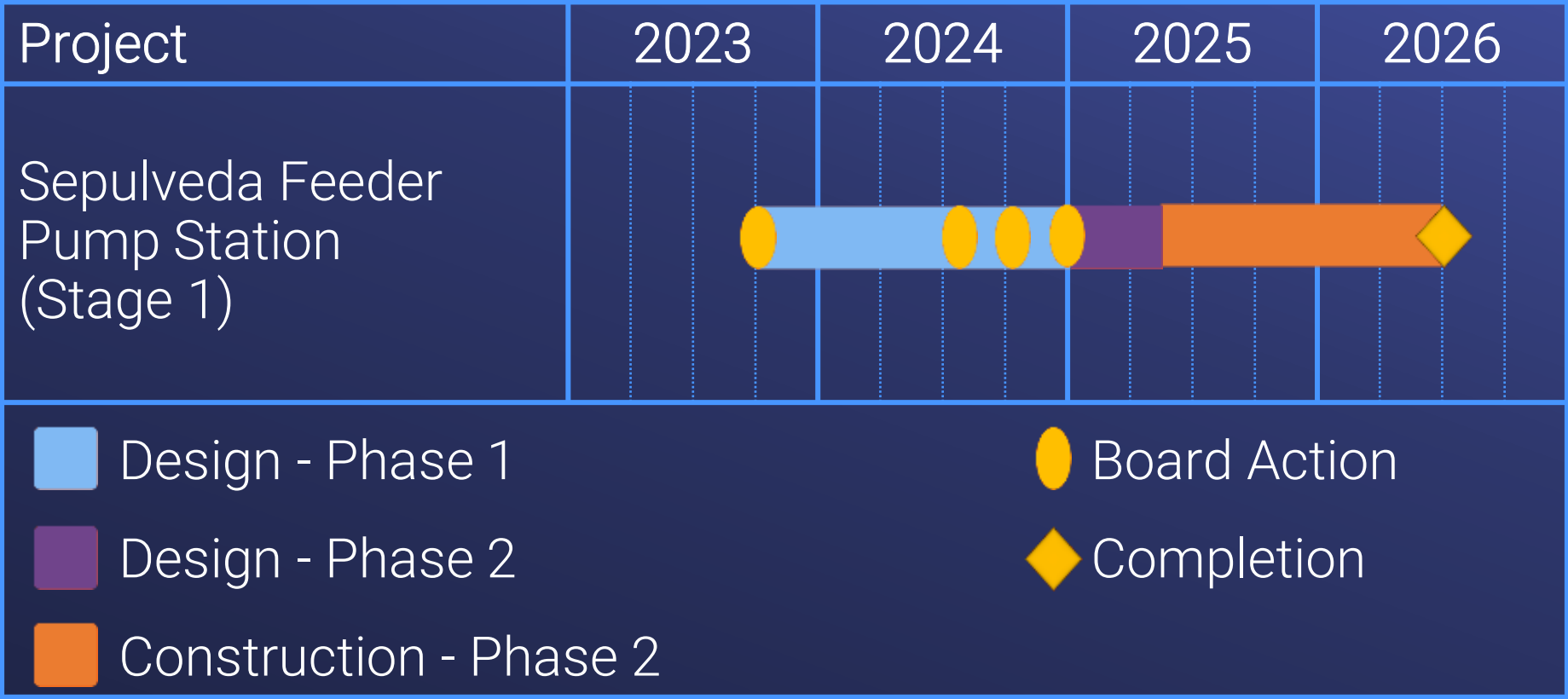
- Selected Alternative - PDB Contractor procurement of long lead equipment
 - Agreement permits PDB contractor, upon Metropolitan's approval, to commence procurement of required equipment during Phase 1, prior to agreement on the GMP
 - PDB contractor procures equipment directly on a best-value basis
 - Received six bids total
- Early procurement expedites project schedule

Allocation of Funds

Sepulveda Feeder Pump Stations

Metropolitan Labor		
Owner Costs (Proj. Mgmt., Contract Admin., Envir. Support)	\$	66,000
Submittals Review, Tech. Support		24,000
Contracts		
J.F. Shea Construction Inc.		600,000
Total		\$ 690,000

Project Schedule



Board Options

- Option #1

Authorize a \$600,000 increase to an existing design-build services agreement with J.F. Shea Construction Inc. for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project.

- Option #2

Do not proceed with the procurement at this time.

Staff Recommendation

- Option #1





- **Board of Directors**
One Water and Stewardship Committee

7/9/2024 Board Meeting

8-2

Subject

By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for fiscal year 2024/25 and up to \$4.30 million for fiscal year 2025/26; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action requests authorization to continue funding and participation in the State Water Contractors (SWC). Participation in this organization allows Metropolitan to advocate for effective operations and management of the State Water Project (SWP), with an emphasis on the reliability of the SWP infrastructure, managing electrical power resources, and the Sacramento-San Joaquin Bay/Delta (Delta). Metropolitan's participation enhances the effectiveness of relationships with the other SWP contractors. The SWC provides a unified voice among the contractors to provide input to the California Department of Water Resources (DWR) on the management of the SWP. The SWC's main focus areas include responding to climate change, meeting renewable energy goals, advancing science for decision-making in the Delta, and collaborating with stakeholders to reach mutually beneficial solutions such as the Agreements to Support Healthy Rivers and Landscapes.

Staff is requesting authorization for the General Manager to make payments to SWC for up to \$4.18 million for fiscal year (FY) 2024/25 and up to \$4.30 million for FY 2025/26. The requested authorization amounts are within Metropolitan's approved budget for FY 2024/25 and FY 2025/26.

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

Staff Recommendation: Option #1

Option #1

By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for FY 2024/25 and up to \$4.30 million for FY 2025/26.

Fiscal Impact: Expenditures for participation in SWC in FY 2024/25 would be up to \$4.18 million, funded within the FY 2024/25 budget. Expenditures for participation in SWC in FY 2025/26 would be up to \$4.30 million, funded within the FY 2025/26 budget.

Business Analysis: Metropolitan benefits from the SWC representing positions with DWR, legislators, regulatory, and third-party groups that advance its SWP strategic initiatives.

Option #2

Do not authorize the General Manager to make payments to the State Water Contractors for FY 2024/25 and FY 2025/26.

Fiscal Impact: Savings up to \$4.18 million for FY 2024/25 and \$4.30 million and for FY 2025/26.

Business Analysis: Metropolitan would be less effective in advancing its SWP strategic initiatives if the membership is not approved. Metropolitan would need to develop alternative means to manage the risk of higher costs or greater operational restrictions on supply deliveries.

Alternatives Considered

Staff reviewed alternatives to continued participation in the SWC. If the SWC was not funded, most of the activities currently conducted by the SWC would need to be provided by one or more of the individual contractors. As a result, the coordination with the other contractors on policy, science, regulatory comments, and advocacy would grow more complex, with potential duplication happening across the various contractors, including Metropolitan. With participation in the SWC, Metropolitan's Delta science initiatives are magnified, and the SWC recognizes Metropolitan's contributions by providing discounted charges. Over the last five years, Metropolitan's annual contributions to the SWC averaged \$3.36 million, and leveraged \$5.1 million annually from the other SWC members. For these reasons, in part, staff strongly recommends continued participation in the SWC.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Sections 11102 and 11103: Payment of Dues and Participation in Projects or Programs Serving District Purposes.

Metropolitan Water District Act Section 126: Dissemination of Information (requires a two-thirds vote)

By Minute Item No. 45348, the Board, at its May 13, 2003, meeting, authorized entering into an agreement with the State Water Project Joint Powers Authority.

By Minute Item No. 47735, the Board, at its December 9, 2008, meeting, authorized the General Manager to execute the Delta Habitat Conservation and Conveyance Program Memorandum of Agreement and three related funding and management agreements.

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

Unanticipated increases in the SWC annual budget have occurred in the past and could happen in the future due to unforeseen circumstances or expenditures. If the SWC budget for FY 2025/26 increases above that which is authorized in this action, staff will return to the Board for additional authorization of the adjusted amount of funds for FY 2025/26.

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

State Water Contractors

The SWC is a nonprofit association of 27 public agencies from northern, central, and southern California with contracts providing participation rights in the SWP. Collectively, there are 27 million Californians (which is one in 12 Americans) and 750,000 acres of productive farmland in the SWC members' service areas. The SWC's role and activities provide input into DWR's policy and decision-making process. The SWC effectively represents the interests of Metropolitan and the other contractors in discussions with DWR and through interactions with other state, federal, and local entities.

The SWC is governed by a board of directors, which represents eight classes of SWP contractors. The board members are generally composed of managers from the agencies. The table below summarizes the board members and their respective class designation representatives:

Class	Representative	Contractors
1	Chris Lee	Solano County Water Agency (WA) , Yuba City, Napa County Flood Control & Water Conservation District (FCWCD)
2	Laura Hidas	Alameda County Water District , Alameda Zone 7 WA, Santa Clara Valley Water District (WD)
3	Jacob Westra	County of Kings, Dudley Ridge WD, Tulare Lake Basin Water Storage District , Empire West Side Irrigation District (ID), Oak Flat WD
4	Craig Wallace	Kern County Water Agency (KCWA)
5	Ray Stokes	Central Coast Water Authority , San Luis Obispo FCWCD
6	Nina Hawk	Metropolitan Water District of Southern California
7	Matthew Stone	Santa Clarita Valley Water District , Casitas Municipal Water District
8	Peter Thompson, Jr. Robert Cheng	Antelope Valley East Kern WA, Coachella Valley Water District , Crestline-Lake Arrowhead WA, Palmdale WD, Littlerock Creek ID, San Bernardino Valley MWD, San Gabriel Valley MWD, San Geronio Pass WA

The overall SWC dues are made up from five funds: Dues Fund, Bay-Delta Fund, Delta Conveyance Project Fund, Energy Fund and Municipal Water Quality Investigation. The table below illustrates the basis for allocating each share of the SWC dues:

Fund	Basis of Allocation
Dues Fund	Maximum Table A and Prior Year Water Delivery
Bay-Delta Fund	Maximum Table A with Adjustments for Metropolitan and KCWA Efforts
Delta Conveyance Project Fund	Presumed Participation in Project
Energy Fund	Power Use with Maximum Table A and Prior Year Energy Use
Municipal Water Quality Investigation	Table A of Participating Contractors

The SWC's staff of nine employees coordinates across the SWC to ensure consistent policy positions, effective messaging, and coordinated advocacy. This coordination first seeks unanimity whenever possible and then amplifies the individual agency voices before DWR, the Newsom administration, the State Legislature, and the many regulatory agencies who hold responsibilities in the Delta.

The SWC's work efforts and associated revenue collections include five areas:

1. **Dues Fund** – Funds SWC activities supporting DWR cost management, infrastructure repair and replacement, water supply reliability, and water quality. This fund also includes general operating expenses.
2. **Energy Fund** – Funds SWC activities to help DWR develop and implement energy strategies to meet state mandates while obtaining cost-effective energy for the SWP.
3. **Bay-Delta Fund** – Supports SWC participation in Delta fish monitoring, environmental reviews, coordination with the Central Valley Project, protection of existing operations, advancing science, and planning for a changed climate now and in the future. Because some Metropolitan staff efforts closely align with and support the SWC, over the last five years Metropolitan has received an average discount of 48 percent (approximately \$506,000 excluding SWC legal fees).
4. **Delta Conveyance Project Fund** – Supports SWC involvement in the Delta Conveyance Project planning activities, such as assisting with permits, environmental documentation, and policy and technical support to determine project benefits.
5. **Municipal Water Quality Investigations (MWQI)** – Provides SWP contractors with water quality information related to drinking water regulations through specialized scientific studies, research, and investigations.

The united voice of the SWC provides value in achieving favorable outcomes. Notable accomplishments of direct value to Metropolitan include:

- (1) Coordination with the SWP Chief Financial Manager to resolve outstanding financial disputes such as Water System Revenue Bond Surcharge, Rate Management Credits, East Branch Enlargement and Cost/Debt Analysis,
- (2) Efforts to explore with the legislature and the state administration ways to reduce the impacts of Senate Bill 1020, which affirmed the commitment of DWR to secure 100 percent renewable or zero-carbon resources on a modestly extended schedule to save the SWP billions of dollars in energy costs,
- (3) Engagement with DWR on the Safety of Dams and Sisk Dam cost share negotiations that led to approximately \$500 million in savings for all SWP contractors,
- (4) Completion of the 10th Amendment to the Tolling and Waiver Agreement.

Further accomplishments are provided in **Attachment 1**, and **Attachment 2** describes SWC objectives for FY 2024/25.

Summary of Payment Distribution

The table below summarizes the current and requested up to payments for participation in the SWC:

	FY 2023/24 Actual	FY 2024/25 MWD Budget	FY 2025/26 MWD Budget
Dues Fund	\$2,068,300	\$1,652,700	\$1,702,200
Energy Fund	\$ 289,200	\$ 280,000	\$ 288,400
Bay-Delta Fund	\$1,086,400	\$1,057,100	\$1,088,800
Delta Conveyance Project Fund	\$ 454,200	\$ 930,400	\$ 958,300
MWQI	\$ 258,300	\$ 260,000	\$ 260,000
Total:	\$4,156,400	\$4,180,200	\$4,297,700

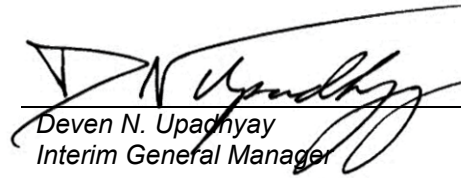
Metropolitan's requested payments to the SWC for FY 2024/25 and FY 2025/26 are consistent with the approved budget, which assumes an approximate 3 percent escalation from FY 2024/25 to FY 2025/26.

The MWQI Specific Project Committee is preparing its calendar year 2025 activities and budget for approval in December 2024. In December 2025, MWQI will approve its calendar year 2026 activities and budget. Once approved, Metropolitan will pay its share of costs. Staff requests authorization to pay up to \$260,000 for each FY 2024/25 and FY 2025/26 to fund the Committee. These amounts are consistent with the budget.



Blandon J. Goshi
Interim Manager
Water Resource Management

6/26/2024

Date

Deven N. Upadhyay
Interim General Manager

6/27/2024

Date

Attachment 1 – FY 2023/24 High Priority Accomplishments of the State Water Contractors

Attachment 2 – FY 2024/25 High Priority Objectives of the State Water Contractors

Ref# wrm12694795

FY 2023/24 High Priority Accomplishments of the State Water Project Contractors

Objective	Accomplishments
Water Supply	
Delta Conveyance Technical/Policy Support	<ul style="list-style-type: none"> • Participated in Delta Conveyance Project (DCP) technical and policy discussions with the Department of Water Resources (DWR) and conveyed contractors' perspectives. • Supported and facilitated State Water Contractors (SWC) discussions to advance the DCP Contract Amendment.
Delta Conveyance Permitting	<ul style="list-style-type: none"> • Coordinated with DWR daily on the environmental planning efforts for operations criteria, modeling, California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA), Endangered Species Act (ESA), California Endangered Species Act (CESA), U.S. Army Corps of Engineers Sections 404 and 408 permits, Delta Plan, and the Community Benefits Program and Cost - Benefit Analysis.
Water Operations Evaluation	<ul style="list-style-type: none"> • Provided water operations dashboard updates focused on State Water Project (SWP) water supply operations. • Worked with DWR on the Incidental Take Permit (ITP) amendments and long-term operations consultation.
Update to the Bay-Delta Water Quality Control Plan	<ul style="list-style-type: none"> • Collaborated with Agreements to Support Healthy Rivers and Landscapes (HRL), formerly known as Voluntary Agreements, parties to develop the program's components, including governance, science plan, and other agreements.
Water Supply and Operations Improvements	<ul style="list-style-type: none"> • Participated in real-time operations tracking workgroups, such as the Delta Monitoring Workgroup, that provides feedback on real-time operational decisions/recommendations. • Participated in various planning workgroups, such as Delta Coordination Group, that are responsible for implementing the summer-fall habitat action under the 2019 Biological Opinions (BiOps) /and 2020 Incidental Take Permit (ITP), which has water supply implications.
Infrastructure	
Infrastructure Reliability	<ul style="list-style-type: none"> • Reviewed SWP's Strategic Asset Management Plan and Transformer Asset Management Plan. Engaged with DWR management to share member agencies' perspectives regarding asset management plans. • Monitored and distributed information on the SWP's service factors/performance and participated in weekly updates on SWP operations, outages, and incidents that could affect the daily and/or long-term deliveries throughout the year. Tracked Devil's Den Pumping Plant fire and the Oroville River Valve Outlet System (RVOS) outages. • Tracked the implementation of the California Aqueduct Subsidence Program and Fire System Modernization Program to ensure infrastructure reliability.

Objective	Accomplishments
Capacity Retention	<ul style="list-style-type: none"> Engaged with DWR staff, management, and executives to emphasize the importance of maintaining capacity and various ways of achieving reliability economically as the SWP Adaptation Report is developed. Extensively coordinated with DWR and contractors on California Aqueduct subsidence. Represented contractors' interest in strategic plan formation in coordination meetings with DWR, United States Bureau of Reclamation (USBR), San Luis & Delta-Mendota Water Authority, and Friant Water Authority. Pursued non-SWP funding opportunities for evaluating and alleviating impacts resulting from subsidence. Led the SWP Storage Expansion Workgroup. Communicated with DWR management/executives to emphasize the contractors' interest in opportunities to increase SWP capacity.
Infrastructure Safety	<ul style="list-style-type: none"> Continued the elevated focus on dam safety with quarterly updates at the Operations, Maintenance, and Engineering (OME) Committee meetings, which serves as a forum for DWR, SWC staff, and member agencies to obtain more in-depth updates on DWR's expanding dam safety program and specific details on the recently elevated inspections/evaluation, engineering assessments, and modernizations of all SWP dams. Tracked development/execution of the SWP Fire Modernization/Life Safety Improvement Program physical/cyber security projects.
Infrastructure Affordability	<ul style="list-style-type: none"> Engaged with DWR regarding Sisk Dam Safety Project cost-share negotiations with the United States Bureau of Reclamation, which led to an agreement that follows Safety of Dams funding structure. Coordinated and participated in the review of the Castaic High Tower Valve Activation Feasibility Study, Hyatt Intake Gate Business Case Evaluation, and the South Bay Aqueduct Landslide Value Engineering workshops.
Business Processes	
Budgets	<ul style="list-style-type: none"> Continued in the SWC-DWR Affordability Workgroup to work on advancing the Process of Affordability concepts and enhancing budget information provided during DWR's annual Financial Management Conferences. DWR held the 2024 Financial Management Conference to review the B132-24 budget and cost projections for the 2025 Statement of Charges, including providing contractors with the annual calendar year 2024 and 2025 SWP Budget Report.
Financial Projections	<ul style="list-style-type: none"> Provided financial modeling to assist contractors in decision-making and planning. This included updating the SWC SWP Forecasting Model, the SWC 10-year Energy Forecasting Model, and the SWC Energy Pumping Plant Rate Forecasting Model.
Financial Resources, Revenue Requirements, and Investments	<ul style="list-style-type: none"> Engaged with member agencies to work on approaches for Determining Amounts Available ("revenues") for Rate Management Credits under Article 51(c) (e), including the reconstruction of the sources and uses of SWP surplus revenues. Continued with member agencies to work on the analysis and potential impacts of the excess revenues generated under Article 50 of the Water System Revenue Bond (WSRB) Surcharge Amendment.

Objective	Accomplishments
Business Process Control Activities and Environment	<ul style="list-style-type: none"> Continued to work with DWR's Protest Resolution staff with the goal of providing closure on protest items, which includes either resolution or determining the necessity of filing a claim against DWR. To date, 408 of the 656 identified items have been resolved and removed from the protest item list. In total, 14 items were resolved in FY 2024. The tenth Amendment to the Tolling and Waiver Agreement was executed to extend the tolling period to December 31, 2025.
Energy	
Senate Bill No. 49 (Energy: Appliance Standards and SWP Assessment) Report	<ul style="list-style-type: none"> Continued to explore ways with legislature and administration to reduce impacts of Senate Bill No. 1020 (Laird, Statutes of 2022). Secured funding for the restoration of pumpback operations at the Orville Complex. Researched the potential for behind-the-meter solar generation at pumping plants along the Valley String. Potential benefits include reduced exposure to volatile energy prices, reduced transmission access charge costs, and meeting clean energy goals.
Energy Legislation	<ul style="list-style-type: none"> Ensured DWR's responsibilities as a central procurement entity for energy generation do not interfere with State Water Project operations or costs.
Science	
Endangered Species Act (ESA), California Endangered Species Act (CESA), and Water Quality Control Plan (WQCP) Environmental Compliance	<ul style="list-style-type: none"> Continued to coordinate with DWR on implementation of the Incidental Take Permit, including participation in various subgroups, discussion of adaptive management opportunities, and resolution of operational and other issues as they arose. Worked with DWR to hold the Environmental Coordination Committee meetings quarterly. Worked with DWR to hold the DWR-SWC Environmental Science Work Group meetings quarterly.
Outreach	
Position Awareness	<ul style="list-style-type: none"> Developed an informational and educational whiteboard video to explain the HRL, illustrating their benefits and components and reinforcing why they are the best proposal for updating the Bay-Delta Plan. The video is in partnership with the Northern California Water Association (NCWA) and coming on the heels of the Water Board's release of its Draft Staff Report and ahead of public workshops.
SWC Management	
Accounting	<ul style="list-style-type: none"> Maintained internal financial records and provided regular reports to the SWC Board of Directors.
Contract Management	<ul style="list-style-type: none"> Issued contracts to research institutes, consultants, and other entities; executed cost-sharing agreements with funding partners.

FY 2024/25 High Priority Objectives of the State Water Project Contractors

Objective	Description
Water Supply	
Delta Conveyance Technical/Policy Support	<ul style="list-style-type: none"> Provide technical and policy support to State Water Contractors (SWC) members that are Delta Conveyance Project (DCP) participants, including assistance to complete the DCP contract amendment, secure necessary funding, and coordinating among participants. Support the development of necessary permits and environmental documentation related to the Delta Conveyance Project.
Update to the Bay-Delta Water Quality Control Plan	<ul style="list-style-type: none"> Participate in the Agreements to Support Healthy Rivers and Landscapes (HRL), formerly known as Voluntary Agreements, development and discussions, and in related activities, including engagement on California Environmental Quality Act process, coordination with other HRL parties, and engagement with State Water Board staff and Board members.
Water Supply and Operations Improvements	<ul style="list-style-type: none"> Develop and track future outlook for State Water Project (SWP) water supply risks and opportunities taking into consideration various ongoing efforts related to regulatory (e.g., Endangered Species Act, California Endangered Species Act, Water Quality Control Plan), infrastructure (e.g., San Luis Expansion, DCP, Sites), operational (e.g., Forecast-Informed Reservoir Operations, groundwater recharge, Coordinated Operations Agreement) and the changing hydrologic conditions. Identify potential strategies to minimize the risks to SWP water supply.
Infrastructure	
Infrastructure Reliability	<p>Work with the Department of Water Resources (DWR) in the effort to maintain and improve reliability of the aging SWP Infrastructure with a focus on:</p> <ul style="list-style-type: none"> Continuing work to develop/document/implement an asset management plan and capital improvement program. Developing a tracking/communication process for members to better understand the roll-out and addition of future SWP-funded positions and the resulting benefits. Assessing maintenance management systems to better identify vulnerabilities, the required risk mitigation strategies and management policy and objectives. Advocate for appropriate priorities and affordability.
Capacity Reliability	<p>Work with DWR to ensure SWP delivery capacity and storage capabilities meet current and future demands with a focus on:</p> <ul style="list-style-type: none"> Subsidence in the San Joaquin Valley, machine outages, power outages, regulatory requirements, weeds/debris, and water quality. Advocating for projects, repairs, procedures, and studies to ensure that capacity is restored or preserved to ensure long-term operational capacity. Working with the SWC Storage Expansion Workgroup to develop a white paper that summarizes the need, opportunity, and risks of potential expansion of the SWP storage capacity.

Infrastructure Safety	<p>Work with DWR and member agencies to plan and ensure SWP infrastructure safety by:</p> <ul style="list-style-type: none"> Tracking SWP seismic vulnerability studies and begin planning/preparing for realistic response and recovery. Tracking SWP dam safety - expanded focus and regulatory requirements on dam safety, including the Oroville Dam Comprehensive Needs Assessment, to ensure timely remediation. Fire modernization project for all SWP plants.
Infrastructure Affordability	<p>Work with DWR and member agencies on measures to improve SWP infrastructure affordability with a focus on:</p> <ul style="list-style-type: none"> Supporting and assisting in the development of a capital investment plan that relies on asset management data to ensure affordability and certainty in the SWP budgeting process. Seeking opportunities and working with members to obtain outside State and Federal funding for repairs and modification for co-owned (State Water Project – Central Valley Project) facilities, damages sustained beyond normal SWP operations, and for climate change resiliency. Tracking implementation of SWP initiatives, quarterly budget reviews, Business Case Evaluations, Value Engineering Studies, and asset management informed processes.
Business Processes	
Budgets	<ul style="list-style-type: none"> Promote DWR’s development, management, and analysis of a SWP budget to minimize annual variances and to ensure reasonable revenue requirements and to facilitate contractors’ short-term planning and budgeting efforts.
Financial Projections	<ul style="list-style-type: none"> Promote the development of a SWP long-term forecast and the analysis of historical data to predict future SWP cost trends and outcomes to ensure long-term affordability and to facilitate contractors’ long-term planning efforts.
Financial Resources, Revenue Requirements, and Investments	<ul style="list-style-type: none"> Promote business processes that optimize the development of economical revenue requirements (Statement of Charges) and optional funding sources to ensure sustainable affordability into the future.
Energy	
Senate Bill No. 49 (Energy: Appliance Standards and SWP Assessment) Report	<ul style="list-style-type: none"> Collaborate with DWR to brief stakeholders on the report’s content and advocate for appropriate funding sources for identified tracks.
Energy Roadmap	<ul style="list-style-type: none"> Work with DWR to continue implementing and updating the Energy Roadmap to reflect recent budgetary and legislative changes, specifically incorporate strategies to meet the 2035 clean energy requirements that maintains reliable water delivery and a cost-effective power portfolio.

Science	
Endangered Species Act, California Endangered Species Act, and Water Quality Control Plan Environmental Compliance	<p>Collaborate with DWR to improve the Environmental Science Workgroup to facilitate planning and implementation of required habitat, mitigation, and monitoring, including:</p> <ul style="list-style-type: none"> • Work with DWR to hold Environmental Coordination Committee meetings at least quarterly and develop requested information relative to costs and efficacy of required monitoring and other actions. • Engage the DWR-SWC Environmental Science Work Group and hold meetings at least quarterly. • Work towards defining requirement offramps for science elements and seek permit amendments. • Ensure costs are split equitably with the United States Bureau of Reclamation. • Participate in adaptive management actions informing project operations.
Outreach	
Position Awareness	<ul style="list-style-type: none"> • Proactively drive SWC messaging and legislative positions to the media (i.e., key reporters, editorial boards), key stakeholders, legislators, and regulatory agencies to elevate the organization's position on priority issues.
SWC Management	
Accounting	<ul style="list-style-type: none"> • Oversee all financial and accounting operations. Establish financial policies, procedures, controls, and reporting systems to ensure the accuracy and integrity of financial data.
Treasury	<ul style="list-style-type: none"> • Ensure SWC retains adequate liquidity to meet the needs of its primary business operations and respond to organizational threats as needed.



One Water and Stewardship Committee

Authorize payments of up to \$4.18 million for FY 24/25 and \$4.30 million for FY 25/26 to State Water Contractors

Item# 8-2

July 8, 2024

Item # 8-2

Authorize two payments for participation in the State Water Contractors

Subject

By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for fiscal year 2024/25 and up to \$4.30 million for fiscal year 2025/26

Purpose

This action requests authorization to continue funding and participation in the State Water Contractors.

Recommendation and Fiscal Impact

Authorize payments of up to \$4.18 million for participation in the State Water Contractors for FY 2024/25 and up to \$4.30 million for FY 2025/26

Budgeted

Background Information

State Water Contractors



Established 1982



- 27 Members
 - 22 Urban contractors
 - 4 Agriculture contractors
 - 1 Urban and agricultural contractor
- 9 Board members

Background Information

State Water Contractors



Nonprofit Association

- Focus on policy, advocacy, and legal issues
 - Pursue reliable and cost-effective management of the State Water Project (SWP)
- Unified voice on SWP issues
- Provide legal support

Background Information

State Water Contractors



Major Accomplishments in FY 2023/24



Photo Credit: DWR



Photo Credit: DWR

- Coordination with DWR SWP Financial Manager
- Meeting renewable energy goals
- Infrastructure and affordability
- 10th Amendment to Tolling and Waiver Agreement

Background Information

State Water Contractors



Major Objectives in FY 2024/25



Photo Credit: DWR



Photo Credit: DWR



Photo Credit: DWR

- Science and research engagement
- Infrastructure reliability and safety
- Cost affordability
- SWP storage

Metropolitan's Budget for State Water Contractors

\$4.18M for FY 2024/25 and \$4.30M for FY 2025/26



	FY 2024/25	FY 2025/26
Dues Fund	\$1.65M	\$1.70M
Bay-Delta Fund	\$1.06M*	\$1.09M*
Delta Conveyance Project Fund	\$0.93M	\$0.96M
Energy Fund	\$0.28M	\$0.29M
Municipal Water Quality Investigation	\$0.26M	\$0.26M

* Considers a 48 percent or approximately \$506,000 discount (excluding legal fees), which is based on a 5-year average.

Summary

- Important association providing effective representation in dealings with DWR, state legislature, courts, and regulators
- Requested payments authorization amounts are consistent with approved budget
 - FY 2024/25 – \$4.18 million
 - FY 2025/26 – \$4.30 million
- Board approval by two-thirds vote required

Board Options

Option #1:

By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for FY 2024/25 and up to \$4.30 million for FY 2025/26.

Option #2:

Do not authorize the General Manager to make payments to the State Water Contractors for FY 2024/25 and FY 2025/26.

Board Options

Staff Recommendation

Option #1





- **Board of Directors**
Finance and Asset Management Committee

7/9/2024 Board Meeting

8-4

Subject

Authorize the execution of an amendment to an existing lease with Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan's fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes. The additional proposed leasehold parcels are commonly known as Riverside County Assessor Parcels Numbers 833-060-004; 833-060-008; 833-060-018; 833-100-005; 833-100-007; 833-100-011; 833-100-012; 833-100-016; 833-100-017; 833-060-001; 833-060-024; 833-060-025; 827-190-003; 827-190-004; 827-190-005; 827-190-006; 827-190-007; 827-190-009; 827-190-010; 827-190-012; 833-060-026; 006-090-008; 006-090-009; 006-090-010; 006-090-011; 006-090-012; 006-090-013; 006-090-029; 006-120-082; 006-120-089; 006-150-065; 006-220-057. The General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiators; agency negotiators: Kevin Webb and Kieran Callanan; negotiating parties: Linda D. Noroian dba Nish Noroian Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8]

Executive Summary

This action authorizes the General Manager to execute a lease amendment with Nish Noroian Farms, an existing lessee, to expand the size of its long-term leased premises by 1,001 acres. A ten-year lease with Nish Noroian Farms on 759 acres was previously authorized by this Board on September 12, 2023 after the issuance of a competitive solicitation and all existing terms and conditions of the existing lease will remain unchanged, except for the expansion of the size of the leasehold premises and associated necessary changes, such as increases in collected rent.

Authorizing this lease amendment provides an opportunity for Metropolitan to maintain local agricultural production with a proven, qualified tenant, as determined by a competitive solicitation, on its lands in the Palo Verde Valley and the continuation of leased farming operations that incentivize water conservation.

Board authorization to grant this lease amendment is required as the real property interest to be conveyed exceeds five years.

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

Staff Recommendation: Option #1

Option #1

- Authorize the execution of an amendment to an existing lease with Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan's fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes.

Fiscal Impact: Annual revenue from Noroian Farms to increase by approximately \$19,000 as the Board-authorized September 2023 rent terms are applied to the expansion premises.

Business Analysis: Expansion of the premises on a long-term basis with a proven lessee would continue to generate positive revenue, balance market-based rents with water management flexibility, and provide greater incentives for lessees to improve land and irrigation infrastructure over time.

Option #2

Do not authorize the General Manager to execute the lease amendmen.

Fiscal Impact: Depending on crop selection up to \$19,000 in additional revenue would be forgone.

Business Analysis: Allowing the holdover tenancy to continue would prevent the land from becoming vacant and prevent Metropolitan from incurring land management expenses including PVID water tolls and coalition fees.

Policy

Metropolitan Water District Administrative Code Section 8201: Authorization to General Manager

Metropolitan Water District Administrative Code Section 8230: Grants of Real Property Interests

Metropolitan Water District Administrative Code Section 8231: Appraisal of Real Property Interests

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Informational Item 6A, dated September 14, 2021, staff report outlining considerations for purchasing land assigned senior priority Colorado River water supplies and for leasing Metropolitan-owned lands in the Palo Verde Valley.

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

Board Action dated September 12, 2023

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involved an amendment to an existing leasing of existing public lands or topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment (State CEQA Guidelines Section 15301.)

CEQA determination for Option #2:

None Required

Details and Background

Background

Metropolitan owns approximately 29,958 gross acres of fee property in the Palo Verde Valley (PVV) area, of which 98 percent is zoned for agricultural use. Metropolitan began acquiring land in PVV in 2001 with a subsequent acquisition in 2015 and 2022. Land acquired in 2015 was later awarded to bidders Coxco LLC, DeConinck Farms, Desert Milling, Inc., and HayDay Farms with new leases executed in 2017. Desert Milling's lease, located in the northern portion of the Palo Verde Valley, was terminated in 2018 due to non-performance, and a land maintenance contract was put in place until the vacant acreage could be leased. In 2019, through a similar bidding process, four short-term leases were awarded for the vacant acreage to DeConinck Farms (400 acres), Nish Noroian Farms (759 acres), Quail Mesa Ranch (1,001 acres), and Red River Farms (1,656 acres) (henceforth referred to as the "northern leases").

On September 12, 2023, the Board approved long-term leases totaling 2,815 gross acres with existing lessees Joey DeConinck Farms (400 acres), Nish Noroian Farms (759 acres), and Red River Farms (1,656 acres). The leases had a base term of 10 years with an extension option at Metropolitan's discretion for a total possible term of 16 years.

The leases include tiered rental rates based on crop water use, incentives for participating in soil carbon accrual and healthy soil studies, and for fallowing a portion of the subject lands in accordance with the Palo Verde Irrigation

District (PVID) fallowing program. The Board-authorized September 2023 rental rates for the lease with Nish Noroian Farms are reflected in the table below. Rental rates will escalate two percent each year and will be reappraised every five years, resulting in possible rent increases or decreases.

Percentage of Irrigable Acres Allocated to High-Water Use Crops (≥ 4.5 Acre Feet / Year)	Noroian
Irrigable Acres (Farmable Land)	727 Acres
Tier 3: 75% to 100%	\$375
Tier 2: 50% to 74%	\$239
Tier 1: 35% to 49%	\$164
Tier 0: 0% to 34%	\$144

Note: Palo Verde agricultural lease rents are based on irrigable acres rather than gross acres.

Authorizing these lease agreements provides an opportunity for Metropolitan to continue augmenting its Colorado River water supply while generating positive revenue and maintaining local agricultural production with proven lessees on its lands in the Palo Verde Valley.

In 2023, Quail Mesa Ranch gave notice to Metropolitan of its intent to reduce its farming operations in the Palo Verde Valley immediately and requested a contractual release or sublease or assignments of its tenant obligations. Metropolitan contract provisions allowed for the assignment of tenant contractual obligations only to financially qualified and fit tenants that would be able to fulfill lease agreement obligations. After exploring different options, in November 2023, Quail Mesa Ranch agreed to assign and transfer its remaining, short term leasehold interests in 1,001 acres of Metropolitan-owned land to Nish Noroian Farms. The assignment and transfer of the Quail Mesa lease was for the duration of the remaining term of the lease through June 30, 2024. Nish Noroian Farms has integrated the subject 1,001 acres into its farming portfolio of Metropolitan-owned land on a short term basis and desires to continue farming the Metropolitan-owned land for the long term. Nish Noroian Farms is paying market rent with tiered water incentive rates and is an established tenant with a good track record and has already received long term contract extensions until 2033, plus possible extensions, under the previous Board action of September 12, 2023, for its other leased Metropolitan farmland. The additional 1,001 acres at issue today could not be included in the September 2023 Board action because of the attempted release and assignment actions of now former tenant, Quail Mesa Ranch.


Staff recommends allowing Nish Noroian Farms to expand its premises from 759 acres to 1,760 acres, on a long-term basis through the execution of the proposed lease amendment, which would also extinguish the holdover tenancy and apply the Board-authorized September 2023 rent terms to the expansion premises.



Elizabeth Crosson
Chief Sustainability, Resilience and
Innovation Officer

7/3/2024

Date



For Deven Upadhyay
Interim General Manager

7/3/2024

Date

Attachment 1 – Site Map

Ref# sri12699051

ATTACHMENT 1 – SITE MAP





Finance and Asset Management Committee

Authorize a Lease Amendment with Noroian Farms

Item 8-4

July 9, 2024

Overview of Lease Amendment

Subject

- Authorize a lease amendment with Nish Noroian Farms.

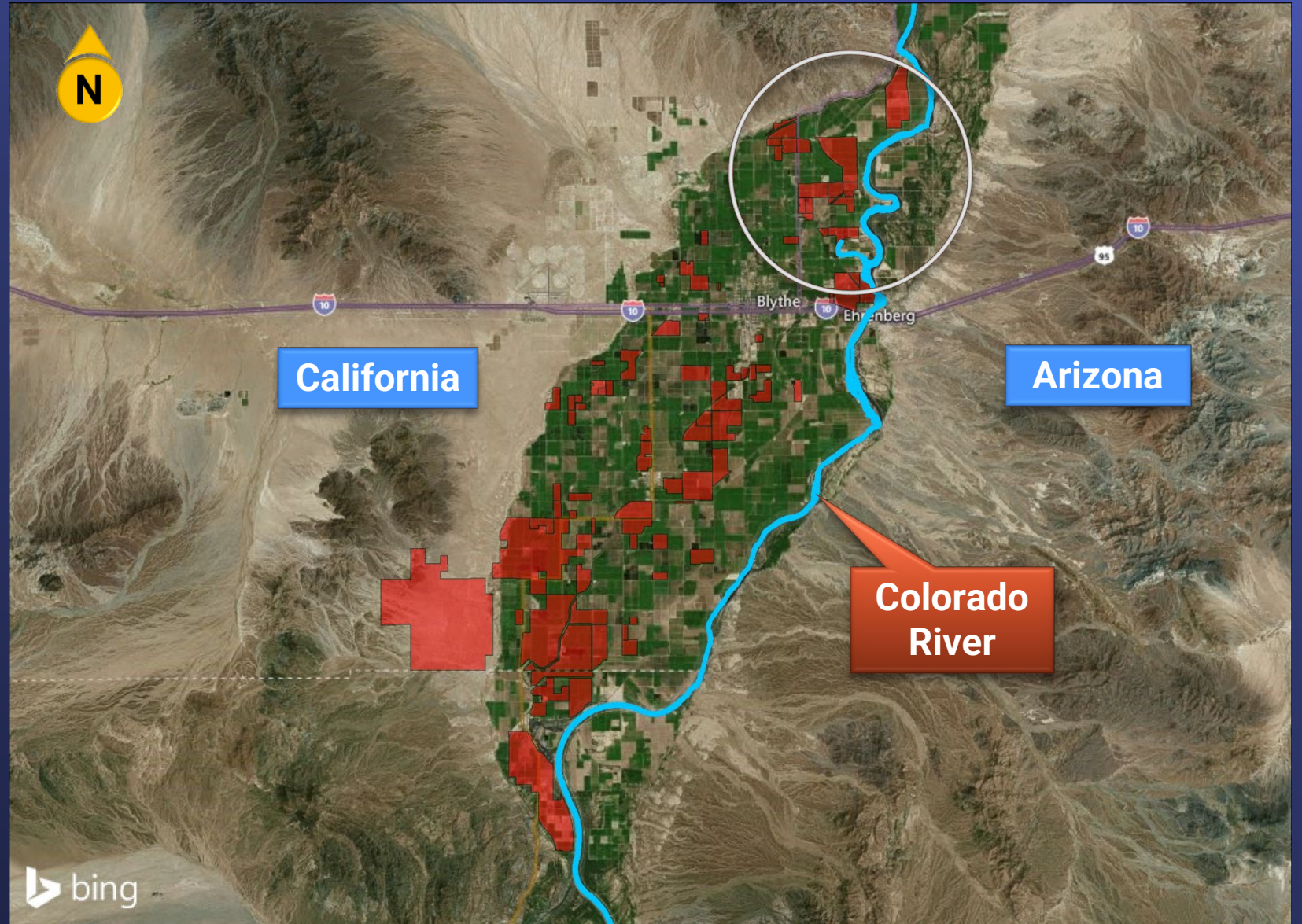
Purpose

- Expansion of existing leased premises from 759 acres to 1,760 acres.

Service Area & CRA

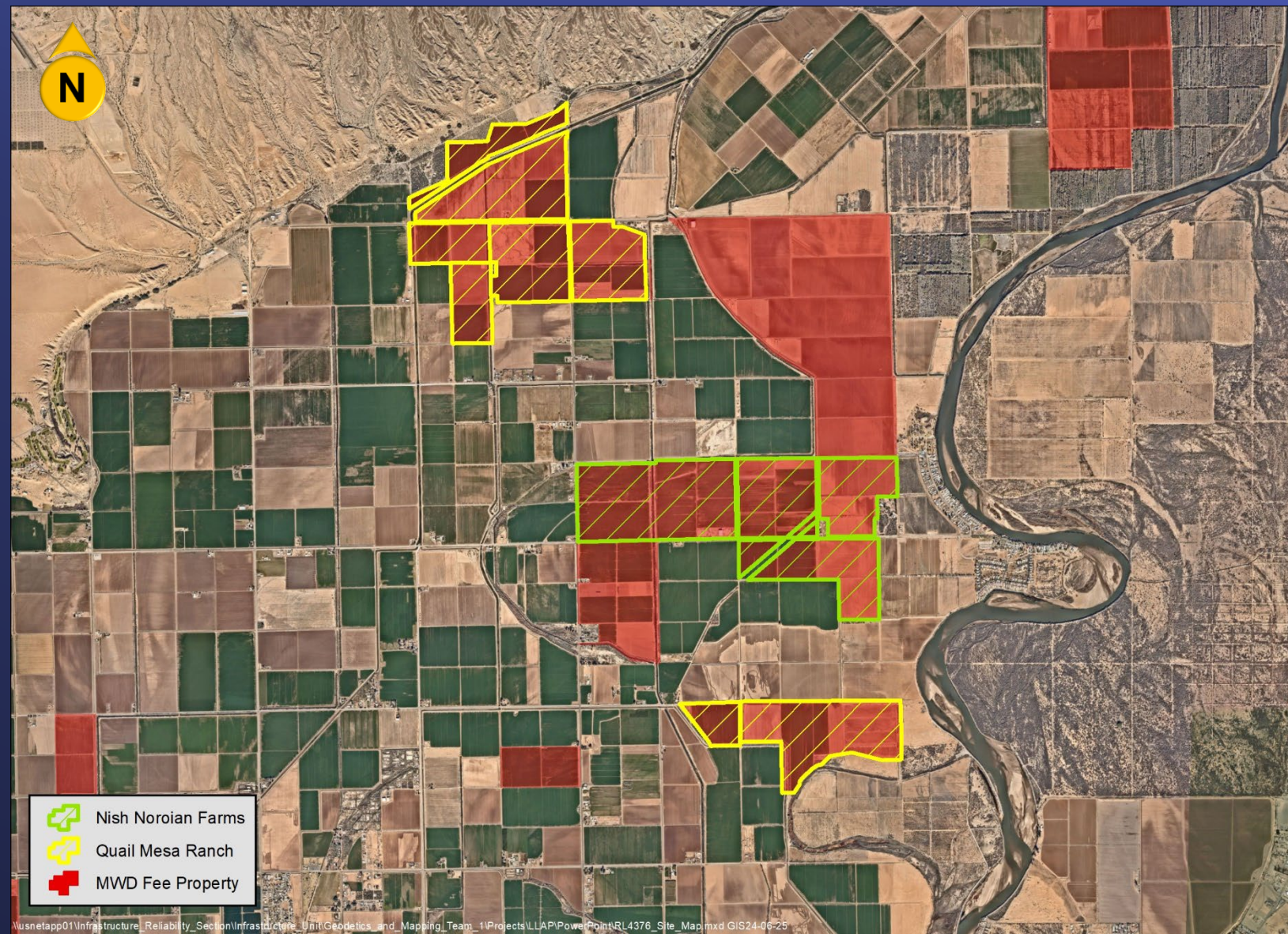


Palo Verde Fee-Owned Lands



Combined Premises

<u>Leases</u>	<u>Gross Acres</u>
Nish Noroian Farms	759
Quail Mesa Ranch	1,001
TOTAL	1,760



Lease History

2019	Short-term leases awarded to Joey DeConinck Farms, Noroian Farms, Red River Farms, and Quail Mesa Ranch
2022	Short-term leases extended until June 30, 2024
2023	Quail Mesa Ranch assigned and transferred its lease (1,001 acres) to Noroian Farms
2024	New Noroian lease executed (759 acres)

Existing Lease

Term: 10-Year Base Term
One 6-Year Extension Option

Expiration: December 31, 2039

Alignment: PVID Following Program
expires July 30, 2040

Existing Rent

Rent Structure and Rent Per Acre

% High Water-Use Crops	Noroian
Irrigable (Farmable) Acres	1,760
Tier 3: 75% - 100%	\$375
Tier 2: 50% - 74%	\$239
Tier 1: 35% - 49%	\$164
Tier 0: 0% - 34%	\$144

- Tiered rents designed to incentivize farmers to use less water through crop selection
- Optional reappraisals every 5 years

Rent Reduction

Soil Carbon Accrual and Healthy Soil Studies

- Rent reduction of up to 30 % for each acre
- 500 -acre maximum limit per study
- Duration not to exceed 5 years
- Subject to MWD's discretion and validation by a third-party

Board Options

Option No. 1

Authorize the execution of an amendment to an existing lease with Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan's fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes.

Board Options

Option No.2

Do not authorize the General Manager to execute the Lease Amendment.

Board Options

Staff Recommendation

- Option No. 1





Water Resource Management Group

• Conservation Board Report July 2024

Summary

This report provides a summary of conservation activity and expenditures for May 2024.

Purpose

Informational

Detailed Report

Conservation Expenditures – FY2022/23 & FY2023/24 ⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$14.2 M	\$3.1 M
Member Agency Administered	\$11.4 M	\$2.9 M
Turf Replacement	\$46.6 M	\$18.2 M
Advertising	\$9.4 M	\$1.1 M
Other	\$4.6 M	\$1.6 M
TOTAL	\$86.2 M	\$26.9 M

(1) The Conservation Program biennial expenditure authorization is \$86 million.

(2) Paid as of 7/1/2022 - 5/31/2024. Financial reporting on cash basis.

(3) Committed dollars as of June 10, 2024

Summary of Expenditures in May 2024: \$4,382,991 (1)

Lifetime Water Savings to be achieved by all rebates in May 2024: 6,775 AF

FY2022/23-FY2023/24: 131,559 AF lifetime water savings



Turf Replacement Rebates:

May: 971,595 ft² replaced

FY2022/23-FY2023/24: 21,676,609 ft² replaced



Clothes Washers:

May: 685 units rebated

FY2022/23-FY2023/24: 22,001 units rebated



Smart Controllers:

May: 576 units rebated

FY2022/23-FY2023/24: 19,639 units rebated



Toilets:

May: 2,044 units rebated

FY2022/23-FY2023/24: 44,425 units rebated



Rain Barrels and Cisterns:

May: 1,547 units rebated

FY2022/23-FY2023/24: 5,943 units rebated



Sprinkler Nozzles:

May: 2,035 units rebated

FY2022/23-FY2023/24: 46,333 units rebated

(1) Expenditures may include advertising and Water Savings Incentive Program activity in addition to the incentives highlighted above.



Integrated Operations, Planning, and Support Services Group

- **Colorado River Housing Community Planning Update**

Summary

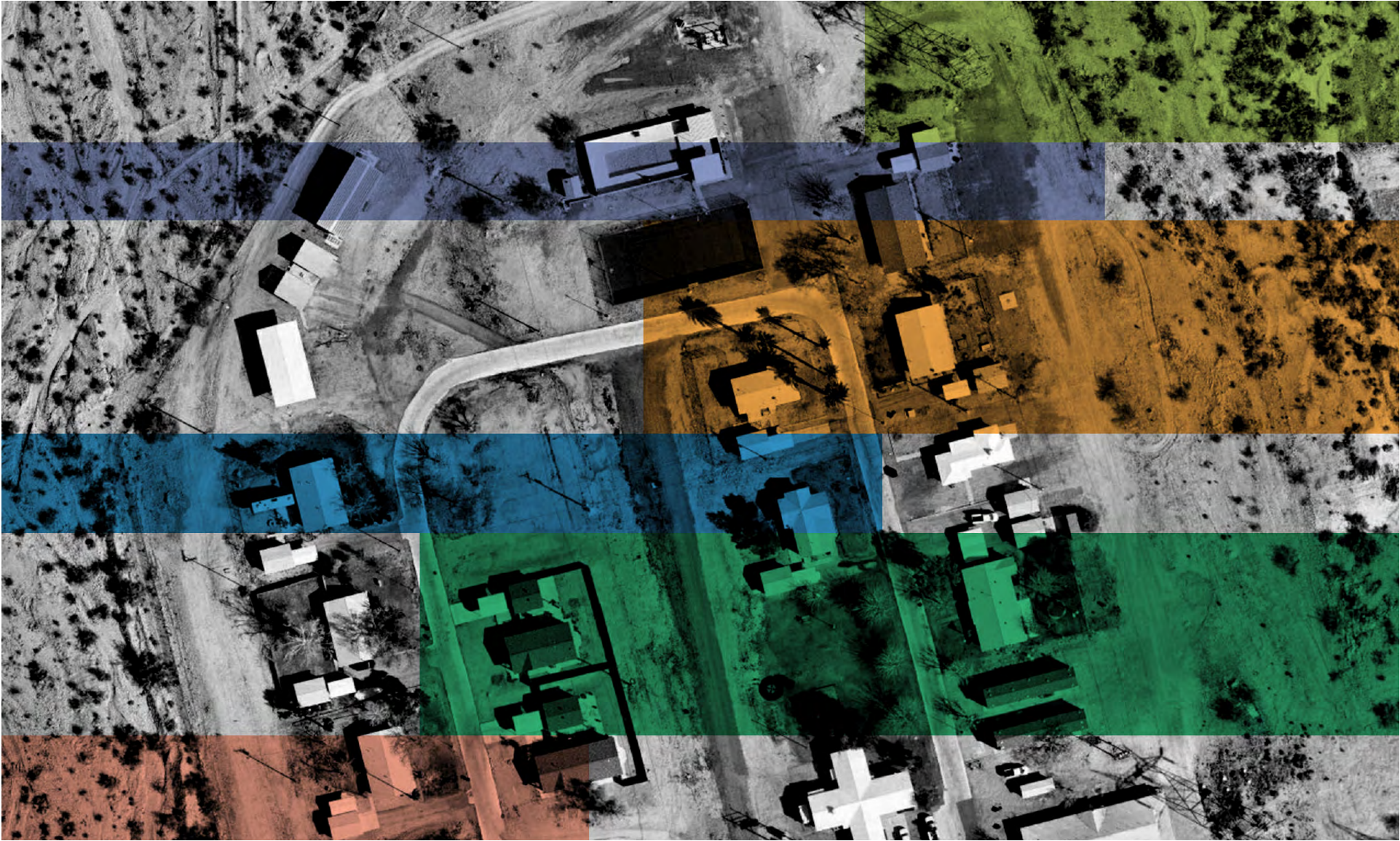
This is an informational update to provide the final report from the community planner on the District Housing & Property Improvements Program at the Desert Facilities. During the summer of 2023, Metropolitan hired a community planner to explore the long-term housing strategy to help create a vibrant, healthy, and sustainable community that will attract and retain the current and future generations of employees working and living at Metropolitan's five Colorado River Aqueduct pumping plants. Through an extensive iterative process over nine months, the consultant team has completed the community planning effort, and their recommendations are included in the attached report. Staff plans to review these recommendations in detail and return to the Board at a later date with final staff recommendations and next steps.

Purpose

Informational

Attachments

Community Planning Study Report



COMMUNITY PLANNING STUDY

MWD Housing & Property Improvements Program At The Desert Facilities



CIVITAS

EXECUTIVE SUMMARY

PURPOSE OF STUDY

Metropolitan Water District (MWD) has initiated a long-term housing program to evaluate the current and future needs of the Desert workforce housing. The study analyzes how best to support a remote workforce at Metropolitan's five Desert pumping plants at Hinds, Eagle Mountain, Iron Mountain, Gene, and Intake. Primary themes that were considered include the best way to support employee well-being through better work-life balance, whether villages should continue to support families, as well as Metropolitan's mission to deliver water in a fiscally responsible manner. As MWD considers how to attract and retain the current and future generation of desert employees, this study explores what the next 75 years of living and working in the remote villages and pumping plants will be. The outcome of this process is a recommended philosophical shift regarding Metropolitan's approach to workforce housing and employee support at these remote facilities.

BACKGROUND

Metropolitan owns five pumping plants located along the Colorado River Aqueduct at Intake, Gene, Iron Mountain, Eagle Mountain, and Hinds. Due to the sparse availability of community resources in the desert region and long commute times from the nearest cities at the time the pumping plants were built, Metropolitan developed employee villages adjacent to each pumping plant. The original housing is aging and needs to be either rehabilitated or replaced in the near future. A 2022 study was performed to determine the costs to replace all housing at the pumping plants. That study estimated the cost to replace all housing with new three-bedroom, two-bath housing, new kitchen and lodge facilities at two pumping plants and an amenities package at four facilities (Hinds, Eagle Mtn., Iron Mtn., and Gene) at \$190 million dollars. In the spring of 2023, Executive Management decided to pause the construction and engage in a community vision plan to explore the best long-term work-force housing strategy in the context of changing workforce, advancements in technology, and expansion of some adjacent Desert communities.

PROCESS

In the summer of 2023, Civitas and RNT Architects were selected to explore a long-term strategy for the Desert villages. The consultant team led an extensive outreach process that included visiting each village to listen and learn from current employees and having exploratory conversations with Executive and Desert Management regarding future housing and operations at the five pumping plants. The consultant team developed a series of village strategies that were vetted with leadership and the desert communities through an iterative process. Feedback from the communities was received through a second round of in-person discussions and an anonymous online survey. This report summarizes the outreach, understanding, and recommendations that came out of this process.

KEY COMMUNITY TAKEAWAYS

- Compensation and benefits were the most significant factor in new employee recruitment and retention.
- Housing plays an important role in decision to work at Metropolitan.
- A significant portion of the current workforce likes their single family homes as it allows the option for families to live there or visit during extended work shifts (holidays, covering vacation, on-call).
- The sense of community and ability to have family present in villages is valued for personal mental health.
- Future generations may be accepting of alternative housing types, including townhomes, if combined with other benefits.
- Employees understand the need and logic behind consolidating villages but are also strong advocates for future generations of desert employees.

GUIDING PRINCIPLES

- Support the long-term operation of the Colorado River Aqueduct (CRA) system.
- Create a financially resilient and socially sustainable 75-year housing strategy.
- Provide standard of living that supports employee recruitment, retention, and satisfaction.
- Create safe and healthy villages that contribute to the mental well-being for current and future workforce.
- Introduce new housing strategies, but remain flexible to ever changing market conditions.
- Maintain current housing for all current employees.

PREFERRED VILLAGE STRATEGY

The consultant team tested and vetted over a dozen different Desert village strategies with Executive Management, Desert Management, Labor leadership and Desert employees. The proposed strategy anticipates striking a balance between providing a housing strategy and village environment that will continue to attract and retain talent necessary to run the pumping plants, while also being fiscally responsible both near- and long-term.

A Pilot Program has been identified as part of a phased approach to implementation, that will allow MWD to test the new housing strategy and make informed decisions at each subsequent implementation phase through the program's completion.

The preferred desert housing strategy 1) maintains current housing for existing employees at all current plants and villages; 2) consolidates villages to increase amenity offerings while decreasing overall costs; 3) initiates a pilot program

to introduce and test new housing models; 4) provides commercial kitchens, hotel lodges, and upgraded amenity packages during the first phase; 5) provides a phased approach that is trigger based, relying on regular review and assessment over a 15-year build-out timeline that allows flexibility to adapt to changing market conditions.

The recommended strategy is to focus resources on the two most remote villages, Eagle Mountain and Iron Mountain as well as Gene pumping plant during the first five years. After year 5, there is flexibility to either maintain or scale-back Gene as a remote desert village after the Phase 1 pilot project. This philosophy extends from the following critical observations:

- Gene and Hinds are no longer 'remote desert villages' as Lake Havasu, Parker, and Indio have grown into fully operational communities over the past 75 years, and are anticipated to continue to grow. These towns are within reasonable commuting distances from Gene and Hinds pumping plants.
- Eagle Mtn. and Iron Mtn. are the most isolated and include the Pump Maintenance Team and O&M Team, respectfully, in addition to the Pumping Plant, that would be costly and inefficient to relocate.
- Hinds should be combined with Eagle Mtn. to consolidate amenities, resources, and create a critical mass for a sense of community at Eagle Mtn. Hinds will operate as a 'satellite pumping plant' that includes hotel style housing and minimal amenities to support employees who are on stand-by. Employees will commute to Hinds from Eagle Mtn. daily.

In addition, Intake pumping plant is uniquely positioned to provide staff amenities due to its location on Lake Havasu and its significance as the beginning of the CRA. Currently, on-call response at Intake relies on a two-lane road that serves employees commuting from Gene. Therefore, program to be considered for Intake includes short term housing, vacation rental homes, and a conference room. This program is flexible and will be refined in subsequent phases based on MWD priorities and constraints of this site.

CONCLUSION

Executive Management's decision, in the spring of 2023, to pause construction and engage in a community vision plan to explore the best long-term work-force housing strategy resulted in a cost benefit. The recommended housing and amenity packages aim to foster a better work-life balance for future employees, while providing a good value to Metropolitan, its employees, and ratepayers, due to the increased efficiency of Desert workforce housing, a focus on amenities that matter to employees, and its adaptability to future conditions. This preferred approach for Desert workforce housing outlined in this report is \$145.6 million (2024 dollars) and offers a cost savings in comparison to the 2022 approach which was estimated at \$190 million (in 2022 dollars).

Depending on the eventual mix of townhomes and single-family housing at each pumping plant (Eagle Mtn., Iron Mtn., and Gene), the anticipated project cost ranges from \$145.6 million (all townhomes) to \$249 million (all single-family homes) in 2024 dollars; not including site prep, site improvements, mechanical and electrical utilities, survey, and escalation.

MWD should use a phased approach, based upon triggers, that will allow MWD to move towards a fully supported townhome village model at Eagle Mtn., Iron Mtn., and Gene. The phased approach is envisioned as four phases over a period of 15 years, which will allow MWD to test the acceptance of a townhome housing model* with new employees while allowing for the decommissioning of single-family housing coinciding with retirement of current workforce. Phase 1 investments are spread over a 5-year period and include upgraded amenity packages and strategically located one-bedroom townhome pilot projects at Eagle Mtn., Iron Mtn., and Gene. The range of amenities and investments identified for each village represent long-term usable investments regardless of which village build-out strategy is ultimately chosen. The opinion of probable cost, across all villages, for Phase 1 is approximately \$82 million dollars (2024 dollars). This opinion of probable cost does not include site prep, site improvements, mechanical and electrical utilities, survey, and escalation which is estimated at about \$21 million (2024 dollars) across all villages. Site improvement estimates are variable depending on coordination with on-going infrastructure updates.

Opinion of Probable Costs of Preferred Strategy

■ Phase 1	81.9M
■ Phase 2	24.7M
■ Phase 3	28.2 M
■ Phase 4	10.8M
■ Total:	145.6M

Phase 1 Includes the following:

- Construction of twenty-four, one-bedroom townhomes distributed among Eagle Mtn., Iron Mtn., and Gene pump plants.
- Construction of 56 short-term hotels for temporary workers distributed among Eagle Mtn., Iron Mtn., and Gene pump plants.
- Short-term hotel at Hinds to support 'stand-by' plant team members.
- New or upgraded kitchens at Eagle Mtn., Iron Mtn., and Gene.
- Upgrade village amenity package at Eagle Mtn., and Iron Mtn.

NEXT STEPS

- Provide staff recommendation to the Board.
- Proceed with preliminary design for Phase I which includes space allocation and phasing strategy

LONGTERM PLANNING

1. Determine if consolidating villages is appropriate based on the pilot results.
2. Confirm recommended long-term phasing and investment strategy.
3. Create a review committee to assess the success of the Townhome Pilot Program (Phase I). The committee to include union and employee participation.
4. Evaluate current capital improvement program against preferred village strategy.
5. Develop transition plan to relocate Hinds employees to Eagle Mountain.

* The townhome housing model is a cluster of one-bedroom apartments located on a single lot with shared walls. Each unit is dedicated to one employee and has a front door to the outside.

Notes:

1. Intake will include a 800 sq. ft. conference room estimated at +/- \$750,000.
2. Includes 10% housing increase across all villages and scenarios
3. These cost estimates do not include the estimated site improvement costs, which is about \$21 million across all villages for complete build out. Final site improvements cost is variable depending on coordination with on-going infrastructure updates.



Community Planning Study

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PROJECT PURPOSE

For over 75 years, the Metropolitan Water District of Southern California (MWD) has been bringing water to the greater parts of Southern California. The most critical components of this process are the pumping plants along the Colorado River Aqueduct (CRA) and their respective employees that have been housed on-site in villages for generations. In days past, these sites were thriving communities that were the permanent homes for employees and their families. These remote communities were places that employees wanted to live and create a life.

However, over the years, the way people work and where they choose to live has evolved. Desert communities of Indio, Parker, and Lake Havasu have grown in population and provide all lifestyle amenities (schools, grocery stores, medical facilities, and entertainment) that once had to be provided by the MWD Pumping Plant Villages. As the communities have shifted, more employees choose to maintain permanent residences in these adjacent communities or elsewhere. As such, the sense of community and quality of lifestyle at the pumping plants has changed, and the residential and amenity facilities have aged and become less desirable to employees and their families. In response, MWD is considering a new approach to housing and facilities at these plants and villages. As MWD prioritizes the development of quality communities for the next generation of employees, management is looking beyond near-term repairs and is considering the next 75 years of employment in the remote pumping plants of the Desert. While salary and benefits packages are an important factor, today's employees are making decisions more holistically, considering the quality of work-life balance.

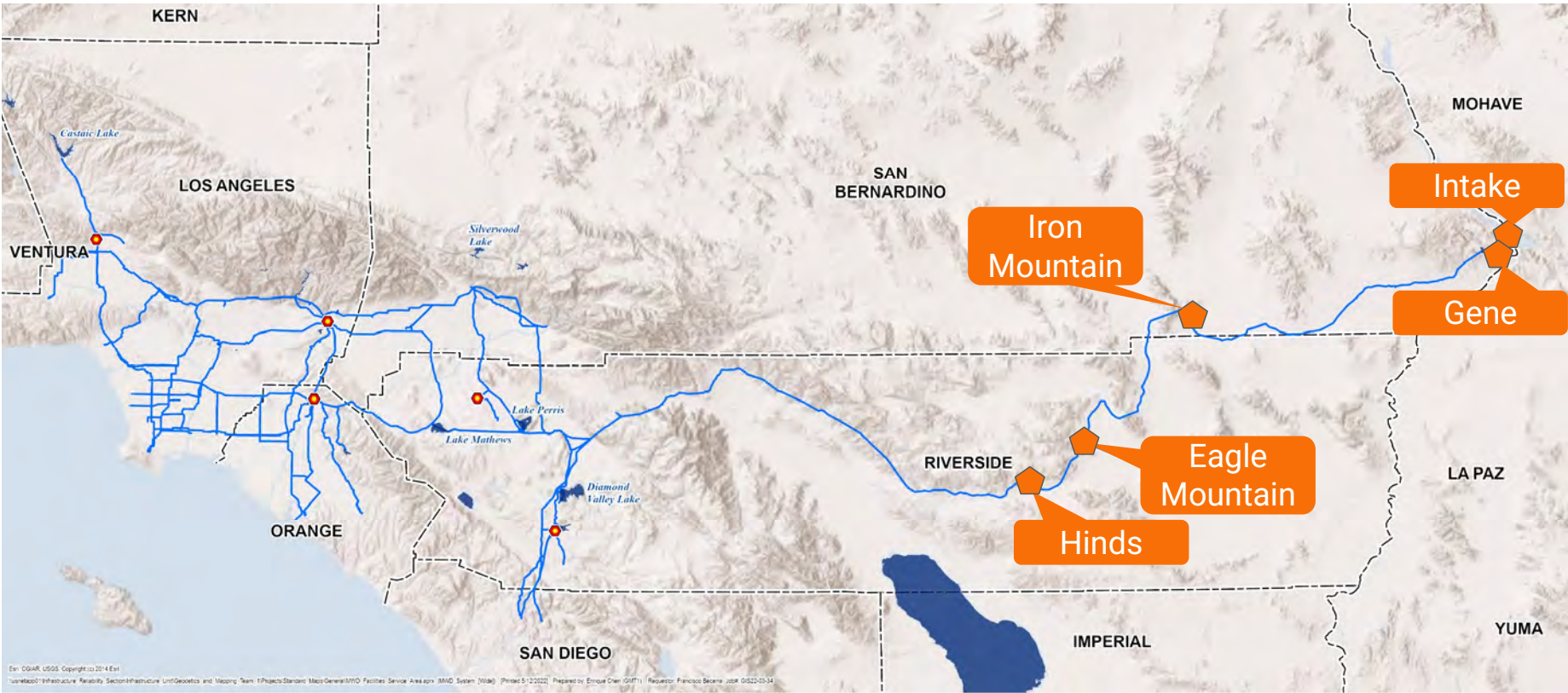
Key considerations include:

- The right housing and amenity package that will attract the next generation of employees at these remote desert sites
- Whether the next generation of employees want to live and work at these facilities
- The type of environment and housing model that will enable employees to thrive during work shifts and enjoy life outside of work hours
- Validation of previous work and discovering areas requiring refinement, or establishing a new direction for future desert workforce housing
- The long term environmental, social, and fiscal resiliency of Desert villages

*"So to all who have helped in its building,
In places if great or if small;
There is more than the wage collected;
There's glory for each and for all.*

*And may millions partaking of blessings
To their lives the Aqueduct brings,
Give sometimes a thought to its builders
And a toast, as onward Time swings!*

"The Honor Roll"
The Aqueduct: Tunnel, Camp, and Trail
by Charles F. Thomas, Jr.

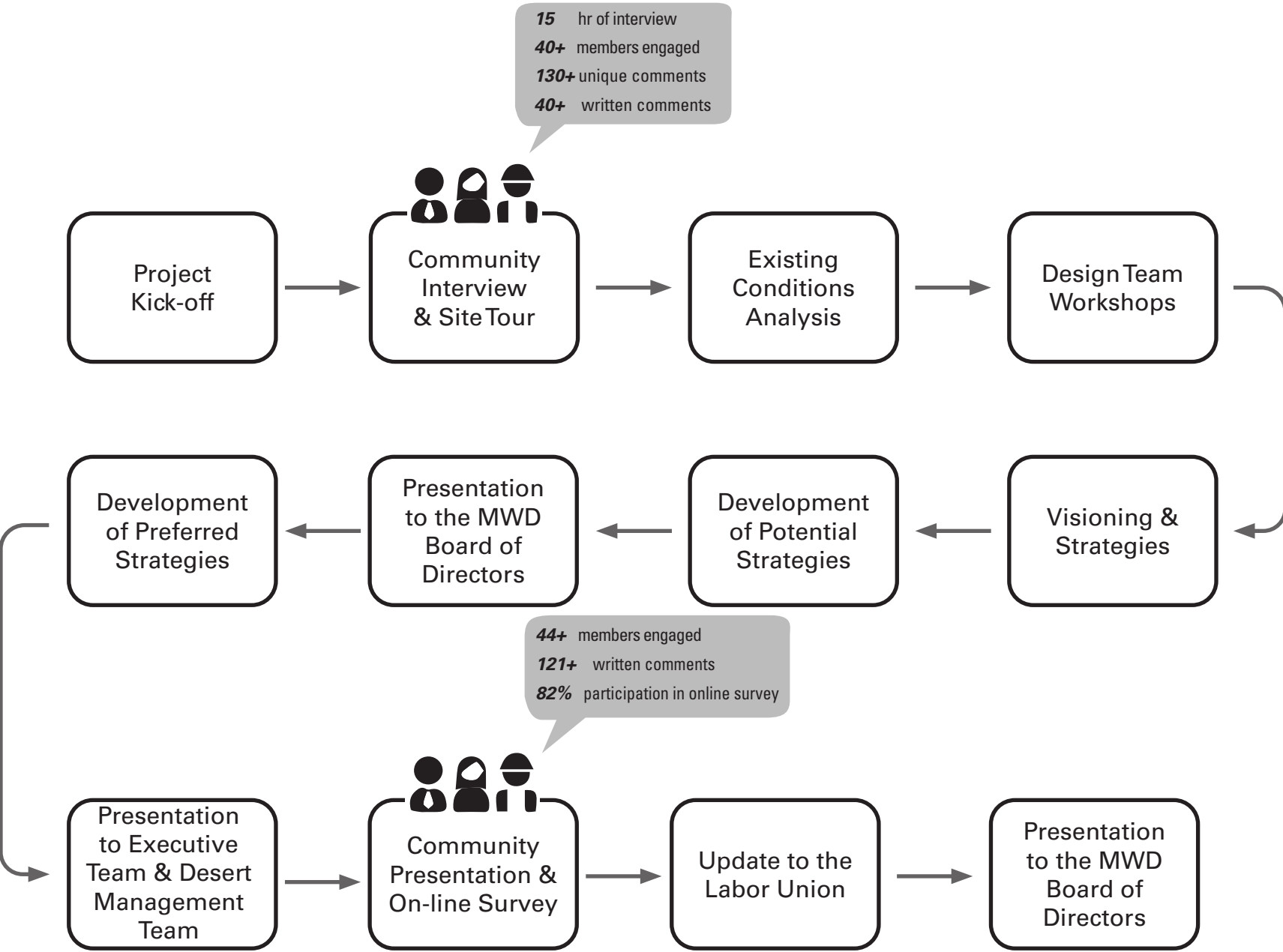


2 METHODOLOGY

The consultant team engaged in a robust community and management outreach process that included multiple site visits, hours of community listening sessions, and analysis of the physical attributes of each pumping plant village. Through numerous, in-depth conversations with employees and Desert Management, the consultant team was able to garner a sound understanding of how pumping plant teams and support teams operate in the Desert villages; what's working and what's not working; the hopes, concerns, and desires from the perspectives of various stakeholder groups (employees, Labor management, Desert Management, and Executive Management). This insight allowed Civitas and RNT to conceptualize a range of potential Desert village and housing strategies that were debated and refined through an iterative process with the stakeholder groups.

This has led to the development of a preferred framework for how Desert villages may evolve over a fifteen year period allowing MWD to provide high quality employment, communities, and housing for the future generations of Desert employees. A conceptual phasing strategy has been created that will allow MWD to make fiscally responsible capital investments of new housing types and in long term villages over the course of 15 years. Strategic decisions points at years 5, 8, and 11 will allow MWD to evaluate progress and employee acceptance of a new desert housing typology and village organization strategy. Housing types for subsequent phases of construction will depend on which housing types have been most successful at attracting and retaining the skilled employees that MWD relies on for operating its desert pumping plants.





WHAT WE HEARD

MANAGEMENT PERSPECTIVE

The consultant team had multiple conversations and touchpoints with Executive Management, Desert Management, and Labor throughout the process. We identified common themes from these conversations that influenced our thinking about Desert villages strategies:

Lifestyle and Culture

Management recognizes that living and working in the desert environment is a challenging lifestyle and that the village strategy for the next 75 years needs to provide appropriate housing and amenity packages to support MWD employees and people who live there by providing a safe and healthy environment and creating opportunity for work-life balance.

Recruitment and Retention

Supporting the mission and function of the CRA is the critical role of MWD. To that end, recruiting and retaining talent will always be necessary. Management acknowledges the current employees' preference for single-family housing in the villages, but believe that employee-only housing with additional compensation is a strategy that may prove just as attractive to many potential employees. Management's goal to balance 1) near term construction costs; 2) long-term management and maintenance costs of operating four remote, family-centric villages; 3) navigate a cultural shift towards more work-life balance, has led to a workforce housing strategy and amenity package designed to support pumping plant operators and support crews while they are living on-site during work shift.

All current employee housing arrangements are grandfathered in and will remain as is. All current employees will not be required to move into the new townhome housing model; however, there may be an opportunity for current employees to opt into a new housing/compensation package.

Housing

Management team would like a resilient village strategy that is adaptable to future workforce housing and lifestyle needs. There is recognition that future generations may not all want three-bedroom single family homes but would prefer smaller dwelling units (with less maintenance and yard responsibility) and a better amenity package. There is also a strong desire for MWD to move away from being the owner and manager of a single-family gated community. Migrating the villages to a townhome housing model focused on supporting the 'on-shift' workforce, rather than full-time families, will reduce the amount of time and money allocated to managing the community, thus allowing MWD to focus their efforts on their mission and strengths – operating the CRA.

VILLAGE RESIDENTS' PERSPECTIVE

Through extensive community conversations, discussions with union leaders, site visits and an anonymous survey, we identified common themes shared by village residents that has influenced our thinking about housing typologies and amenity packages:

Lifestyle and Culture

Many residents appreciate the small-town culture, safety and sense of community offered by the villages. The sense of community pride and camaraderie is strongest in Hinds, Eagle Mtn. and Iron Mtn. due to the remote lifestyle. A higher percentage of employees are full-time residents and have therefore created a stronger community network. This is visually evident in the upkeep of homes and yards, shared public spaces as well as the informal community events, and neighborly favors (maintaining yards, group dinners, bringing supplies from town, etc.). This exists less so at Gene because most employees have a primary residence outside of Gene camp.

Housing

There is a strong preference for single-family detached housing across all communities. A common theme is to have their 'own front door' and ability to 'go home' at the end of the work shift with emphasis placed on work/life balance and the need for personal space/physical separation from co-workers/managers when they are not working. There are mixed opinions about the maintenance and upkeep of homes. Some employees appreciate the back yards and personal space, while others lament the fact that they must maintain the property, the latter of which becomes an eyesore and issue of contention between employees who maintain the property and those who do not. There are also mixed opinions of having to furnish the home, while many employees are steadfast about continuing to be provided 3 bed/2 bath homes, there is a contingent who do not want to have to furnish the homes. The conversation about switching to a townhome model (i.e individual 1 bed/1 bath dwelling units with shared walls and individual front doors), was initially met with some resistance, but some residents warmed to the idea if this model was combined with upgraded amenities and compensation packages.

Shade for outdoor patio space and for parked vehicles is also a high priority and should be included in any housing scenario.

There is also much desire for physical separation between housing and pumping plant operations (pumping plant, electric yard, lay down area, fuel station, maintenance facilities, truck access, etc.). The physical design and programmatic organization of villages should be considered in the future to help create a physical separation between living areas and pumping plant operations.

Amenities

A common theme among the villages is that they would like the existing amenities upgraded (increased pool hours, separate dining hall and business meeting/training space, independent game room/community room, increased shade at outdoor spaces, separate work-out rooms for residents and outsiders, and upgraded air conditioning). The longer-term desires include providing more shade and beautification throughout the community along streets, creating more usable public spaces with shade and amenities, providing shade at pools for use during day and heated pools that allow use during evening hours after work shift, and providing consistent lighting on basketball and tennis courts. The idea of creating an indoor, climate-controlled field house that included large flexible turf area and/or gymnasium space was highly favored. This could be combined with locker room, weight room, community room and access to outdoor pool. Reliable Wi-Fi connectivity is also a highly requested amenity as bandwidth is not adequate in evening hours to support the villages.

Community Safety

Public safety is a primary concern at Hinds, Eagle Mtn., and Iron Mtn. All residents appreciate the sense of safety living in a secured community, but the remoteness and limited access to EMS/Fire/health care is a concern.

KEY TAKEAWAYS

- Enhanced villages are critical to attract and retain staffing at each facility (most if not all plants are currently understaffed due to difficulty in attracting qualified employees).
- Emphasize the need to create a welcoming environment and community spaces through shade trees and landscape at key locations to enhance employee comfort and mental health.
- Openness to modifying the current approach to shifts and staffing to facilitate alternative housing/village strategies.

3 GUIDING PRINCIPLES

SUPPORT THE LONG-TERM OPERATION OF THE CRITICAL CRA INFRASTRUCTURE



- Balance near-term investment with long-term economic resiliency, operational needs, maintenance requirements, and employee on-boarding costs.
- Consider anticipated changes and long-term needs for pump plant staff and operations.
- Design for adaptability and flexibility for the next 75 years of desert communities.

CREATE A FINANCIALLY RESILIENT AND SOCIALLY SUSTAINABLE 75-YEAR STRATEGY



- Create village design tailored to remote desert location and climate.
- Utilize appropriate building technologies to support MWD's commitment to resiliency and sustainability.
- Develop a phased village build-out strategy that allows MWD to strategically invest in each village in a manner that has flexibility to adapt to future unknown needs.

PROVIDE STANDARD OF LIVING THAT SUPPORTS EMPLOYEE RECRUITMENT, RETENTION, AND SATISFACTION.



- Design villages to support the health and safety for employees and residents at each villages for the next generation.
- Offer a package of housing, amenities, services, and/or other benefits that will attract and retain high-quality employees.
- Create a community and sense of place that provides where employees unwind after a long day of work.
- Provide the right mix of amenities and flexibility for amenities to evolve with the interests of future generations

CREATE SAFE AND HEALTHY VILLAGES THAT CONTRIBUTE TO THE MENTAL WELL-BEING FOR CURRENT AND FUTURE WORKFORCE.



- Provide privacy for residents and separation between housing and pump plant operations.
- Provide opportunity for residents to build social connections and a sense of community.
- Enhance access to EMS/fire/safety resources to support remote living.
- Enable active living, stress reduction activities, and safe recreation opportunities.

INTRODUCE NEW HOUSING STRATEGIES, BUT REMAIN FLEXIBLE TO EVER CHANGING MARKET CONDITIONS.



- Housing typologies tailored to the needs of current and future full-time residents.
- Consider critical mass of residents necessary to create meaningful sense of community.
- Develop amenity packages are tailored to the number of residents in each village.

MAINTAIN CURRENT HOUSING FOR ALL CURRENT EMPLOYEES.



- Current residents to remain in their current home until they retire or voluntarily move into a different housing package.
- Create a strategic phasing plan that decommissions/demolishes oldest, unoccupied homes first.

LEGEND

The following legend introduces the icons used throughout the report and appendixes. This visual language is used to describe the different housing and amenities explored throughout the design process.



**STAND-BY
SATELLITE CAMP**
SHIFT HOUSING
(1-2 WEEKS)



**EXTENDED STAY
CAMP**
WORKFORCE HOUSING
(182 DAYS)

Primary Amenity Icons

The icons will represent conceptual housing and amenities throughout the report.



SINGLE FAMILY
HOUSING



EXTENDED-STAY
TOWNHOME UNITS



GUEST HOTEL UNITS



VACATION RENTALS



UPGRADED VILLAGE
AMENITY PACKAGE



GUEST AMENITY
PACKAGE



KITCHEN/DINING
FACILITIES

Descriptive Amenity Icons

Each primary amenity icon represents a variety of potential elements. See Appendix pg. 137 for full description of program elements.

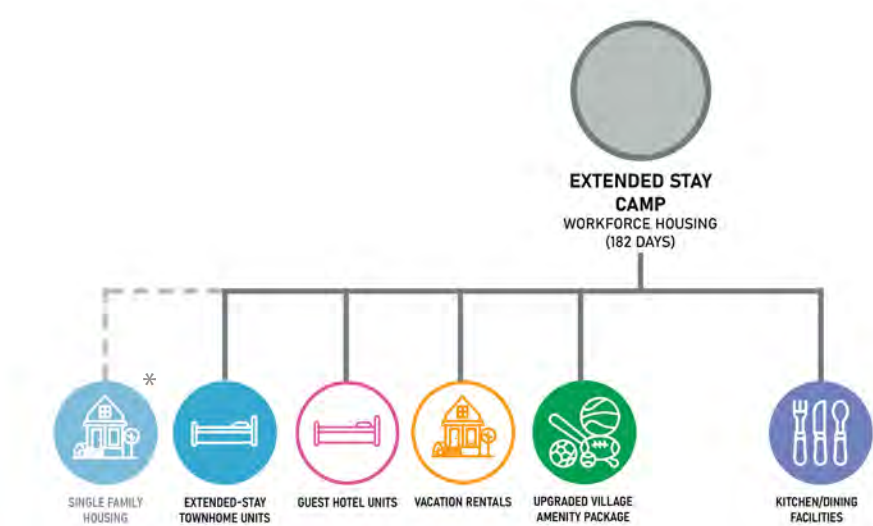


VILLAGE FRAMEWORKS

Extended-stay camp framework

Each desert employee will be provided their own personal living unit in the form of an extended-stay townhome which will be co-located with a robust amenity package at Eagle Mtn., Iron Mtn., or Gene.

The townhomes are intended to provide housing to MWD employees during their work shift.

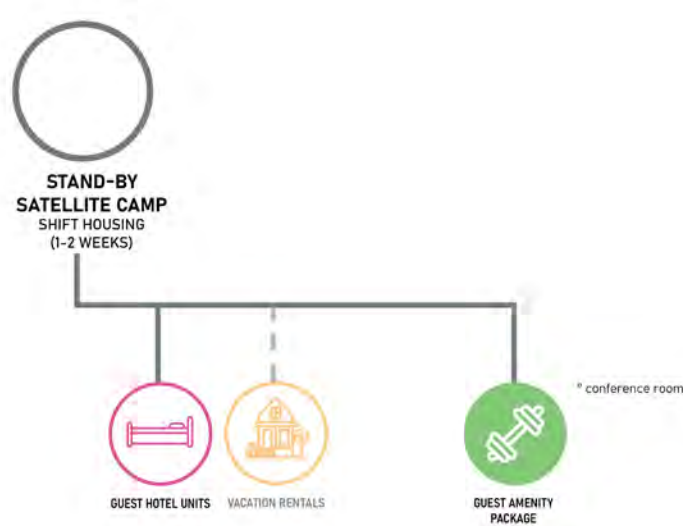


*Single family housing could be reincorporated should extended-stay townhomes not be desirable by employees


Standby satellite camp framework

Hinds and Intake pumping plants will operate as satellite camps where employees will temporarily stay on-site during stand-by. Extended-stay housing will be provided at adjacent consolidated village while employees are on-shift.


Intake will also include vacation rentals and a conference room in order to enjoy the proximity to Lake Havasu. Sewer system upgrades should be studied to understand feasibility.




HOUSING TYPOLOGIES




SINGLE FAMILY HOUSING
SINGLE FAMILY DETACHED WITH 2 CAR GARAGE




+/- 1,350 sq. ft.




EXTENDED-STAY TOWNHOME
MULTI-FAMILY HOUSING WITH INDIVIDUAL FRONT DOOR, 1BD W/ KITCHEN SUITE



+/- 750 sq. ft.




GUEST HOTEL
MOTEL ROOM




+/- 350 sq. ft.

ALTERNATIVE EXTENDED-STAY HOUSING TYPES:

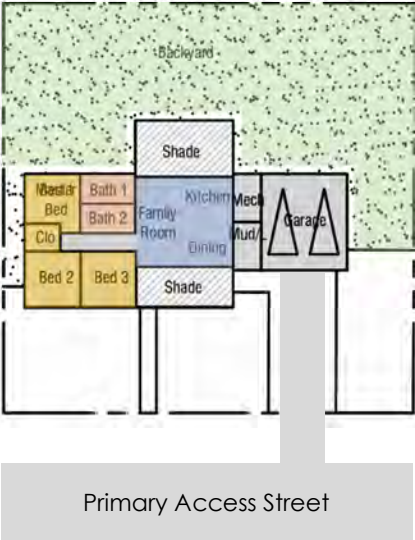


CASITA

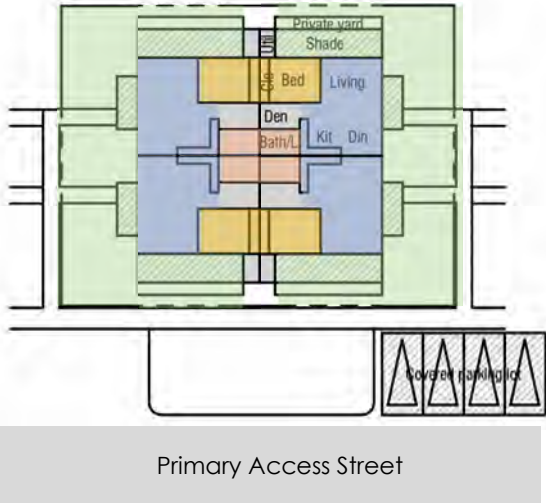


RV SITES W/HOOKUPS
USE OF PERSONAL RV'S FOR HOUSING

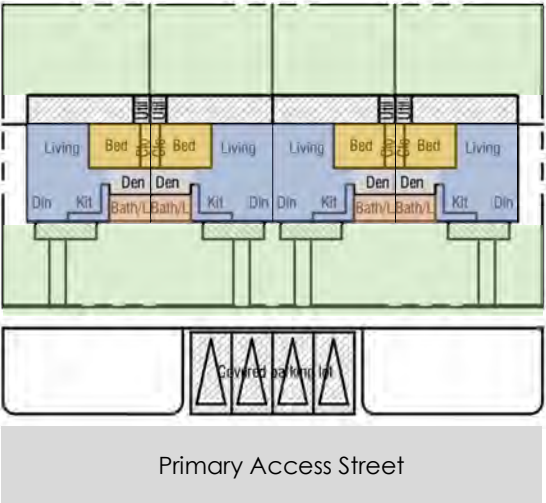
Single-family Homes



Extended-stay Townhome / Hotel
(Pin-wheel type)



Extended-stay Townhome / Hotel
(Linear type)



The extended-stay townhomes and hotels can be clustered with four units together in either a ‘pin-wheel’ or ‘linear’ manner. This can be done to fit future townhome products onto existing single family home lots.

PHASING PHILOSOPHY

Utilizing a phased investment approach will allow MWD to move towards the goal of a fully supported townhome village model at Eagle Mtn., Iron Mtn, and Gene.

The phased approach is envisioned as four phases over 15 years, with each subsequent phase of housing development based upon analysis of the prior phase. It is recommended that reassessment will occur after each phase, allowing MWD to make informed decisions as to whether they should continue to build townhomes or implement some mix of townhomes, casitas, and single-family homes based upon employee feedback. This phased approach will also provide a staggered expenditure plan to Metropolitan's budget, thus, meeting its fiduciary responsibility to renovate villages in a financially responsible manner.

A conceptual phasing strategy has been developed that can be applied simultaneously to Eagle Mtn., Iron Mtn, and Gene. The strategy allows for a Pilot townhome housing typology to be constructed in each of the villages during year one and evaluated over the first five years. This will allow MWD to test and evaluate acceptance of the townhome housing type with new employees while simultaneously allowing for the decommission of single-family housing coinciding with retirement of current workforce. Phase 1 will also include necessary guest hotels, village amenities, new/upgraded commercial kitchens and vacation rental housing. All capital investments identified for Phase 1 represent long-term, permanent investments in each village regardless of the ultimate determination of housing product mix.

Figure 1 represents a hypothetical phased approach at Iron Mountain to convey how a phased strategy can be applied to each village. It is anticipated that all current employees will remain in their current housing with currently scheduled upgrades. New facilities will include: eight extended stay townhomes, twenty-

five guest hotel rooms, two vacation rentals, one village amenity and new commercial kitchen. After year five, MWD will assess the community design strategy and acceptance of townhome housing model. At this point in time MWD can modify the number and type of housing constructed in later phases based upon employee and management feedback, pivoting in the build-out strategy to either 1) Continue build-out to all extended stay townhomes; 2) introduce a mix of single family/casita/townhome housing units to better align with employee recruiting/retention needs; 3) If the townhome model is deemed unsuccessful, MWD can revert back to build-out of all single-family homes. In this scenario, the initial townhomes built in Phase 1 will be converted to short-term guest hotels to meet future hotel needs. A conceptual phased approach is outline below with the goal of completing each village build-out within 15 years.

PHASE 1 (YEAR 1-5) :

Pilot Program, assess and evaluate annually, modify plan in Phase 2

PHASE 2 (YEAR 6-9):

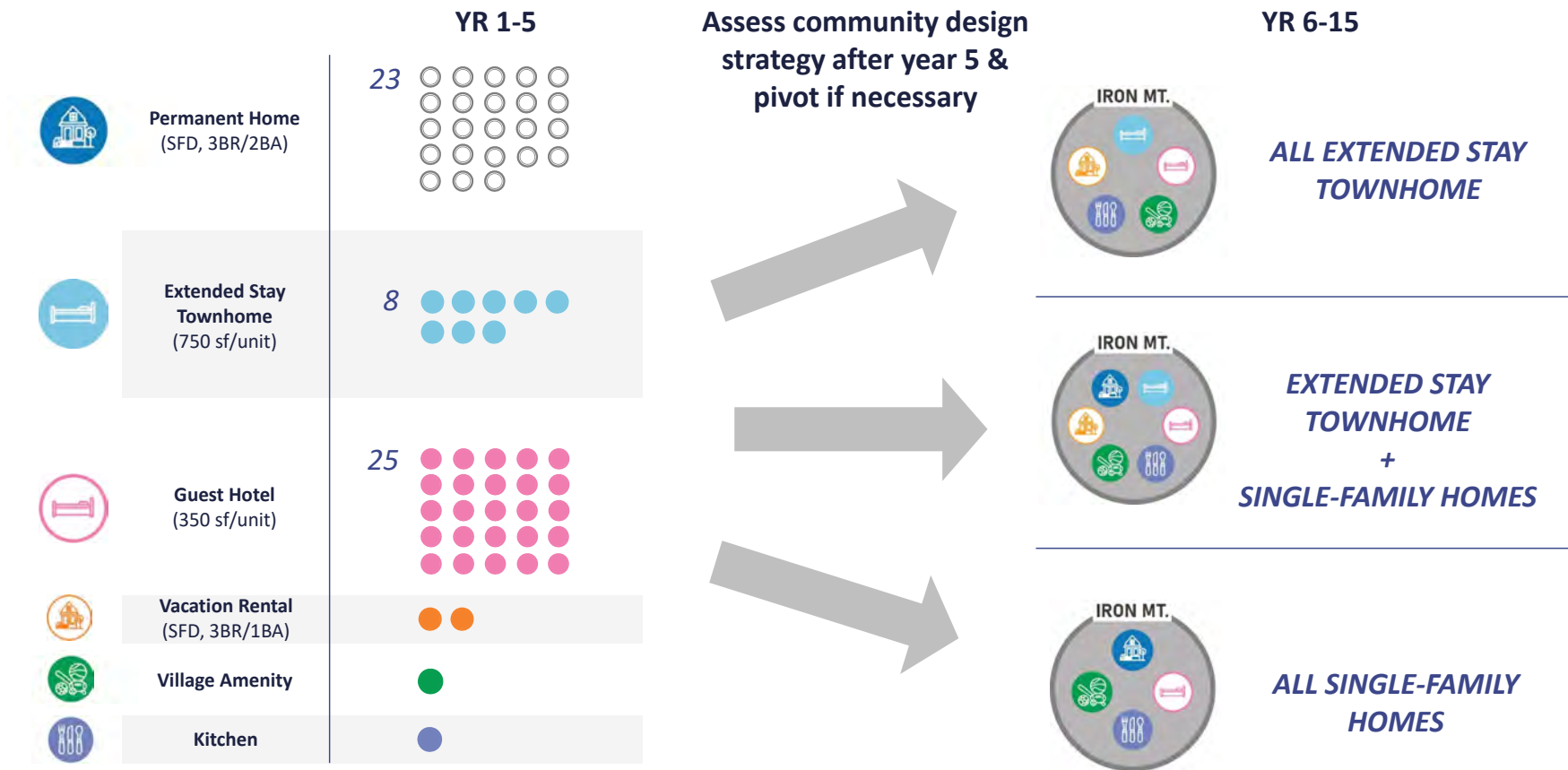
Assess and evaluate at year 9, modify housing program as necessary in Phase 3

PHASE 3 (YEAR 10-12):

Assess and evaluate at year 12, modify housing program as necessary in Phase 4.

PHASE 4 (YEAR 13-15):

Complete Build-Out



Phase 1 includes the following:

- Pilot program to test 1-bedroom townhomes at Eagle Mtn., Iron Mtn., and Gene.
- Short-term hotels for temporary workers at Eagle Mtn, Iron Mtn., and Gene Village.
- Short-term hotel at Hinds and Intake to support 'stand-by' plant team members.
- New or upgraded kitchens at Eagle Mtn., Iron Mtn., and Gene.
- Upgrade village amenity package at Eagle Mtn. and Iron Mtn.

FIGURE 1

See appendix pg. 100 for a detailed phasing strategy that demonstrates how each village could be phased to accommodate a range of options from all extended-stay townhomes to all single family homes.

RECOMMENDED STRATEGY

The recommended strategy for the next 75 years at Metropolitan Water District is to provide three fully supported villages at Eagle Mtn., Iron Mtn., and Gene utilizing the extended-stay townhome housing typology for future employee housing.

The intent of these villages is for employees to live on-site during their work shift in their own personal housing unit with an upgraded amenity package. Meal plans and housekeeping may be considered as added benefits for recruiting and retaining future employees living in smaller housing units. Three-bedroom/2-bathroom homes will be provided as vacation rentals at each village to allow for families of employees to temporarily stay in the village while employees need to be on-site for extended periods of time and/or are on-shift during holiday hours.

Eagle Mtn. and Iron Mtn., which include the Pump Maintenance Team and the O&M Team, are the most remote villages and have the greatest difficulty with recruitment and retention of employees. Therefore, MWD should focus resources and energy on these villages to create highly amenitized 'oases' for employees while on shift. In order to create a critical mass of people living on-site and co-locate employees with significant investment in upgraded amenity packages, Hinds Pump plant employee housing will be relocated to Eagle Mtn. village with employees commuting to Hinds Pump plants on a daily basis.

Hinds and Intake will function as 'standby satellite camps' providing a limited number of studio hotel units and a scaled back amenity package intended to support only those employees staying on-site temporarily to fulfill the 'stand-by' requirement of 15-minute response time. Intake will also include vacation rentals and a conference room in order to take advantage of its proximity to Lake Havasu as an amenity.








The diagram to the right depicts all future housing and program amenities at each of pump plant.

Note: Gene is included in this strategy as a fully operational village since it has historically operated as the 'main desert village'. However, in the past 75 years, Lake Havasu City and Parker have evolved into fully functioning towns offering all the services desired by families. In addition, many Gene/Intake employees rarely live at Gene village unless fulfilling 'stand-by' requirements. Therefore, there may be a scenario where Gene is no longer considered a village offering full-time housing and upgraded amenity package, which would lead to additional cost savings.

THREE DESERT VILLAGES

100% EXTENDED-STAY
TOWNHOMES
105 HOUSING UNITS



TOTAL COST		COST PER VILLAGE				
\$ 145.6M		\$2.4M	\$44.6M	\$45.4M	\$45.3M	\$7.9M
SUMMARY OF HOUSING AND AMENITIES						
	0	-	-	-	-	-
Single Family Homes						
	105	-	35	33	37	-
Extended Stay Townhomes 750 sq. ft.						
	12	-	3	3	3	3
Vacation Rental						
	64	3	17	25	15	4
Guest Hotel 350 sq. ft.						
	3	-	1	1	1	-
Upgraded Amenities						
	2	1	-	-	-	1 ^o
Guest Amenity						
	3	-	1	1	1	-
Kitchen						

^o Intake will include a 800 sq. ft. conference room estimated at +/- \$750,000.

*10% housing increase across all villages and scenarios

** These cost estimates do not include the estimated site improvement costs, which is about \$21 million across all villages for complete build out. Final site improvements cost is variable depending on coordination with on-going infrastructure updates.

*** New facilities at Intake requires further technical study to understand feasibility of required infrastructure.



RECOMMENDED PHASING

One-bedroom extended-stay townhomes should be implemented in year one for all new employees and be assessed over a period of five years to gauge ability to recruit and retain employees with the new housing type.

Total capital improvements at all pump plants (three western villages and two satellite camps) will begin with an initial investment in the following:

- 64 studio style hotel rooms.
- 24 one-bedroom extended-stay townhomes.
- 3 new commercial kitchens at Eagle Mtn., Iron Mtn., and Gene.
- 2 upgraded village amenities at Eagle Mtn. and Iron Mtn.
- 2 guest amenities at Hinds and Intake
- 1 conference room at Intake
- 9 single family homes at to be used as temporary rental units for visitors.

The opinion of probable cost, across all villages, for Phase 1 is approximately \$82 million dollars (2024 dollars; not including soft costs, sitewide infrastructure costs, or escalation).

If the model is successful, MWD should continue a phased approach introducing new townhome units and decommissioning single-family homes over subsequent phases, assessing employee satisfaction at the end of each phase. The phasing strategy on page 26 and 27 demonstrates how the villages can be built-out in three successive, three-year phases in terms of program allocation and capital costs.

If the townhomes are less successful, housing typology can adjust during phases 2-4 in order provide a more balanced mix of single-family housing, casita, and townhome units to reflect MWD strategy for recruiting and retaining future workforce. Refer to page 27 for potential cost differences depending on the housing mix pursued by MWD.

THREE DESERT VILLAGES 100% EXTENDED-STAY TOWNHOMES

105 HOUSING UNITS

	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
HINDS 	3 1	-	-	-
EAGLE 	8 17 2 1 1	8	13 1	6
IRON MT. 	8 25 2 1 1	8	13 1	4
GENE 	8 15 2 1 1	8 1	13 1	8
INTAKE 	4 3 1 ^o	-	-	-
TOTAL	24 64 9 2 2 ^o 3	24 1	39 3 8	18

^o Intake will include a 800 sq. ft. conference room estimated at +/- \$750,000.

THREE DESERT VILLAGES 100% EXTENDED-STAY TOWNHOMES 105 HOUSING UNITS

VILLAGE TOTAL	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
 HINDS \$2.4M	\$2.4M 3 GUEST HOTEL 1 GUEST AMENITY	-	-	-
 EAGLE \$44.6M	\$26.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 17 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	\$4.8M 8 EXTENDED STAY TOWNHOMES	\$9.4M 13 EXTENDED STAY TOWNHOMES 1 VACATION RENTAL	\$3.6M 6 EXTENDED STAY TOWNHOMES
 IRON MT. \$45.4M	\$28.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 25 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	\$4.8M 8 EXTENDED STAY TOWNHOMES	\$9.4M 13 EXTENDED STAY TOWNHOMES 1 VACATION RENTAL	\$2.4M 4 EXTENDED STAY TOWNHOMES
 GENE \$45.3M	\$16M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 15 GUEST HOTEL 1 KITCHEN	\$15.1M 8 EXTENDED STAY TOWNHOMES 1 UPGRADED AMENITY	\$9.4M 13 EXTENDED STAY TOWNHOMES 1 VACATION RENTAL	\$4.8M 8 EXTENDED STAY TOWNHOMES
 INTAKE \$7.9M	\$7.9M 4 GUEST HOTEL 1 GUEST AMENITY + CONFERENCE ROOM 3 VACATION RENTALS	-	-	-
TOTAL \$145.6M	\$81.9M	\$24.7M	\$28.2M	\$10.8M
















° Intake will include a 800 sq. ft. conference room estimated at +/- \$750,000.

*10% housing increase across all villages and scenarios

** These cost estimates do not include the estimated site improvement costs, which is about \$21 million across all villages for complete build out. Final site improvements cost is variable depending on coordination with on-going infrastructure updates.

*** New facilities at Intake requires further technical study to understand feasibility of required infrastructure.

ALTERNATIVE HOUSING MIXES

SUMMARY	COST	MODEL
THREE DESERT VILLAGES: 100% EXTENDED-STAY TOWNHOMES Preferred Scenario		
105 extended-stay townhomes 12 vacation rentals 64 guest hotels 3 upgraded amenity packages 2 guest amenity packages 3 kitchens	\$145M	    
THREE DESERT VILLAGES: 50% EXTENDED-STAY TOWNHOMES/50% SINGLE FAMILY HOMES		
54 single family homes 53 extended-stay townhomes 9 vacation rentals 64 guest hotels 3 upgraded amenity packages 2 guest amenity packages 3 kitchens	\$189M	    
THREE DESERT VILLAGES: 100% SINGLE FAMILY HOMES		
105 single family homes 24 extended-stay townhomes 64 guest hotels 3 upgraded amenity packages 2 guest amenity packages 3 kitchens 9 vacation rentals	\$249M	    

° Intake will include a 800 sq. ft. conference room estimated at +/- \$750,000.

*10% housing increase across all villages and scenarios

** These cost estimates do not include the estimated site improvement costs, which is about \$21 million across all villages for complete build out. Final site improvements cost is variable depending on coordination with on-going infrastructure updates.

*** New facilities at Intake requires further technical study to understand feasibility of required infrastructure.

The preferred strategy is for 100% townhomes at Eagle Mtn., Iron Mtn., and Gene with satellite camps at Hinds and Intake.

Should Phase 1 prove unsuccessful as indicated by a future assessment of the Townhome Pilot Program, MWD could change course and implement an alternative housing program that best suits the needs of the future desert workforce. The adjacent page demonstrates two other potential village strategies; 1) 50% townhomes / 50% single family homes at each village and 2) 100% single family homes at each village.



NEXT STEPS

DECISIONS

The following decisions will guide the design and implementation phase.

1. Confirm consolidated village strategy as outlined in this report is the preferred direction.
2. Confirm recommended phasing and investment strategy outlined in this report is the preferred direction.
3. Initiate individual village concept design and phasing strategy.
4. Evaluate current capital improvement program against preferred village strategy for potential future cost savings.
5. Develop transition plan to relocate Hinds employees to Eagle Mountain
6. Create an assessment strategy and review committee for Townhome Pilot Program that includes union and employee participation.

DESIGN AND IMPLEMENTATION

Site Specific Design

Continue to develop:

- Village by Village test fits
- Refined Phasing Strategy

Preliminary Design

Begin design on new project components:

- Site plan and phasing strategy for each village
- Townhomes/Casita layout
- Amenity Package
- Validate Component Design from Previous Work
- Village Placemaking
- Hotel layout
- Single Family Homes
- Commercial Kitchens

Cost Estimates

Prepare refined cost estimates for:

- Each village as design progresses
- The decommissioning of villages as phasing strategy and village test fits progress.

COMMUNITY PLANNING CONCEPTUAL DESIGN

MWD Housing & Property Improvements Prpgram At The Desert Facilities

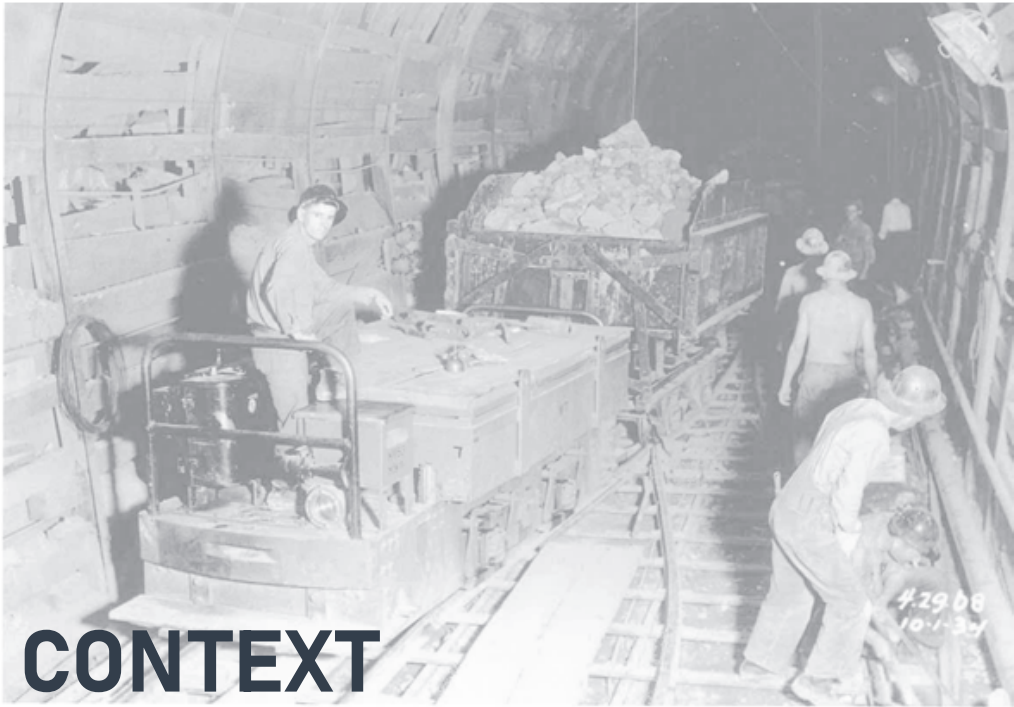
Appendix

■ VILLAGE ANALYSIS AND UNDERSTANDING	2
■ COMMUNITY OUTREACH	28
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■ VILLAGE ORGANIZATION STRATEGIES	72
■ DETAILED PHASING STRATEGY FOR EACH VILLAGE	111
■ AMENITIES AND COSTS	133
■ DETAILED ROM COSTS	143



VILLAGE ANALYSIS AND UNDERSTANDING

- REGIONAL CONTEXT 3
- VILLAGE ANALYSIS 8



REGIONAL CONTEXT







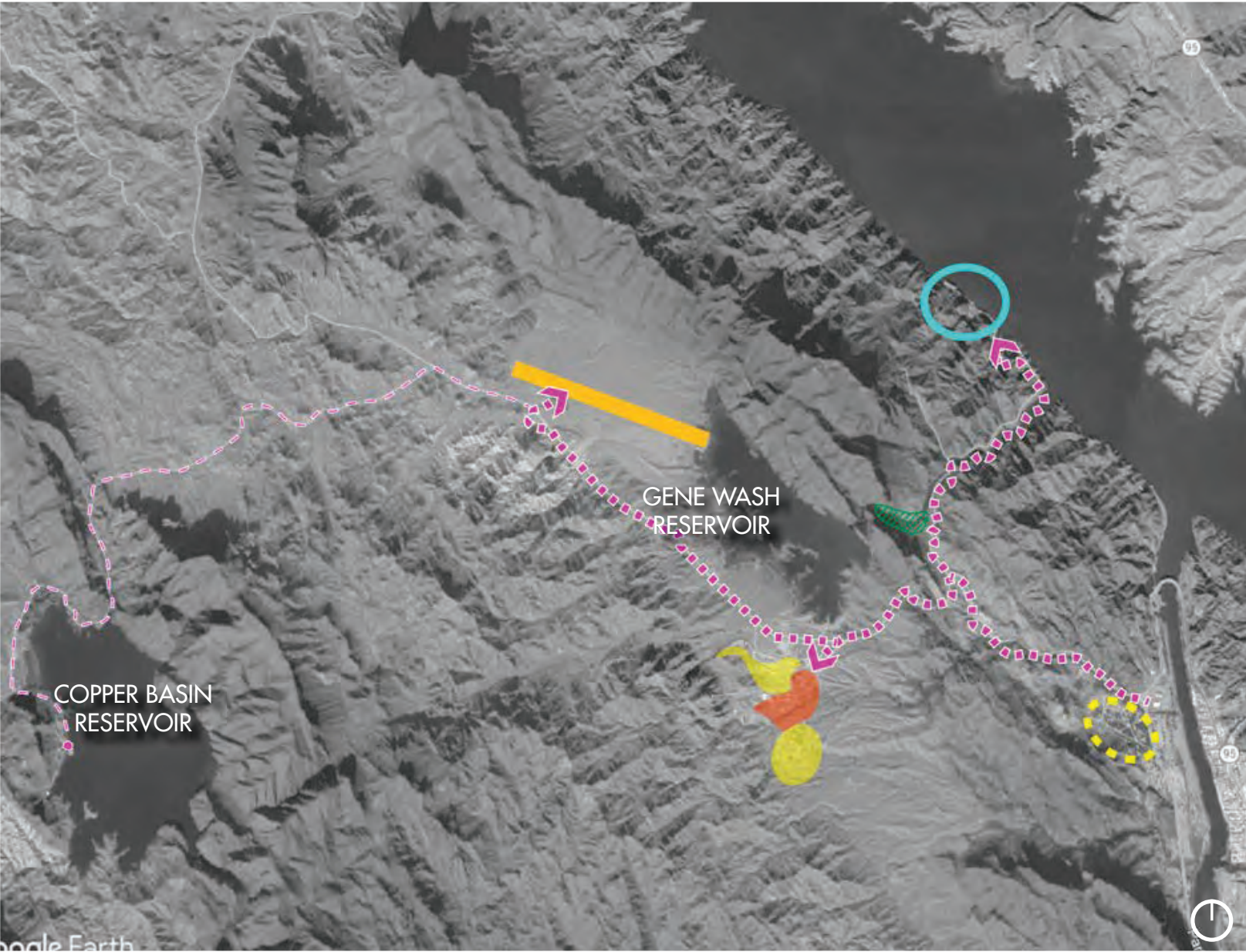




ARTIST'S SKETCH OF AQUEDUCT DIVERSION WORKS



VILLAGE ANALYSIS

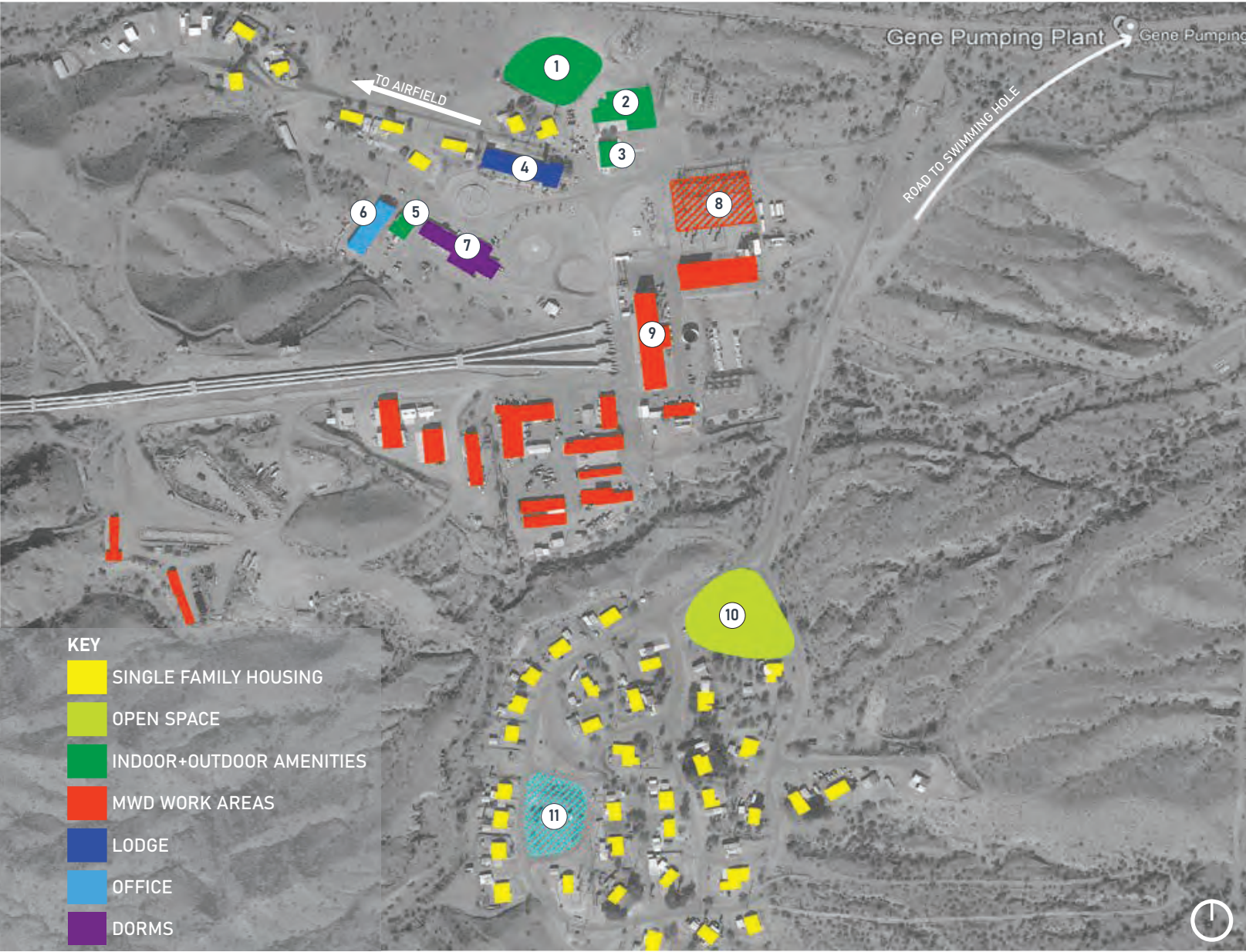


KEY OBSERVATIONS

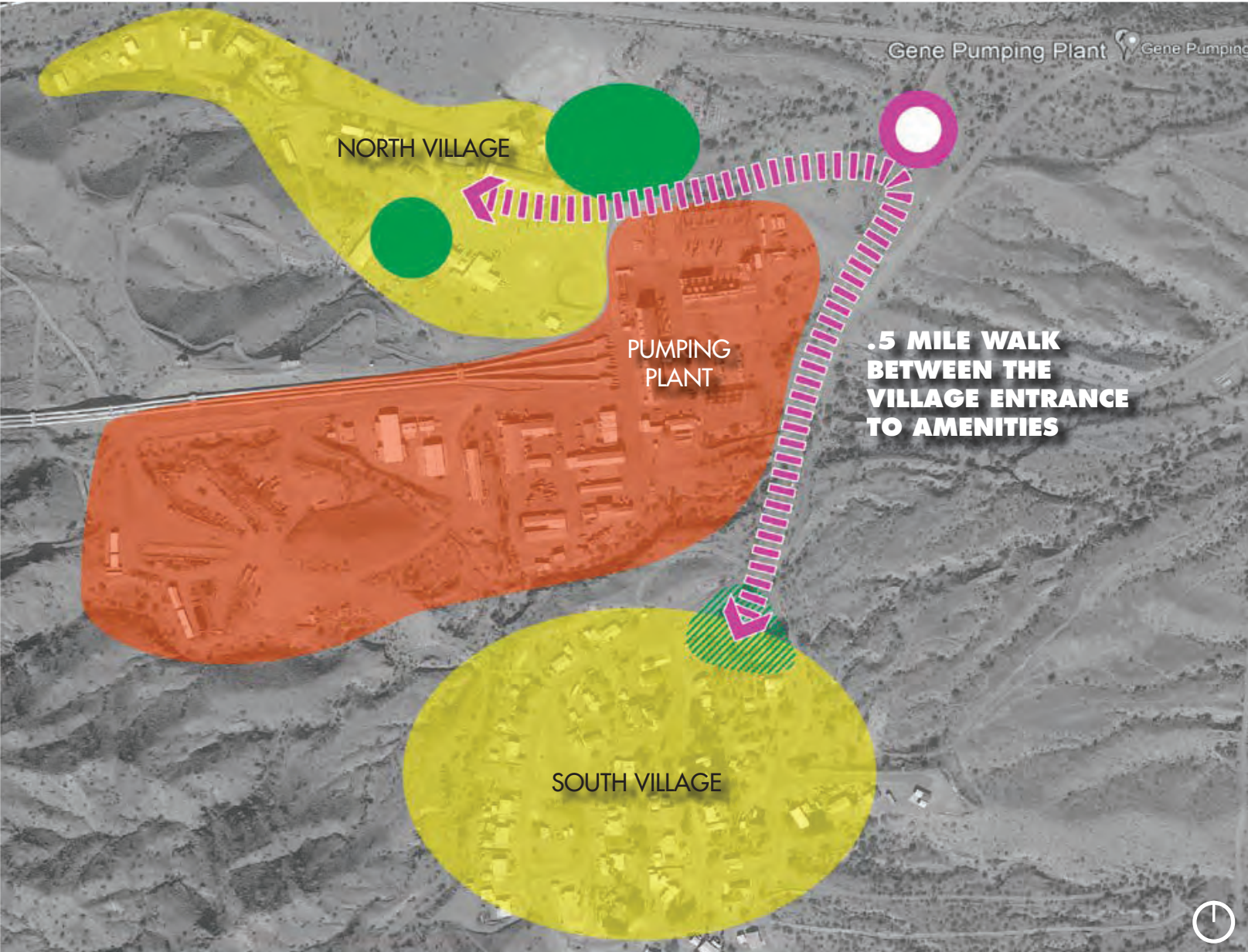
- Intake pump plant is about 3.2 miles away from Gene and staff in Intake lives in Gene Village during shift.
- Boating dock in Intake and Swimming Hole is a great asset as a recreational destination for residents.

KEY

- VILLAGE
- FORMER LOWER VILLAGE
- SWIMMING HOLE
- PUMP PLANT OPERATIONS
- INTAKE PLANT
- AIRPORT LANDING STRIP
- MAIN CIRCULATION
- ROUTE TO COPPER BASIN HOME



- ① BASEBALL FIELD
- ② POOL+TENNIS COURT
- ③ GYM+MUSEUM
- ④ LODGE+COMMUNITY ROOM
- ⑤ DINING HALL
- ⑥ OFFICES
- ⑦ DORMS
- ⑧ ELECTRIC SUB-STATION
- ⑨ PUMP PLANT
- ⑩ VILLAGE PARK
- ⑪ PARKING LOT/INFORMAL STORAGE



KEY OBSERVATIONS

- The two villages are separated by pump plant operations.
- All amenities are located in the northern village away from the majority of residents.
- The village park (#10) is located at the edge of the neighborhood and is surrounded by roads.
- Vacant land is informally used as storage of personal vehicles creating an eyesore for adjacent residences.
- Truck traffic is generally separated from villages.
- Temp trailers for transient workers are clustered in the north village.

KEY

- VILLAGE
- AMENITY
- OPEN SPACE
- PUMP PLANT OPERATIONS
- SECURITY CHECK POINT
- MAIN CIRCULATION



POPULATION

29 TOTAL EMPLOYEES

- 4 ON-CALL STAFF
- # PUMP PLANT OPERATORS
- # O&M
- # ADMIN
- # KITCHEN & HOSPITALITY
- # AVERAGE CONTRACT WORKERS

10 PERMANENT HOUSEHOLDS

- # YOUNG SCHOOL AGE CHILDREN
- # HIGH SCHOOL AGE CHILDREN

30 SHIFT RESIDENTS



HOUSING

42 TOTAL HOMES

- 27 OCCUPIED HOMES
- 2 STANDBY HOMES
- # TEMPORARY TRAILERS
- # DORM FACILITIES
- # LODGE FACILITIES
- 28 HOMES TO BE RENOVATED
- 5 HOMES TO BE DEMOLISHED
- 2 HOMES RECENTLY BUILT



AMENITIES

7 AMENITIES PROVIDED BY MWD

- REC ROOM
- POOL
- BASEBALL FIELD
- SWIMMING HOLE
- TENNIS COURT
- COMMUNITY ROOM
- DINING HALL

Note: all #'s represent unknown quantities that are to be provided and/or verified by MWD.







KEY OBSERVATIONS

- O&M headquarters and maintenance facility is located next to the village causing lots of heavy service traffic and noise.
- Central basin blvd. is the main plant access and bisects residential areas.
- Amenities are clustered central to residences.
- Housing is dispersed in an unplanned fashion.
- There is some separation of residences from pump plant facilities.

KEY

- VILLAGE
- AMENITY
- OPEN SPACE
- PUMP PLANT OPERATIONS
- SECURITY CHECK POINT
- MAIN CIRCULATION



POPULATION

25 TOTAL EMPLOYEES

- 2 ON-CALL STAFF
- # PUMP PLANT OPERATORS
- # O&M - HEADQUARTERS
- # ADMIN
- # KITCHEN & HOSPITALITY
- # AVERAGE CONTRACT WORKERS

5 PERMANENT HOUSEHOLDS

- 2 YOUNG SCHOOL AGE CHILDREN
- 1 HIGH SCHOOL AGE CHILDREN

20 SHIFT RESIDENTS



HOUSING

27 TOTAL HOMES

- 20 OCCUPIED HOMES
- 2 STANDBY HOMES
- 2 TEMPORARY TRAILERS
- 15 DORM FACILITIES
- # LODGE FACILITIES
- 16 HOMES TO BE RENOVATED
- 7 HOMES TO BE DEMOLISHED
- 4 HOMES RECENTLY BUILT



AMENITIES

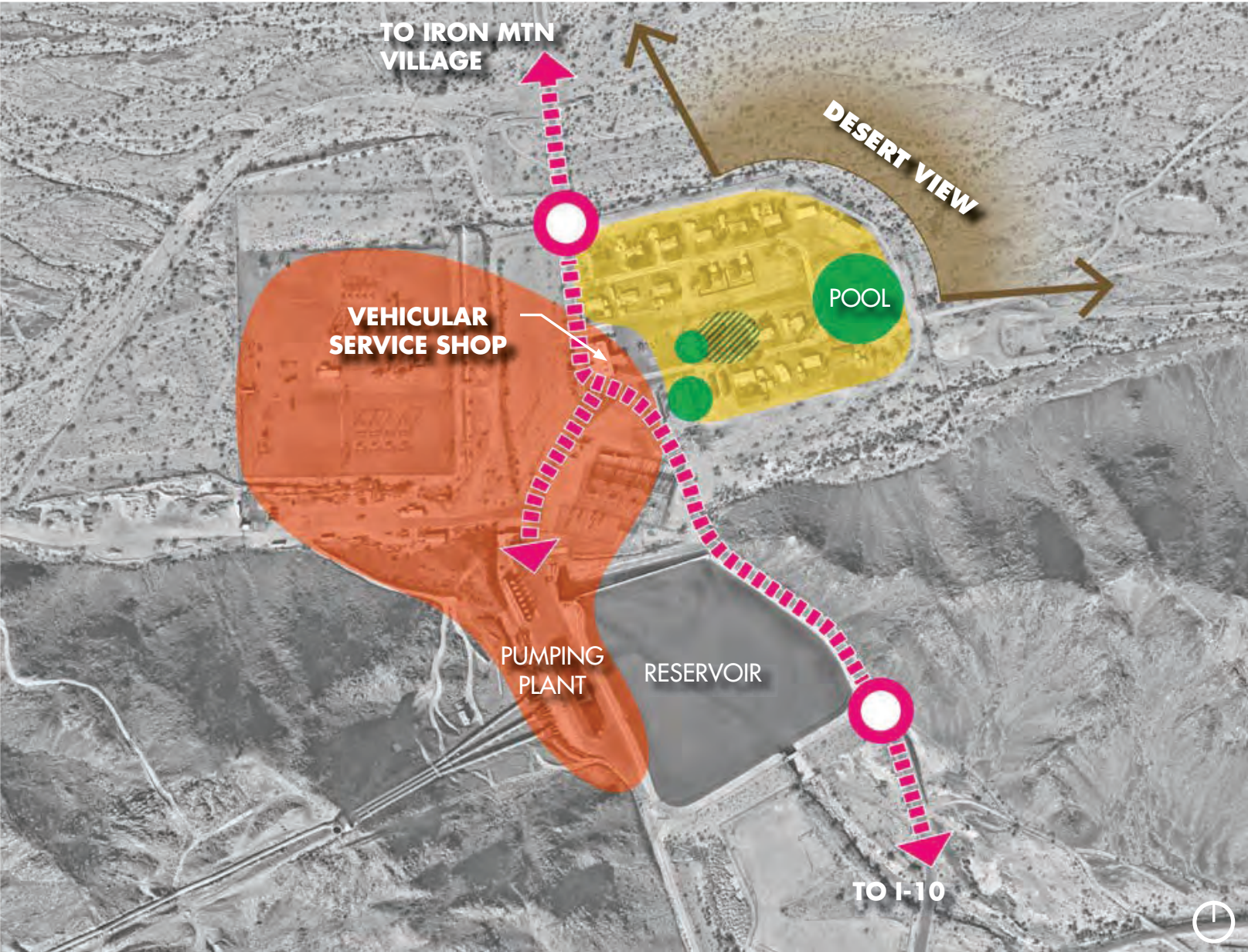
8 AMENITIES PROVIDED BY MWD

- GYM
- POOL
- CENTRAL LAWN
- FRISBEE GOLF
- PLAYGROUND
- TENNIS COURT
- GAME ROOM
- DINING HALL

Note: all #'s represent unknown quantities that are to be provided and/or verified by MWD.







- KEY OBSERVATIONS**
- The village and amenities are separated from pump plant and work area.
 - Village has two secure entry locations.
 - Housing layout lends itself to creating a stronger community feeling and should be considered for all future village layouts.
 - The pool is located at the edge of the village creating an opportunity to celebrate desert views.
 - Large asphalt area at maintenance area increases heat island effect.
 - Distinct lack of trees in the village.
 - CIM office location brings traffic and outsiders through village

- KEY**
- VILLAGE
 - AMENITY
 - OPEN SPACE
 - PUMP PLANT OPERATIONS
 - SECURITY CHECK POINT
 - MAIN CIRCULATION

**POPULATION**

12 TOTAL EMPLOYEES

- 2 ON-CALL STAFF
- # PUMP PLANT OPERATORS - HQ
- # O&M
- # ADMIN
- # KITCHEN & HOSPITALITY
- # AVERAGE CONTRACT WORKERS

6 PERMANENT HOUSEHOLDS

- # YOUNG SCHOOL AGE CHILDREN
- # HIGH SCHOOL AGE CHILDREN

6 SHIFT RESIDENTS

**HOUSING**

17 TOTAL HOMES

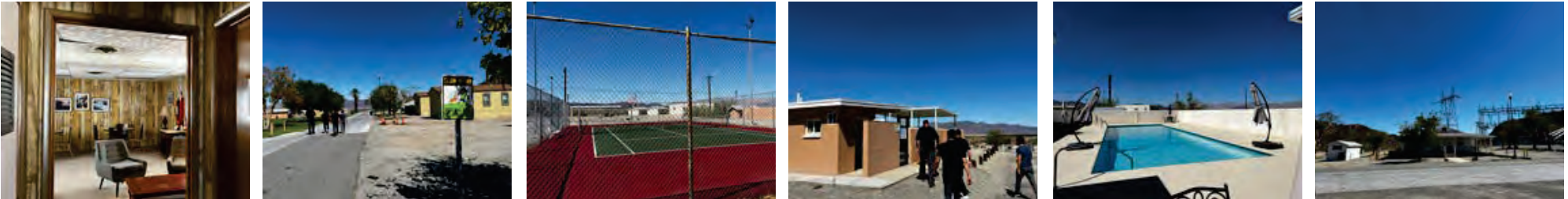
- 12 OCCUPIED HOMES
- # STANDBY HOMES
- 0 TEMPORARY TRAILERS
- 10 DORM FACILITIES
- 0 LODGE FACILITIES
- 11 HOMES TO BE RENOVATED
- 1 HOMES TO BE DEMOLISHED
- 2 HOMES RECENTLY BUILT

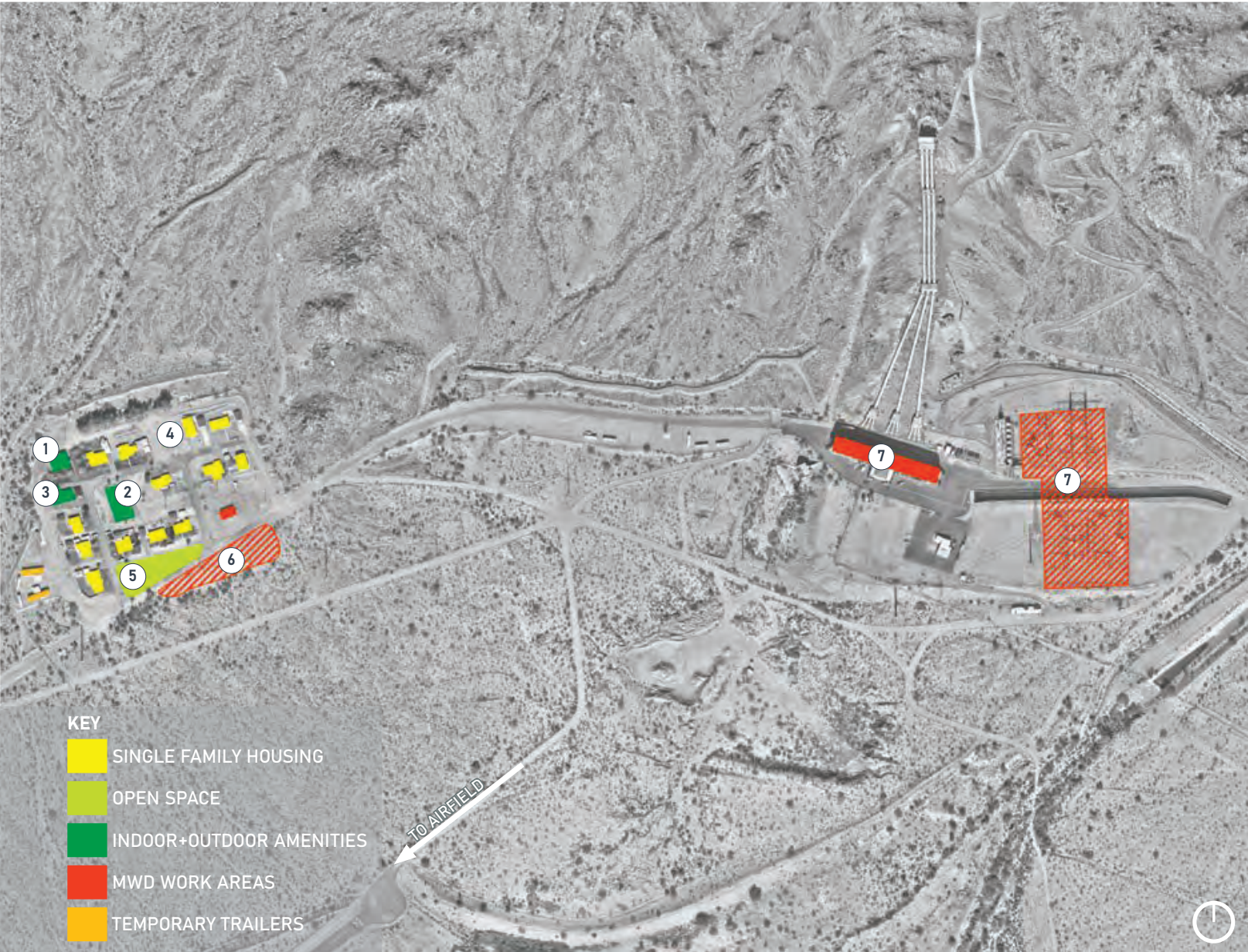
**AMENITIES**

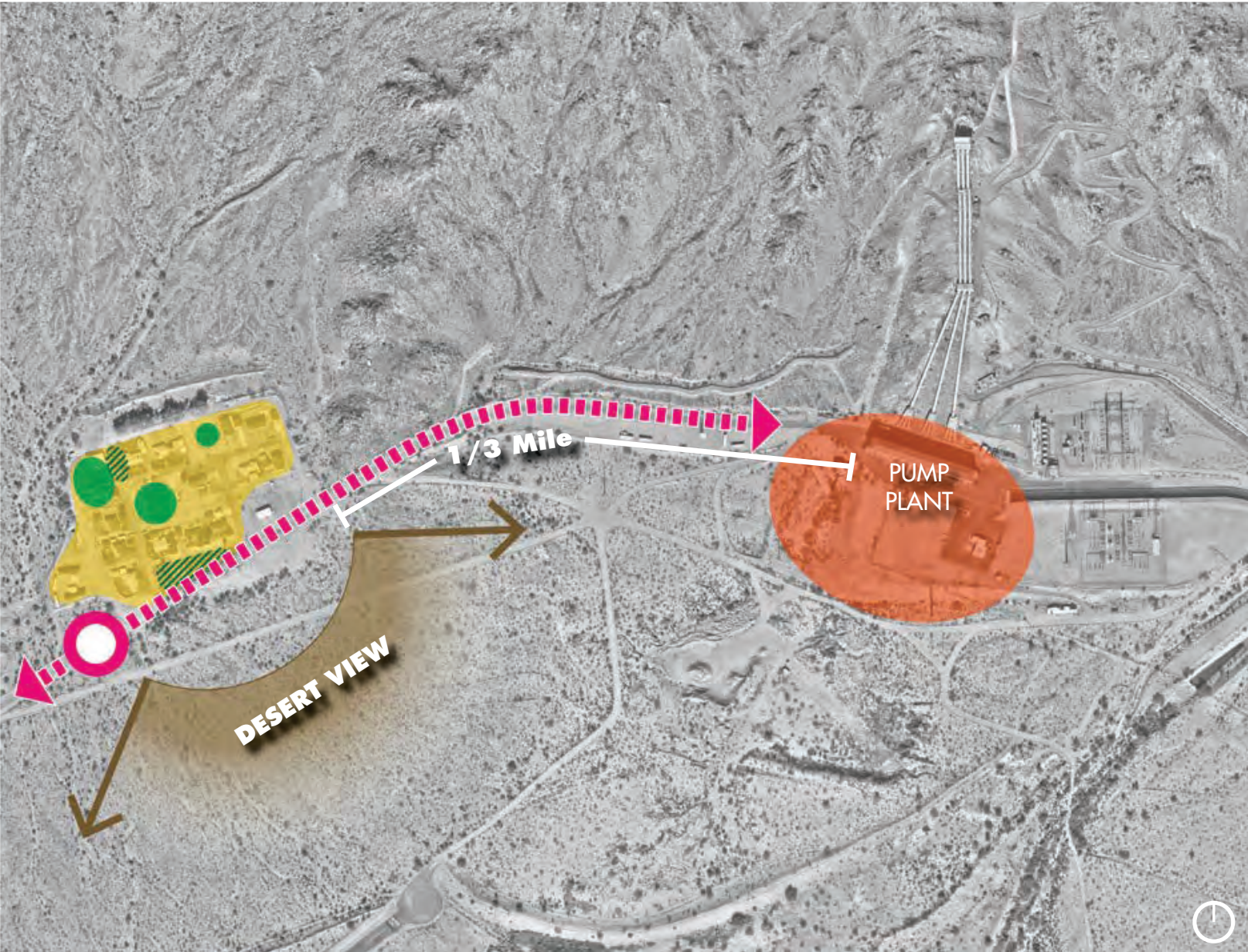
5 AMENITIES PROVIDED BY MWD

- DINING HALL
- POOL
- CENTRAL LAWN
- TENNIS COURT
- PLAYGROUND

Note: all #'s represent unknown quantities that are to be provided and/or verified by MWD.







KEY OBSERVATIONS

- The village and amenities are separated from pumping plant and work area, creating a sense of home.
- The village and houses have a desert view sitting at a higher elevation than the main service access road.
- There are existing trees located at the north side of the village. They are situated at the toe of the mountain slope, presumably planted as a wind block. Measures should be taken to preserve these and plant more for future generations.
- Open space is located at the edge of the village, offering views but is not central to all residences.
- Lack of non-resident facilities at or near the plant creates scheduling and use conflicts for the recreational amenities, and between permanent and temporary workers.
- Although the main access road runs adjacent to the village, residents privacy isn't disturbed by service vehicular traffic. This is likely because there are no other operational facilities located on site.

KEY

- VILLAGE
- AMENITY
- OPEN SPACE
- PUMP PLANT OPERATIONS
- SECURITY CHECK POINT
- MAIN CIRCULATION



POPULATION

12 TOTAL EMPLOYEES

- 2 ON-CALL STAFF
- # PUMP PLANT OPERATORS - HQ
- # O&M
- # ADMIN
- # KITCHEN & HOSPITALITY
- # AVERAGE CONTRACT WORKERS

5 PERMANENT HOUSEHOLDS

- 6 YOUNG SCHOOL AGE CHILDREN
- 0 HIGH SCHOOL AGE CHILDREN

7 SHIFT RESIDENTS



HOUSING

13 TOTAL HOMES

- 12 OCCUPIED HOMES
- # STANDBY HOMES
- 4 TEMPORARY TRAILERS
- 0 DORM FACILITIES
- 0 LODGE FACILITIES
- 8 HOMES TO BE RENOVATED
- 0 HOMES TO BE DEMOLISHED
- 3 HOMES RECENTLY BUILT



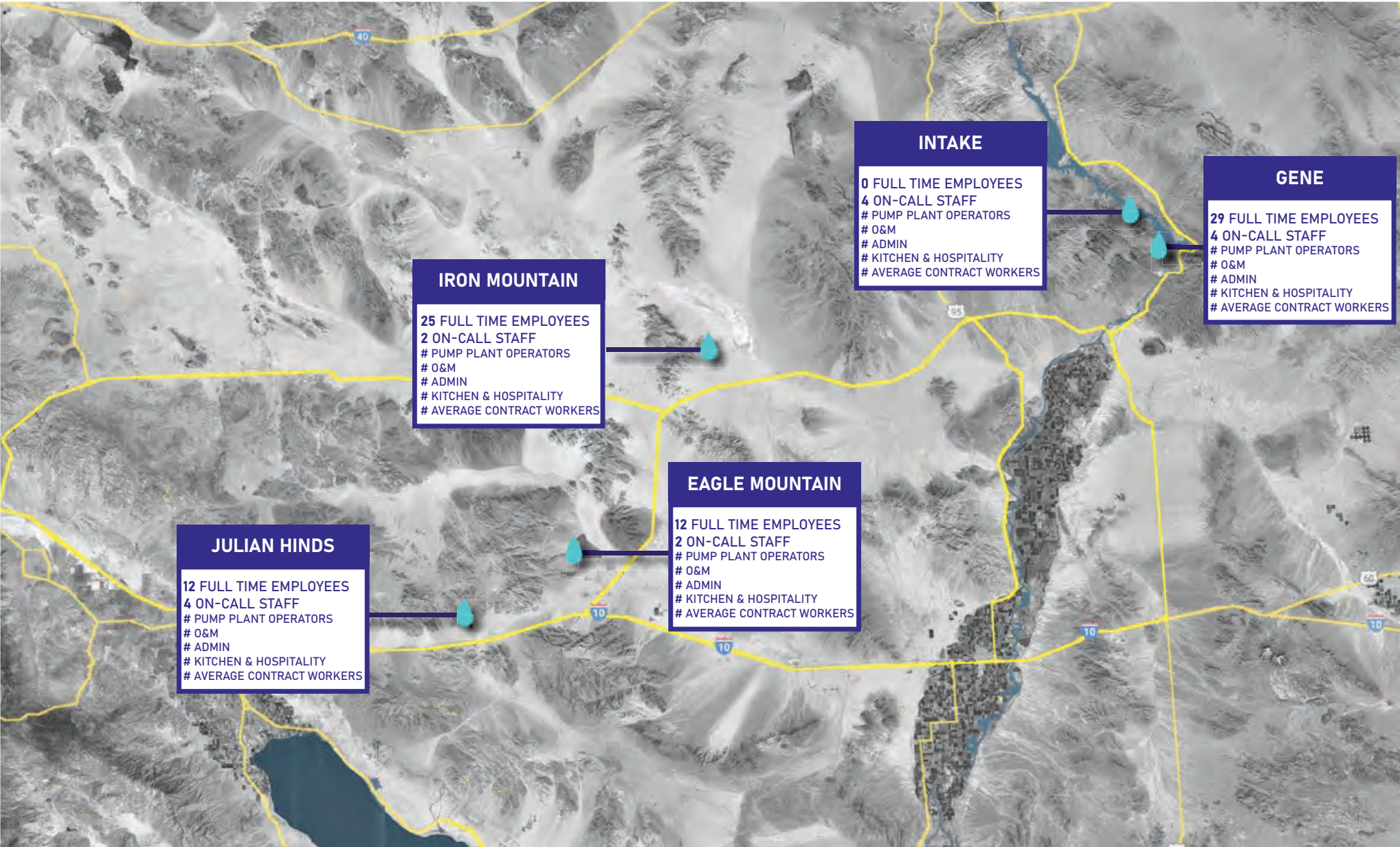
AMENITIES

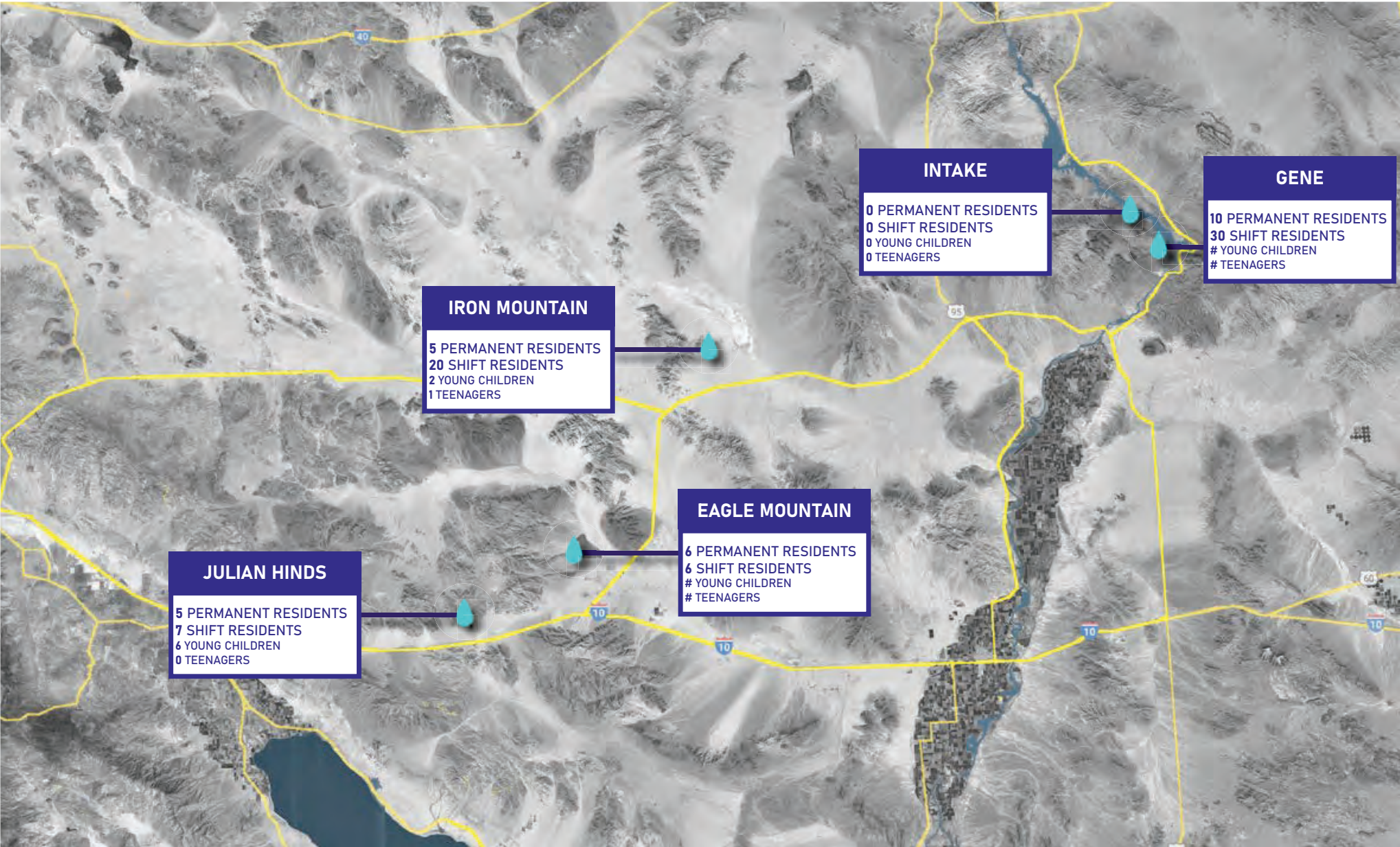
5 AMENITIES PROVIDED BY MWD

- REC HALL
- POOL
- CENTRAL LAWN
- TENNIS COURT
- PLAYGROUND

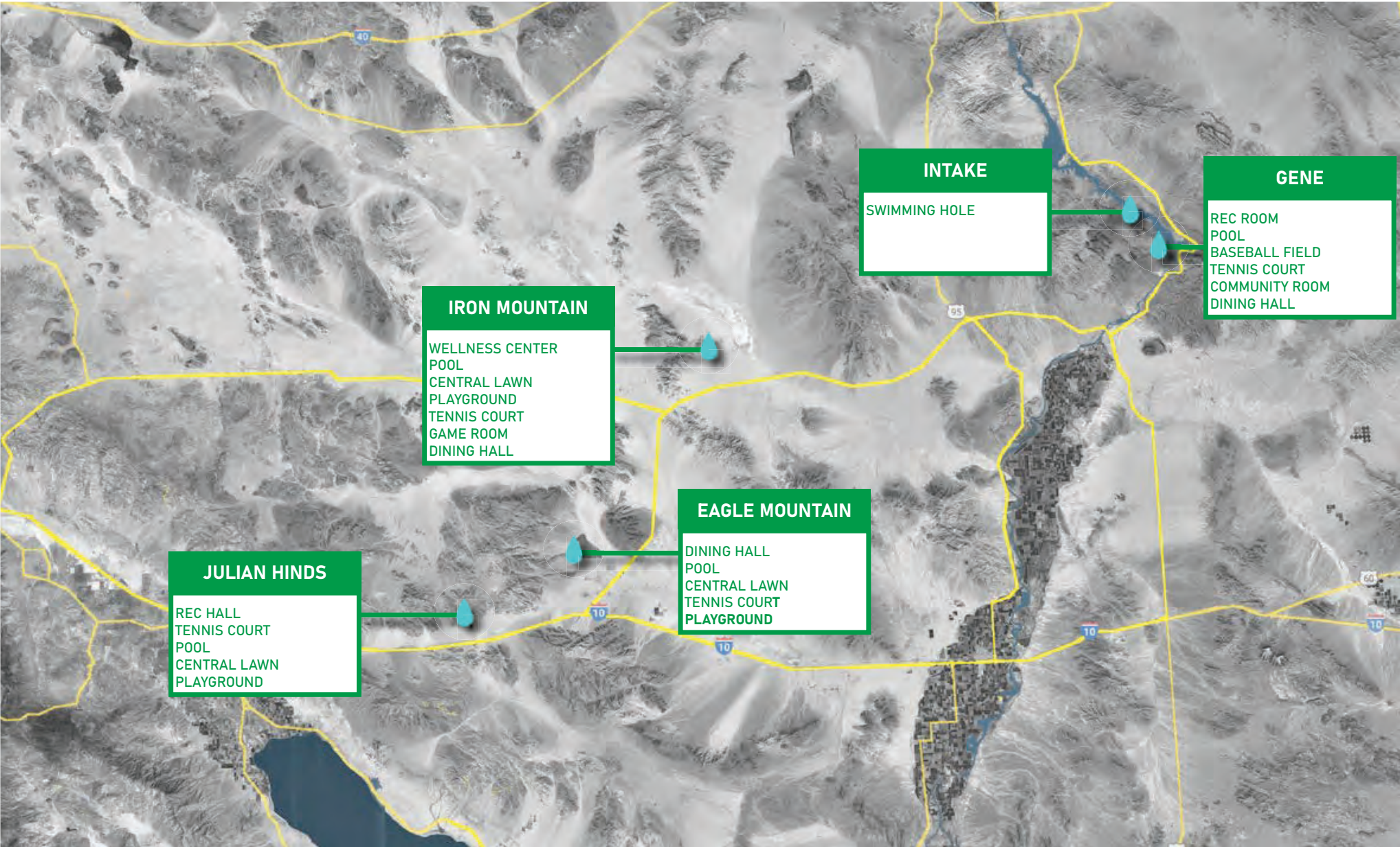
Note: all #'s represent unknown quantities that are to be provided and/or verified by MWD.

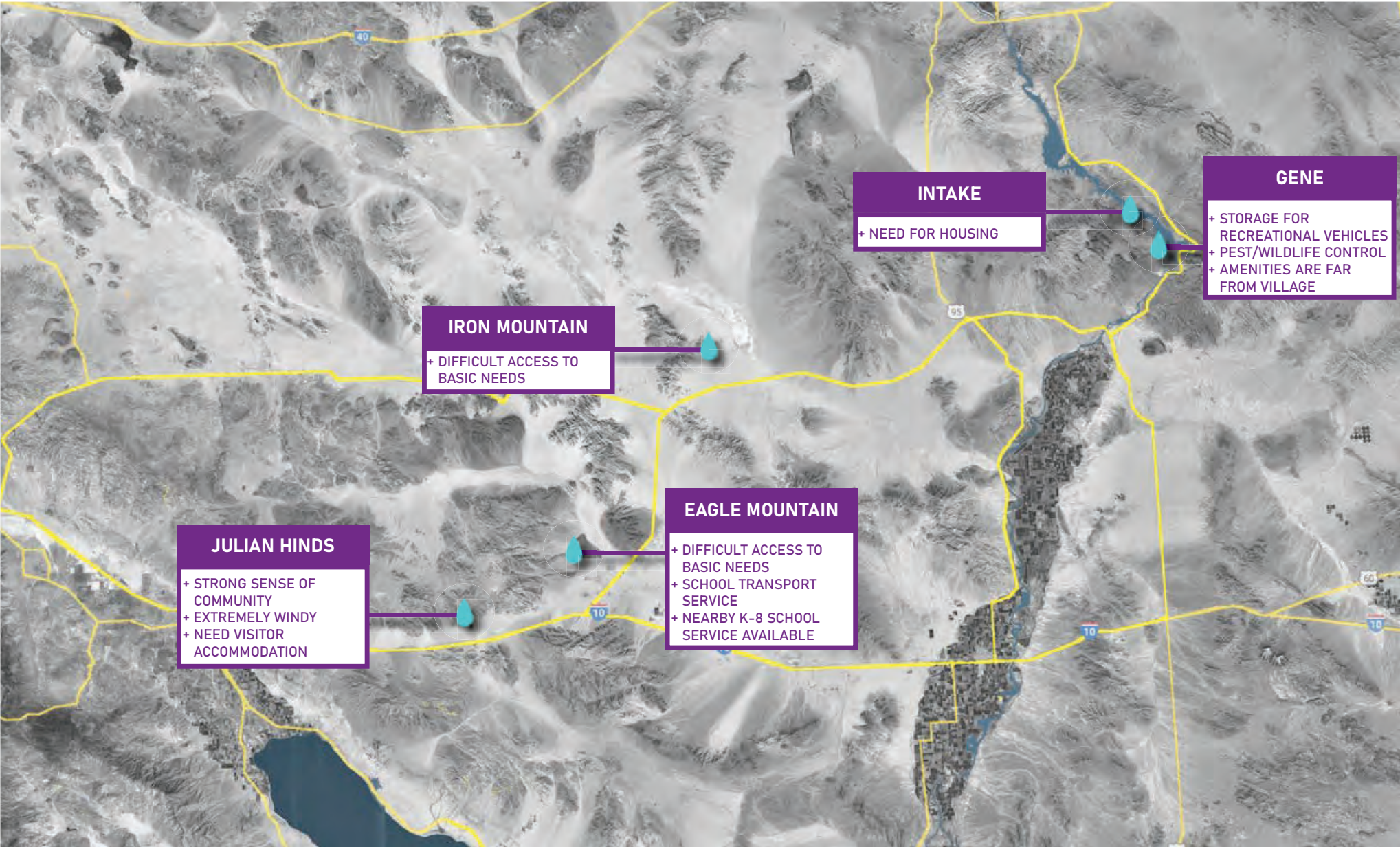














After a series of interviews with Metropolitan Water District staff, leadership, current residents and employees, and union representatives, we developed a greater level of understanding about the lifestyles of employees, as well as cultural aspects of working and living in the High Desert of Southern California. Community engagement and management feedback informed the following observations:

1. Due to its irregular layout and poor site conditions, the southern village of Gene offers the least sense of community and has the lowest percentage of permanent residents. This may also be due to its proximity to larger towns, such as Parker and Lake Havasu City.
2. Housing must be provided at the intake plant in order to meet the 15-minute response requirement.
3. In general, villages should be distanced from the plant and service facility in order to create a sense of separation and "going home" after a work shift.
4. The main access road should be separate from the villages so that service traffic does not disrupt the community.
5. New residential neighborhood typologies should be considered. These typologies may organize residences around common community amenities and open spaces, separates heavy equipment and visitor traffic from the residences, and provides separate resident and visitor amenities.
6. Multi-use indoor sports field is an option to create a multi-purpose, climate controlled amenity.
7. Condominiums with front doors, or even personal RV use would be considered, but needs to be coupled with salary, shift adjustment and amenity packages.
8. Planting trees with proper irrigation systems provide shade and overall beautification of village.
9. Optional landscape contracts for front yard and private spaces need to be provided. This might help to address the vacant homes that

need to be maintained while residents are not living there.

10. Iron Mountain and Eagle Mountain villages have a stronger sense of community given their remoteness.
11. Many residents in the Iron Mountain, Eagle Mountain, and Julian Hinds villages acknowledge their choice to live in remote location for pay and benefits, but there is a strong desire for basic improvements expected for human habitation in a desert (working ac, proper gym, shade, landscape, work/life balance and separation).

The Metropolitan Water District villages along the Colorado River Aqueduct were established at a time when there were less options for living in the High Desert. The villages were more remote and access and personal transportation was less sophisticated. In the last 75 years, surrounding cities have developed, more amenities have become available in nearby towns, paved highways were built, and personal vehicles have become the norm. By analyzing community needs and issues,

our observations listed above help to establish guiding principles but also raises significant questions about the role of MWD villages moving forward:

- Are we creating villages intended to support permanent residents or are we creating 'Shift' accommodations?
- Is compensation part of the equation when considering housing typologies? Should we consider moving away from 'Equal housing' and towards appropriate tied to lifestyle and compensation package?
- Should we consider creating a consolidated western village with elevated amenities and employees are then expected to commute to pump plants? (Pump plants would have limited on-call accommodations)?
- Should we consider transitioning away from Gene as a permanent village given proximity to Lake Havasu and Parker?
- Would MWD consider partnering with a developer to build a future village?

COMMUNITY OUTREACH

- COMMUNITY INTERVIEW IN AUGUST, 2023 29
- ON-LINE SURVEY IN FEBRUARY, 2024 33

ENGAGEMENT
AT A GLANCE



15+ HOURS OF COMMUNITY INTERVIEWS

130+
UNIQUE COMMENTS

10+
WRITTEN COMMENTS



4 COMMUNITY MEETINGS

40+

EMPLOYEES AND
RESIDENTS ENGAGED
(5 PUMPING PLANTS)



5 SITE WALKS

KEY

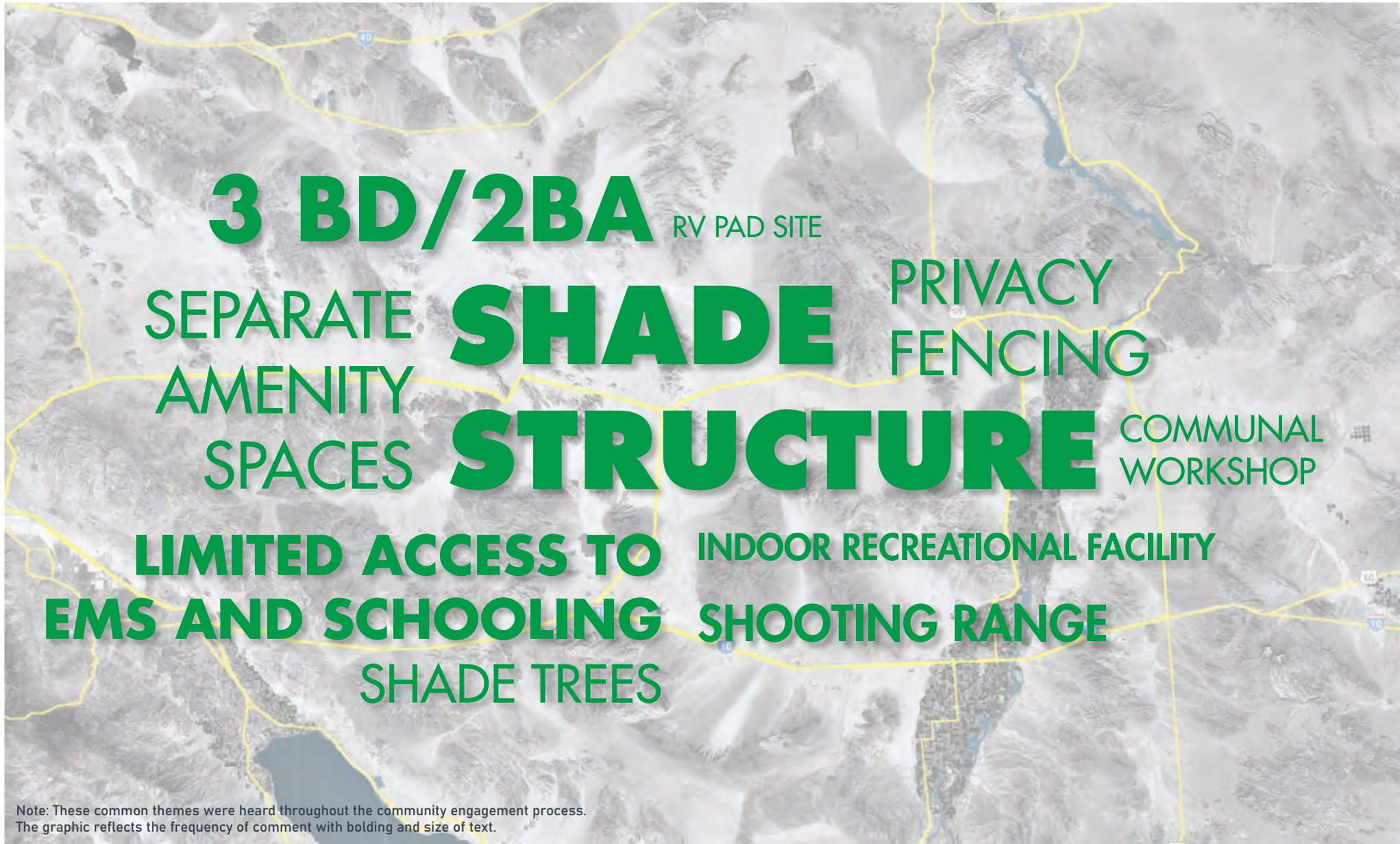
- FACTS
- THEMES THROUGHOUT VILLAGE
- THEMES SPECIFIC TO VILLAGE

COMMON THEMES AMONG ALL VILLAGES

LIFESTYLE/CULTURE	HOUSING	AMENITIES	PUBLIC SAFETY	EDUCATION
<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ LIVE/WORK IN THE VILLAGE+ GREAT OPPORTUNITY FOR OUTDOOR ACTIVITIES+ QUIET SMALL TOWN FEELING+ HAVING THEIR OWN FRONT DOOR TO GO HOME TO AT THE END OF THE DAY IS IMPORTANT+ COMARADERIE AMONGST PUMP PLANT EMPLOYEES AND SENSE OF PRIDE AND OWNERSHIP OVER PUMP PLANT+ THE SENSE OF SECURITY LIVING IN A 'GATED' COMMUNITY IS HIGHLY VALUED	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ 3 BD/2 BA SINGLE FAMILY DETACHED HOME IS MOST DESIRED+ REAR YARD WITH PRIVACY FENCING+ WIDE DRIVEWAY WITH SHADE STRUCTURE FOR RV PARKING AND LARGE TRUCKS+ COVERED PATIO SPACE IN OUTDOOR LIVING AREA+ PRIVACY FENCING+ LARGER GARAGES AND GREATER STORAGE SPACE	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ UPGRADE POOL AND LARGE SHADE STRUCTURE+ MULTI-PURPOSE RECREATIONAL FACILITY (SPORTS FIELD, BASKETBALL COURT, GYM, GAME ROOM, MEETING ROOM, ETC.)+ CENTRAL GATHERING PLACE+ SHADE TREES WITH OWN IRRIGATION SYSTEM+ BETTER WI-FI/INTERNET SERVICE+ RESIDENTS WOULD LIKE SEPARATION FROM OUTSIDERS IN ORDER TO HAVE GREATER OWNERSHIP OVER AMENITIES+ PRIORITIZE INDOOR AMENITIES DUE TO EXTREME CONDITIONS	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ LIMITED EMERGENCY RESPONDER AND EMS TRAINING+ LIMITED OR NO MEDICAL SERVICES NEARBY	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ LIMITED ACCESS TO PRIMARY EDUCATION AND CHILDREN'S PROGRAMING MAKES IT DIFFICULT FOR FAMILIES TO LIVE REMOTE.+ BUSSING SERVICES HAVE BEEN LIMITED.

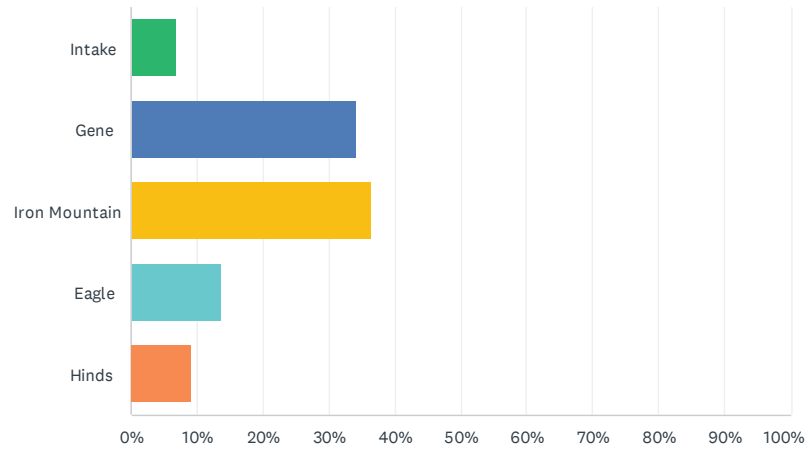
UNIQUE THEMES

INTAKE	GENE	IRON MOUNTAIN	EAGLE MOUNTAIN	JULIAN HINDS
<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ NEED HOUSING FOR REQUIRED ON-CALL STAFF TO RESPOND WITHIN 15 MINUTES+ OPPORTUNITY FOR A RECREATION DESTINATION, SWIMMING HOLE, HAVASU LAKE, ETC.	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ AMENITIES ARE SEPARATED FROM THE MAIN VILLAGE+ GYM FACILITY NEEDS TO BE MAINTAINED AND UPGRADED+ WILD ANIMALS AND INSECTS ARE AN ISSUE+ THE SWIMMING HOLE IS A BELOVED AMENITY. USING IT AS A CONSTRUCTION STAGING GROUND DIMINISHES IT'S SENSE OF PLACE AND MAKES EMPLOYEES FEEL LIKE THEY ARE STILL 'AT WORK'+ MANY FOLKS CONSIDER THIS VILLAGE SHIFT HOUSING/VACATION HOUSING+ EXISTING SOUTHERN VILLAGE HOUSING LAYOUT FEELS DISJOINTED	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ THE MOST REMOTE VILLAGE+ LOGISTICS OF TRANSPORTING FOOD IS DIFFICULT, REQUIRES LARGE COOLERS AND ADDITIONAL TIME ON WAY TO WORK+ CREATE ABILITY FOR EMPLOYEES TO PURCHASE FUEL ON-SITE+ LONG COMMUTING TIMES FOR WORK AND SCHOOL+ STAFFING SHORTAGE+ THE GUN RANGE WAS THE CENTER OF THE SOCIAL COMMUNITY (IT'S THEIR BOWLING ALLEY)+ POTENTIAL TO CREATE AN AMENITY LIKE THE SWIMMING HOLE AT GENE WITH WATER DUMPED INTO THE DESERT WHEN THEY FLUSH THE SAND TRAPS EACH WEEK.+ EXTEND KITCHEN SERVICES DURING THE WEEKENDS	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ THERE ARE 2 SECURITY GATES, NORTH FROM IRON MOUNTAIN AND SOUTH FROM HINDS+ ON-GOING ISSUES WITH WATER PRESSURE AND OTHER MAINTENANCE ISSUES+ RESUME KITCHEN SERVICE+ PROTECT THE CAMP BOUNDARY WITH LANDSCAPING AND TREES+ SCHOOLING IS AVAILABLE WITHIN 10 MINUTES WITH A TRANSPORTATION SERVICE FOR K-8 STUDENTS	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <ul style="list-style-type: none">+ STRONG SENSE OF COMMUNITY+ EXTREMELY WINDY IN WINTER SEASON+ NEED FOR AN ACCOMMODATION FACILITY FOR GUEST AND VISITORS



Q1 Which village do you currently work/reside?

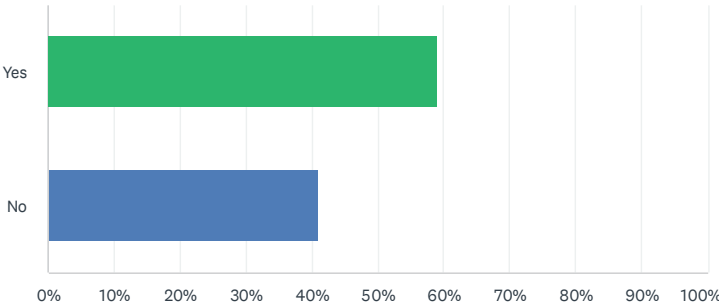
Answered: 44 Skipped: 3



ANSWER CHOICES	RESPONSES	
Intake	6.82%	3
Gene	34.09%	15
Iron Mountain	36.36%	16
Eagle	13.64%	6
Hinds	9.09%	4
TOTAL		44

Q2 Do you consider your current MWD provided housing as your primary residence? (You live on-site full-time year round)

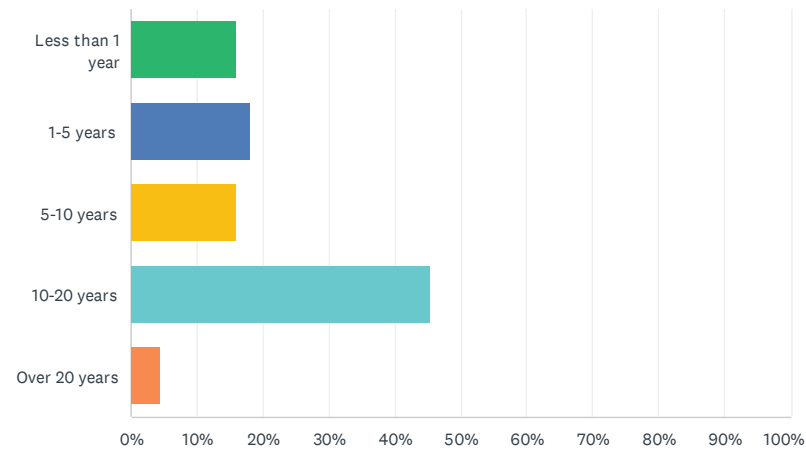
Answered: 44 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	59.09%	26
No	40.91%	18
Total Respondents: 44		

Q3 How long have you worked for MWD at a desert village

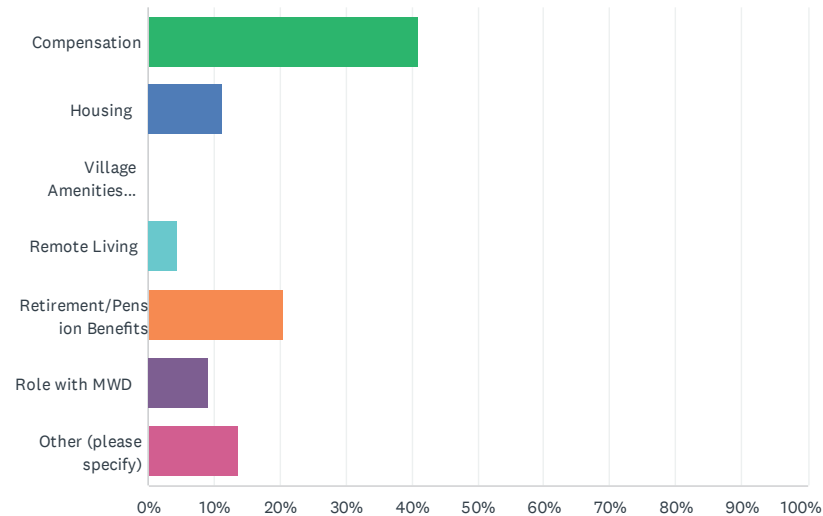
Answered: 44 Skipped: 3



ANSWER CHOICES	RESPONSES	
Less than 1 year	15.91%	7
1-5 years	18.18%	8
5-10 years	15.91%	7
10-20 years	45.45%	20
Over 20 years	4.55%	2
TOTAL		44

Q4 When you began working for MWD, what benefit was the biggest factor in you accepting the position?

Answered: 44 Skipped: 3



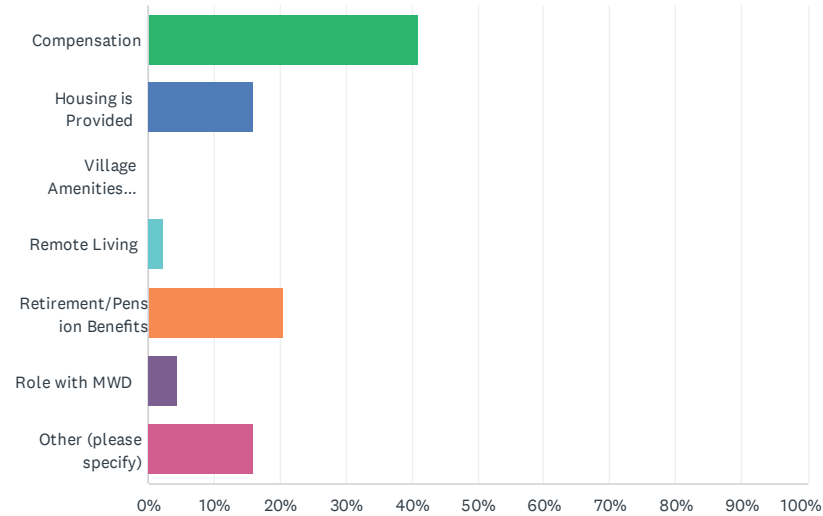
ANSWER CHOICES	RESPONSES	
Compensation	40.91%	18
Housing	11.36%	5
Village Amenities (Pool, fitness center, etc)	0.00%	0
Remote Living	4.55%	2
Retirement/Pension Benefits	20.45%	9
Role with MWD	9.09%	4
Other (please specify)	13.64%	6
TOTAL		44

#	OTHER (PLEASE SPECIFY)	DATE
1	Everything but remote living	1/24/2024 2:17 PM
2	compensation was good but housing and being able to bring my family was the deciding factor, otherwise I would not have chosen this location	1/24/2024 8:58 AM
3	Compensation was the biggest factor, but housing, amenities and retirement were biggies.	1/24/2024 7:48 AM
4	Apprenticeship program, housing was a bonus and unknow at the time I was hired.	1/24/2024 6:50 AM
5	Honestly the only thing i knew where the retirement, pension, and medical benefits. Honestly i didnt even know there was a career opportunity for me here since i have a culinary degree with	1/23/2024 1:22 PM

	15+ years restaurant and casino experience.	
6	Compensation and schedule	1/18/2024 5:21 AM

Q5 What do you think is the most important factor in attracting future employees to MWD?

Answered: 44 Skipped: 3



ANSWER CHOICES	RESPONSES	
Compensation	40.91%	18
Housing is Provided	15.91%	7
Village Amenities (Pool, fitness center, etc)	0.00%	0
Remote Living	2.27%	1
Retirement/Pension Benefits	20.45%	9
Role with MWD	4.55%	2
Other (please specify)	15.91%	7
TOTAL		44

#	OTHER (PLEASE SPECIFY)	DATE
1	Everything but remote living/it is harsh in the desert etc	1/24/2024 2:17 PM
2	Compensation and provided housing	1/24/2024 8:58 AM
3	all the above	1/24/2024 7:48 AM
4	should be able to answer more than 1, compensation/retirement benefits is why I am here	1/24/2024 7:00 AM
5	the biggest expense a family has is there home if an employee with a family or is young could try to use the saving from housing to invest and help is family move up the class ladder.	1/23/2024 1:22 PM

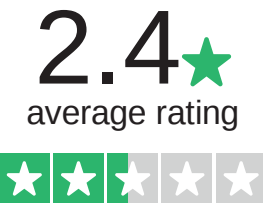
6	Combination of housing, compensation and amenities	1/23/2024 10:14 AM
7	Compensation and housing	1/18/2024 5:21 AM

Questions 6-12 refer to the strategy of having villages at Iron and Eagle only

9.2

Q6 The proposed housing strategy will attract and retain employees.

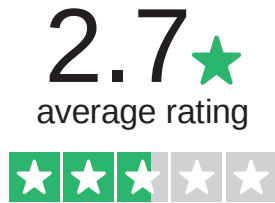
Answered: 43 Skipped: 4



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	46.51% 20	11.63% 5	18.60% 8	2.33% 1	20.93% 9	43	2.40

Q7 The proposed layout will support a strong sense of community amongst employees.

Answered: 43 Skipped: 4



	LEAST SENSE OF COMMUNITY	(NO LABEL)	(NO LABEL)	(NO LABEL)	STRONGEST SENSE OF COMMUNITY	TOTAL	WEIGHTED AVERAGE
★	34.88% 15	18.60% 8	16.28% 7	4.65% 2	25.58% 11	43	2.67

Q8 The proposed strategy will support the long-term operations of the plants

Answered: 43 Skipped: 4

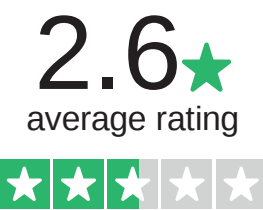


	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	39.53% 17	9.30% 4	23.26% 10	4.65% 2	23.26% 10	43	2.63

The follotion refer to the strategy of having ^{9.2}villages at Iron and Eagle only

Q9 How acceptable is commuting to Hinds and Gene when not on a 15 minute stand-by?

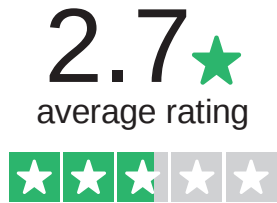
Answered: 43 Skipped: 4



	NOT ACCEPTABLE	(NO LABEL)	NEUTRAL	(NO LABEL)	ACCEPTABLE	TOTAL	WEIGHTED AVERAGE
☆	39.53% 17	6.98% 3	23.26% 10	11.63% 5	18.60% 8	43	2.63

Q10 The proposed villages will support a safe and healthy live/work environment

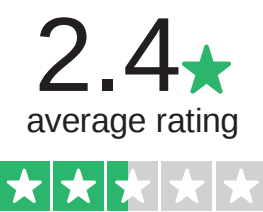
Answered: 43 Skipped: 4



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	39.53% 17	6.98% 3	20.93% 9	6.98% 3	25.58% 11	43	2.72

Q11 How acceptable is the proposed housing strategy to you as a current employee?

Answered: 43 Skipped: 4



	LEAST ACCEPTABLE	(NO LABEL)	NEUTRAL	(NO LABEL)	MOST ACCEPTABLE	TOTAL	WEIGHTED AVERAGE
★	46.51% 20	16.28% 7	11.63% 5	2.33% 1	23.26% 10	43	2.40

Q12 Please share any other comments about this option you have below:

Answered: 40 Skipped: 7

#	RESPONSES	DATE
1	z	1/25/2024 11:15 AM
2	.	1/24/2024 2:21 PM
3	I reside at Iron. This would not change my housing situation.	1/24/2024 12:32 PM
4	NA	1/24/2024 9:26 AM
5	.	1/24/2024 9:03 AM
6	I enjoy my house at Gene. I have very few issues with it. My primary residence is in Kingman AZ. I would not be in favor short term housing at Gene for standby only. If there was short term housing for all of my days on shift that would be more appealing.	1/24/2024 7:56 AM
7	I personally would not want to have to leave Eagle to travel to Hinds every day. Furthermore, I would absolutely not want to have to go to Hinds to an apartment or whatever when on standby and then go back to my regular house when standby is over. That's too much back and forth for me.	1/24/2024 7:56 AM
8	combining Hinds and eagle would work they are close enough together for it to work.	1/24/2024 7:44 AM
9	The requirement to force every one to commute is less safe, especially on rice road. I get to choose how I utilize my district house, in this scenario I have no choice.	1/24/2024 7:03 AM
10	good job	1/24/2024 6:54 AM
11	This option will make it even harder to staff the desert facilities	1/24/2024 6:38 AM
12	0	1/24/2024 6:32 AM
13	none	1/23/2024 3:07 PM
14	MWD has tried this approach before and failed.	1/23/2024 2:38 PM
15	I would not want to work at Eagle or Iron just to get a house.	1/23/2024 2:36 PM
16	na	1/23/2024 2:33 PM
17	Desert employees were much happier with the villages years ago, with a true trades team and maintenance staff.	1/23/2024 2:29 PM
18	this is the best suggestion since the 2 remote villages are the most difficult to recruit for and it fixes those issues since it is very remote.	1/23/2024 1:26 PM
19	THE COMMUTE FROM INDIO, CA TO HINDS IS THE SAME AS LAKE HAVASU CITY, AZ TO GENE(NOT INCLUDING THE RESTRICTED HOURS OF PARKER DAM)...WHY ARE THEY TREATED DIFFERENTLY?	1/23/2024 1:07 PM
20	I BELIEVE THAT THE VILLAGES THAT ARE MOST SECURED FROM CIVILIZATION SHOULD GET THE MOST FUNDING	1/23/2024 12:47 PM
21	No comment	1/23/2024 12:26 PM
22	Just bring current housing back to acceptable standards and compensate employees appropriately. Everyone has different needs and desires for village enhancements, we will never please everyone.	1/23/2024 12:20 PM
23	This is a bad move. There needs to be a village at each location. The housing does not need to be extravagant nor does MWD need to reinvent the wheel in doing so. Simple modular homes like the several that have been already installed at all locations would more than suffice. This a very reasonable and cost-effective option. Look at what has already been done	1/23/2024 12:18 PM

and expand on it. Employees have a sense of pride of ownership of these Desert Pump Plants, and you will destroy that mentality if we can't live where we work in these remote jobs. The village is an extension of the pump plant, and the same pride of ownership applies.

24	Recruitment is the single biggest issue facing the Desert today. Private, single family homes are the largest recruitment magnets we currently possess. I understand they are expensive, but speaking for myself only, I would not have been able, or willing to relocate my family to the Desert without the availability of a private residence. Supply shortages in Lake Havasu City have dramatically increased the cost of housing over the last few years. It is more expensive with fewer amenities than many California cities.	1/23/2024 12:17 PM
25	Bad Idea to combine these villages	1/23/2024 12:09 PM
26	Commuting to and from Gene from iron would be time consuming. It's approximately 1.5 hours each way. Might be a good idea to provide temp housing (dorms, condos, etc.) for employees commuting to and from Gene from iron.	1/23/2024 10:17 AM
27	sdfds	1/23/2024 7:50 AM
28	Hinds instead of eagle due to closer proximity to town, decreased travel to groceries, shopping, medical facilities, etc.	1/18/2024 11:46 AM
29	No	1/18/2024 8:24 AM
30	Na	1/18/2024 7:46 AM
31	Na	1/18/2024 7:42 AM
32	Na	1/18/2024 7:39 AM
33	I believe the desert should have priority to fund allocation	1/18/2024 7:19 AM
34	Employees do not want to live in a hotel room, away from their families.	1/18/2024 6:43 AM
35	Just remodel the current houses and get rid of real property group	1/18/2024 5:25 AM
36	The money being spent on the this continued "survey" coupled with the continued "dragging of the feet" to "redeveloped" is only wasting money. NOTHING EVER gets cheaper, i.e. building material cost, labor etc.	1/18/2024 5:21 AM
37	Combining hinds and eagle isn't a terrible idea, but keep iron n gene village. Standby quarters at gene wouldn't work for me as I live to far away from gene. Not feasible to commute. Although I don't consider gene house as my primary resident. I am in the village while I am on shift. Even when I am on standby. Also I live at higher altitude, so when it's cold I will stay in the village when not on shift in the winter	1/17/2024 2:52 PM
38	People are not upset with their current housing, they are upset by the incompetence of current property management. If we had competent property management we would not be in the current situation we are in. Unfortunately until that changes everything will remain the way it is out here. Metropolitan is great at supplying water to 19 million people but cannot figure out how to manage housing for a hundred or so, it really is shameful. I realize that you are being paid to come up with a solution and have no concern for incompetent property management internally, so let's just keep trying the same thing and expecting different results.	1/12/2024 8:28 AM
39	test	1/9/2024 5:05 PM
40	ffgd	1/8/2024 12:32 PM

Questions 13-19 relate to the option of having a single village at Gene with standby housing at others

Q13 The proposed housing strategy will attract and retain employees.

Answered: 39 Skipped: 8

2.0★

average rating



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	61.54% 24	2.56% 1	17.95% 7	7.69% 3	10.26% 4	39	2.03

Q14 The proposed layout will support a strong sense of community amongst employees.

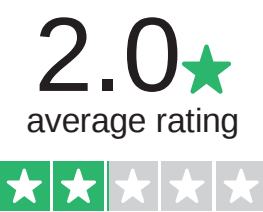
Answered: 39 Skipped: 8



	LEAST SENSE OF COMMUNITY	(NO LABEL)	(NO LABEL)	(NO LABEL)	STRONGEST SENSE OF COMMUNITY	TOTAL	WEIGHTED AVERAGE
★	61.54% 24	5.13% 2	15.38% 6	5.13% 2	12.82% 5	39	2.03

Q15 The proposed strategy will support the long-term operations of the plants

Answered: 39 Skipped: 8



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	56.41% 22	7.69% 3	23.08% 9	2.56% 1	10.26% 4	39	2.03

Q16 How acceptable is commuting to Hines, Eagle, and Iron Mountain?

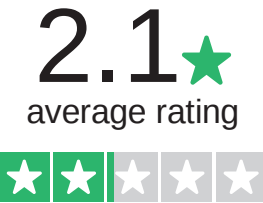
Answered: 39 Skipped: 8



	NOT ACCEPTABLE	(NO LABEL)	NEUTRAL	(NO LABEL)	ACCEPTABLE	TOTAL	WEIGHTED AVERAGE
☆	64.10% 25	12.82% 5	10.26% 4	0.00% 0	12.82% 5	39	1.85

Q17 The proposed villages will support a safe and healthy live/work environment

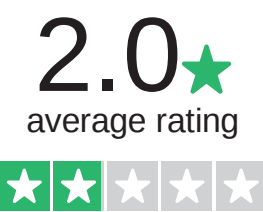
Answered: 39 Skipped: 8



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	58.97% 23	0.00% 0	23.08% 9	5.13% 2	12.82% 5	39	2.13

Q18 How acceptable is the proposed housing strategy to you as a current employee?

Answered: 39 Skipped: 8



	LEAST ACCEPTABLE	(NO LABEL)	NEUTRAL	(NO LABEL)	MOST ACCEPTABLE	TOTAL	WEIGHTED AVERAGE
☆	64.10% 25	5.13% 2	15.38% 6	2.56% 1	12.82% 5	39	1.95

Q19 Please share any other comments about this option you have below:

Answered: 36 Skipped: 11

#	RESPONSES	DATE
1	z	1/25/2024 11:16 AM
2	.	1/24/2024 2:22 PM
3	Commuting is a large waste of time and money.	1/24/2024 12:35 PM
4	na	1/24/2024 9:27 AM
5	keep it the way it is please	1/24/2024 9:05 AM
6	I would absolutely put in for a transfer out of the desert asap if this were to happen. I live in the Inland Empire and uprooting my family is not an option. My wife has her own career. My son likes his school and friends. They like to visit me when I'm on shift at Eagle...but that's about it. Thanks but no thanks.	1/24/2024 8:01 AM
7	This option will work out far better for me	1/24/2024 7:56 AM
8	In a perfect world, where management held employees accountable for their work performance, it would be great. Moving employees around sounds great for operations but moving from plant to plant will not work with this company. Plus you lose sense of ownership when you work at one plant.	1/24/2024 7:47 AM
9	Non of these solution will solve anything. The few people that live in camp, will live in camp. I see most people going to where ever there home is outside work just like current. This still forces employees to live out of hotel like rooms during the work shift. I've done it at other plants and it is not desirable.	1/24/2024 7:24 AM
10	good job	1/24/2024 6:42 AM
11	This option will also make it even harder to staff the desert facilities	1/24/2024 6:39 AM
12	0	1/24/2024 6:33 AM
13	none	1/23/2024 3:08 PM
14	I hope you can still have a house at Gene if you work at Intake because it doesn't show an arrow between them.	1/23/2024 2:41 PM
15	MWD has tried this approach before and failed.	1/23/2024 2:38 PM
16	no work will get done	1/23/2024 2:34 PM
17	To much commuting.	1/23/2024 2:29 PM
18	EVERYONE WILL WANT A SINGLE FAMILY HOME WHETHER OR NOT THEY HAVE ANOTHER RESIDENCE. THEY ARE LYING IF THEY SAY OTHERWISE. PEOPLE WILL WANT WHAT EVERYONE ELSE GETS INCLUDING MYSELF. USING SOMEONES PERSONAL ADDRESS TO ASSIGN HOUSING IS DISCRIMINATION. GET OUT OF PEOPLES PERSONAL LIVES.	1/23/2024 1:36 PM
19	This plan might pose an issue simply due to the unknow weather conditions. What would happen if the roads get shut due to the rain or an accident. and there is an emergency in any of the plants.	1/23/2024 1:30 PM
20	YOU WOULD HAVE TO PAY THE PEOPLE THAT ARE BEING SENT TO COMMUTE TO THE DESERT A LOT OF MONEY FOR THIS TO WORK	1/23/2024 12:48 PM
21	These plants need ample (i.e. Daily) maintenance and care taking, to continue its storied reliability with all of its aging assets, losing 4 hours a day to drive time seems awfully inefficient for maintenance and unfair to the rate payers as they are paying for us to travel several hours everyday to respond to scheduled or worst unscheduled emergencies. The	1/23/2024 12:38 PM

7/9/2024 Board Meeting

current villages offer some flexibility with this as some employees can be called into action with very little down time provided they are in the village. Many of our families reside in California so this idea takes us even farther away from them. And what does "Hotel Style" actually mean? This seems like it could negatively affect budgeting as hotel infers housekeeping, entertainment, laundry, and food service options. All of which bring with them labor needs and additional skillsets and assets; Refrigeration, commissary, inventory controls, menu management etc. Items that we fall short on as it is with our small hospitality sector.

22	This is challenging to answer because it is so dependent on the dynamics of the individual employee and their families. Some families are okay with a parent being away two weeks per month. Others are not (still others are single). Speaking only for myself, my wife and children would find this unacceptable as a long-term option and we would be searching for a job away from the Desert (though hopefully still with MWD). If commute time was 'on the clock' it would make the commutes more palatable but would also be a continual business cost.	1/23/2024 12:28 PM
23	This is a bad move. There needs to be a village at each location. The housing does not need to be extravagant nor does MWD need to reinvent the wheel in doing so. Simple modular homes like the several that have been already installed at all locations would more than suffice. This a very reasonable and cost-effective option. Look at what has already been done and expand on it. Employees have a sense of pride of ownership of these Desert Pump Plants, and you will destroy that mentality if we can't live where we work in these remote jobs. The village is an extension of the pump plant, and the same pride of ownership applies.	1/23/2024 12:18 PM
24	Bad Idea	1/23/2024 12:09 PM
25	Travel time from Gene would be too much in my opinion. Centralized villages make more sense	1/23/2024 10:19 AM
26	dsfds	1/23/2024 7:51 AM
27	Does nothing to help with employee retention down line of Gene pump plant	1/18/2024 11:47 AM
28	Na	1/18/2024 7:47 AM
29	Na	1/18/2024 7:40 AM
30	You would have to heavily compensate employees that work at desert plants for this to work.	1/18/2024 7:20 AM
31	This will create chaos at the plants. Recruitment will be even more difficult.	1/18/2024 6:46 AM
32	Abc	1/18/2024 5:22 AM
33	In a perfect world where all employees do their part. It may work. Just think you lose your sense of ownership to the plant you work at. Don't think it will work.	1/17/2024 2:54 PM
34	Not everyone wants to live at Gene or Havasu, myself included and if the goal is employee retention this seems off the mark.	1/12/2024 8:42 AM
35	test	1/9/2024 5:03 PM
36	sdfadsaf	1/8/2024 12:32 PM

Q20 The proposed housing strategy will attract and retain employees.

Answered: 35 Skipped: 12

1.9★

average rating



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	62.86% 22	8.57% 3	11.43% 4	5.71% 2	11.43% 4	35	1.94

Questions 21-26 relate to the option of extended stay only at all plants.

Q21 The proposed layout will support a strong sense of community amongst employees.

Answered: 35 Skipped: 12



	LEAST SENSE OF COMMUNITY	(NO LABEL)	(NO LABEL)	(NO LABEL)	STRONGEST SENSE OF COMMUNITY	TOTAL	WEIGHTED AVERAGE
★	71.43% 25	8.57% 3	11.43% 4	2.86% 1	5.71% 2	35	1.63

Q22 The proposed strategy will support the long-term operations of the plants

Answered: 35 Skipped: 12



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	62.86% 22	8.57% 3	11.43% 4	5.71% 2	11.43% 4	35	1.94

Q23 How acceptable is commuting to all camps?

Answered: 35 Skipped: 12



	NOT ACCEPTABLE	(NO LABEL)	NEUTRAL	(NO LABEL)	ACCEPTABLE	TOTAL	WEIGHTED AVERAGE
☆	65.71% 23	8.57% 3	11.43% 4	5.71% 2	8.57% 3	35	1.83

Q24 The proposed villages will support a safe and healthy live/work environment

Answered: 35 Skipped: 12



	STRONGLY DISAGREE	(NO LABEL)	NEUTRAL	(NO LABEL)	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
☆	62.86% 22	5.71% 2	17.14% 6	5.71% 2	8.57% 3	35	1.91

Q25 How acceptable is the proposed housing strategy to you as a current employee?

Answered: 35 Skipped: 12



	LEAST ACCEPTABLE	(NO LABEL)	NEUTRAL	(NO LABEL)	MOST ACCEPTABLE	TOTAL	WEIGHTED AVERAGE
★	71.43% 25	2.86% 1	8.57% 3	8.57% 3	8.57% 3	35	1.80

Q26 Please share any other comments about this option you have below:

Answered: 32 Skipped: 15

#	RESPONSES	DATE
1	.	1/24/2024 2:23 PM
2	.	1/24/2024 12:37 PM
3	na	1/24/2024 9:30 AM
4	Separating families will make people want to leave more than what we are facing, There is a decent trade off right now. If I was not offered a position with a house were I was able to bring my family, I would not have accepted the position.	1/24/2024 9:13 AM
5	I could get by with a two bedroom home but don't like the condo idea. There's no room for my family when they come out during their vacations.	1/24/2024 8:04 AM
6	Eh do i need to explain. this may work for some people. The ones that don't want to spend time with their families.	1/24/2024 7:49 AM
7	One bedroom units so I cant even bring my kids? I also have to live out of a hotel room. Just fix the existing housing, its not that hard, and maybe don't defer maintenance for 30 years resulting in the problems we are dealing with now.	1/24/2024 7:30 AM
8	good job	1/24/2024 6:42 AM
9	Seriously....	1/24/2024 6:40 AM
10	0	1/24/2024 6:34 AM
11	none	1/23/2024 3:08 PM
12	I need my family with me.	1/23/2024 2:43 PM
13	Not a viable solution. No thought to employee. Will hurt recruitment.	1/23/2024 2:39 PM
14	na	1/23/2024 2:34 PM
15	One must be able to separate work/life with a feeling of ownership stimulating the sense of value and pride in your place.	1/23/2024 2:32 PM
16	IF YOU PAY SOMEONE ENOUGH, THEY WILL TRAVEL 2 HOURS TO AND FROM EVERY DAY. THIS SURVEY IS A JOKE. WHY DON'T YOU ASK WHAT CAN BE DONE IN 75 DAYS??	1/23/2024 1:46 PM
17	This one could work, issue is if an employee is family oriented and need to be near or close to their family.	1/23/2024 1:33 PM
18	This option would make it very challenging for employees who wish to live with their families. Would these units be temporarily assigned? Rotated through staff? Would they require additional maintenance staff to clean and maintain?	1/23/2024 12:51 PM
19	YOU WOULD HAVE TO PAY PEOPLE A LOT OF MONEY FOR THIS TO WORK	1/23/2024 12:49 PM
20	If you want employees who are invested in the success of the plants and the CRA as a whole it behooves the company to understand the current challenges and mitigate them, not compound them. Working and living remote is already a challenge so why increase the isolation?	1/23/2024 12:38 PM
21	This is a bad move. There needs to be a village at each location. The housing does not need to be extravagant nor does MWD need to reinvent the wheel in doing so. Simple modular homes like the several that have been already installed at all locations would more than suffice. This a very reasonable and cost-effective option. Look at what has already been done and expand on it. Employees have a sense of pride of ownership of these Desert Pump	1/23/2024 12:19 PM

9-2

Plants, and you will destroy that mentality if we can't live where we work in these remote jobs. The village is an extension of the pump plant, and the same pride of ownership applies.

22	The as an apartment terrible idea. I lived in apartment building all my life and they are not ideal with very little privacy.	1/23/2024 12:11 PM
23	Won't be popular with current employees but I think this is the best option going forward.	1/23/2024 10:21 AM
24	What demographic is MWD seeking, and will these employees stay here long term ? Highly doubt	1/18/2024 11:49 AM
25	Na	1/18/2024 7:48 AM
26	Na	1/18/2024 7:42 AM
27	I would rather get a new job then do this.	1/18/2024 7:21 AM
28	This will only be an attractive design to people without families. Most people don't want to be away from family for eight days at a time, twice per month or more.	1/18/2024 6:50 AM
29	Abc	1/18/2024 5:22 AM
30	If you didn't have a hard time finding competent employees this would work	1/17/2024 2:56 PM
31	This might be a good fit for people who just want to come and work a shift and leave, however it might not appeal to all. I lived in extended stay hotels on the road working for 8 years and a house is more appealing than a hotel room.	1/12/2024 8:44 AM
32	test	1/9/2024 4:59 PM

PROJECT PARAMETERS

• POTENTIAL HOUSING TYPOLOGIES	66
• POTENTIAL AMENITY TYPOLOGIES	67
• POTENTIAL PROGRAMMATIC TYPOLOGIES	68
• CONSTRUCTION TYPE RESEARCH	71



PROJECT PARAMETERS

PROJECT PARAMETERS HAS BEEN ESTABLISHED BASED UPON OBSERVATIONS OF COMMUNITY NEEDS AFTER THE SITE VISITS AND COMMUNITY INTERVIEWS.

PARAMETERS GUIDE TO DEVELOPMENT OF GUIDING PRINCIPLES AND PROGRAMS THAT COULD CONCEPTUALLY WORK FOR COMMUNITY.

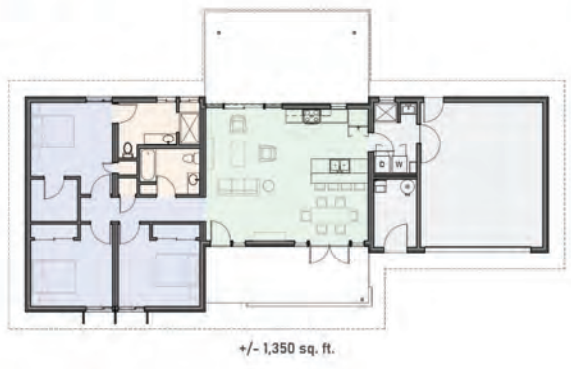


POTENTIAL HOUSING TYPOLOGIES

ACCORDING TO COMMUNITY FEEDBACK



SINGLE FAMILY HOUSING
SINGLE FAMILY DETACHED WITH 2 CAR GARAGE



+/- 1,350 sq. ft.



EXTENDED-STAY TOWNHOME
MULTI-FAMILY HOUSING WITH INDIVIDUAL FRONT DOOR, 1BD W/ KITCHEN SUITE



+/- 750 sq. ft.



GUEST HOTEL
MOTEL ROOM



+/- 350 sq. ft.


ALTERNATIVE EXTENDED-STAY HOUSING TYPES:



CASITA















RV SITES W/HOOKUPS
USE OF PERSONAL RV'S FOR HOUSING



POTENTIAL AMENITY TYPOLOGIES

ACCORDING TO COMMUNITY FEEDBACK

	SWIMMING POOL SHADED AND SCREENED		RESIDENT FITNESS CENTER
	SHADED MODERN EQUIPMENT PLAYGROUND		GUEST GYM WEIGHTS AND CARDIO
	ARCHERY RANGE		IMPROVED STREETSCAPE AND BEAUTIFICATION TREES (PROVIDE SHADE FOR YARDS AND HOMES) WALKING PATHS COMMUNITY OPEN SPACES
	RESIDENT GAME ROOM SEPARATE FROM DINING HALL		AUTOMOTIVE STORAGE CAR PORTS AT HOUSES COMMON COVERED VEHICLE STORAGE FACILITY LARGE GARAGES (TO FIT TRUCKS) TWO CAR GARAGE
	COMMUNITY MEETING ROOM		COMMERCIAL KITCHEN / DINING FACILITY
	MULTI PURPOSE INDOOR RECREATIONAL FACILITY BASKETBALL / SPORTS FIELDS / TRACK FITNESS ROOM / ENTERTAINMENT ROOM, ETC.		SHARED COMMUNITY WORKSHOP SHARED AUTOMOTIVE REPAIR GARAGE WOODWORKING



POTENTIAL PROGRAMMATIC TYPOLOGIES

ACCORDING TO COMMUNITY FEEDBACK



ONE VILLAGE CONTRACT FOR COMMON SPACE AND PRIVATE YARD MAINTENANCE

INCLUDE BACKYARD IN MAINTENANCE PROGRAM
MAINTAIN VACANT HOMES OR YARDS WHEN
PEOPLE ARE OFF SHIFT



STREETSCAPE AND PUBLIC SPACE BEAUTIFICATION

REALIGNMENT OF STREETS TO SEPARATE NEIGHBORHOOD FROM
CONTRACTOR/WORK TRAFFIC
VIEWS TO DESERT LANDSCAPE PREFERRED



VILLAGE STORE WITH PERISHABLE STAPLES FOR PURCHASE (MILK, EGGS, BREAD, ETC.)

CAN BE COMBINED WITH KITCHEN ORDERS AND SIMILAR PRODUCTS










KITCHEN OPEN ON WEEKENDS







STARLINK TECHNOLOGY / BETTER INTERNET SERVICE

HOUSING TYPOLOGIES EXPLORED PRIOR TO PLANNING EFFORT (THROUGH JUNE 2023)

HOUSING TYPE		SINGLE FAMILY DETACHED				SINGLE FAMILY ATTACHED			REMODEL EXISTING HOUSES		TEMPORARY ACCOMMODATION
		Current Design	Lower Cost Single	Courtyard Design	Manufactured Home	2-story Duplex	Duplex	Triplex/Quadplex	Full Remodel and Additions	Partial Remodel	Lodge/Hotel
EXAMPLE											
PRINCIPLE BUILDING	Living Area	± 1,350 sq.ft.	± 1,350 sq.ft.	± 1,350 sq.ft.	± 1,400 sq.ft.	± 1,350 sq.ft.	± 1,350 sq.ft.	± 1,350 sq.ft.	± 1,000 - 1,400 sq.ft.	± 1,000 - 1,400 sq.ft.	350-450 sq.ft. per room
	Number of Bedroom/ Bathroom	3 bd / 2 ba	3 bd / 2 ba	3 bd / 2 ba	3 bd / 2 ba	3 bd / 2 ba	3 bd / 2 ba	3 bd / 2 ba	3 bd / 2 ba 2 bd / 2 ba	3 bd / 2 ba 2 bd / 2 ba	1 bd / 1 ba
VEHICLE STORAGE	Type	Attached	Attached	Detached 2-Car	Detached 2-Car	Attached	Attached	Attached	Attached / Detached	Attached / Detached	Detached Parking Lot
	Occupiable space	± 420 sq.ft. (19'x22')	± 420 sq.ft. (19'x22')	± 420 sq.ft. (19'x22')	± 50 sq.ft. (20'x25')	± 420 sq.ft. (19'x22')	± 420 sq.ft. (19'x22')	± 420 sq.ft. (19'x22')	± 300 (14'x22') - 440 (20'x22') sq.ft.	± 300 (14'x22') - 440 (20'x22') sq.ft.	-
	Number of vehicles	2	2	2	2	2	2	2	2	2	1 parking stall
COST PER UNIT		\$1,050,000	\$635,000	\$712,000	\$510,000 plus assumed \$35,000 foundation	\$621,000	\$609,000	not priced	\$740,000 to 800,000	\$350,000 to 380,000	\$670,000
COST OPINION DATE		April 2022	Dec 2020	Dec 2020	2018	Dec 2020	Dec 2020	Nov 2020	Dec 2019	Dec 2019	June 2023
COST MULTIPLIER (DGS CONSTRUCTION COST INDEX)		9654/8903	9654/6995	9654/6995	9654/6598	9654/6995	9654/6995	-	9654/6684	9654/6684	9654/9508
CURRENT COST PER UNIT (OCT 2023)		\$1,140,000	\$880,000	\$980,000	\$790,000	\$860,000	\$840,000	-	\$1,070,000 to 1,160,000	\$510,000 to \$550,000	\$680,000
CONSTRUCTION TYPE		Traditional stick frame or modular	Traditional stick frame	Traditional stick frame	Manufactured home	Traditional stick frame	Traditional stick frame	Traditional stick frame	Traditional stick frame or masonry	Traditional stick frame or masonry	Traditional stick frame
NOTES		<ul style="list-style-type: none">costs are average among villages and account for remote locationsassumes prevailing wage requirements and public bidcost is for building only, does not include sitework / landscaping / infrastructure	<ul style="list-style-type: none">Includes garage A/C, mudroom with shower and laundry, metal roof, covered patios, HVAC for 120F design temp		<ul style="list-style-type: none">Cost per MWD, based on units installed in 2018. Foundation work was performed by MWD personnel.			<ul style="list-style-type: none">Eliminated from consideration prior to cost estimation effort, as such a large building fit poorly on available lots in existing villages	<ul style="list-style-type: none">Incl. items listed for Partial Remodel, plus:Add Covered Patio (200 SF instead of 120 SF)Structural RetrofitGarage Expansion and A/CCarport	<ul style="list-style-type: none">Add Covered Patio (120 SF)Add bathroomRemodel interior; upgrade HVAC/ electricalReplace RoofingAdd sun controlExterior refinishing	<ul style="list-style-type: none">Pricing includes Dining facility, Fitness room, and Community Room, and assumes 60 rooms share the cost of these amenities
PROS		<ul style="list-style-type: none">Maintains current housing strategyPrivacyComfort	<ul style="list-style-type: none">Maintains current housing strategyPrivacy	<ul style="list-style-type: none">Maintains current housing strategyPrivacy	<ul style="list-style-type: none">Maintains current housing strategyPrivacyLower initial cost	<ul style="list-style-type: none">Some cost savings due to more compact development	<ul style="list-style-type: none">Some cost savings due to more compact development	<ul style="list-style-type: none">Some cost savings due to more compact development	<ul style="list-style-type: none">Maintains current housing strategyPrivacy	<ul style="list-style-type: none">Maintains current housing strategyPrivacy	<ul style="list-style-type: none">Minimal cost for housing accommodations
CONS		<ul style="list-style-type: none">Initial Cost	<ul style="list-style-type: none">Maintenance of shingle roof	<ul style="list-style-type: none">Maintenance of shingle roof	<ul style="list-style-type: none">Very high maintenance cost (reports of early failure of interior and exterior finishes and cabinetry)Less comfortable (inferior insulation, no backyard access, small porch)	<ul style="list-style-type: none">Shared wallMaintenance of shingle roof	<ul style="list-style-type: none">Shared wallMaintenance of shingle roof	<ul style="list-style-type: none">Shared walls with multiple neighborsDoes not fit well on available lots, especially when phasing is considered	<ul style="list-style-type: none">Poor value - new houses can be constructed for the cost of renovating existingLack of standardization and equity among existing residences	<ul style="list-style-type: none">Lack of standardization and equity among existing residences	<ul style="list-style-type: none">Regular cleaning and maintenancePotentially long and difficult staffing transition from employees who rent houses to those who will stay in lodging

AMENITY TYPOLOGIES EXPLORED PRIOR TO PLANNING EFFORT (THROUGH JUNE 2023)

AMENITY TYPE	CLUBHOUSES		KITCHENS		LODGES		SITE AMENITIES AND SITEWORK			
	Large	Small	Large	Small	Large	Small	Hinds	Eagle	Iron	Gene
EXAMPLE										
AREA	± 2,400 sq.ft.	± 1,900 sq.ft.	± 4,900 sq.ft.	± 4,300 sq.ft.	± 9,800 sq.ft.	± 7,000 sq.ft.	± 370,000 sq.ft.	± 780,000 sq.ft.	± 770,000 sq.ft.	± 960,000 sq.ft.
COST	\$1,830,000	\$1,460,000	\$4,770,000	\$4,230,000	\$6,990,000	\$5,210,000	\$9,840,000	\$13,730,000	\$17,530,000	\$19,630,000
COST OPINION DATE	April 2022									
COST MULTIPLIER (DGS CONSTRUCTION COST INDEX)	9654/8903									
CURRENT COST (OCT 2023)	\$1,980,000	\$1,580,000	\$5,170,000	\$4,590,000	\$7,580,000	\$5,650,000	\$10,670,000	\$14,890,000	\$19,010,000	\$21,290,000
COST PER SF	\$825	\$830	\$1,055	\$1,070	\$775	\$810	\$29	\$19	\$25	\$22
CONSTRUCTION TYPE	Traditional wood frame or modular	Traditional wood frame or modular	PEMB canopy with wood frame infill beneath	PEMB canopy with wood frame infill beneath	PEMB canopy with wood frame infill beneath	PEMB canopy with wood frame infill beneath	Steel framed and CMU site structures			
NOTES	<ul style="list-style-type: none"> costs account for remote locations assumes prevailing wage requirements and public bid building costs are for building only, does not include sitework / landscaping / infrastructure 	<ul style="list-style-type: none"> Planned to serve the residents of 10-20 houses Common room 1,000 SF Fitness room 700 SF Misc office, storage, and utility rooms Large attached exterior shade canopy 	<ul style="list-style-type: none"> Planned to serve the residents of 30-35 houses Common room 800 SF Fitness room 550 SF Misc office, storage, and utility rooms Large attached exterior shade canopy 	<ul style="list-style-type: none"> Dining room 1,200 SF to accommodate 40 people and meeting room use (30 SF each) Kitchen 1,200 SF to accommodate production of boxed lunches as well as dining hall capacity Kitchen storage 700 SF (refrigerated, frozen, and dry) to accommodate one deliver per week Grab and go area for boxed lunches, ice, and drinks Misc office, storage, and utility rooms 	<ul style="list-style-type: none"> Dining room 1,400 SF to accommodate 50-60 people and meeting room use (30 SF each) Kitchen 800 SF to accommodate production of boxed lunches as well as dining hall capacity Kitchen storage 700 SF (refrigerated, frozen, and dry) to accommodate one deliver per week Grab and go area for boxed lunches, ice, and drinks Misc office, storage, and utility rooms 	<ul style="list-style-type: none"> 25 guest rooms (studio configuration, no kitchenette) Common area Lounge and Kitchenette 1,000 SF Small guest laundry On-site linen laundry 	<ul style="list-style-type: none"> 15 guest rooms (studio configuration, no kitchenette) Common area Lounge and Kitchenette 1,000 SF Small guest laundry On-site linen laundry 	<ul style="list-style-type: none"> Represents a complete overhaul of all exterior areas, including common areas and residence yards Road repaving Walking paths Playground Landscaping (village common areas and minimal landscaping at residence yards) Trash enclosures Parking lot PV shade structures Tennis/basketball sport court Renovation of existing pool, and new shade structure at pool New sitewide pedestrian lighting Community dog run Does NOT include replacement of existing sitewide utilities 		

Construction Types Research (preliminary / draft)

11/27/23 RNT Architects

Building Type:	Traditional (site-built)	Modular	3D Printed	Manufactured
Code Requirements	California Building Standards code and local codes, last updated 2022			HUD Code (US Dep't of Housing and Urban Development Code,) last updated 1994
Energy Efficiency and Comfort	Meets California Title 24 standards (approx R-21 wall insulation and R-38 attic insulation)			Meets HUD standards. If constructed to Energy Star ("upgraded") standards, it would have R-11 wall insulation and R-30 attic insulation, which is still far less robust than homes built to meet California Title 24.
Water Efficiency	Meets California water efficient fixture requirements			Less stringent water efficiency requirements.
Customization	Custom design can respond to climate and user needs			Choose from stock plans with limited customization
Durability	Expected to last over 50 years. Similar risks for site-built and modular housing are reflected in similar insurance policy premiums and market appreciation.		Highest durability; expected to last 100 years and at least one company offers a 50 year warranty. One company cites potential insurance savings. Exterior walls are concrete, which is very durable and fire resistant.	Expected to last 30-55 years per HUD. Higher risks of damage from burst pipes and wind are reflected in higher insurance policy premiums.
Occupant Health	Must comply with California code requirements for low emissions of toxic VOCs (volatile organic compounds) such as formaldehyde.		Must comply with California code requirements for low emissions of toxic VOCs (volatile organic compounds) such as formaldehyde. Additionally, construction is very resistant to mold and termites.	No limits on VOCs such as formaldehyde, which are commonly used in building materials
Occupant Safety	Basic safety considerations such as smoke detectors, fire sprinklers, and emergency egress windows are required. Engineered to withstand weather and earthquake events.			
Construction Site Safety	Higher risks of heat-related illness.	Controlled environment minimizes heat-related illness and accidents during factory construction. Risks related to crane placement of modules on-site.	Few workers required for construction of building shell, thereby minimizing heat-related illness and accidents.	Controlled environment minimizes heat-related illness and accidents during factory construction. Risks related to crane placement of modules on-site.
Predictability of Process	Risks of delay and decreased productivity due to rain days, heat index days, high winds, and challenges related to site remoteness and environmental conditions.	Risks reduced due to majority of construction accomplished under controlled conditions. Less reliance on subcontractor availability, as modular construction is typically accomplished in-house by full-time employees.	Potential time delay and financial risks of pioneering the permitting process for a construction method that may be new to the local jurisdictions (first permitted 3d printed homes were completed in California this year.) Companies in this space are startups and have only been around for a few years. 3D printing can be challenging in hot or cold weather and therefore may be subject to delays. MEP trades still must travel to the site for most 3d printed methods. However, this is a rapidly-evolving field, and at least one company is producing pre-printed modular panels that are being assembled on-site in Desert Hot Springs (expected to be completed 2023.)	Risks reduced due to majority of construction accomplished under controlled conditions. Less reliance on subcontractor availability, as modular construction is typically accomplished in-house by full-time employees.
Delivery Method	Design-bid-build or design-build (most flexible)	Design-build would be preferred, but bid can be accommodated.	Design-build is likely preferred, although conversations with manufacturers are needed for verification. It appears that 3d printing companies have their own in-house engineers and proprietary material properties.	Design-build would be preferred, but bid can be accommodated.
Speed and Disruption	Each phase of housing will likely take 6 to 8 months to complete, accounting for restrictions on work hours due to weather and proximity of occupied houses.	Off-site construction of the house can proceed simultaneously with on-site construction of the foundation, cutting total construction time (and related tenant disruption) by 20% or more.	House is typically constructed on-site, but is significantly less disruptive (less framing noise, fewer workers) than traditional construction. Speed is faster than site-built construction.	Off-site construction of the house can proceed simultaneously with on-site construction of the foundation, cutting total construction time (and related tenant disruption) by 20% or more.
Cost	Assumed baseline	Approx 3% savings	Unclear; manufacturers claim savings but do not specify a range	Potentially 10% savings but construction not comparable

VILLAGE ORGANIZATION STRATEGIES

• INITIAL VILLAGE STRATEGIES, DECEMBER 2023	73
• REFINED VILLAGE STRATEGIES, FEBRUARY, 2024	88
• FINAL VILLAGE STRATEGIES, MAY, 2024	100



INITIAL VILLAGE STRATEGIES

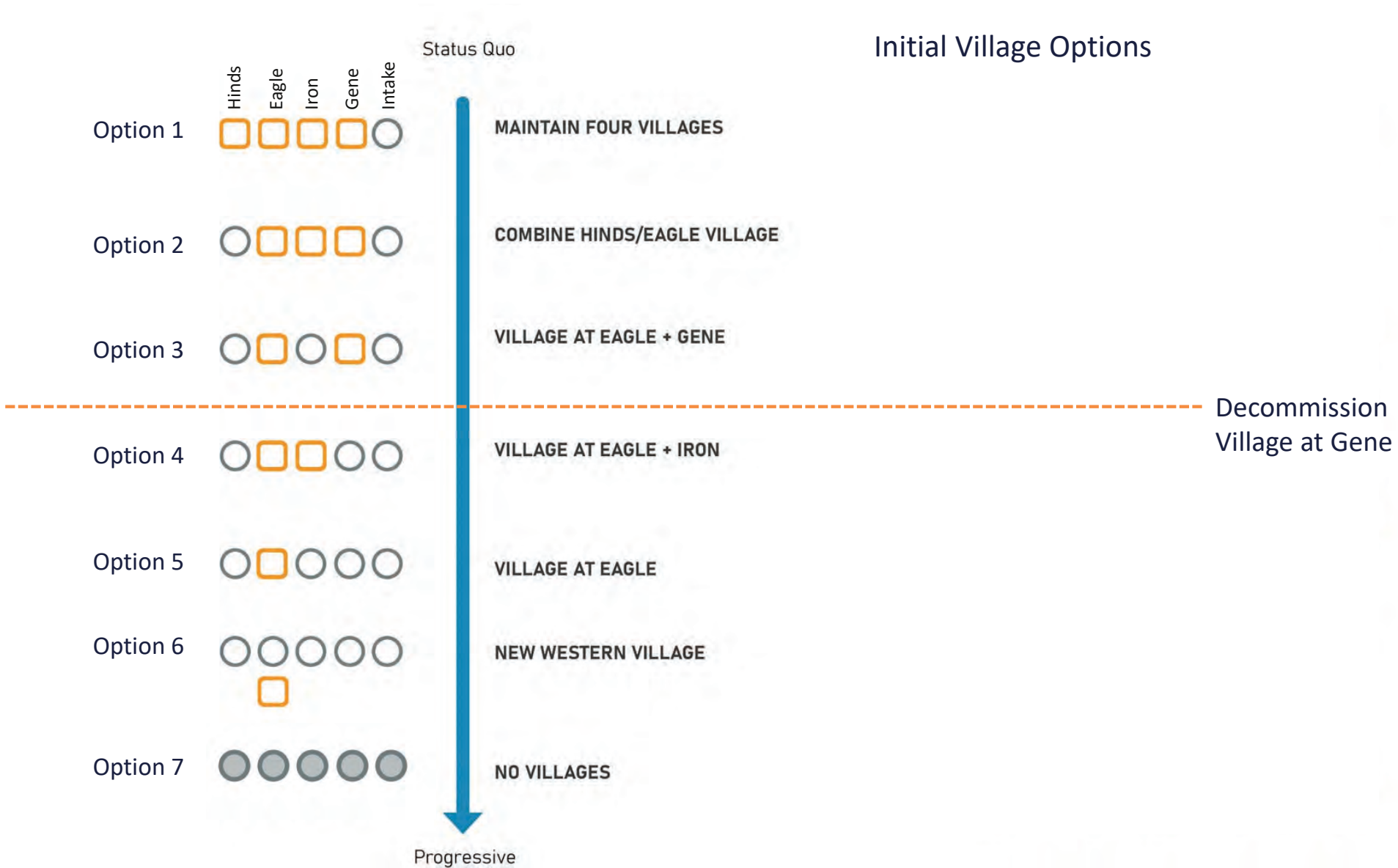
Purpose

This effort explores what the next 75 years of living & working will be in the remote villages and pumping plants, as Metropolitan considers a strategy to attract & retain current & future generations of Desert employees.

- Validate previous work, discover areas requiring refinement, or set a new direction for future desert villages
- Consider long term sustainability & resiliency of Desert villages

Guiding Principles

- Support the **long-term operation** of the critical CRA infrastructure
- Create a **financially resilient and socially sustainable 75-year** desert village strategy.
- Provide standard of living that **supports employee recruitment, retention, and satisfaction.**
- Create **safe and healthy** villages
- Provide a mix of housing types and amenities.



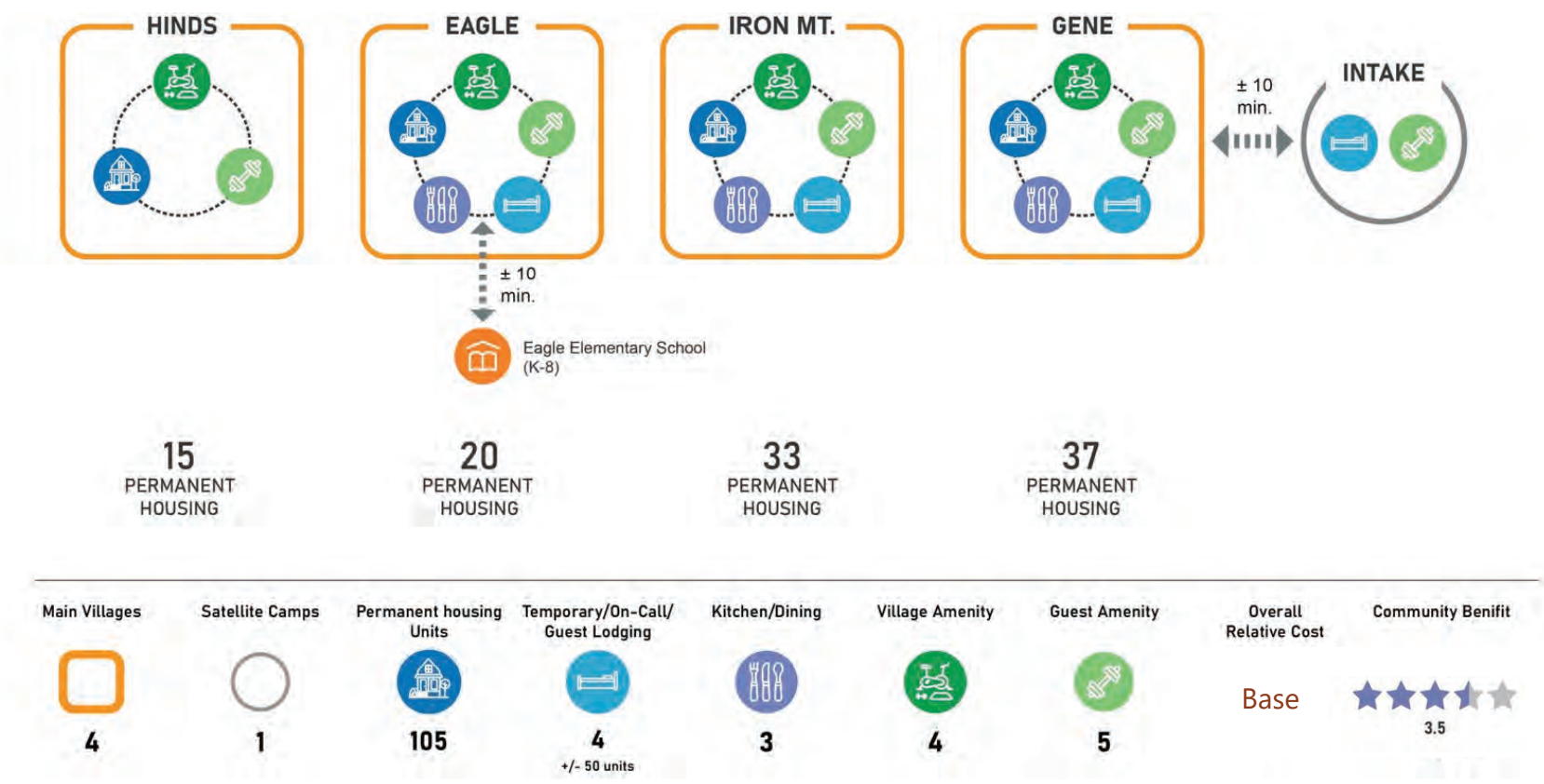
Scenario	Description	Relative Cost ¹	
Scenario 1	Upgrade 4 Villages	Base	
Scenario 2	Three Villages	Base	plus 3%
Scenario 3	Two Villages	Base	plus 3%
Scenario 4	Two Western Villages / Decommission Gene	Base	less 22%
Scenario 5	One Western Village / Decommission Gene	Base	less 21%
Scenario 6	One NEW Western Village	Base	less 14%
Scenario 7	No Villages (hotel model)	Base	less 24%

Note:

1. The components included in these scenarios have evolved, as these numbers don't match the final estimates.

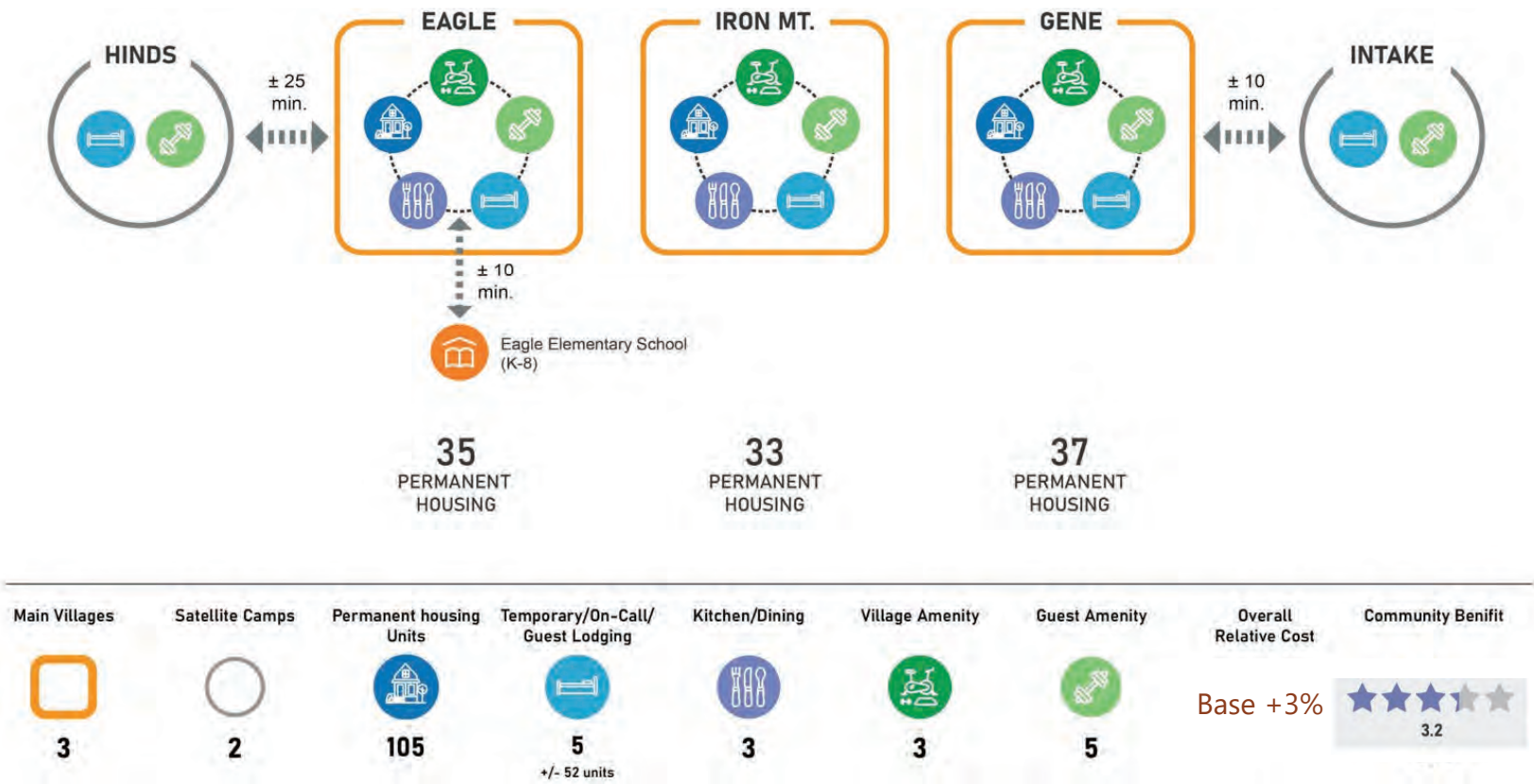
SCENARIO 1: FOUR VILLAGES

UPGRADE EXISTING VILLAGES



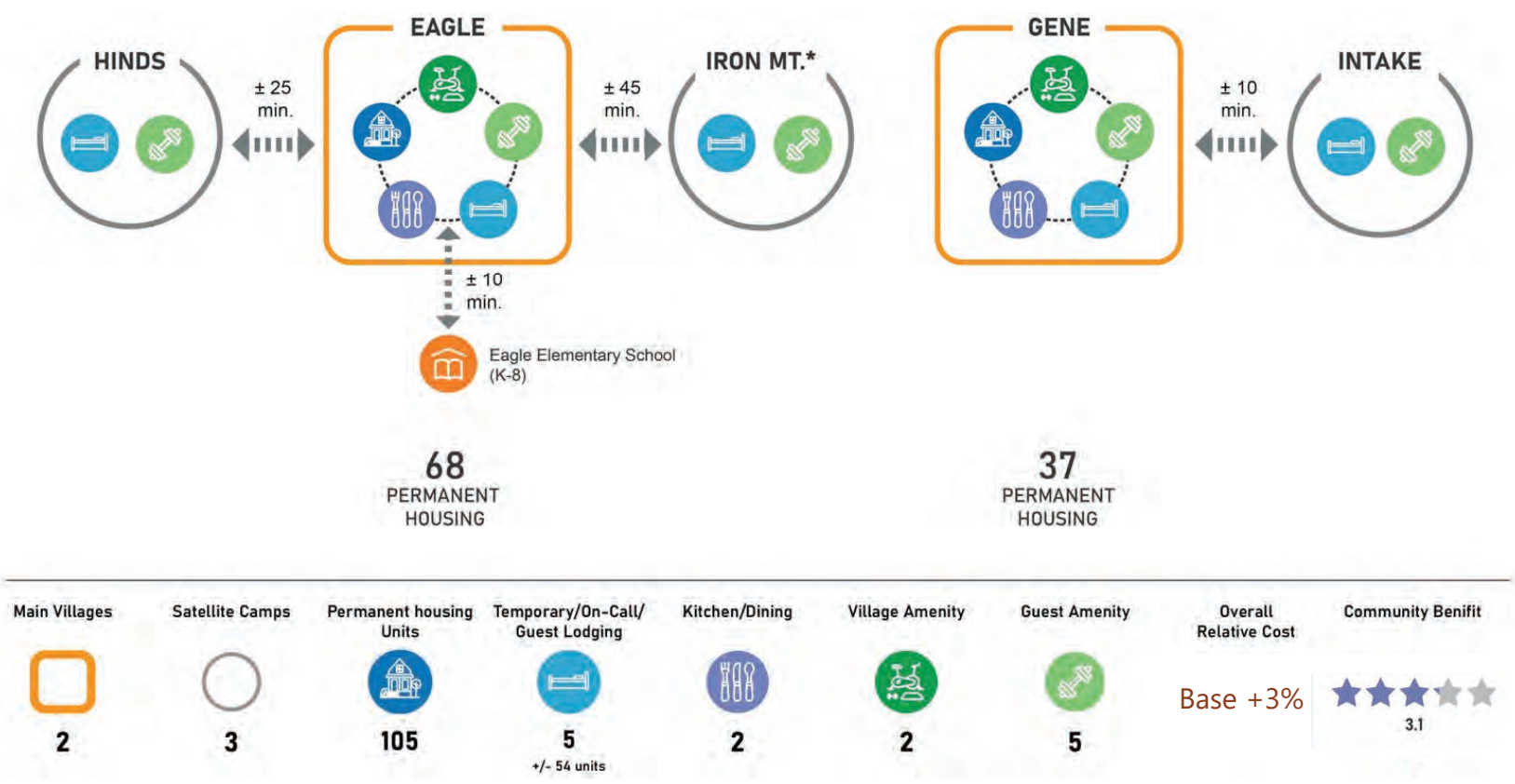
SCENARIO 2: THREE VILLAGES

UPGRADE EXISTING VILLAGES (GENE AND IRON MT.) AND CONSOLIDATE HINDS AND EAGLE MT. INTO A SINGLE VILLAGE



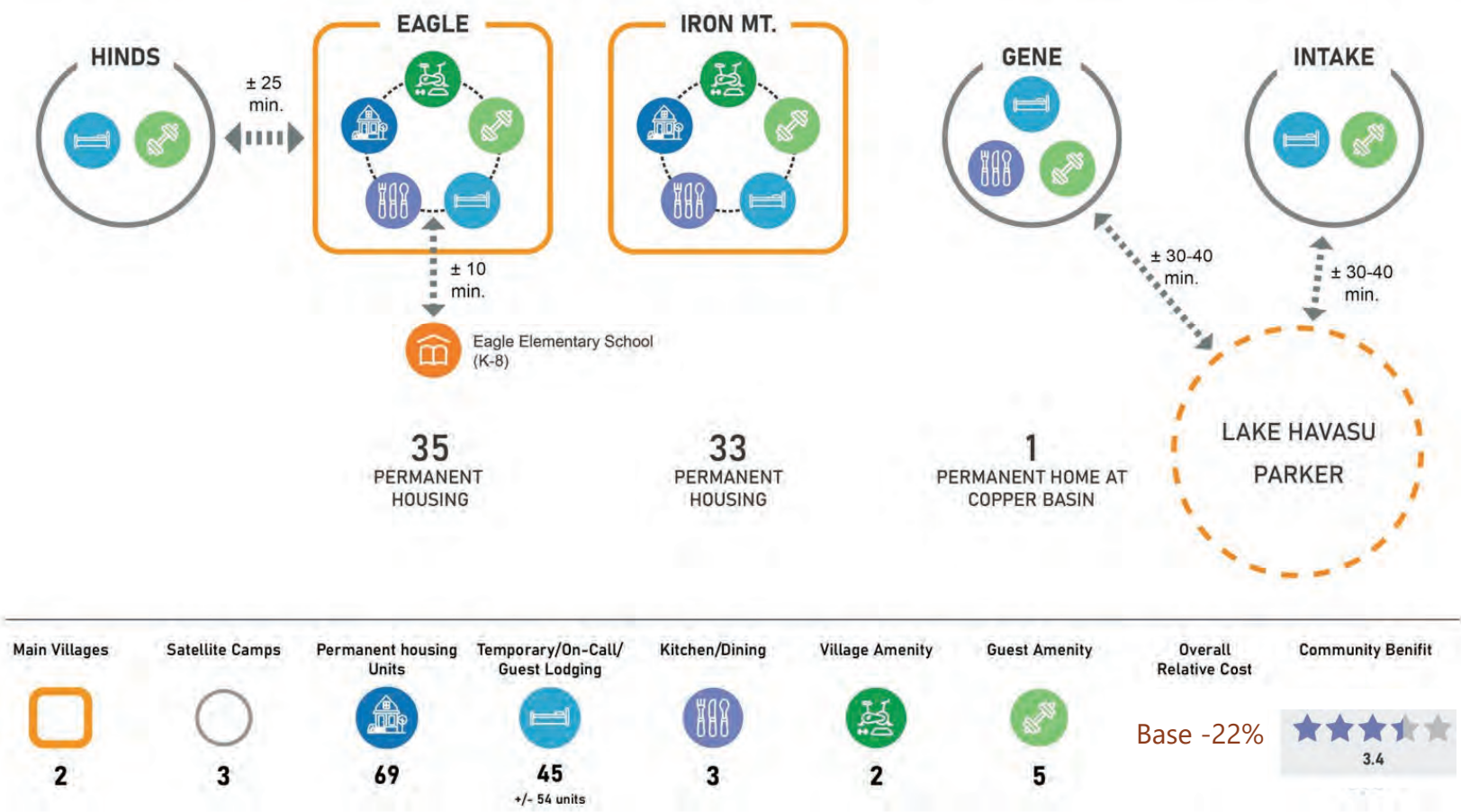
SCENARIO 3: TWO VILLAGES

WEST VILLAGE AT EAGLE MT. AND EAST VILLAGE AT GENE



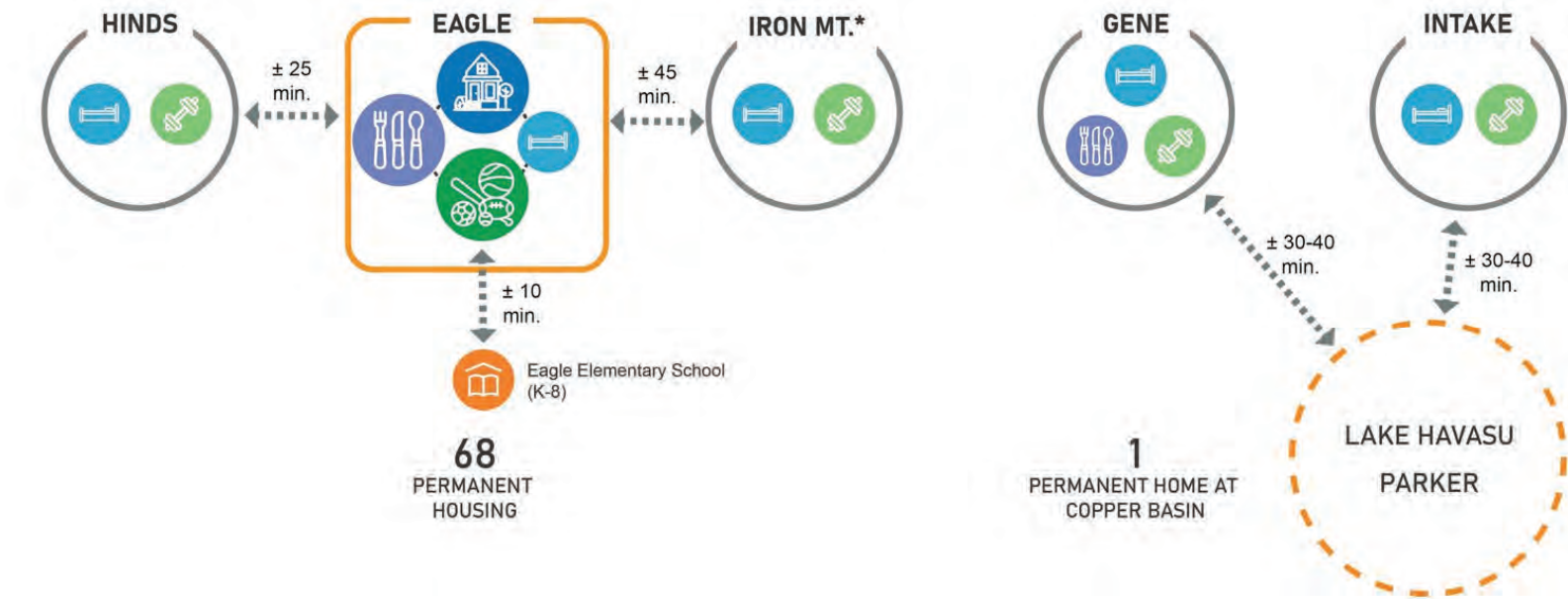
SCENARIO 4: TWO DESERT VILLAGES & DE-COMMISSION GENE VILLAGE

UPGRADE IRON MT. VILLAGE, CONSOLIDATE HINDS AND EAGLE MT., AND ELIMINATE PERMANENT HOUSING AT GENE



SCENARIO 5: ONE WESTERN VILLAGE

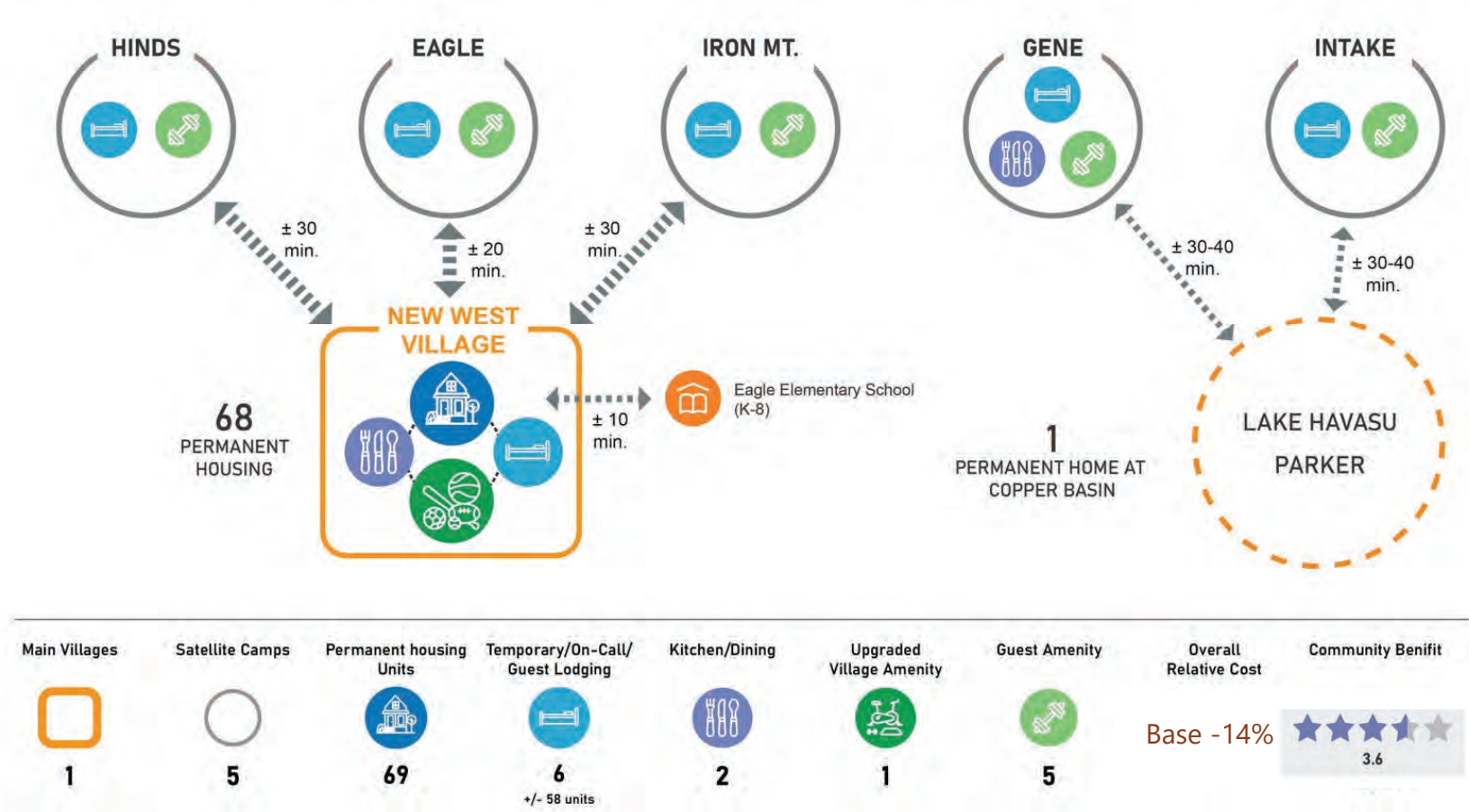
WEST DESERT VILLAGE AT EAGLE MT. AND ELIMINATE PERMANENT HOUSING AT ALL OTHER VILLAGES



Main Villages	Satellite Camps	Permanent housing Units	Temporary/On-Call/ Guest Lodging	Kitchen/Dining	Upgraded Village Amenity	Guest Amenity	Overall Relative Cost	Community Benefit
							Base -21%	
1	4	69	5 +/- 56 units	2	1	4		3.5

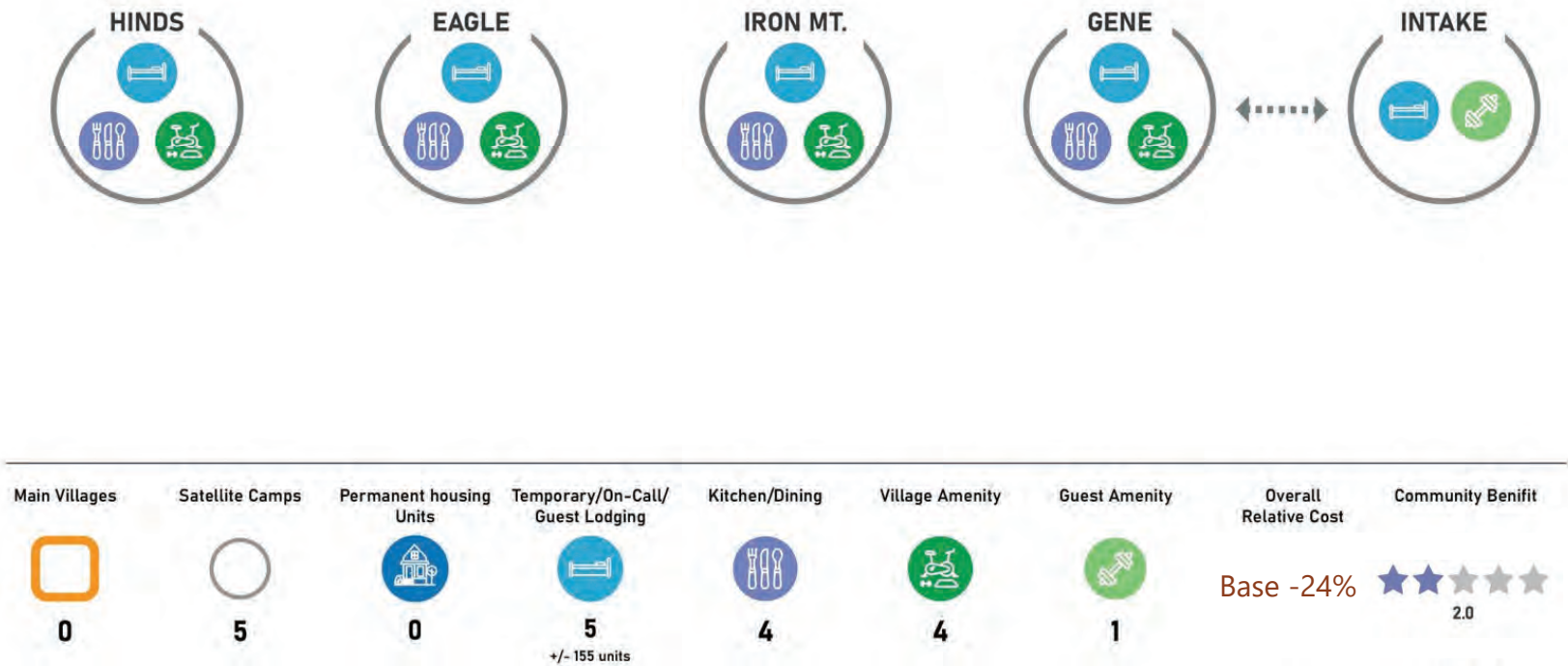
SCENARIO 6: ONE NEW WESTERN VILLAGE


























NEW WEST DESERT VILLAGE WITH CONSOLIDATED FOOD SERVICE AND ELIMINATE PERMANENT HOUSING AT GENE



SCENARIO 7: NO VILLAGES

DISCONTINUE PERMANENT HOUSING AT DESERT VILLAGES



	SCENARIO 1 FOUR VILLAGES	SCENARIO 2 THREE VILLAGES	SCENARIO 3 TWO VILLAGES	SCENARIO 4 TWO DESERT VILLAGES & DE-COMMISSION GENE VILLAGE	SCENARIO 5 ONE WESTERN VILLAGE	SCENARIO 6 ONE NEW WESTERN VILLAGE	SCENARIO 7 NO VILLAGES
 Main Village  Satellite Camps	  	  	 	 		 	   
 PERMANENT HOUSING	105	105	105	69	69	69	0
 TEMPORARY/ON-CALL /GUEST LODGES	4 Lodges with ± 50 units	5 Lodges with ± 52 units	5 Lodges with ± 54 units	5 Lodges with ± 54 units	5 Lodges with ± 56 units	6 Lodges with ± 58 units	5 Lodges with ± 155 units
 KITCHEN/DINING FACILITIES	3	3	2	3	2	2	4
 VILLAGE AMENITY PACKAGES	4	3	2	2	1	1	4
 GUEST AMENITY PACKAGES	5	5	5	5	4	5	1
 NEW INFRASTRUCTURE PACKAGE	0	1	2	1	2	2	0
OVERALL RELATIVE COST	Base	Base +3%	Base +3%	Base -22%	Base -21%	Base -14%	Base -24%





What is the right level of housing and community amenities that will attract and retain future workforce in remote desert locations?

Does the growth of Lake Havasu and Parker change our perspective of Gene as a remote desert camp?

Which scenarios most align with your vision for the future of Desert Villages?

Which scenarios should be considered for further study?

Civitas and RNT are available for more detailed follow-up conversations. Please contact Soon.

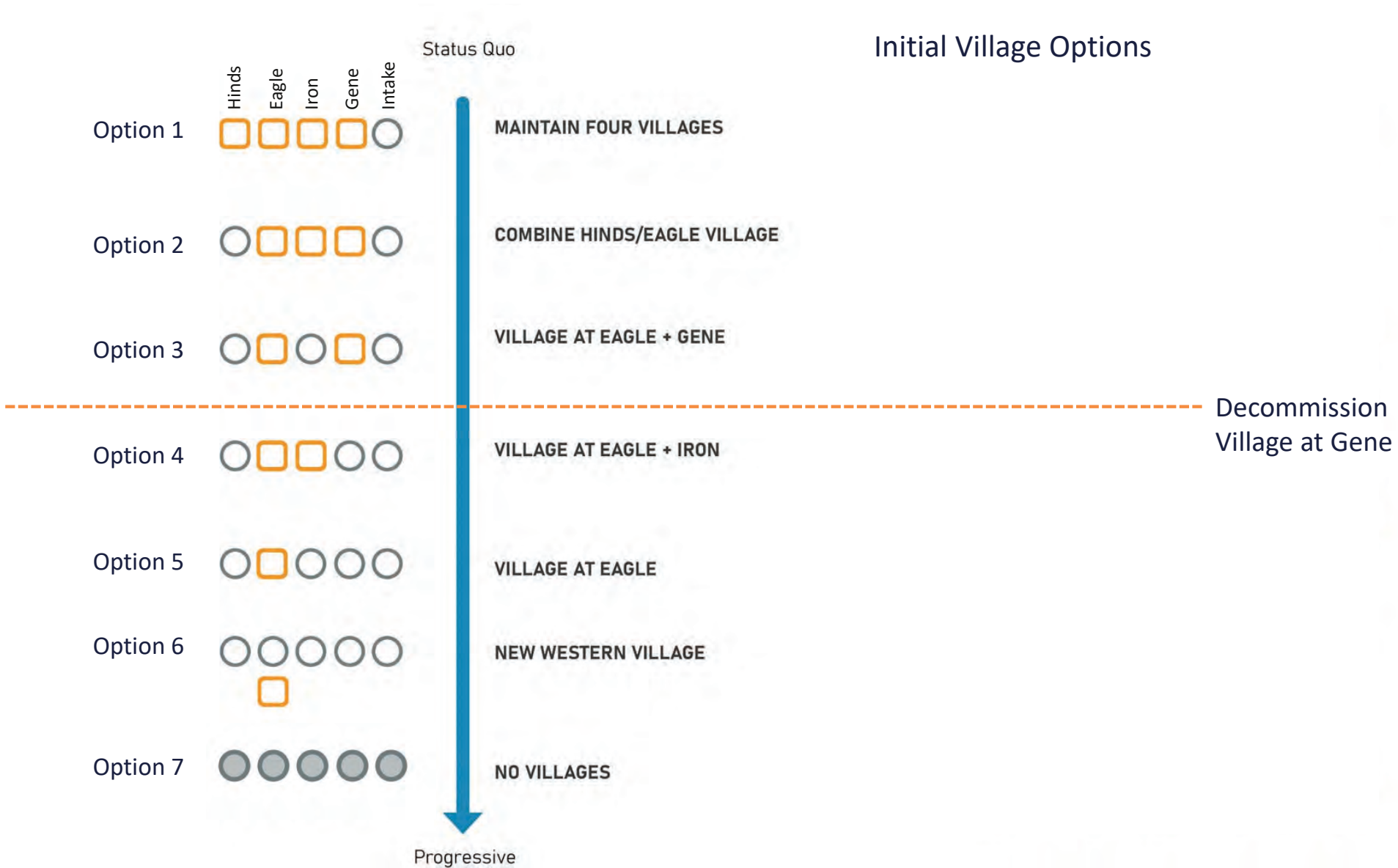
schoi@civitasinc.com



REFINED VILLAGE STRATEGIES

The options on the following slides conceptualize how the five MWD desert communities could be organized over the next 75 years.

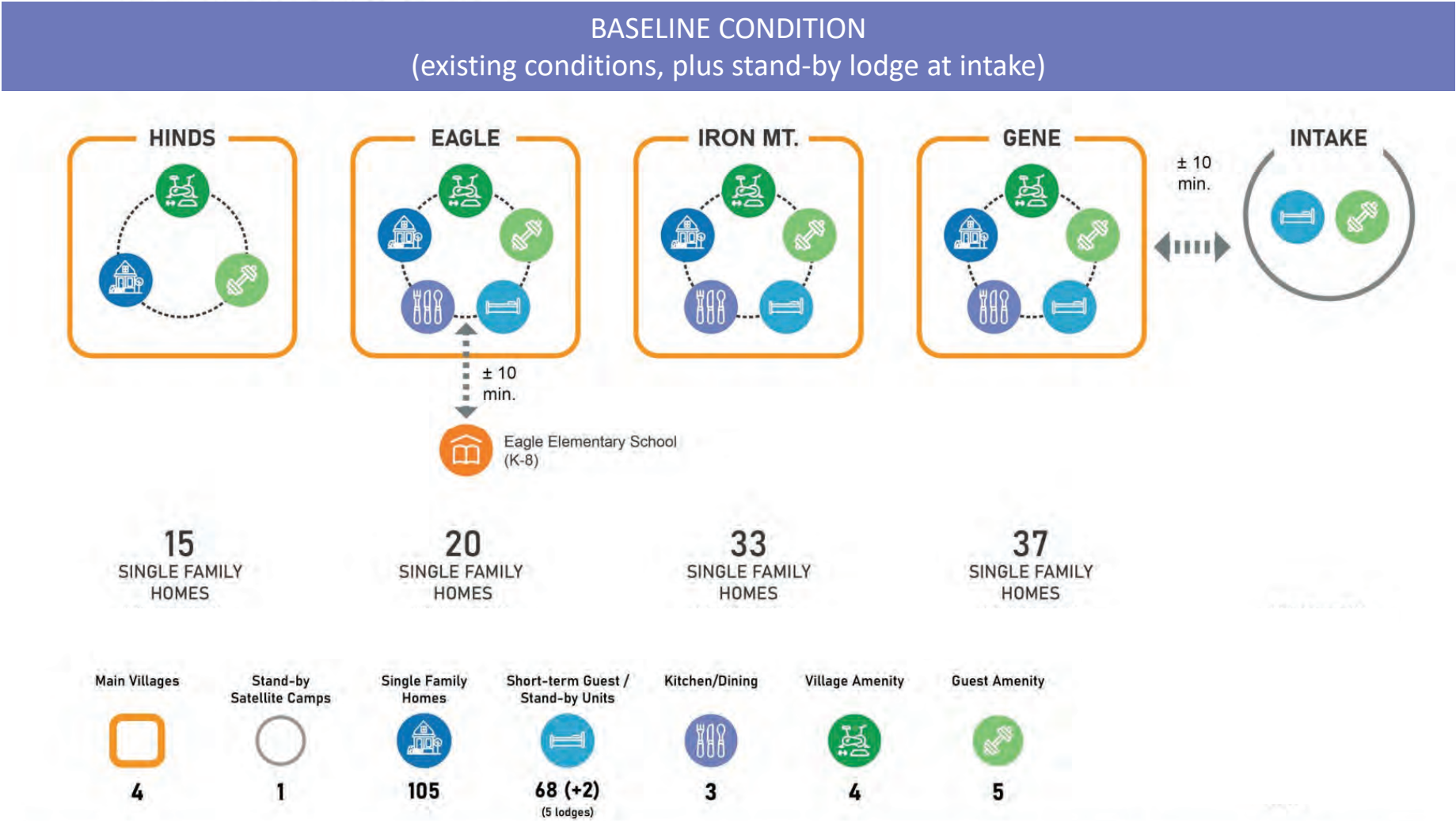
Current employee housing and living situations are not impacted by these scenarios.



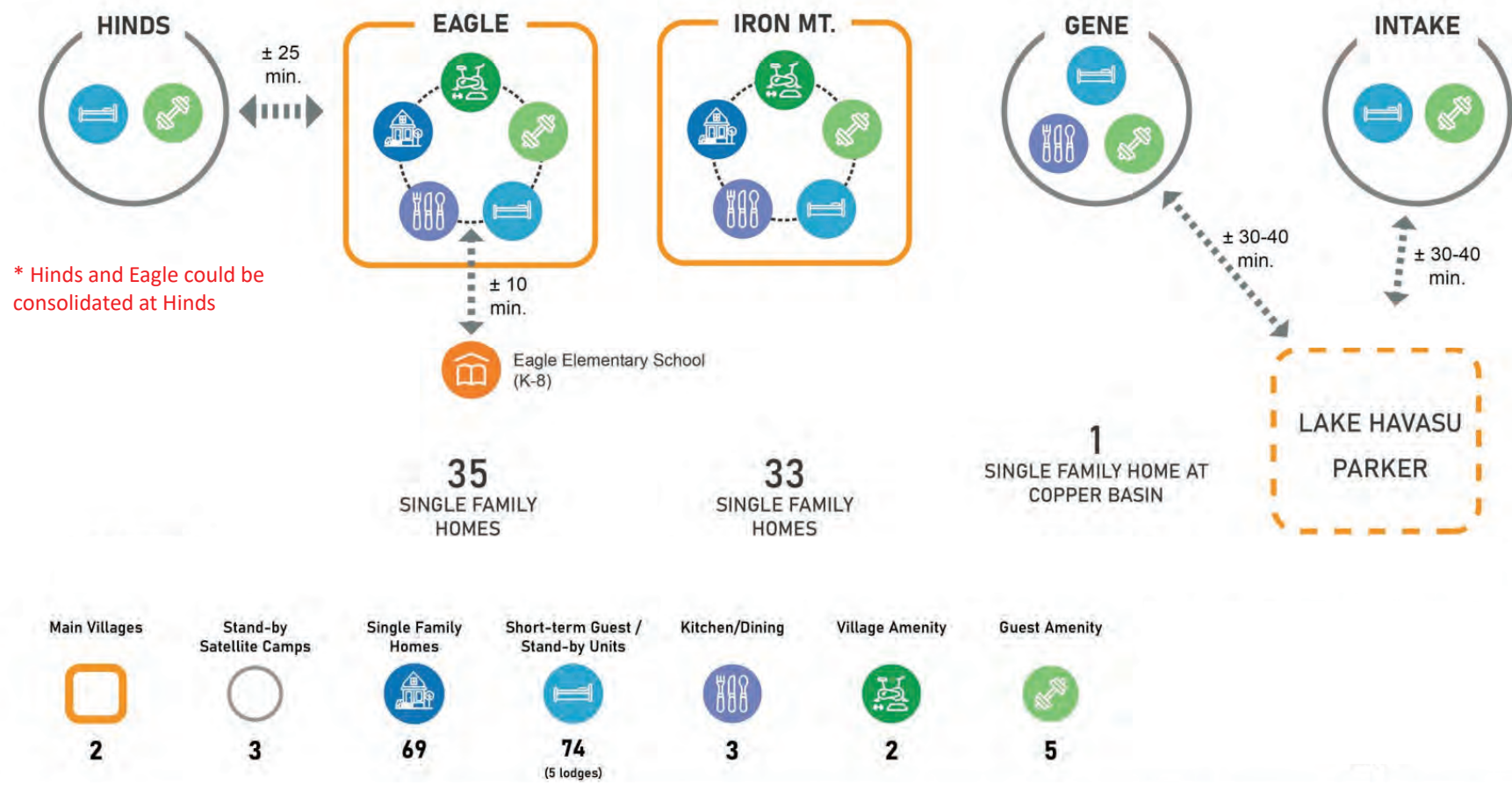
Preferred Village Options

After the MWD Executive Committee meeting in January 2024, 3 village options were selected for further studies. While option 4 is a recommended option from consultant, option 7 is also considered as a goal for the MWD.

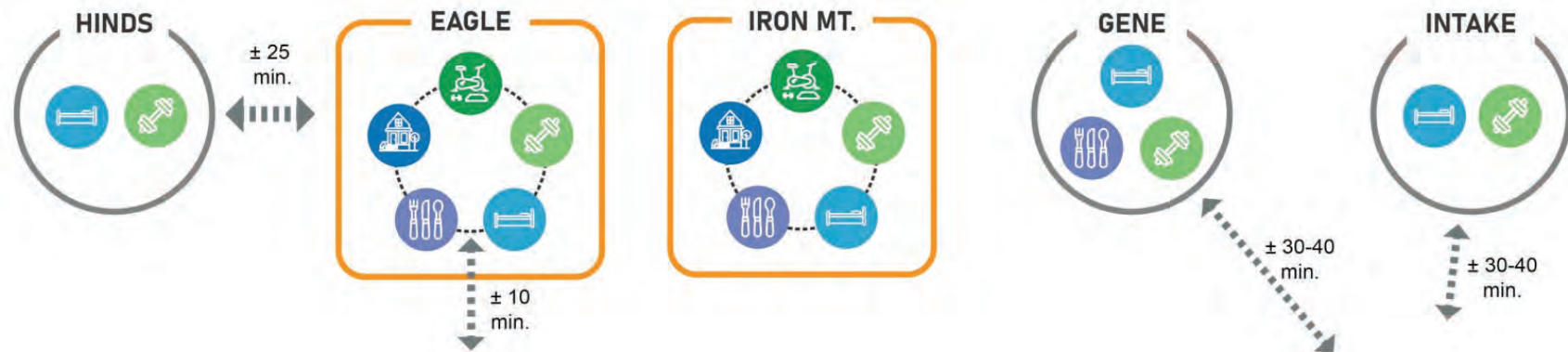




OPTION 4: TWO WEST VILLAGES
@ EAGLE + IRON



OPTION 4: TWO WEST VILLAGES @ EAGLE + IRON

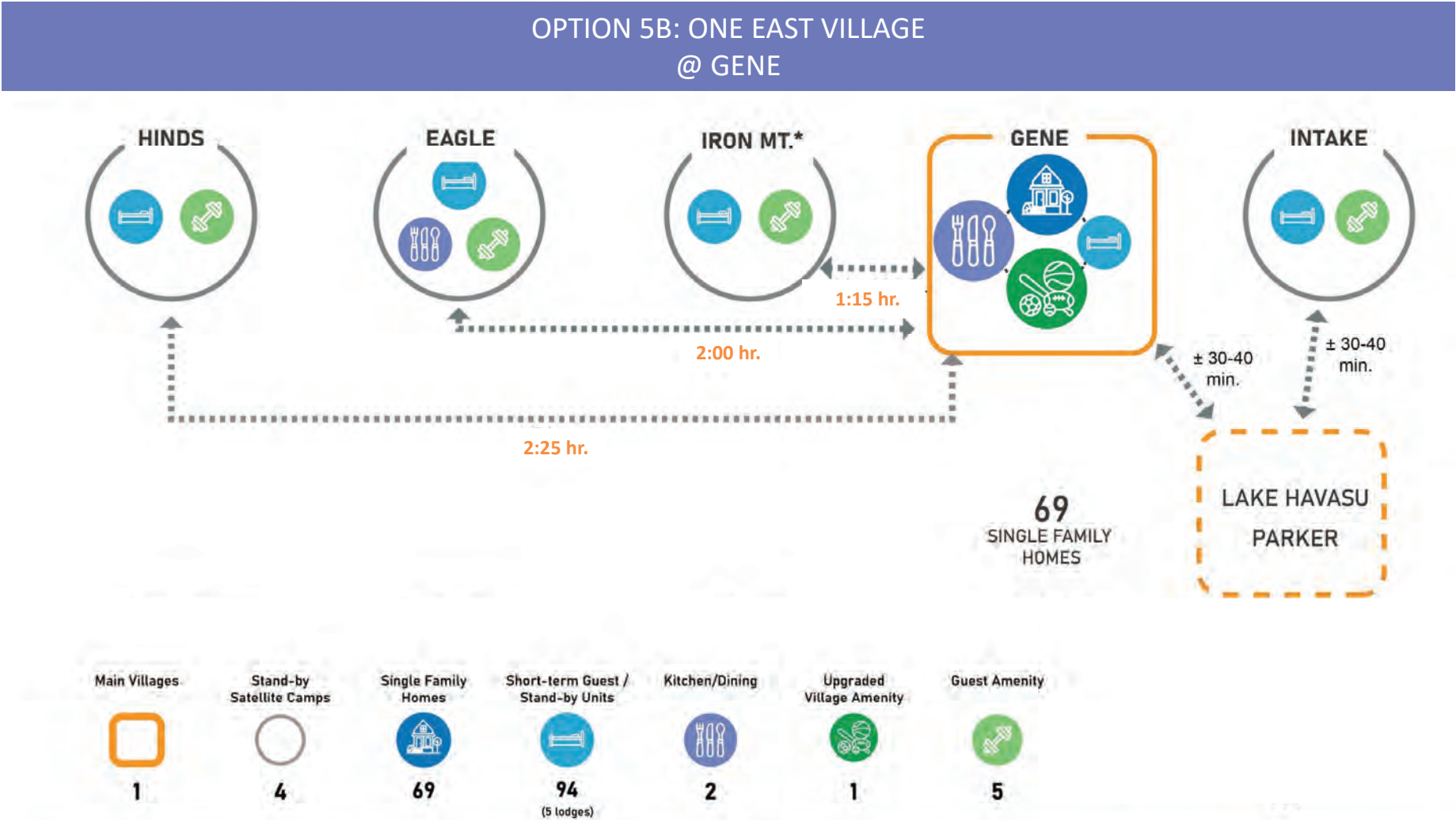


PROS

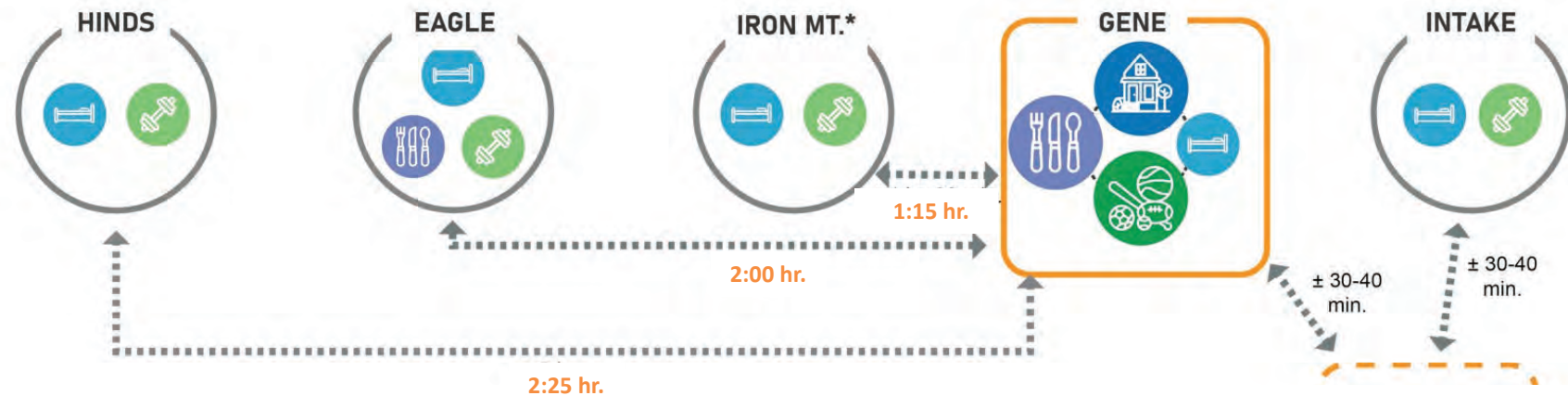
- Focus resources on two expanded amenity packages
- Economy of scale for construction and long-term maintenance
- Larger villages creates greater sense of community and safety
- O&M and Pump Maintenance employees remain at Iron and Eagle

Cons

- Commute to Hinds and Gene pump plants.
- Families are still remote from services (schools, doctors, amenities)
- Acceptance if Gene no longer considered 'remote', employees live in nearby towns.



OPTION 5B: ONE EAST VILLAGE @ GENE



PROS

- Hired at Gene community, dispatched to remote sites for work shift.
- Focus resources on one upgraded amenity packages
- Economy of scale for construction and long-term maintenance
- Larger village creates greater sense of community and safety
- Families are closer to community services in Lake Havasu/Parker (grocery, schools, doctors, amenities)
- Consider modifying shifts to work with this model.
- RV sites could also be offered at camps.

Cons

- Requires long commute times between Gene and remote villages
- Requires duplicative housing units at remote desert villages (permanent house Gene, plus hotel unit at camps)

OPTION 7: FIVE EXTENDED STAY CAMPS



3 homes for rent



3 homes for rent



15 EXTENDED-STAY UNITS

20 EXTENDED-STAY UNITS 12

33 EXTENDED-STAY UNITS

37 EXTENDED-STAY UNITS

6 SHORT-TERM UNITS

Main Villages



0

Extended Stay Camps



5

Extended Stay Employee Units



105

Short-term Guest / Stand-by Units



68
(5 lodges)

Kitchen/Dining



4

Upgraded Village Amenity



4

Guest Amenity



1

OPTION 7: FIVE EXTENDED STAY CAMPS



PROS

- Focus time and resources on MWD core mission
 - *MWD no longer operating as property manager of gated communities*
- One multifamily building typology could be replicated across all camps.
- Existing employees will be allowed to “opt-in” to new housing/compensation package
- Extended stay camps have upgraded amenity packages.
- Employee gets “extended stay housing” (*one bedroom condos, RV sites, or casita*)
- Concentrate landscape and placemaking budget in consolidated area
- Requires less property management
- Future generations are generally more accepting of smaller units that require less maintenance and upkeep.

Cons

- Unknown impact recruitment and retention strategy
- Likely will require full kitchen, dining facilities, and hospitality staff at all sites
- Requires strategic transition strategy to align with infrastructure capacity
- Could be less attractive to young employees with families just starting out

519



FINAL VILLAGE STRATEGIES

* 10% housing increase across all villages and scenarios

SUMMARY

TOTAL COST PHASING








THREE DESERT VILLAGES: 100% extended-stay townhomes					YRS 1-5	YRS 6-8	YRS 9-12	YRS 13-15	
<div><div><div>HINDS</div><div>EAGLE</div><div>IRON MT.</div><div>GENE</div><div>INTAKE</div></div><div>105 extended-stay townhomes 12 vacation rentals 64 guest hotels 3 upgraded amenity packages 2 guest amenity packages 3 kitchens</div></div>					\$145M	\$81.9M	\$24.7M	\$28.2M	\$10.8M
THREE DESERT VILLAGES: 50% Extended-stay townhomes/50% Single family homes									
<div><div><div>HINDS</div><div>EAGLE</div><div>IRON MT.</div><div>GENE</div><div>INTAKE</div></div><div>54 single family homes 53 extended-stay townhomes 9 vacation rentals 64 guest hotels 3 upgraded amenity packages 2 guest amenity packages 3 kitchens</div></div>					\$189M	\$81.9M	\$39.3M	\$35.2M	\$33M
THREE DESERT VILLAGES: 100% Single family homes									
<div><div><div>HINDS</div><div>EAGLE</div><div>IRON MT.</div><div>GENE</div><div>INTAKE</div></div><div>105 single family homes 24 extended-stay townhomes 64 guest hotels 3 upgraded amenity packages 2 guest amenity packages 3 kitchens 9 vacation rentals</div></div>					\$249M	\$81.9M	\$58.2M	\$51M	\$58.4M

THREE DESERT VILLAGES

100% EXTENDED-STAY
TOWNHOMES

105 HOUSING UNITS



TOTAL COST		COST PER VILLAGE				
\$ 145.6M		\$2.4M	\$44.6M	\$45.4M	\$45.3M	\$7.9M
SUMMARY OF HOUSING AND AMENITIES						
 Single Family Homes	0	-	-	-	-	-
 Extended Stay Townhomes 750 sq. ft.	105	-	35	33	37	-
 Vacation Rental	12	-	3	3	3	3
 Guest Hotel 350 sq. ft.	64	3	17	25	15	4
 Upgraded Amenities	3	-	1	1	1	-
 Guest Amenity	2	1	-	-	-	1°
 Kitchen	3	-	1	1	1	-


THREE DESERT VILLAGES 100% EXTENDED-STAY TOWNHOMES

105 HOUSING UNITS

	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
HINDS	<div><div><div>3</div><div>guest hotel</div></div><div><div>1</div><div>guest amenity</div></div></div>	-	-	-
EAGLE	<div><div><div>8</div><div>townhome</div></div><div><div>17</div><div>guest hotel</div></div><div><div>2</div><div>vacation rental</div></div><div><div>1</div><div>upgraded amenity</div></div><div><div>1</div><div>kitchen</div></div></div>	<div><div><div>8</div><div>townhome</div></div></div>	<div><div><div>13</div><div>townhome</div></div><div><div>1</div><div>vacation rental</div></div></div>	<div><div><div>6</div><div>townhome</div></div></div>
IRON MT.	<div><div><div>8</div><div>townhome</div></div><div><div>25</div><div>guest hotel</div></div><div><div>2</div><div>vacation rental</div></div><div><div>1</div><div>upgraded amenity</div></div><div><div>1</div><div>kitchen</div></div></div>	<div><div><div>8</div><div>townhome</div></div></div>	<div><div><div>13</div><div>townhome</div></div><div><div>1</div><div>vacation rental</div></div></div>	<div><div><div>4</div><div>townhome</div></div></div>
GENE	<div><div><div>8</div><div>townhome</div></div><div><div>15</div><div>guest hotel</div></div><div><div>2</div><div>vacation rental</div></div><div><div>1</div><div>kitchen</div></div></div>	<div><div><div>8</div><div>townhome</div></div><div><div>1</div><div>upgraded amenity</div></div></div>	<div><div><div>13</div><div>townhome</div></div><div><div>1</div><div>vacation rental</div></div></div>	<div><div><div>8</div><div>townhome</div></div></div>
INTAKE	<div><div><div>4</div><div>guest hotel</div></div><div><div>3</div><div>vacation rental</div></div><div><div>1°</div><div>guest amenity</div></div></div>	-	-	-
TOTAL	<div><div><div>24</div><div>townhome</div></div><div><div>64</div><div>guest hotel</div></div><div><div>9</div><div>vacation rental</div></div><div><div>2</div><div>upgraded amenity</div></div><div><div>2°</div><div>guest amenity</div></div><div><div>3</div><div>kitchen</div></div></div>	<div><div><div>24</div><div>townhome</div></div><div><div>1</div><div>upgraded amenity</div></div></div>	<div><div><div>39</div><div>townhome</div></div><div><div>8</div><div>guest hotel</div></div><div><div>3</div><div>vacation rental</div></div></div>	<div><div><div>18</div><div>townhome</div></div></div>

THREE DESERT VILLAGES 100% EXTENDED-STAY TOWNHOMES

105 HOUSING UNITS

VILLAGE TOTAL	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
 HINDS \$2.4M	\$2.4M 3 GUEST HOTEL 1 GUEST AMENITY	-	-	-
 EAGLE \$44.6M	\$26.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 17 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	\$4.8M 8 EXTENDED STAY TOWNHOMES	\$9.4M 13 EXTENDED STAY TOWNHOMES 1 VACATION RENTAL	\$3.6M 6 EXTENDED STAY TOWNHOMES
 IRON MT. \$45.4M	\$28.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 25 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	\$4.8M 8 EXTENDED STAY TOWNHOMES	\$9.4M 13 EXTENDED STAY TOWNHOMES 1 VACATION RENTAL	\$2.4M 4 EXTENDED STAY TOWNHOMES
 GENE \$45.3M	\$16M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 15 GUEST HOTEL 1 KITCHEN	\$15.1M 8 EXTENDED STAY TOWNHOMES 1 UPGRADED AMENITY	\$9.4M 13 EXTENDED STAY TOWNHOMES 1 VACATION RENTAL	\$4.8M 8 EXTENDED STAY TOWNHOMES
 INTAKE \$7.9M	\$7.9M 4 GUEST HOTEL 1 GUEST AMENITY + CONFERENCE ROOM 3 VACATION RENTALS	-	-	-
TOTAL \$145.6M	\$81.9M	\$24.7M	\$28.2M	\$10.8M

THREE DESERT VILLAGES
50% TOWNHOMES/50% SINGLE
FAMILY HOMES
105 HOUSING UNITS



TOTAL COST		COST PER VILLAGE				
\$ 189.4M		\$2.4M	\$59.2M	\$59.1M	\$60.8M	\$7.9M
SUMMARY OF HOUSING AND AMENITIES						
Single Family Homes	54	-	18	17	19	-
Extended Stay Condo 750 sq. ft.	53	-	17	16	18	-
Vacation Rental	9	-	2	2	2	3
Guest Hotel 350 sq. ft.	64	3	17	25	15	4
Upgraded Amenities	3	-	1	1	1	-
Guest Amenity	2	1	-	-	-	1
Kitchen	3	-	1	1	1	-

THREE DESERT VILLAGES

50% TOWNHOMES/50% SINGLE FAMILY HOMES

105 HOUSING UNITS

	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
HINDS	<div><div><div>3</div><div>guest hotel</div></div><div><div>1</div><div>guest amenity</div></div></div>	-	-	-
EAGLE	<div><div><div>8</div><div>townhome</div></div><div><div>17</div><div>guest hotel</div></div><div><div>2</div><div>vacation rental</div></div><div><div>1</div><div>upgraded amenity</div></div><div><div>1</div><div>kitchen</div></div></div>	<div><div><div>6</div><div>home</div></div><div><div>9</div><div>townhome</div></div></div>	<div><div><div>6</div><div>home</div></div></div>	<div><div><div>6</div><div>home</div></div></div>
IRON MT.	<div><div><div>8</div><div>townhome</div></div><div><div>25</div><div>guest hotel</div></div><div><div>2</div><div>vacation rental</div></div><div><div>1</div><div>upgraded amenity</div></div><div><div>1</div><div>kitchen</div></div></div>	<div><div><div>5</div><div>home</div></div><div><div>4</div><div>townhome</div></div></div>	<div><div><div>6</div><div>home</div></div><div><div>4</div><div>townhome</div></div></div>	<div><div><div>6</div><div>home</div></div></div>
GENE	<div><div><div>8</div><div>townhome</div></div><div><div>15</div><div>guest hotel</div></div><div><div>2</div><div>vacation rental</div></div><div><div>1</div><div>kitchen</div></div></div>	<div><div><div>8</div><div>townhome</div></div><div><div>1</div><div>village amenity</div></div></div>	<div><div><div>9</div><div>home</div></div><div><div>2</div><div>townhome</div></div></div>	<div><div><div>10</div><div>home</div></div></div>
INTAKE	<div><div><div>4</div><div>guest hotel</div></div><div><div>3</div><div>vacation rental</div></div><div><div>1°</div><div>guest amenity</div></div></div>	-	-	-
TOTAL	<div><div><div>24</div><div>townhome</div></div><div><div>64</div><div>guest hotel</div></div><div><div>9</div><div>vacation rental</div></div><div><div>2</div><div>upgraded amenity</div></div><div><div>2°</div><div>guest amenity</div></div><div><div>3</div><div>kitchen</div></div></div>	<div><div><div>11</div><div>home</div></div><div><div>21</div><div>townhome</div></div><div><div>1</div><div>upgraded amenity</div></div></div>	<div><div><div>21</div><div>home</div></div><div><div>6</div><div>townhome</div></div></div>	<div><div><div>22</div><div>home</div></div></div>








THREE DESERT VILLAGES 50% TOWNHOMES/50% SINGLE FAMILY HOMES

105 HOUSING UNITS

VILLAGE TOTAL	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
 HINDS \$2.4M	\$2.4M 3 GUEST HOTEL 1 GUEST AMENITY	-	-	-
 EAGLE \$59.2M	\$26.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 17 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	\$14.4M 6 SINGLE FAMILY HOMES 9 EXTENDED STAY TOWNHOMES	\$9M 6 SINGLE FAMILY HOMES	\$9M 6 SINGLE FAMILY HOMES
 IRON MT. \$59M	\$28.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 25 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	\$9.8M 5 SINGLE FAMILY HOMES 4 EXTENDED STAY TOWNHOMES	\$11.4M 6 SINGLE FAMILY HOMES 4 EXTENDED STAY TOWNHOMES	\$9M 6 SINGLE FAMILY HOMES
 GENE \$60.8M	\$16M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 15 GUEST HOTEL 1 KITCHEN	\$15.1M 8 EXTENDED STAY CONDOS 1 UPGRADED AMENITY	\$14.7M 9 SINGLE FAMILY HOMES 2 EXTENDED STAY TOWNHOMES	\$15M 10 SINGLE FAMILY HOMES
 INTAKE \$7.9M	\$7.9M 4 GUEST HOTEL 1 GUEST AMENITY + CONFERENCE ROOM 3 VACATION RENTALS	-	-	-
TOTAL \$189.4M	\$81.9M	\$39.3M	\$35.2M	\$33M

THREE DESERT VILLAGES
100% SINGLE FAMILY HOMES
105 HOUSING UNITS



TOTAL COST		COST PER VILLAGE				
\$249.5M		\$2.4M	\$79.2M	\$78.3M	\$81.7M	\$7.9M
SUMMARY OF HOUSING AND AMENITIES						
 105 Single Family Homes	105	–	35	33	37	–
 24 Extended Stay Condo 750 sq. ft.	24	–	8	8	8	–
 9 Vacation Rental	9	–	2	2	2	3
 64 Guest Hotel 350 sq. ft.	64	3	17	25	15	4
 3 Upgraded Amenities	3	–	1	1	1	–
 2 Guest Amenity	2	1	–	–	–	1
 3 Kitchen	3	–	1	1	1	–

THREE DESERT VILLAGES

100% SINGLE FAMILY HOMES

105 HOUSING UNITS

	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
HINDS 	3 1	-	-	-
EAGLE 	8 1 17 1 2	10	10	15
IRON MT. 	8 1 25 1 2	10	12	11
GENE 	8 1 15 2 1	12 1	12	13
INTAKE 	4 1° 3	-	-	-
TOTAL	24 2 64 2° 9 3	32 1	34	39

THREE DESERT VILLAGES 100% SINGLE FAMILY HOMES

105 HOUSING UNITS

VILLAGE TOTAL	PHASE 1 YRS 1-5	PHASE 2 YRS 6-8	PHASE 3 YRS 9-12	PHASE 4 YRS 13-15
HINDS  \$2.4M	\$2.4M 3 GUEST HOTEL 1 GUEST AMENITY	-	-	-
EAGLE  \$79.2M	\$26.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 17 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	10 SINGLE FAMILY HOMES	10 SINGLE FAMILY HOMES	15 SINGLE FAMILY HOMES
IRON MT.  \$78.3M	\$28.8M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 25 GUEST HOTEL 1 UPGRADED AMENITY 1 KITCHEN	10 SINGLE FAMILY HOMES	12 SINGLE FAMILY HOMES	11 SINGLE FAMILY HOMES
GENE  \$81.7M	\$16M 8 EXTENDED STAY TOWNHOMES 2 VACATION RENTALS 15 GUEST HOTEL 1 KITCHEN	12 SINGLE FAMILY HOMES 1 UPGRADED AMENITY	12 SINGLE FAMILY HOMES	13 SINGLE FAMILY HOMES
INTAKE  \$7.9M	\$7.9M 4 GUEST HOTEL 1 GUEST AMENITY + CONFERENCE ROOM 3 VACATION RENTALS	-	-	-
TOTAL \$249.5M	\$81.9M	\$58.2M	\$51M	\$58.4M

DETAILED PHASING STRATEGY FOR EACH VILLAGE

- CONCEPTUAL PHASING STRATEGY - IRON MOUNTAIN 112
- DETAILED VILLAGE PHASING STRATEGY 119



CONCEPTUAL PHASING STRATEGY IRON MOUNTAIN

CONTEXT:

- **Conceptual Phasing Strategy** - Iron Mountain Village
- **Future housing needs: 33 units** (based upon projected staffing = current needs plus 10%)
- **Future hotel needs: 25 units** (replace existing 17 guest hotel units plus an additional 8 units)
- Vacation rental home could be either new housing or existing homes to reuse.

LEGEND:

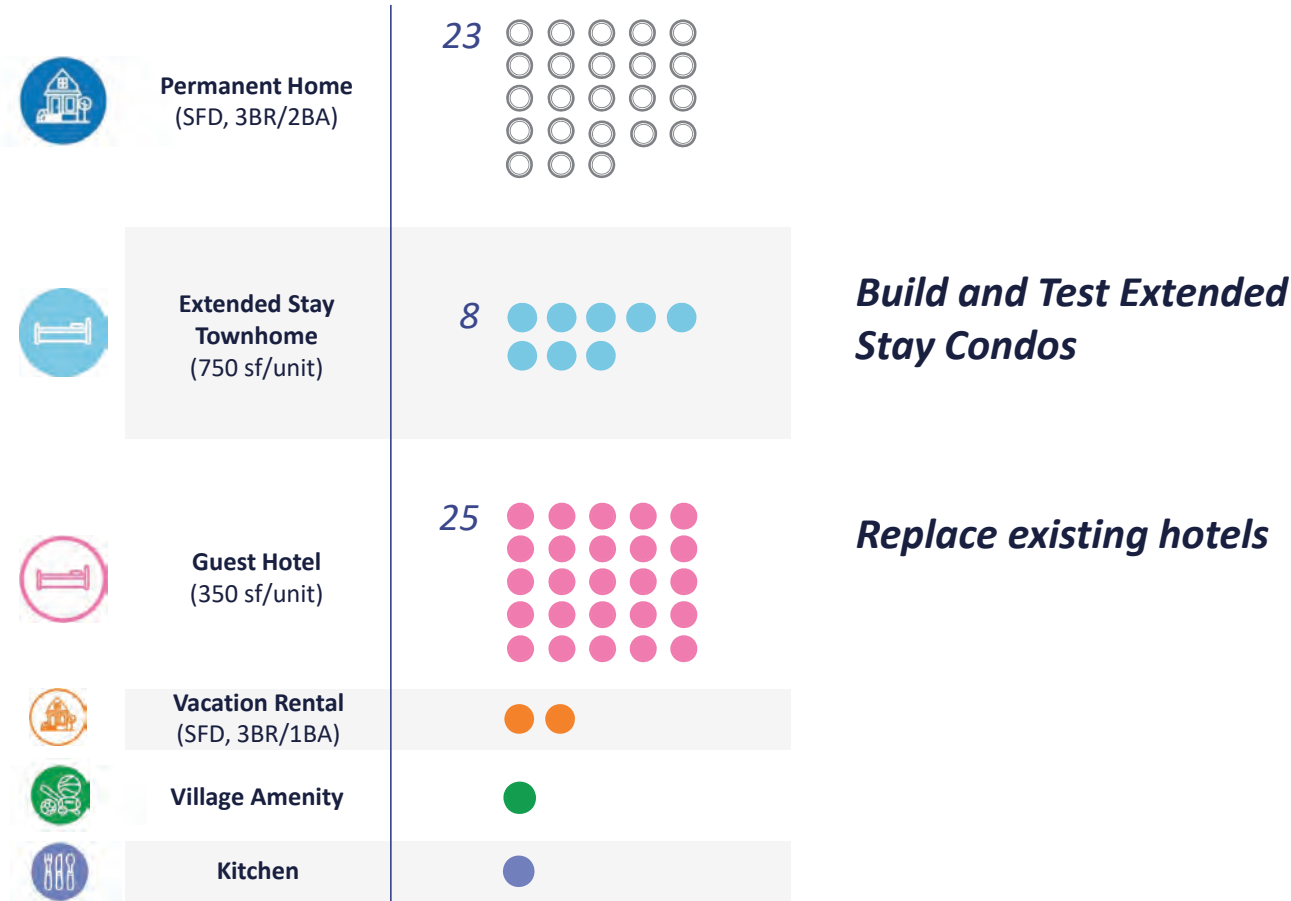
-  CURRENT HOMES
-  NEW CONSTRUCTION
-  PREVIOUSLY CONSTRUCTED

** The circle colors correspond to program elements on following slides.*

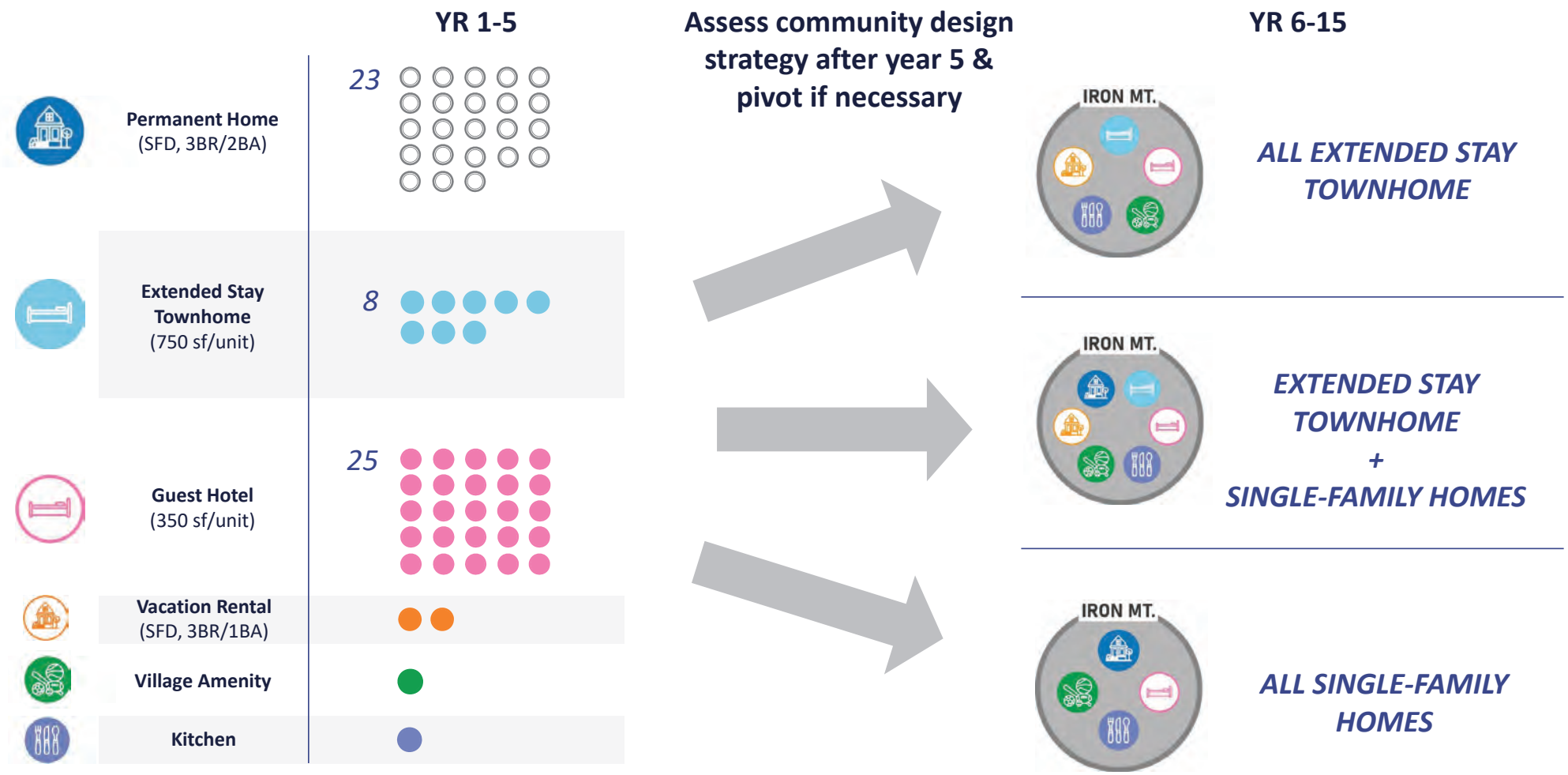
CONCEPTUAL PHASING STRATEGY FOR IRON MOUNTAIN

(As case study, similar logic can be applied to Eagle and Gene camps.)

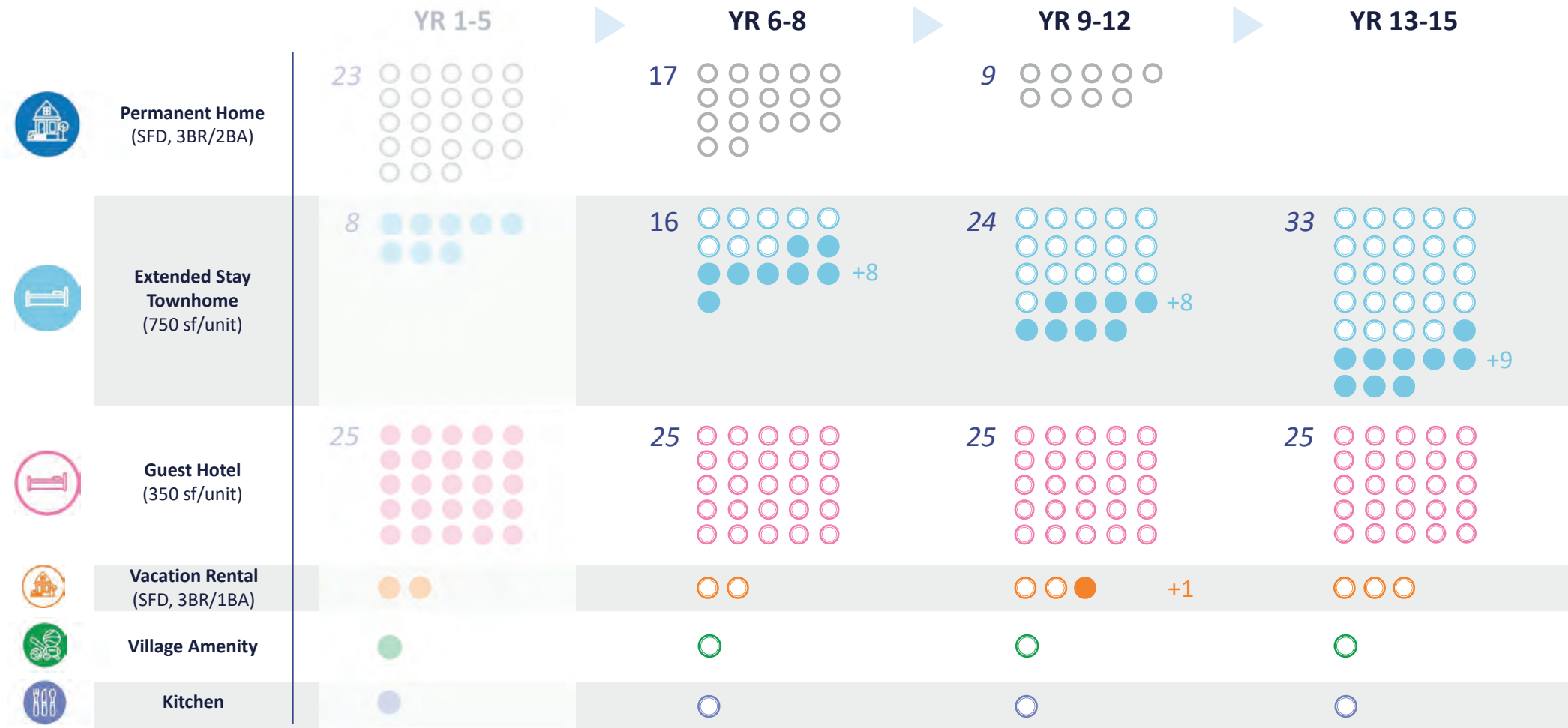
YR 1-5



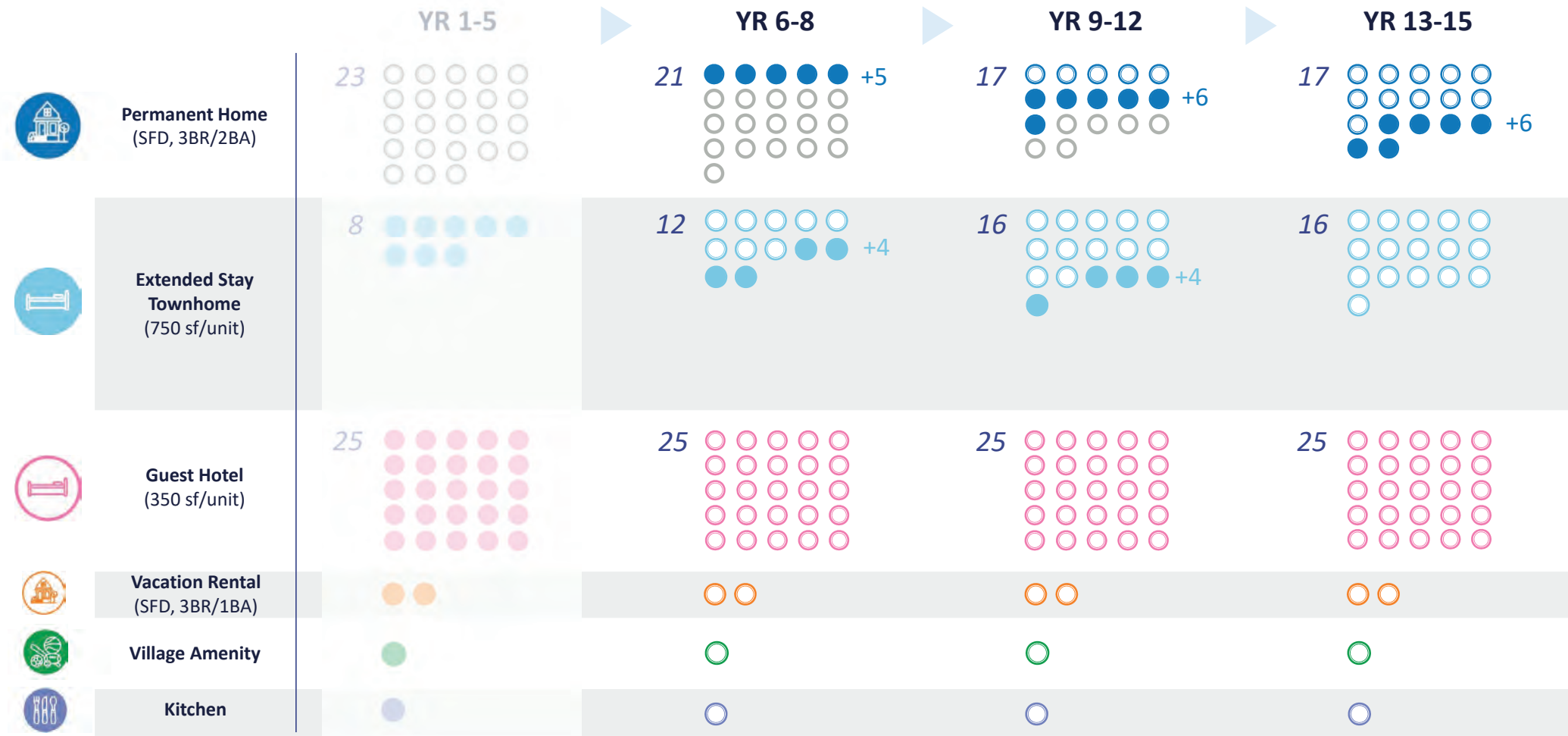
CASE STUDY FOR IRON MOUNTAIN



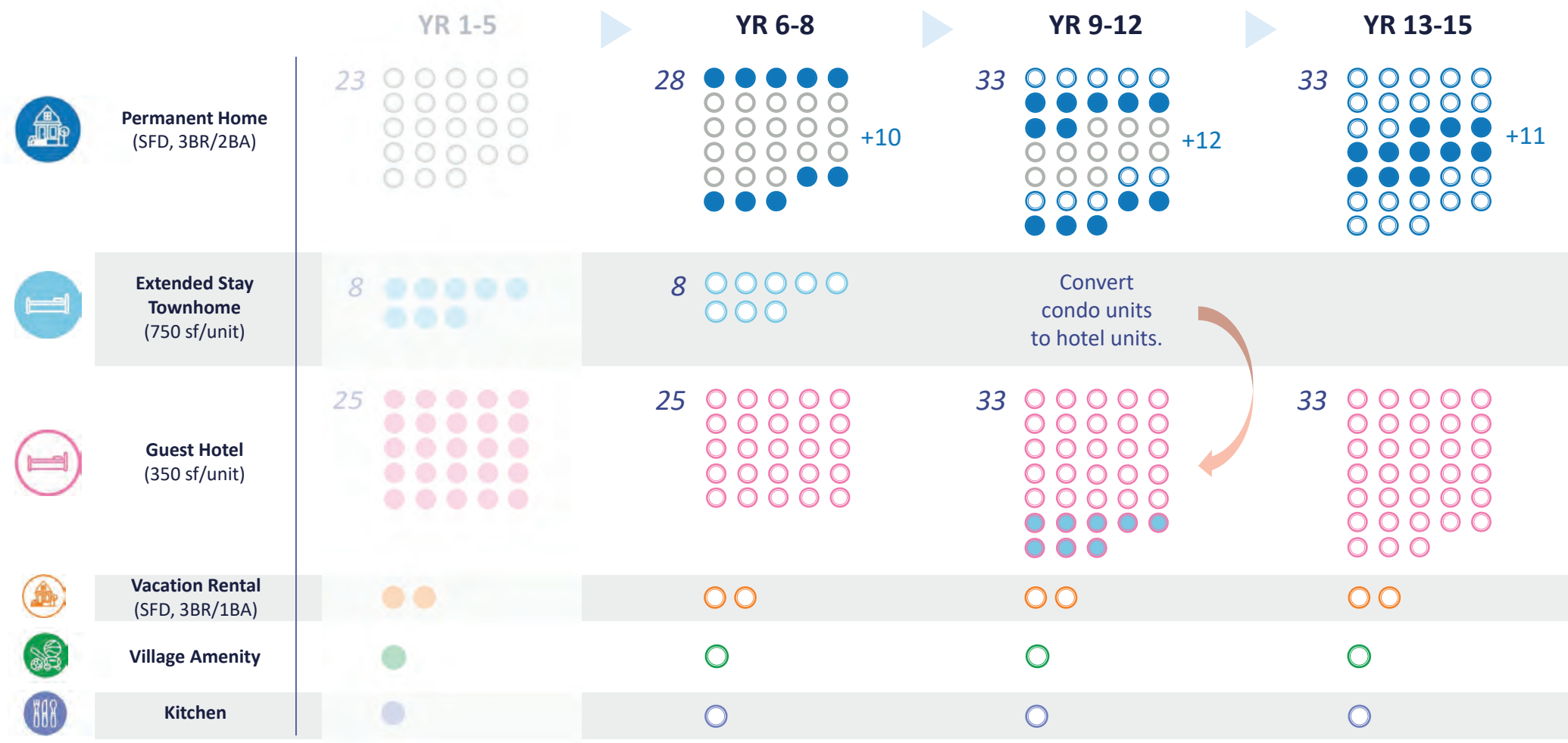
CASE STUDY FOR IRON MOUNTAIN: 100% EXTENDED STAY TOWNHOME



CASE STUDY FOR IRON MOUNTAIN: MIX EXTENDED STAY TOWNHOME (50%) + SINGLE FAMILY HOMES (50%)



CASE STUDY FOR IRON MOUNTAIN: 100% SINGLE FAMILY HOMES





Appendix: DETAILED VILLAGE PHASING STRAEGIES

THREE DESERT VILLAGES


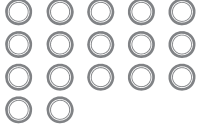




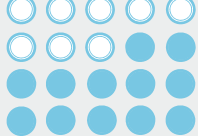
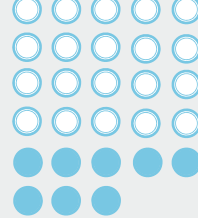
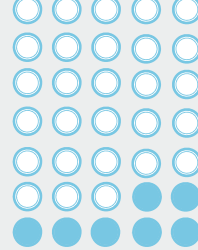




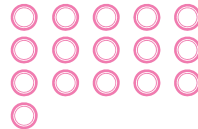















THREE DESERT VILLAGES

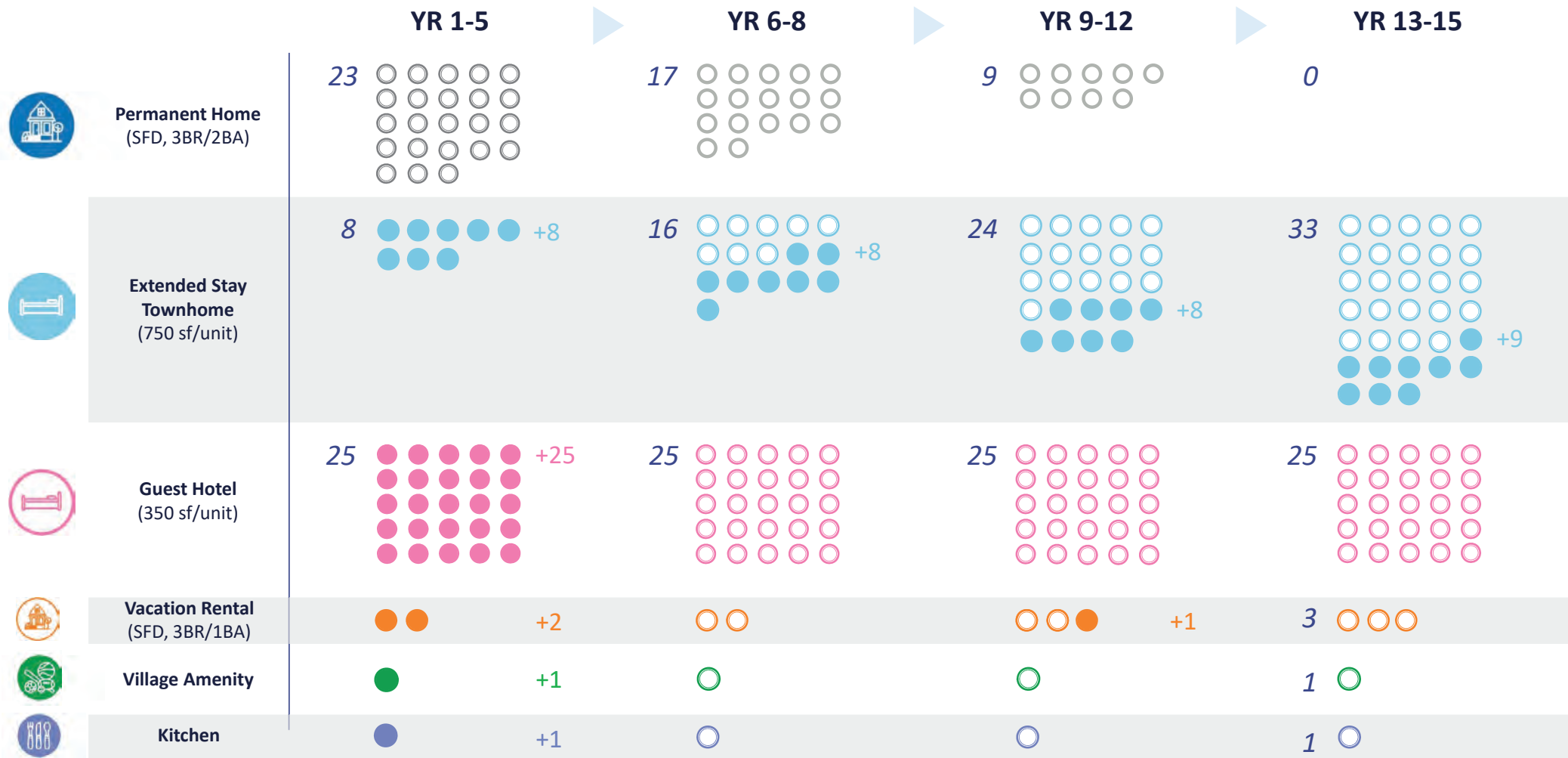
100% EXTENDED-STAY
TOWNHOMES
105 HOUSING UNITS



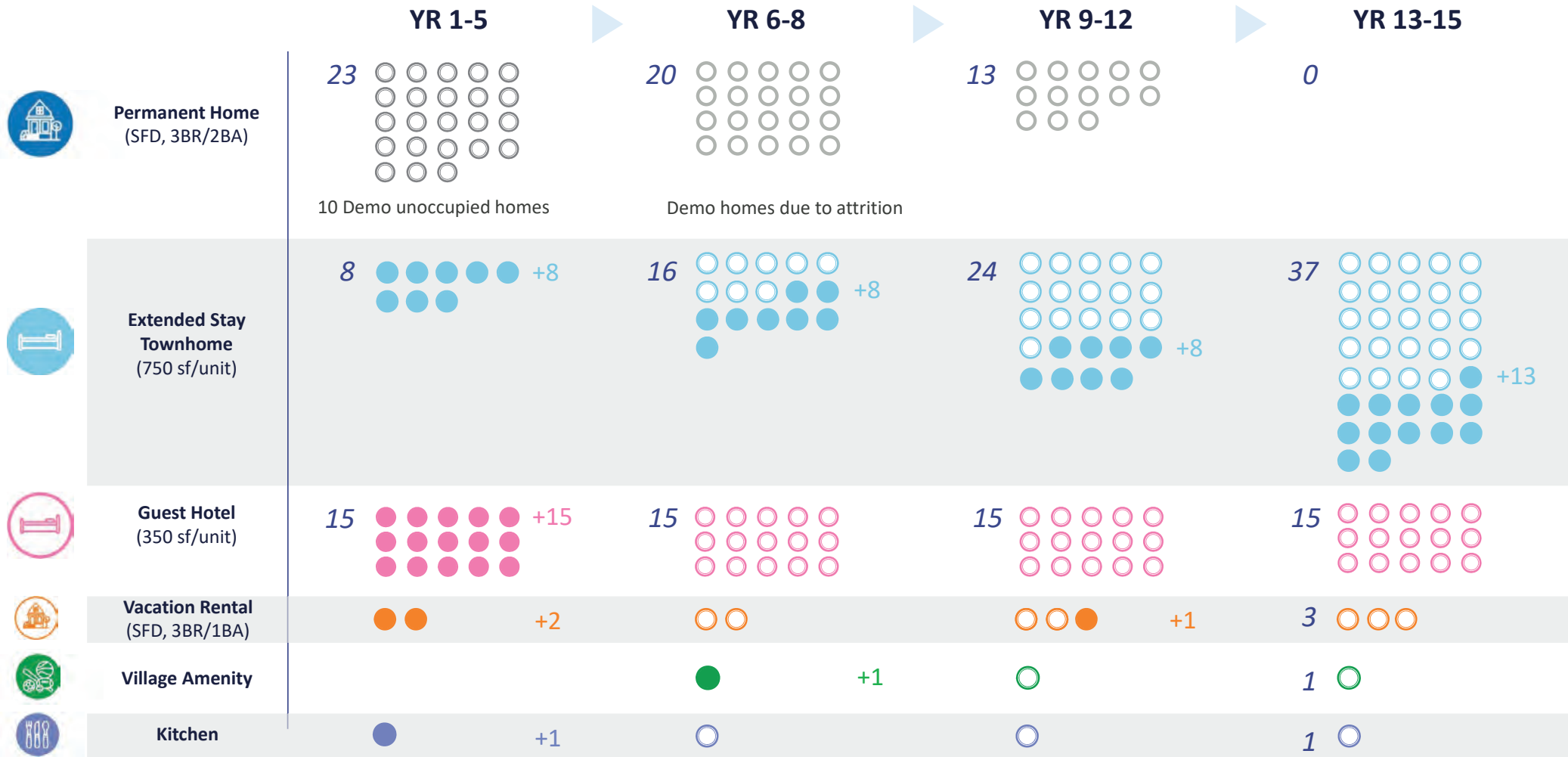
TOTAL COST		COST PER VILLAGE				
\$ 145.6M		\$2.4M	\$44.6M	\$45.4M	\$45.3M	\$7.9M
SUMMARY OF HOUSING AND AMENITIES						
	0	-	-	-	-	-
Single Family Homes						
	105	-	35	33	37	-
Extended Stay Townhomes 750 sq. ft.						
	12	-	3	3	3	3
Vacation Rental						
	64	3	17	25	15	4
Guest Hotel 350 sq. ft.						
	3	-	1	1	1	-
Upgraded Amenities						
	2	1	-	-	-	1°
Guest Amenity						
	3	-	1	1	1	-
Kitchen						

EAGLE MOUNTAIN VILLAGE (+HINDS): 100% EXTENDED STAY TOWNHOMES

	YR 1-5	YR 6-8	YR 9-12	YR 13-15
 Permanent Home (SFD, 3BR/2BA)	17 	15 	7 	0
 Extended Stay Townhome (750 sf/unit)	8  +8	20  +12 HINDS MERGE WITH EAGLE	28  +8	35  +7
 Guest Hotel (350 sf/unit)	16  +16	16 	16 	16 
 Vacation Rental (SFD, 3BR/1BA)	2  +2	2 	3  +1	3 
 Village Amenity	1  +1	1 	1 	1 
 Kitchen	1  +1	1 	1 	1 


IRON MOUNTAIN EXTENDED STAY CAMP: 100% EXTENDED STAY TOWNHOMES

GENE EXTENDED STAY CAMP: 100% EXTENDED STAY TOWNHOMES


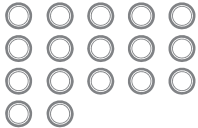


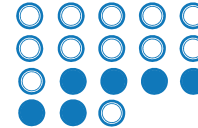


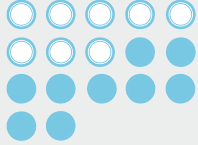



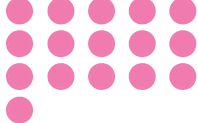
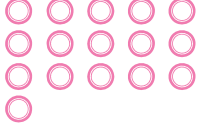



















THREE DESERT VILLAGES
50% TOWNHOMES/50% SINGLE
FAMILY HOMES
105 HOUSING UNITS


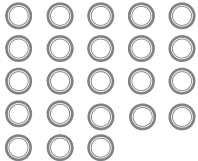
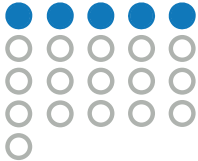

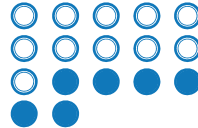



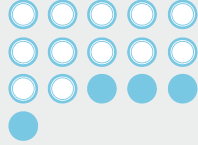
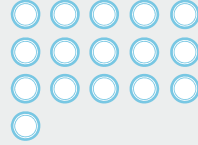

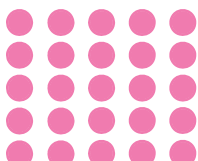
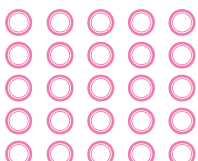
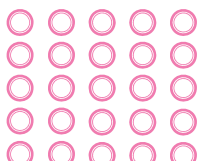
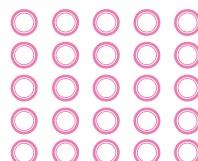

















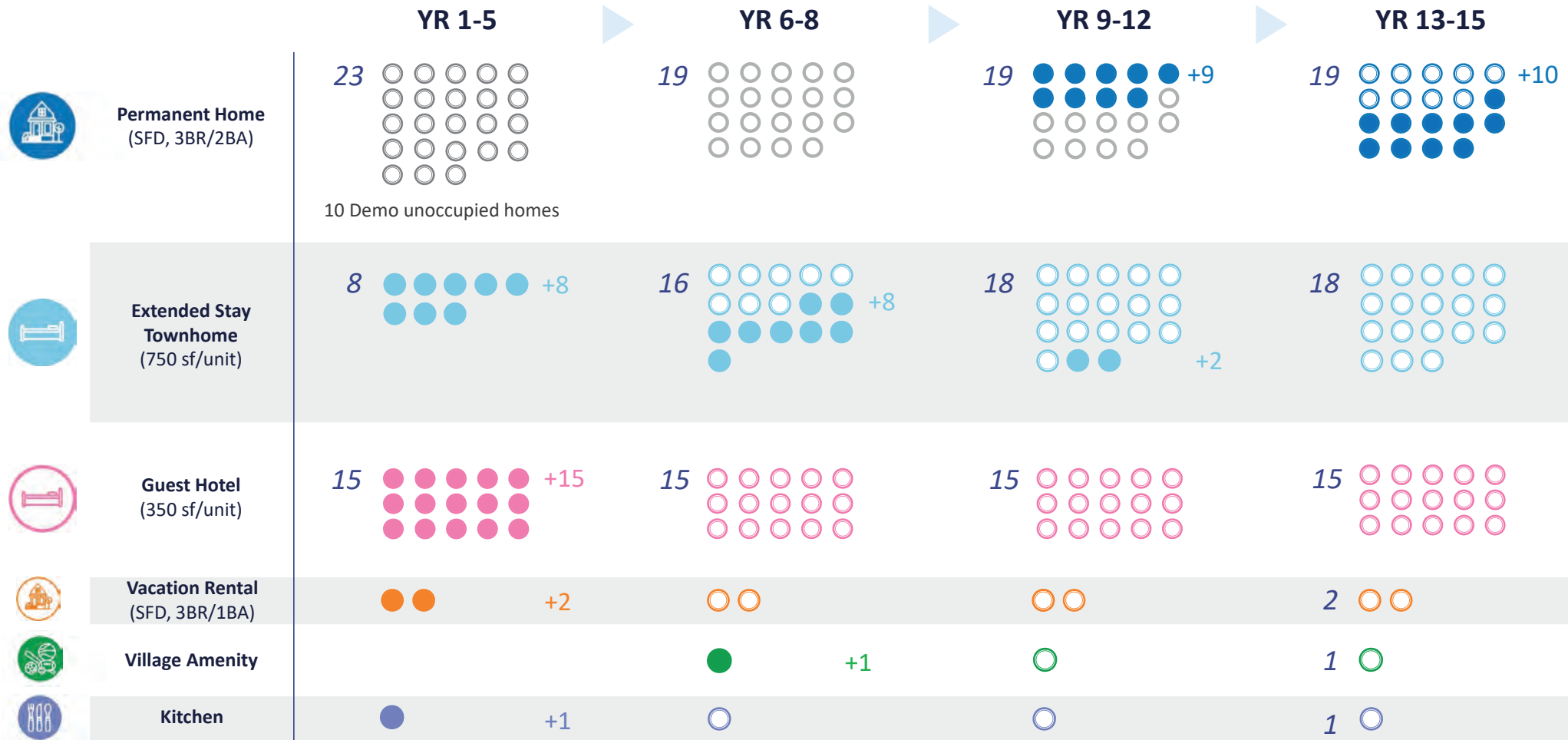
TOTAL COST		COST PER VILLAGE				
\$ 189.4M		\$2.4M	\$59.2M	\$59.1M	\$60.8M	\$7.9M
SUMMARY OF HOUSING AND AMENITIES						
 Single Family Homes	54	-	18	17	19	-
 Extended Stay Condo 750 sq. ft.	53	-	17	16	18	-
 Vacation Rental	9	-	2	2	2	3
 Guest Hotel 350 sq. ft.	64	3	17	25	15	4
 Upgraded Amenities	3	-	1	1	1	-
 Guest Amenity	2	1	-	-	-	1
 Kitchen	3	-	1	1	1	-

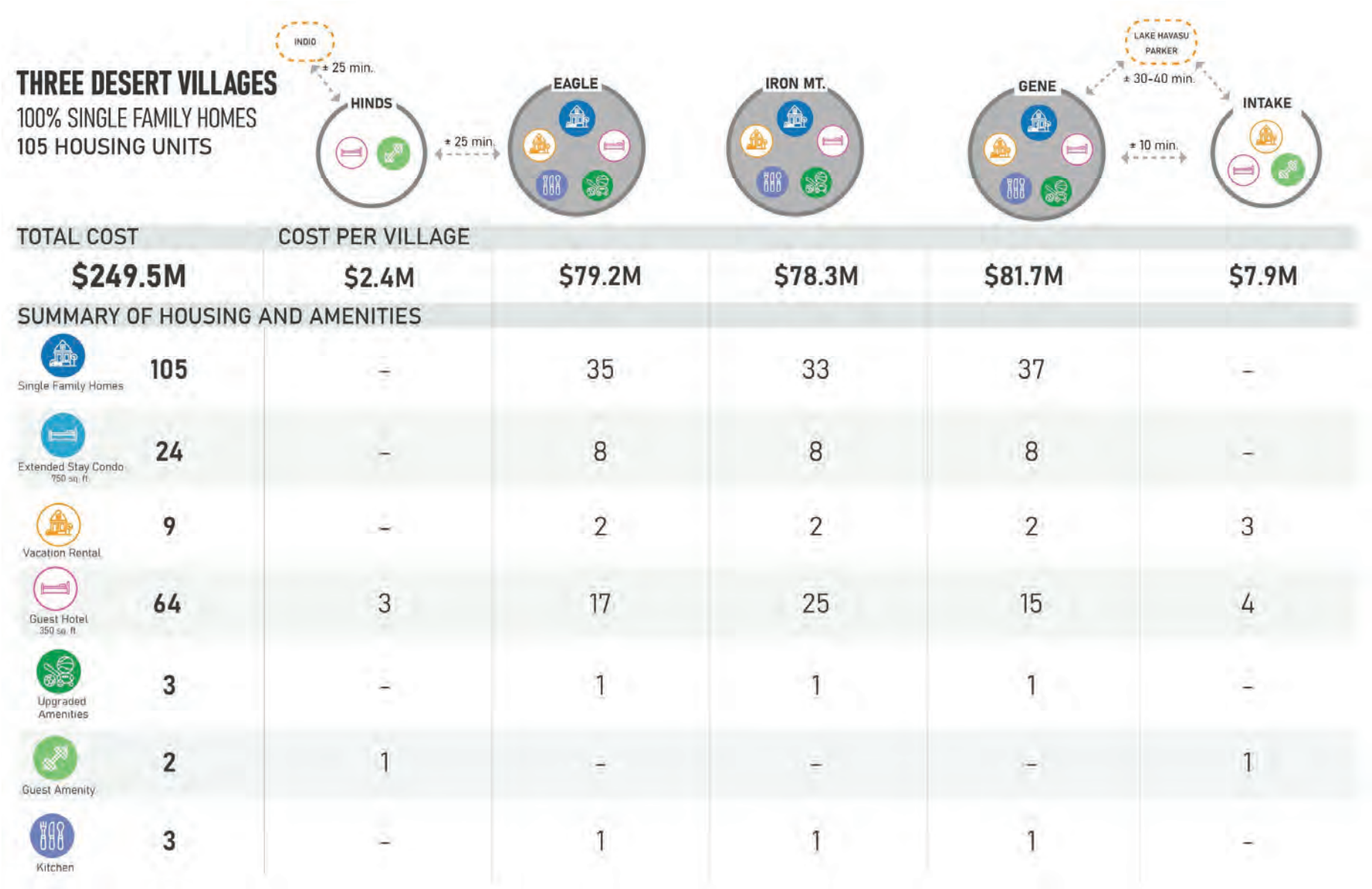
EAGLE MOUNTAIN VILLAGE (+HINDS): EXTENDED STAY TOWNHOME (50%) + SINGLE FAMILY HOMES (50%)

	YR 1-5	YR 6-8	YR 9-12	YR 13-15
 Permanent Home (SFD, 3BR/2BA)	17 	18  +6	18  +6	18  +6
 Extended Stay Townhome (750 sf/unit)	8  +8	17  +9 HINDS MERGE WITH EAGLE	17 	17 
 Guest Hotel (350 sf/unit)	16  +16	16 	16 	16 
 Vacation Rental (SFD, 3BR/1BA)	 +2			2 
 Village Amenity	 +1			1 
 Kitchen	 +1			1 

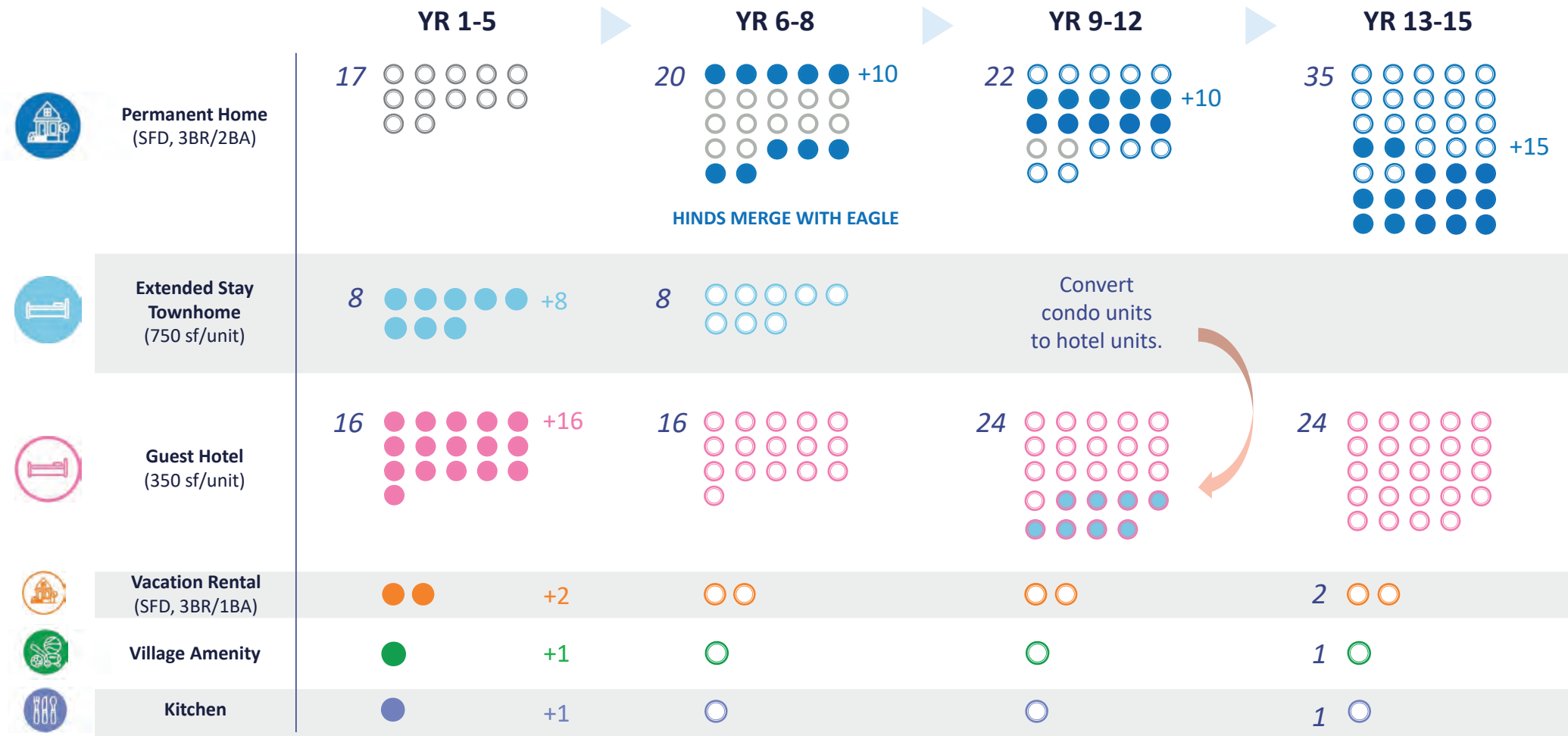
IRON MOUNTAIN VILLAGE: EXTENDED STAY CONDO (50%) + SINGLE FAMILY HOMES (50%)

	YR 1-5	YR 6-8	YR 9-12	YR 13-15
 Permanent Home (SFD, 3BR/2BA)	23 	21  +5	17  +6	17  +6
 Extended Stay Townhome (750 sf/unit)	8  +8	12  +4	16  +4	16 
 Guest Hotel (350 sf/unit)	25  +25	25 	25 	25 
 Vacation Rental (SFD, 3BR/1BA)	2  +2	2 	2 	2 
 Village Amenity	1  +1	1 	1 	1 
 Kitchen	1  +1	1 	1 	1 

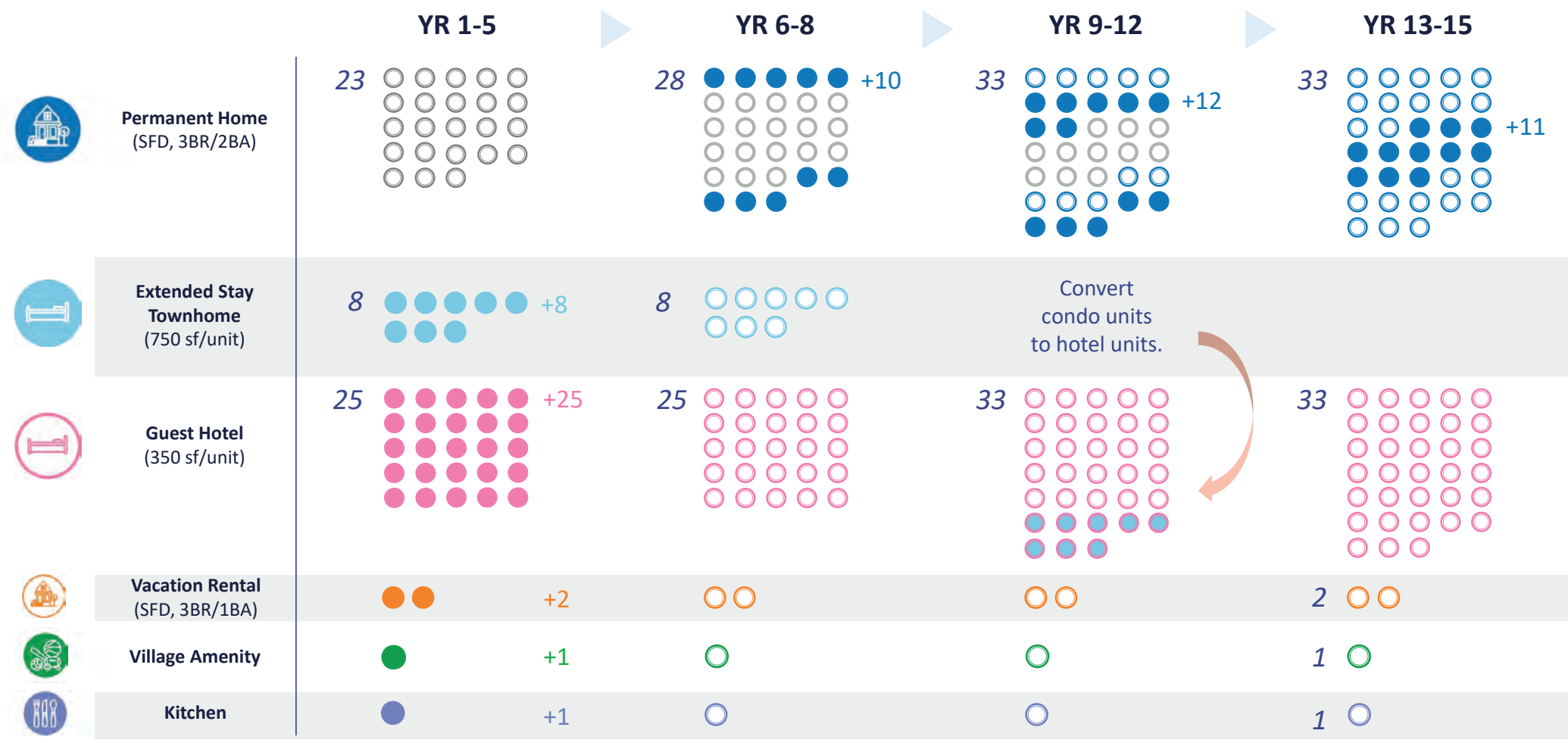
GENE EXTENDED STAY CAMP: EXTENDED STAY CONDO (50%) + SINGLE FAMILY HOMES (50%)




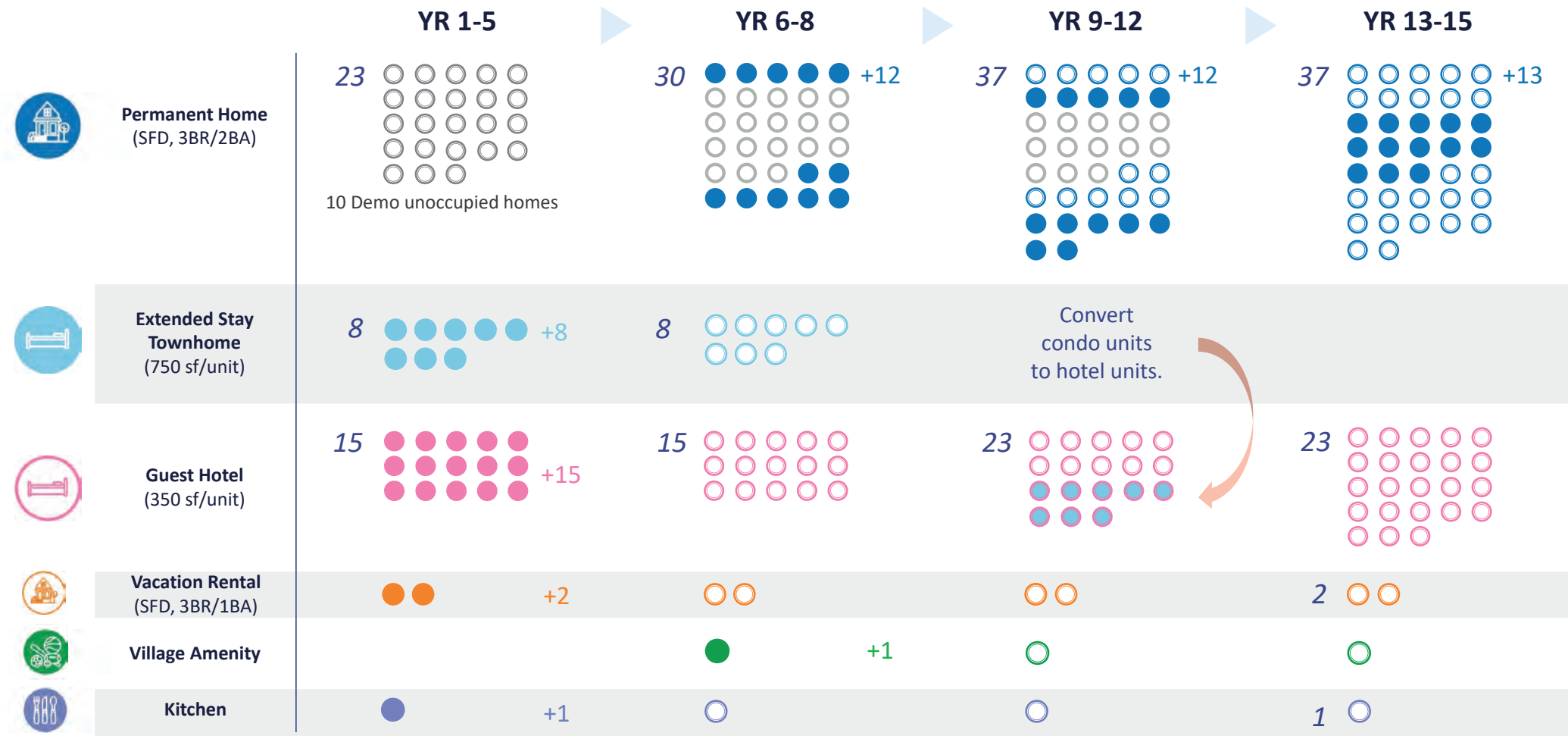
EAGLE MOUNTAIN VILLAGE (+HINDS): 100% SINGLE FAMILY HOMES



IRON MOUNTAIN VILLAGE: 100% SINGLE FAMILY HOMES



GENE EXTENDED STAY CAMP: 100% SINGLE FAMILY HOMES

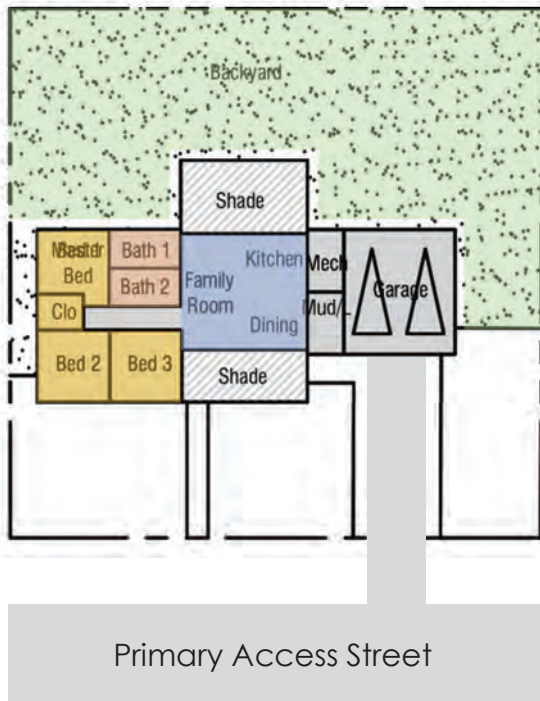


AMENITIES AND COSTS



PERMANENT HOMES

SINGLE-FAMILY DETACHED HOME



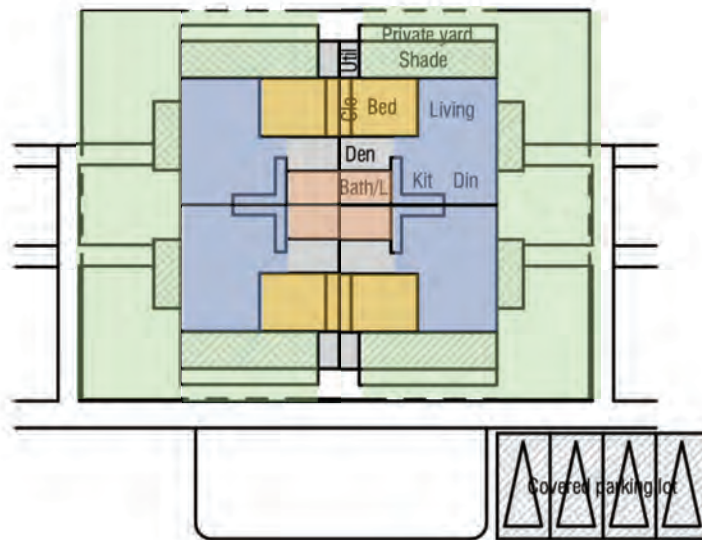
- **± \$ 1.5 M** per unit.
- **3 bd / 2 ba.**
- Attached 2 car garage.
- Covered patio.

- 2022 estimate based upon architectural drawings (1M)
- 2024 cost estimate (1.5M) based upon square footage costs of comparable construction types, landscape and utility runs to the house from the street



EXTENDED STAY TOWNHOME

PINWHEEL TYPE

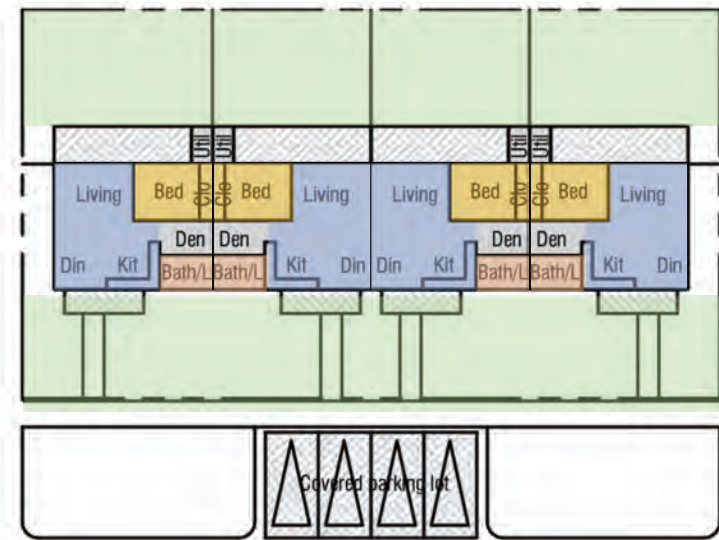


Primary Access Street

± **\$538,000** per unit.

- **1 bd / 1 ba.**
- Detached 1 car carport.

LINEAR TYPE

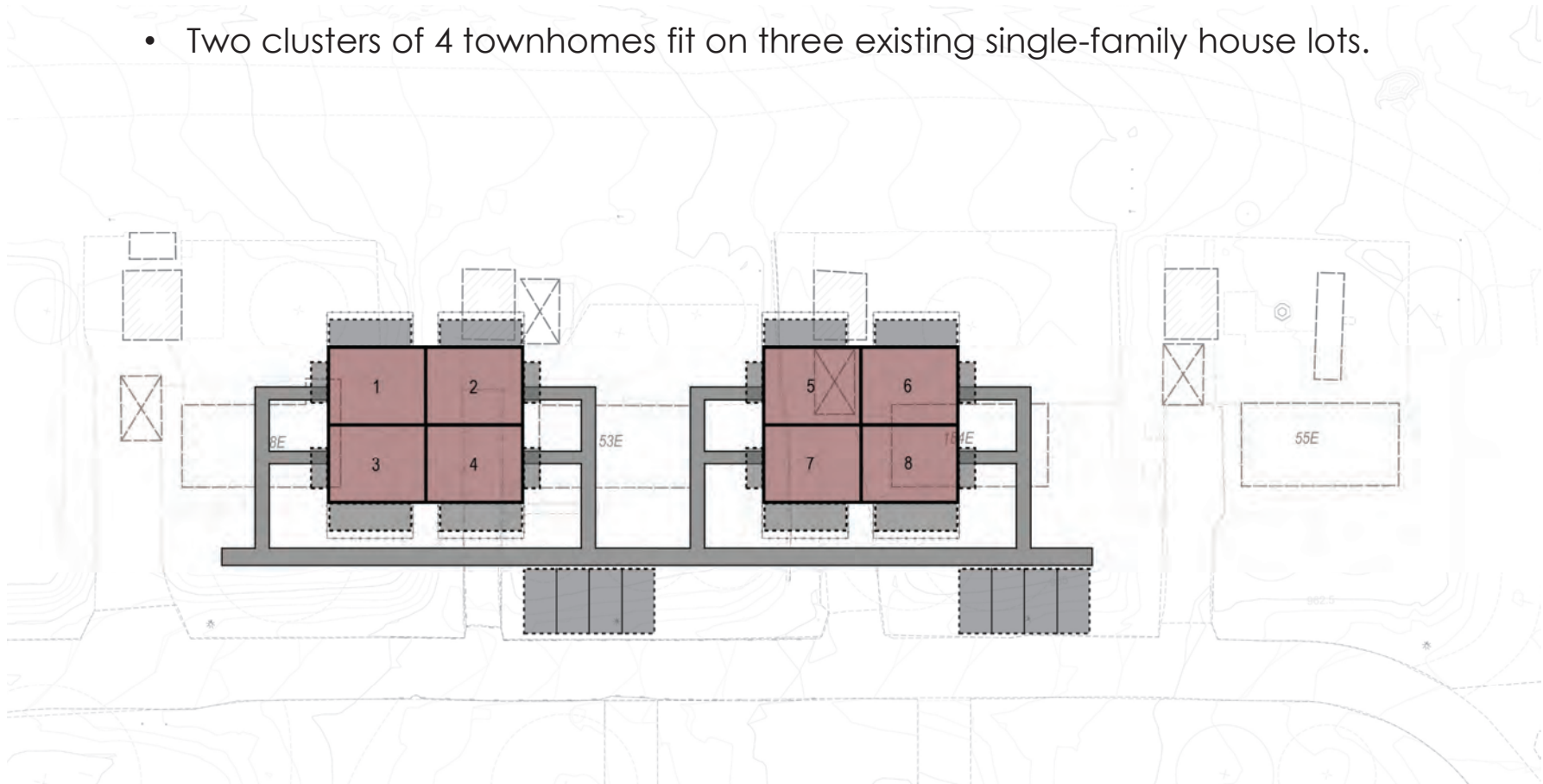


Primary Access Street

- ± **\$ 600,000** per unit.
- **1 bd / 1 ba.**
- Detached 1 car carport.

TOWNHOME TEST FIT IN EXISTING LOT

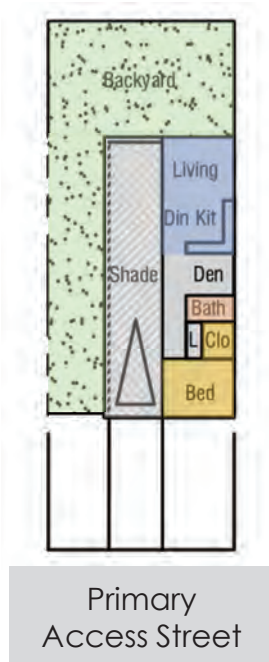
- Two clusters of 4 townhomes fit on three existing single-family house lots.





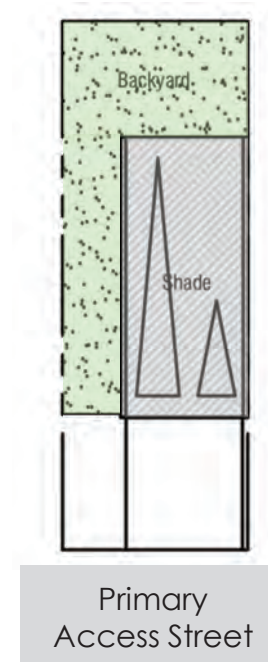
EXTENDED STAY CONDO

CASITA



- **± \$ 633,000** per unit.
- **1 bd / 1 ba.**
- Attached carport

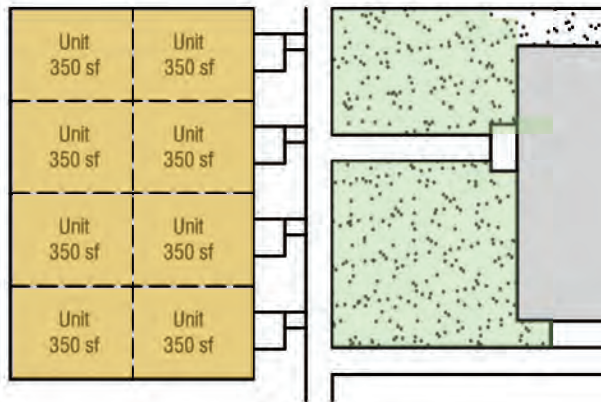
RV PAD



- **± \$ 216,000** per unit.
- **± 2,000 SF RV PAD.**
- Full hookups.



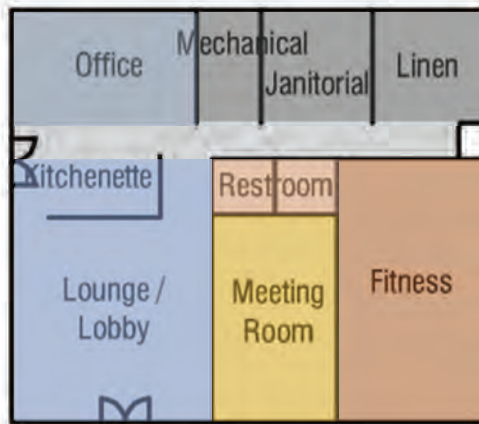
GUEST LODGE / HOTEL



- \pm **\$ 250,000** per unit.
- \pm **350 SF** per unit.
- Typical hotel unit layout without kitchenette.



GUEST AMENITY

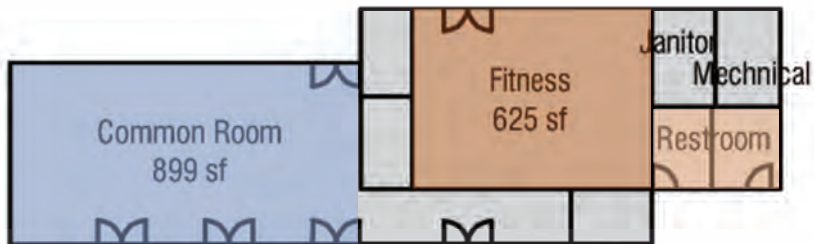


- \pm \$ 1.65 M per facility.
- \pm 2,000 SF of building.
- Kitchenette, laundry, linen, office, small fitness, meeting room, janitorial, utility etc.



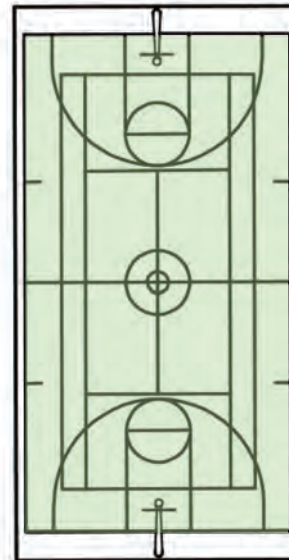
VILLAGE AMENITY: TOTAL COST = 4.4M

CLUB HOUSE



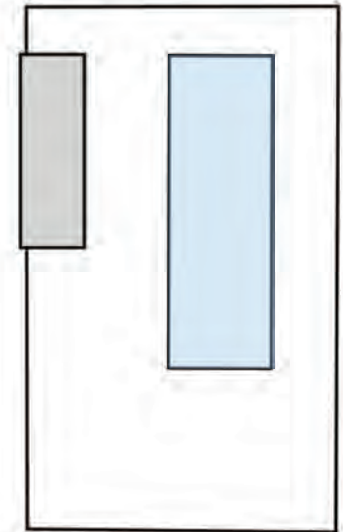
- \pm \$ 2.1 M per facility.
- \pm 2,500 SF of building.
- Fitness, common room, and utility etc.

OUTDOOR FENCED SPORT COURT



- \pm \$ 465,000 per facility.
- Basketball and tennis court.

POOL W/ SHADE STRUCTURE



- \pm \$ 1.8M per unit.



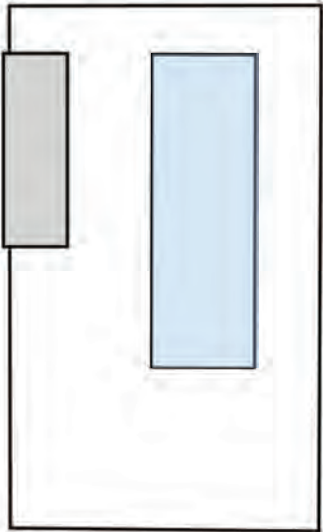
UPGRADED VILLAGE AMENITY: TOTAL COST 10.3M

MULTI-PURPOSE FITNESS COMPLEX



\$ 8.5 M per facility.
10,000 SF of building.
Indoor soccer field, fitness,
and community room etc.

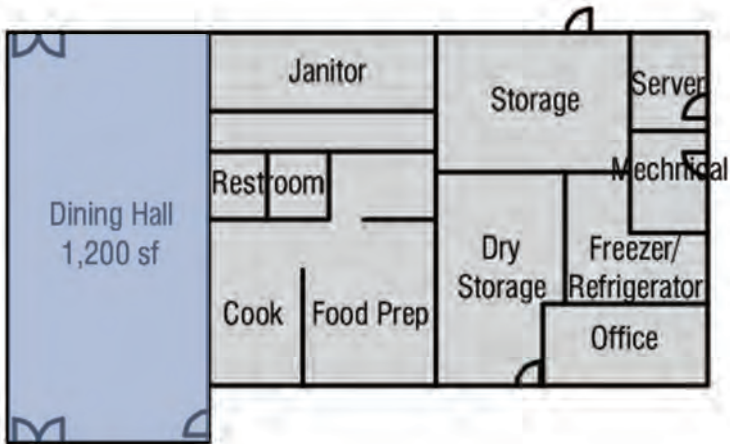
POOL W/
SHADE STRUCTURE



- **± \$ 1.8M** per unit.



KITCHEN / DINING

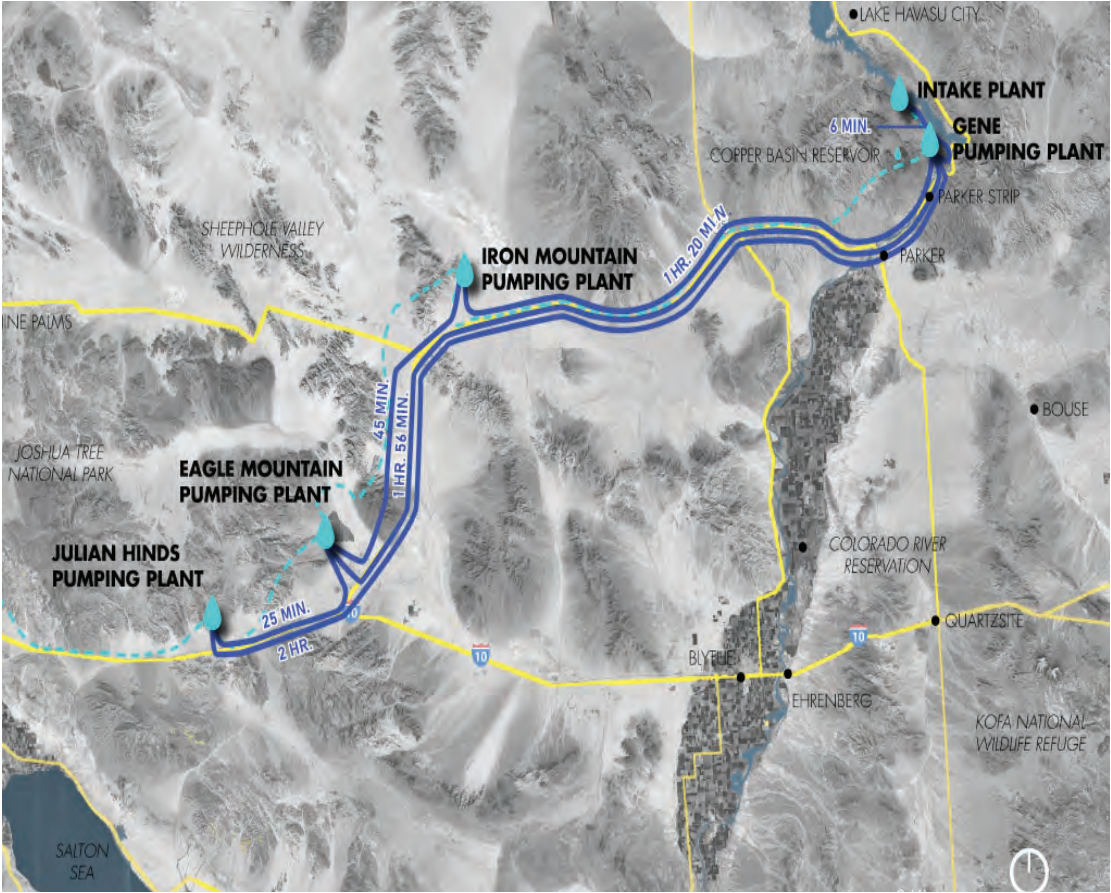


- ± \$ 4.4 M per facility.
- ± 4,000 SF of building.

DETAILED ROM COSTS

- ROUGH ORDER OF MAGNITUDE(ROM)
STATEMENT OF PROBABLE COST - REVISION 1, DECEMBER 2023 144
- ROUGH ORDER OF MAGNITUDE(ROM)
STATEMENT OF PROBABLE COST - REVISION 1, FEBRUARY 2024 192
- SITE COST FOR PHASED PROJECT 202

MWD Community Planning Study
Rough Order of Magnitude (ROM) Statement of Probable Cost - Revision 1
December 28, 2023
23-01134.00



Prepared for RNT Architects



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3. Construction Cost Back Up	
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Scenario 5B - One Village at Gene	30
Scenario 6 - One New Western Village	34
Scenario 7 - No Villages	38
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INTRODUCTION

Basis of Estimate	<p>This Rough Order of Magnitude Statement of Probable Cost is based on the following information provided by RNT Architects on October 31, 2023 and discussions with the architect,</p> <ul style="list-style-type: none">- Village Strategies for MWD housing and property improvements program at five existing desert facilities, based on the studies prepared by Civitas, dated October 26, 2023- Summary of Village Strategies: Quantitative Measures prepared by Civitas, received on November 2, 2023- Housing and Amenity cost models prepared by RNT, received on November 1, 2023- RFI clarifications provided by RNT Architects on November 1, 2023- Discussions with the design team
Estimate Format	<p>A component cost classification format has been used for the preparation of this estimate. It classifies costs by building system / element.</p>
Construction Schedule	<p>A construction schedule to the above strategies is to be developed.</p>
Method of Procurement	<p>The estimate is based on the owner employing a Construction Manager who will prepare subcontractor bid packages and oversee the project</p>
Bid Conditions	<p>This estimate is based on competitive bid situations (minimum of 4 bidders) for all items of subcontracted work.</p>
Basis For Quantities	<p>Wherever possible, this estimate has been based upon the actual measurement of different items of work. For the remaining items, parametric measurements were used in conjunction with other projects of a similar nature.</p>
Basis for Unit Costs	<p>Unit costs as contained herein are based on current bid prices in Blythe, CA. Sub overheads and profit are included in each line item unit cost. Their overhead and profit covers each sub's cost for labor burden, materials, and equipment, sales taxes, field overhead, home office overhead, and profit. The general contractor's overhead is shown separately on the master summary.</p>
Sources for Pricing	<p>This estimate was prepared by a team of qualified cost consultants experienced in estimating construction costs at all stages of design. These consultants have used pricing data from Cumming's database for construction, updated to reflect current conditions in Blythe, CA.</p>
Key Exclusions	<p>The following items have been excluded from our estimate:</p> <ul style="list-style-type: none">- Professional fees, inspections and testing- Plan check fees and building permit fees- Escalation- Land costs- Construction contingency costs- Accommodation and transport for construction crew to complete the job- Off-hours work- Work to the existing infrastructure- Move management / relocation costs- Owner supplied equipment and furniture- Hazardous materials remediation or removal

INTRODUCTION

Items Affecting Cost Estimate	<p>Items which may change the estimated construction cost include, but are not limited to:</p> <ul style="list-style-type: none">- Modifications to the scope of work included in this estimate.- Unforeseen sub-surface conditions.- Restrictive technical specifications or excessive contract conditions.- Any specified item of material or product that cannot be obtained from 3 sources.- Any other non-competitive bid situations.- Bids delayed beyond the projected schedule.
Statement of Probable Cost	<p>Cumming has no control over the cost of labor and materials, the general contractor's or any subcontractor's method of determining prices, or competitive bidding and market conditions. This estimate is made on the basis of the experience, qualifications, and best judgement of a professional consultant familiar with the construction industry. Cumming, however, cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from this or subsequent cost estimates.</p> <p>Cumming's staff of professional cost consultants has prepared this estimate in accordance with generally accepted principles and practices. This staff is available to discuss its contents with any interested party.</p> <p>Pricing reflects probable construction costs obtainable in the project locality on the target dates specified and is a determination of fair market value for the construction of this project. The estimate is not a prediction of low bid. Pricing assumes competitive bidding for every portion of the construction work for all sub and general contractors with a range of 3 - 4 bidders for all items of work. Experience and research indicates that a fewer number of bidders may result in higher bids. Conversely, an increased number of bidders may result in more competitive bid day responses.</p>
Recommendations	<p>Cumming recommends that the Owner and the Architect carefully review this entire document to ensure it reflects their design intent. Requests for modifications of any apparent errors or omissions to this document must be made to Cumming within ten days of receipt of this estimate. Otherwise, it will be assumed that its contents have been reviewed and accepted. If the project is over budget or there are unresolved budget issues, alternate systems / schemes should be evaluated before proceeding into further design phases.</p> <p>It is recommended that there are preparations of further cost estimates throughout design by Cumming to determine overall cost changes since the preparation of this preliminary estimate. These future estimates will have detailed breakdowns indicating materials by type, kind, and size, priced by their respective units of measure.</p>

SUMMARY		
Element		Total
Scenario 1 - Four Villages	\$ \$ \$	\$270,320,000
Scenario 2 - Three Villages	\$ \$ \$ \$	\$288,517,600
Scenario 3 - Two Villages	\$ \$ \$ \$ \$	\$288,735,600
Scenario 4 - Two Desert Villages & De-Commission Gene Village	\$	\$237,255,000
Scenario 5 - One Western Village	\$ \$ \$ \$ \$ \$	\$289,057,000
Scenario 5B - One Village at Gene	\$ \$ \$ \$ \$ \$ \$	\$297,977,000
Scenario 6 - One New Western Village	\$ \$ \$ \$ \$ \$ \$ \$	\$328,927,000
Scenario 7 - No Villages	\$ \$	\$254,144,000
Scenario 7B - No Villages	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$329,994,000

SUMMARY MATRIX

	Scenario 1 - Four Villages	Scenario 2 - Three Villages	Scenario 3 - Two Villages	Scenario 4 - Two Desert Villages & De-Commission Gene Village	Scenario 5 - One Western Village	Scenario 5B - One Village at Gene	Scenario 6 - One New Western Village	Scenario 7 - No Villages	Scenario 7B - No Villages
Element	Total	Total	Total	Total	Total	Total	Total	Total	Total
01 Permanent Housing	\$136,500,000	\$136,500,000	\$136,500,000	\$58,500,000	\$88,400,000	\$89,700,000	\$88,400,000		
02 Temporary / On-Call / Guest Lodges	\$37,100,000	\$38,160,000	\$39,220,000	\$39,220,000	\$40,280,000	\$49,820,000	\$41,340,000	\$37,100,000	\$111,300,000
03 Kitchen / Dining Facilities	\$14,040,000	\$14,040,000	\$18,480,000	\$17,325,000	\$18,720,000	\$11,550,000	\$18,480,000	\$23,100,000	\$23,400,000
04 Village Amenity Packages	\$72,180,000	\$59,930,000	\$39,340,000	\$37,060,000	\$25,157,000	\$25,157,000	\$25,157,000	\$72,180,000	\$72,180,000
05 Guest Amenity Packages	\$10,500,000	\$10,800,000	\$11,100,000	\$11,100,000	\$8,850,000	\$14,100,000	\$11,400,000	\$300,000	\$600,000
06 Infrastructure Cost		\$29,087,600	\$44,095,600	\$74,050,000	\$107,650,000	\$107,650,000	\$144,150,000	\$121,464,000	\$122,514,000
Subtotal Cost	\$270,320,000	\$288,517,600	\$288,735,600	\$237,255,000	\$289,057,000	\$297,977,000	\$328,927,000	\$254,144,000	\$329,994,000
	\$ \$ \$	\$ \$ \$ \$	\$ \$ \$ \$ \$	\$	\$ \$ \$ \$ \$ \$	\$ \$ \$ \$ \$ \$ \$	\$ \$ \$ \$ \$ \$ \$ \$	\$ \$	\$ \$ \$ \$ \$ \$ \$ \$ \$

Scenario 1 - Four Villages

SUMMARY - SCENARIO 1 - FOUR VILLAGES	
Element	Total
01 Permanent Housing	\$136,500,000
02 Temporary / On-Call / Guest Lodges	\$37,100,000
03 Kitchen / Dining Facilities	\$14,040,000
04 Village Amenity Packages	\$72,180,000
05 Guest Amenity Packages	\$10,500,000
06 Infrastructure Cost	
TOTAL ESTIMATED CONSTRUCTION COST	
	\$270,320,000

DETAIL ELEMENTS - SCENARIO 1 - FOUR VILLAGES

Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
Hinds 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	15	ea	\$1,300,000.00	\$19,500,000
Eagle Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	20	ea	\$1,300,000.00	\$26,000,000
Iron Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	33	ea	\$1,300,000.00	\$42,900,000
Gene 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	37	ea	\$1,300,000.00	\$48,100,000
Total - Permanent Housing				\$136,500,000
02 Temporary / On-Call / Guest Lodges				
Gene Guest lodges @ 350SF each unit, single-story	26	ea	\$530,000.00	\$13,780,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00	\$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	25	ea	\$530,000.00	\$13,250,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$37,100,000
03 Kitchen / Dining Facilities				
Hinds Commercial grade kitchen and dining service, small	4,000	sf	\$1,170.00	\$4,680,000
Eagle Mountain Commercial grade kitchen and dining service, small	4,000	sf	\$1,170.00	\$4,680,000
Iron Mountain Commercial grade kitchen and dining service, small	4,000	sf	\$1,170.00	\$4,680,000
Total - Kitchen / Dining Facilities				\$14,040,000

DETAIL ELEMENTS - SCENARIO 1 - FOUR VILLAGES

Element	Quantity	Unit	Unit Cost	Total
04 Village Amenity Packages				
Hinds - Area: 370,000 SF	1	ea	\$12,250,000.00	\$12,250,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	226,775	sf		
Eagle Mountain - Area: 780,000 SF	1	ea	\$16,470,000.00	\$16,470,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	590,825	sf		
Iron Mountain - Area: 770,000 SF	1	ea	\$20,590,000.00	\$20,590,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	474,025	sf		
Gene - Area: 960,000 SF	1	ea	\$22,870,000.00	\$22,870,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	635,675	sf		

Total - Village Amenity Packages

\$72,180,000

05 Guest Amenity Packages in the lodge

Eagle Mountain: 17 Guest Lodges	1	ea	\$2,550,000.00	\$2,550,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 25 Guest Lodges	1	ea	\$3,750,000.00	\$3,750,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

DETAIL ELEMENTS - SCENARIO 1 - FOUR VILLAGES			
Element	Quantity	Unit	Unit Cost Total
Gene: 26 Guest Lodges	1	ea	\$3,900,000.00 \$3,900,000
Gym with weights and cardio room	1,500	sf	
Common dining area	500	sf	
Entertainment room / lounge	1,000	sf	
Meeting room	125	sf	
Intake: 2 Guest Lodges	1	ea	\$300,000.00 \$300,000
Gym with weights and cardio room	1,500	sf	
Common dining area	500	sf	
Entertainment room / lounge	1,000	sf	
Meeting room	125	sf	
Total - Guest Amenity Packages			\$10,500,000
06 Infrastructure Cost			
No scope / work anticipated			
Total - Infrastructure Cost			

Scenario 2 - Three Villages

SUMMARY - SCENARIO 2 - THREE VILLAGES	
Element	Total
01 Permanent Housing	\$136,500,000
02 Temporary / On-Call / Guest Lodges	\$38,160,000
03 Kitchen / Dining Facilities	\$14,040,000
04 Village Amenity Packages	\$59,930,000
05 Guest Amenity Packages	\$10,800,000
06 Infrastructure Cost	\$29,087,600
TOTAL ESTIMATED CONSTRUCTION COST	\$288,517,600

DETAIL ELEMENTS - SCENARIO 2 - THREE VILLAGES

Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
Eagle Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	35	ea	\$1,300,000.00	\$45,500,000
Iron Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	33	ea	\$1,300,000.00	\$42,900,000
Gene 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	37	ea	\$1,300,000.00	\$48,100,000
Total - Permanent Housing				\$136,500,000
02 Temporary / On-Call / Guest Lodges				
Hinds Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00	\$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	25	ea	\$530,000.00	\$13,250,000
Gene Guest lodges @ 350SF each unit, single-story	26	ea	\$530,000.00	\$13,780,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$38,160,000
03 Kitchen / Dining Facilities				
Eagle Mountain Commercial grade kitchen and dining service, small	4,000	sf	\$1,170.00	\$4,680,000
Iron Mountain Commercial grade kitchen and dining service, small	4,000	sf	\$1,170.00	\$4,680,000
Gene Commercial grade kitchen and dining service, small	4,000	sf	\$1,170.00	\$4,680,000
Total - Kitchen / Dining Facilities				\$14,040,000

DETAIL ELEMENTS - SCENARIO 2 - THREE VILLAGES

Element	Quantity	Unit	Unit Cost	Total
04 Village Amenity Packages				
Eagle Mountain - Area: 780,000 SF	1	ea	\$16,470,000.00	\$16,470,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	470,825	sf		
Iron Mountain - Area: 770,000 SF	1	ea	\$20,590,000.00	\$20,590,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	477,150	sf		
Gene - Area: 960,000 SF	1	ea	\$22,870,000.00	\$22,870,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	634,800	sf		

Total - Village Amenity Packages				\$59,930,000
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05 Guest Amenity Packages in the lodge

Hinds: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Eagle Mountain: 17 Guest Lodges	1	ea	\$2,550,000.00	\$2,550,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 25 Guest Lodges	1	ea	\$3,750,000.00	\$3,750,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

DETAIL ELEMENTS - SCENARIO 2 - THREE VILLAGES			
Element	Quantity	Unit	Unit Cost Total
Gene: 26 Guest Lodges	1	ea	\$3,900,000.00 \$3,900,000
Gym with weights and cardio room	1,500	sf	
Common dining area	500	sf	
Entertainment room / lounge	1,000	sf	
Meeting room	125	sf	
Intake: 2 Guest Lodges	1	ea	\$300,000.00 \$300,000
Gym with weights and cardio room	1,500	sf	
Common dining area	500	sf	
Entertainment room / lounge	1,000	sf	
Meeting room	125	sf	
Total - Guest Amenity Packages			\$10,800,000
06 Infrastructure Cost			
Eagle Mountain			
New underground utilities	397,100	sf	\$15.00 \$5,956,500
New water treatment system including installation	1	ea	\$6,850,000.00 \$6,850,000
New septic system	397,100	sf	\$6.00 \$2,382,600
Earthwork, hardscape, landscape and misc. specialties	397,100	sf	\$35.00 \$13,898,500
Total - Infrastructure Cost			\$29,087,600

Scenario 3 - Two Villages

SUMMARY - SCENARIO 3 - TWO VILLAGES	
Element	Total
01 Permanent Housing	\$136,500,000
02 Temporary / On-Call / Guest Lodges	\$39,220,000
03 Kitchen / Dining Facilities	\$18,480,000
04 Village Amenity Packages	\$39,340,000
05 Guest Amenity Packages	\$11,100,000
06 Infrastructure Cost	\$44,095,600
TOTAL ESTIMATED CONSTRUCTION COST	\$288,735,600

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DETAIL ELEMENTS - SCENARIO 3 - TWO VILLAGES			
Element	Quantity	Unit	Unit Cost Total
01 Permanent Housing			
Eagle Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	68	ea	\$1,300,000.00 \$88,400,000
Gene 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	37	ea	\$1,300,000.00 \$48,100,000
Total - Permanent Housing			\$136,500,000
02 Temporary / On-Call / Guest Lodges			
Hinds Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00 \$1,060,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00 \$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	27	ea	\$530,000.00 \$14,310,000
Gene Guest lodges @ 350SF each unit, single-story	26	ea	\$530,000.00 \$13,780,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00 \$1,060,000
Total - Temporary / On-Call / Guest Lodges			\$39,220,000
03 Kitchen / Dining Facilities			
Eagle Mountain Commercial grade of kitchen and dining service, large	8,000	sf	\$1,155.00 \$9,240,000
Gene Commercial grade of kitchen and dining service, large	8,000	sf	\$1,155.00 \$9,240,000
Total - Kitchen / Dining Facilities			\$18,480,000
04 Village Amenity Packages			
Eagle Mountain - Area: 780,000 SF	1	ea	\$16,470,000.00 \$16,470,000
Club house (incl. fitness center and game room)	2,000	sf	
Pool	5,000	sf	
Basketball / Tennis court	6,600	sf	
Outdoor shade structure in common area	1	ea	
Playground	2,500	sf	

DETAIL ELEMENTS - SCENARIO 3 - TWO VILLAGES

Element	Quantity	Unit	Unit Cost	Total
Shade trees and landscaping	210,825	sf		
Gene - Area: 960,000 SF	1	ea	\$22,870,000.00	\$22,870,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	627,675	sf		
Total - Village Amenity Packages				\$39,340,000

05 Guest Amenity Packages in the lodge

Hinds: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Eagle Mountain: 17 Guest Lodges	1	ea	\$2,550,000.00	\$2,550,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 25 Guest Lodges	1	ea	\$4,050,000.00	\$4,050,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Gene: 26 Guest Lodges	1	ea	\$3,900,000.00	\$3,900,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Intake: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Total - Guest Amenity Packages				\$11,100,000

DETAIL ELEMENTS - SCENARIO 3 - TWO VILLAGES			
Element	Quantity	Unit	Unit Cost Total
06 Infrastructure Cost			
Eagle Mountain			
New underground utilities	665,100	sf	\$15.00 \$9,976,500
New water treatment system including installation	1	ea	\$6,850,000.00 \$6,850,000
New septic system	665,100	sf	\$6.00 \$3,990,600
Earthwork, hardscape, landscape and misc. specialties	665,100	sf	\$35.00 \$23,278,500
Total - Infrastructure Cost			\$44,095,600

Scenario 4 - Two Desert Villages & De-Commission Gene Village

SUMMARY - SCENARIO 4 - TWO DESERT VILLAGES & DE-COMMISSION GENE VILLAGE	
Element	Total
01 Permanent Housing	\$58,500,000
02 Temporary / On-Call / Guest Lodges	\$39,220,000
03 Kitchen / Dining Facilities	\$17,325,000
04 Village Amenity Packages	\$37,060,000
05 Guest Amenity Packages	\$11,100,000
06 Infrastructure Cost	\$74,050,000
TOTAL ESTIMATED CONSTRUCTION COST	\$237,255,000

DETAIL ELEMENTS - SCENARIO 4 - TWO DESERT VILLAGES & DE-COMMISSION GENE VILLAGE				
Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
Eagle Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	12	ea	\$1,300,000.00	\$15,600,000
Iron Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	33	ea	\$1,300,000.00	\$42,900,000
Total - Permanent Housing				\$58,500,000
02 Temporary / On-Call / Guest Lodges				
Hinds Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00	\$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	25	ea	\$530,000.00	\$13,250,000
Gene Guest lodges @ 350SF each unit, single-story	28	ea	\$530,000.00	\$14,840,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$39,220,000
03 Kitchen / Dining Facilities				
Eagle Mountain Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Iron Mountain Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Gene Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Total - Kitchen / Dining Facilities				\$17,325,000
04 Village Amenity Packages				
Eagle Mountain - Area: 780,000 SF	1	ea	\$16,470,000.00	\$16,470,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		

DETAIL ELEMENTS - SCENARIO 4 - TWO DESERT VILLAGES & DE-COMMISSION GENE VILLAGE

Element	Quantity	Unit	Unit Cost	Total
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	653,825	sf		
Iron Mountain - Area: 770,000 SF	1	ea	\$20,590,000.00	\$20,590,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	473,025	sf		

Total - Village Amenity Packages**\$37,060,000****05 Guest Amenity Packages in the lodge**

Hinds: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Eagle Mountain: 17 Guest Lodges	1	ea	\$2,550,000.00	\$2,550,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 25 Guest Lodges	1	ea	\$3,750,000.00	\$3,750,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Gene: 28 Guest Lodges	1	ea	\$4,200,000.00	\$4,200,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Intake: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

Total - Guest Amenity Packages**\$11,100,000**

DETAIL ELEMENTS - SCENARIO 4 - TWO DESERT VILLAGES & DE-COMMISSION GENE VILLAGE			
Element	Quantity	Unit	Unit Cost Total
06 Infrastructure Cost			
Eagle Mountain			
New underground utilities	1,200,000	sf	\$15.00 \$18,000,000
New water treatment system including installation	1	ea	\$6,850,000.00 \$6,850,000
New septic system	1,200,000	sf	\$6.00 \$7,200,000
Earthwork, hardscape, landscape and misc. specialties	1,200,000	sf	\$35.00 \$42,000,000
Total - Infrastructure Cost			\$74,050,000

Scenario 5 - One Western Village

SUMMARY - SCENARIO 5 - ONE WESTERN VILLAGE	
Element	Total
01 Permanent Housing	\$88,400,000
02 Temporary / On-Call / Guest Lodges	\$40,280,000
03 Kitchen / Dining Facilities	\$18,720,000
04 Village Amenity Packages	\$25,157,000
05 Guest Amenity Packages	\$8,850,000
06 Infrastructure Cost	\$107,650,000
TOTAL ESTIMATED CONSTRUCTION COST	\$289,057,000

DETAIL ELEMENTS - SCENARIO 5 - ONE WESTERN VILLAGE				
Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
Eagle Mountain 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	68	ea	\$1,300,000.00	\$88,400,000
Total - Permanent Housing				\$88,400,000
02 Temporary / On-Call / Guest Lodges				
Hinds Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00	\$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	27	ea	\$530,000.00	\$14,310,000
Gene Guest lodges @ 350SF each unit, single-story	28	ea	\$530,000.00	\$14,840,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$40,280,000
03 Kitchen / Dining Facilities				
Eagle Mountain Commercial grade of kitchen and dining service, large	8,000	sf	\$1,170.00	\$9,360,000
Gene Commercial grade of kitchen and dining service, large	8,000	sf	\$1,170.00	\$9,360,000
Total - Kitchen / Dining Facilities				\$18,720,000
04 Village Amenity Packages				
Eagle Mountain - Area: 780,000 SF	1	ea	\$25,157,000.00	\$25,157,000
Climate controlled indoor fitness complex	10,000	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	209,550	sf		
Total - Village Amenity Packages				\$25,157,000

DETAIL ELEMENTS - SCENARIO 5 - ONE WESTERN VILLAGE				
Element	Quantity	Unit	Unit Cost	Total
05 Guest Amenity Packages in the lodge				
Hinds: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 27 Guest Lodges	1	ea	\$4,050,000.00	\$4,050,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Gene: 28 Guest Lodges	1	ea	\$4,200,000.00	\$4,200,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Intake: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Total - Guest Amenity Packages				\$8,850,000
06 Infrastructure Cost				
Eagle Mountain				
New underground utilities	1,800,000	sf	\$15.00	\$27,000,000
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	1,800,000	sf	\$6.00	\$10,800,000
Earthwork, hardscape, landscape and misc. specialties	1,800,000	sf	\$35.00	\$63,000,000
Total - Infrastructure Cost				\$107,650,000

Scenario 5B - One Village at Gene

SUMMARY - SCENARIO 5B - ONE VILLAGE AT GENE	
Element	Total
01 Permanent Housing	\$89,700,000
02 Temporary / On-Call / Guest Lodges	\$49,820,000
03 Kitchen / Dining Facilities	\$11,550,000
04 Village Amenity Packages	\$25,157,000
05 Guest Amenity Packages	\$14,100,000
06 Infrastructure Cost	\$107,650,000
TOTAL ESTIMATED CONSTRUCTION COST	\$297,977,000

DETAIL ELEMENTS - SCENARIO 5B - ONE VILLAGE AT GENE				
Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
Gene 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	69	ea	\$1,300,000.00	\$89,700,000
Total - Permanent Housing				\$89,700,000
02 Temporary / On-Call / Guest Lodges				
Hinds Guest lodges @ 350SF each unit, single-story	8	ea	\$530,000.00	\$4,240,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	25	ea	\$530,000.00	\$13,250,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	33	ea	\$530,000.00	\$17,490,000
Gene Guest lodges @ 350SF each unit, single-story	26	ea	\$530,000.00	\$13,780,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$49,820,000
03 Kitchen / Dining Facilities				
Eagle Mountain Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Gene Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Total - Kitchen / Dining Facilities				\$11,550,000
04 Village Amenity Packages				
Gene - Area: 960,000 SF	1	ea	\$25,157,000.00	\$25,157,000
Climate controlled indoor fitness complex	10,000	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	378,275	sf		
Total - Village Amenity Packages				\$25,157,000

DETAIL ELEMENTS - SCENARIO 5B - ONE VILLAGE AT GENE

Element	Quantity	Unit	Unit Cost	Total
05 Guest Amenity Packages in the lodge				
Hinds: 8 Guest Lodges	1	ea	\$1,200,000.00	\$1,200,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Eagle Mountain: 25 Guest Lodges	1	ea	\$3,750,000.00	\$3,750,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 33 Guest Lodges	1	ea	\$4,950,000.00	\$4,950,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Gene: 26 Guest Lodges	1	ea	\$3,900,000.00	\$3,900,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Intake: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

Total - Guest Amenity Packages

\$14,100,000

06 Infrastructure Cost

Gene				
New underground utilities	1,800,000	sf	\$15.00	\$27,000,000
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	1,800,000	sf	\$6.00	\$10,800,000
Earthwork, hardscape, landscape and misc. specialties	1,800,000	sf	\$35.00	\$63,000,000

Total - Infrastructure Cost

\$107,650,000

Scenario 6 - One New Western Village

SUMMARY - SCENARIO 6 - ONE NEW WESTERN VILLAGE	
Element	Total
01 Permanent Housing	\$88,400,000
02 Temporary / On-Call / Guest Lodges	\$41,340,000
03 Kitchen / Dining Facilities	\$18,480,000
04 Village Amenity Packages	\$25,157,000
05 Guest Amenity Packages	\$11,400,000
06 Infrastructure Cost	\$144,150,000
TOTAL ESTIMATED CONSTRUCTION COST	\$328,927,000

DETAIL ELEMENTS - SCENARIO 6 - ONE NEW WESTERN VILLAGE

Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
New West Village 3bed/2bath incl. 2 car garage, 1,350SF each unit, single-story	68	ea	\$1,300,000.00	\$88,400,000
Total - Permanent Housing				\$88,400,000
02 Temporary / On-Call / Guest Lodges				
Hinds Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00	\$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	27	ea	\$530,000.00	\$14,310,000
Gene Guest lodges @ 350SF each unit, single-story	28	ea	\$530,000.00	\$14,840,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
New West Village Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$41,340,000
03 Kitchen / Dining Facilities				
New West Village Commercial grade of kitchen and dining service, large	8,000	sf	\$1,155.00	\$9,240,000
Gene Commercial grade of kitchen and dining service, large	8,000	sf	\$1,155.00	\$9,240,000
Total - Kitchen / Dining Facilities				\$18,480,000
04 Village Amenity Packages				
New West Village - Area: 1,056,000 SF	1	ea	\$25,157,000.00	\$25,157,000
Climate controlled indoor fitness complex	10,000	sf		
Outdoor shade structure in common area	1	ea		
Playground	2,500	sf		
Shade trees and landscaping	487,675	sf		
Total - Village Amenity Packages				\$25,157,000

DETAIL ELEMENTS - SCENARIO 6 - ONE NEW WESTERN VILLAGE

Element	Quantity	Unit	Unit Cost	Total
05 Guest Amenity Packages in the lodge				
Hinds: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Eagle Mountain: 17 Guest Lodges	1	ea	\$2,550,000.00	\$2,550,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Iron Mountain: 27 Guest Lodges	1	ea	\$4,050,000.00	\$4,050,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Gene: 28 Guest Lodges	1	ea	\$4,200,000.00	\$4,200,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		
Intake: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

Total - Guest Amenity Packages	\$11,400,000
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06 Infrastructure Cost

New West Village				
New underground utilities	1,800,000	sf	\$30.00	\$54,000,000
New stormwater management, incl. UG detention	1,800,000	sf	\$5.00	\$9,000,000
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	1,800,000	sf	\$6.00	\$10,800,000
Environmental mitigation	1	ls	\$500,000.00	\$500,000
Earthwork, hardscape, landscape and misc specialties	1,800,000	sf	\$35.00	\$63,000,000

Total - Infrastructure Cost	\$144,150,000
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Scenario 7 - No Villages

SUMMARY - SCENARIO 7 - NO VILLAGES	
Element	Total
01 Permanent Housing	
02 Temporary / On-Call / Guest Lodges	\$37,100,000
03 Kitchen / Dining Facilities	\$23,100,000
04 Village Amenity Packages	\$72,180,000
05 Guest Amenity Packages	\$300,000
06 Infrastructure Cost	\$121,464,000
TOTAL ESTIMATED CONSTRUCTION COST	\$254,144,000

DETAIL ELEMENTS - SCENARIO 7 - NO VILLAGES				
Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
No scope / work anticipated				
Total - Permanent Housing				
02 Temporary / On-Call / Guest Lodges				
Eagle Mountain Guest lodges @ 350SF each unit, single-story	17	ea	\$530,000.00	\$9,010,000
Iron Mountain Guest lodges @ 350SF each unit, single-story	25	ea	\$530,000.00	\$13,250,000
Gene Guest lodges @ 350SF each unit, single-story	26	ea	\$530,000.00	\$13,780,000
Intake Guest lodges @ 350SF each unit, single-story	2	ea	\$530,000.00	\$1,060,000
Total - Temporary / On-Call / Guest Lodges				\$37,100,000
03 Kitchen / Dining Facilities				
Hinds Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Eagle Mountain Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Iron Mountain Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Gene Commercial grade of kitchen and dining service, large	5,000	sf	\$1,155.00	\$5,775,000
Total - Kitchen / Dining Facilities				\$23,100,000
04 Village Amenity Packages				
Hinds - Area: 370,000 SF	1	ea	\$12,250,000.00	\$12,250,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	351,400	sf		

DETAIL ELEMENTS - SCENARIO 7 - NO VILLAGES

Element	Quantity	Unit	Unit Cost	Total
Eagle Mountain - Area: 780,000 SF	1	ea	\$16,470,000.00	\$16,470,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	755,450	sf		
Iron Mountain - Area: 770,000 SF	1	ea	\$20,590,000.00	\$20,590,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	742,650	sf		
Gene - Area: 960,000 SF	1	ea	\$22,870,000.00	\$22,870,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	932,300	sf		

Total - Village Amenity Packages

\$72,180,000

05 Guest Amenity Packages in the lodge

Intake: 2 Guest Lodges	1	ea	\$300,000.00	\$300,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

Total - Guest Amenity Packages

\$300,000

06 Infrastructure Cost

Hinds				
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	88,000	sf	\$6.00	\$528,000
Earthwork, hardscape, landscape and misc. specialties, improvements	370,000	sf	\$15.00	\$5,550,000
Underground utility improvements	370,000	sf	\$10.00	\$3,700,000
Eagle Mountain				
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	221,000	sf	\$6.00	\$1,326,000
Earthwork, hardscape, landscape and misc. specialties, improvements	780,000	sf	\$15.00	\$11,700,000
Underground utility improvements	780,000	sf	\$10.00	\$7,800,000
Iron Mountain				
New water treatment system including installation	1	ea	\$6,865,000.00	\$6,865,000
New septic system	309,000	sf	\$6.00	\$1,854,000
Earthwork, hardscape, landscape and misc. specialties, improvements	770,000	sf	\$15.00	\$11,550,000

DETAIL ELEMENTS - SCENARIO 7 - NO VILLAGES			
Element	Quantity	Unit	Unit Cost Total
Underground utility improvements	770,000	sf	\$10.00 \$7,700,000
Gene			
New water treatment system including installation	1	ea	\$6,865,000.00 \$6,865,000
New septic system	290,000	sf	\$6.00 \$1,740,000
Earthwork, hardscape, landscape and misc. specialties, improvements	960,000	sf	\$15.00 \$14,400,000
Underground utility improvements	960,000	sf	\$10.00 \$9,600,000
Intake			
New water treatment system including installation	1	ea	\$6,850,000.00 \$6,850,000
New septic system	81,000	sf	\$6.00 \$486,000
Earthwork, hardscape, landscape and misc. specialties, improvements	370,000	sf	\$15.00 \$5,550,000
Underground utility improvements	370,000	sf	\$10.00 \$3,700,000
Total - Infrastructure Cost			\$121,464,000

Scenario 7B - No Villages

SUMMARY - SCENARIO 7B - NO VILLAGES	
Element	Total
01 Permanent Housing	
02 Temporary / On-Call / Guest Lodges	\$111,300,000
03 Kitchen / Dining Facilities	\$23,400,000
04 Village Amenity Packages	\$72,180,000
05 Guest Amenity Packages	\$600,000
06 Infrastructure Cost	\$122,514,000
TOTAL ESTIMATED CONSTRUCTION COST	\$329,994,000

DETAIL ELEMENTS - SCENARIO 7B - NO VILLAGES				
Element	Quantity	Unit	Unit Cost	Total
01 Permanent Housing				
No scope / work anticipated				
Total - Permanent Housing				
02 Temporary / On-Call / Guest Lodges				
Hinds				
Guest lodges @ 750SF each unit, single-story	20	ea	\$1,060,000.00	\$21,200,000
Eagle Mountain				
Guest lodges @ 750SF each unit, single-story	33	ea	\$1,060,000.00	\$34,980,000
Iron Mountain				
Guest lodges @ 750SF each unit, single-story	38	ea	\$1,060,000.00	\$40,280,000
Gene				
Guest lodges @ 750SF each unit, single-story	10	ea	\$1,060,000.00	\$10,600,000
Intake				
Guest lodges @ 750SF each unit, single-story	4	ea	\$1,060,000.00	\$4,240,000
Total - Temporary / On-Call / Guest Lodges				\$111,300,000
03 Kitchen / Dining Facilities				
Hinds				
Commercial grade of kitchen and dining service, large	5,000	sf	\$1,170.00	\$5,850,000
Eagle Mountain				
Commercial grade of kitchen and dining service, large	5,000	sf	\$1,170.00	\$5,850,000
Iron Mountain				
Commercial grade of kitchen and dining service, large	5,000	sf	\$1,170.00	\$5,850,000
Gene				
Commercial grade of kitchen and dining service, large	5,000	sf	\$1,170.00	\$5,850,000
Total - Kitchen / Dining Facilities				\$23,400,000
04 Village Amenity Packages				
Hinds - Area: 370,000 SF	1	ea	\$12,250,000.00	\$12,250,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		

DETAIL ELEMENTS - SCENARIO 7B - NO VILLAGES

Element	Quantity	Unit	Unit Cost	Total
Shade trees and landscaping	336,400	sf		
Eagle Mountain - Area: 780,000 SF	1	ea	\$16,470,000.00	\$16,470,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	736,650	sf		
Iron Mountain - Area: 770,000 SF	1	ea	\$20,590,000.00	\$20,590,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	722,900	sf		
Gene - Area: 960,000 SF	1	ea	\$22,870,000.00	\$22,870,000
Club house (incl. fitness center and game room)	2,000	sf		
Pool	5,000	sf		
Basketball / Tennis court	6,600	sf		
Shade trees and landscaping	933,900	sf		

Total - Village Amenity Packages

\$72,180,000

05 Guest Amenity Packages in the lodge

Intake: 4 Guest Lodges	1	ea	\$600,000.00	\$600,000
Gym with weights and cardio room	1,500	sf		
Common dining area	500	sf		
Entertainment room / lounge	1,000	sf		
Meeting room	125	sf		

Total - Guest Amenity Packages

\$600,000

06 Infrastructure Cost

Hinds				
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	188,000	sf	\$6.00	\$1,128,000
Earthwork, hardscape, landscape and misc. specialties, improvements	370,000	sf	\$15.00	\$5,550,000
Underground utility improvements	370,000	sf	\$10.00	\$3,700,000
Eagle Mountain				
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	301,000	sf	\$6.00	\$1,806,000
Earthwork, hardscape, landscape and misc. specialties, improvements	780,000	sf	\$15.00	\$11,700,000
Underground utility improvements	780,000	sf	\$10.00	\$7,800,000
Iron Mountain				
New water treatment system including installation	1	ea	\$6,865,000.00	\$6,865,000

San Diego, CA

Project # 23-01134.00

Rough Order of Magnitude (ROM) SOPC

12/28/23

DETAIL ELEMENTS - SCENARIO 7B - NO VILLAGES				
Element	Quantity	Unit	Unit Cost	Total
New septic system	374,000	sf	\$6.00	\$2,244,000
Earthwork, hardscape, landscape and misc. specialties, improvements	770,000	sf	\$15.00	\$11,550,000
Underground utility improvements	770,000	sf	\$10.00	\$7,700,000
Gene				
New water treatment system including installation	1	ea	\$6,865,000.00	\$6,865,000
New septic system	210,000	sf	\$6.00	\$1,260,000
Earthwork, hardscape, landscape and misc. specialties, improvements	960,000	sf	\$15.00	\$14,400,000
Underground utility improvements	960,000	sf	\$10.00	\$9,600,000
Intake				
New water treatment system including installation	1	ea	\$6,850,000.00	\$6,850,000
New septic system	91,000	sf	\$6.00	\$546,000
Earthwork, hardscape, landscape and misc. specialties, improvements	370,000	sf	\$15.00	\$5,550,000
Underground utility improvements	370,000	sf	\$10.00	\$3,700,000
Total - Infrastructure Cost			\$122,514,000	

MWD Community Planning Study

Rough Order of Magnitude (ROM) SOPC - Revision 1

February 29, 2024

CUMMING
GROUP

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INTRODUCTION	
Basis of Estimate	<p>This Rough Order of Magnitude Statement of Probable Cost is based on the MWD product typologies exhibit provided by RNT Architects on February 13, 2024 including:</p> <ul style="list-style-type: none">- Housing and Amenity cost models prepared by RNT, received on November 1, 2023- Discussions with the design team
Estimate Format	<p>A component cost classification format has been used for the preparation of this estimate. It classifies costs by building system / element.</p>
Construction Schedule	<p>A construction schedule to the above strategies is to be developed.</p>
Method of Procurement	<p>The estimate is based on the owner employing a Construction Manager who will prepare subcontractor bid packages and oversee the project</p>
Bid Conditions	<p>This estimate is based on competitive bid situations (minimum of 4 bidders) for all items of subcontracted work.</p>
Basis For Quantities	<p>Wherever possible, this estimate has been based upon the actual measurement of different items of work. For the remaining items, parametric measurements were used in conjunction with other projects of a similar nature.</p>
Basis for Unit Costs	<p>Unit costs as contained herein are based on current bid prices in Blythe, CA. Sub overheads and profit are included in each line item unit cost. Their overhead and profit covers each sub's cost for labor burden, materials, and equipment, sales taxes, field overhead, home office overhead, and profit. The general contractor's overhead is shown separately on the master summary.</p>
Sources for Pricing	<p>This estimate was prepared by a team of qualified cost consultants experienced in estimating construction costs at all stages of design. These consultants have used pricing data from Cumming's database for construction, updated to reflect current conditions in Blythe, CA.</p>
Key Exclusions	<p>The following items have been excluded from our estimate:</p> <ul style="list-style-type: none">- Professional fees, inspections and testing- Plan check fees and building permit fees- Escalation- Land costs- Construction contingency costs- Accommodation and transport for construction crew to complete the job- Off-hours work- Work to the existing infrastructure- Move management / relocation costs- Owner supplied equipment and furniture- Hazardous materials remediation or removal

INTRODUCTION

Items Affecting Cost Estimate	<p>Items which may change the estimated construction cost include, but are not limited to:</p> <ul style="list-style-type: none">- Modifications to the scope of work included in this estimate.- Unforeseen sub-surface conditions.- Restrictive technical specifications or excessive contract conditions.- Any specified item of material or product that cannot be obtained from 3 sources.- Any other non-competitive bid situations.- Bids delayed beyond the projected schedule.
Statement of Probable Cost	<p>Cumming has no control over the cost of labor and materials, the general contractor's or any subcontractor's method of determining prices, or competitive bidding and market conditions. This estimate is made on the basis of the experience, qualifications, and best judgement of a professional consultant familiar with the construction industry. Cumming, however, cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from this or subsequent cost estimates.</p> <p>Cumming's staff of professional cost consultants has prepared this estimate in accordance with generally accepted principles and practices. This staff is available to discuss its contents with any interested party.</p> <p>Pricing reflects probable construction costs obtainable in the project locality on the target dates specified and is a determination of fair market value for the construction of this project. The estimate is not a prediction of low bid. Pricing assumes competitive bidding for every portion of the construction work for all sub and general contractors with a range of 3 - 4 bidders for all items of work. Experience and research indicates that a fewer number of bidders may result in higher bids. Conversely, an increased number of bidders may result in more competitive bid day responses.</p>
Recommendations	<p>Cumming recommends that the Owner and the Architect carefully review this entire document to ensure it reflects their design intent. Requests for modifications of any apparent errors or omissions to this document must be made to Cumming within ten days of receipt of this estimate. Otherwise, it will be assumed that its contents have been reviewed and accepted. If the project is over budget or there are unresolved budget issues, alternate systems / schemes should be evaluated before proceeding into further design phases.</p> <p>It is recommended that there are preparations of further cost estimates throughout design by Cumming to determine overall cost changes since the preparation of this preliminary estimate. These future estimates will have detailed breakdowns indicating materials by type, kind, and size, priced by their respective units of measure.</p>

SUMMARY			
Element	Area	Cost / SF	Total
Single Family Home	1,600	\$936.41	\$1,498,250
Linear 1B/1B Condo	750	\$704.87	\$528,650
Pinwheel 1B/1B Condo	750	\$643.27	\$482,450
Casita 1B/1B	750	\$844.20	\$633,150
RV Pad	2,000	\$108.20	\$216,400
Carport	800	\$825.00	\$80,000
Guest Amenity	2,000	\$825.00	\$1,650,000
Guest Room	350	\$715.00	\$250,250
Village Club House	2,500	\$830.00	\$2,075,000
Kitchen/Dining	4,000	\$1,100.00	\$4,400,000
Multi-Purpose Fitness Complex	10,000	\$850.00	\$8,500,000
Outdoor Fenced Sport Court	5,600	\$83.07	\$465,200
Pool with 200 SF Shade Structure	6,000	\$300.00	\$1,800,000

Village Product Typology Study

DETAIL ELEMENTS - VILLAGE PRODUCT TYPOLOGY STUDY

Element	Quantity	Unit	Unit Cost	Total
01 - Single Family Home	1,600	sf		
Base Building				
3bed/2bath incl. 2 car garage, 1,600SF each unit, single-story	1,600	sf	\$865.00	\$1,384,000
Exterior Improvements				
Covered patio	600	sf	\$80.00	\$48,000
Concrete driveway	600	sf	\$15.00	\$9,000
Concrete walkway	100	sf	\$15.00	\$1,500
Chain-link fence with privacy slats	250	lf	\$115.00	\$28,750
Utilities				
Wet Utilities				
Domestic water line, incl. trenching and backfill	50	lf	\$100.00	\$5,000
Sanitary sewer line, incl. trenching and backfill	50	lf	\$125.00	\$6,250
Storm drain line, incl. trenching and backfill	50	lf	\$135.00	\$6,750
Dry Utilities				
Electrical service and distribution	50	lf	\$180.00	\$9,000
Total - Single Family Home	1,600	sf	\$936.41	\$1,498,250
02 - Linear 1B/1B Condo	750	sf		
Base Building				
Linear 1bed/1bath condo, 750SF each unit, single-story	750	sf	\$625.00	\$468,750
Exterior Improvements				
Carport	200	sf	\$100.00	\$20,000
Covered patio	250	sf	\$80.00	\$20,000
Concrete walkway	250	sf	\$15.00	\$3,750
Chain-link fence with privacy slats	70	lf	\$115.00	\$8,050
Utilities				
Wet Utilities				
Domestic water line, incl. trenching and backfill	15	lf	\$100.00	\$1,500
Sanitary sewer line, incl. trenching and backfill	15	lf	\$125.00	\$1,875
Storm drain line, incl. trenching and backfill	15	lf	\$135.00	\$2,025
Dry Utilities				
Electrical service and distribution	15	lf	\$180.00	\$2,700
Total - Linear 1B/1B Condo	750	sf	\$704.87	\$528,650

DETAIL ELEMENTS - VILLAGE PRODUCT TYPOLOGY STUDY

Element	Quantity	Unit	Unit Cost	Total
03 - Pinwheel 1B/1B Condo	750	sf		
Base Building				
Pinwheel 1bed/1bath condo, 750SF each unit, single-story	750	sf	\$565.00	\$423,750
Exterior Improvements				
Carport	200	sf	\$100.00	\$20,000
Covered patio	250	sf	\$80.00	\$20,000
Concrete walkway	400	sf	\$15.00	\$6,000
Chain-link fence with privacy slats	40	lf	\$115.00	\$4,600
Utilities				
Wet Utilities				
Domestic water line, incl. trenching and backfill	15	lf	\$100.00	\$1,500
Sanitary sewer line, incl. trenching and backfill	15	lf	\$125.00	\$1,875
Storm drain line, incl. trenching and backfill	15	lf	\$135.00	\$2,025
Dry Utilities				
Electrical service and distribution	15	lf	\$180.00	\$2,700
Total - Pinwheel 1B/1B Condo	750	sf	\$643.27	\$482,450
04 - Casita 1B/1B	750	sf		
Base Building				
1bed/1bath condo, 750SF, single-story	750	sf	\$715.00	\$536,250
Exterior Improvements				
Carport	550	sf	\$100.00	\$55,000
Concrete walkway	250	sf	\$15.00	\$3,750
Chain-link fence with privacy slats	50	lf	\$115.00	\$5,750
Utilities				
Wet Utilities				
Domestic water line, incl. trenching and backfill	60	lf	\$100.00	\$6,000
Sanitary sewer line, incl. trenching and backfill	60	lf	\$125.00	\$7,500
Storm drain line, incl. trenching and backfill	60	lf	\$135.00	\$8,100
Dry Utilities				
Electrical service and distribution	60	lf	\$180.00	\$10,800
Total - Casita 1B/1B	750	sf	\$844.20	\$633,150

DETAIL ELEMENTS - VILLAGE PRODUCT TYPOLOGY STUDY

Element	Quantity	Unit	Unit Cost	Total
05 - RV Pad	2,000	sf		
RV pad with full hookups	2,000	sf	\$20.00	\$40,000
Shade structure for RV and/or passenger vehicle, 16' tall	1,300	sf	\$100.00	\$130,000
Concrete driveway	550	sf	\$15.00	\$8,250
Chain-link fence with privacy slats	50	lf	\$115.00	\$5,750
Utilities				
Wet Utilities				
Domestic water line, incl. trenching and backfill	60	lf	\$100.00	\$6,000
Sanitary sewer line, incl. trenching and backfill	60	lf	\$125.00	\$7,500
Storm drain line, incl. trenching and backfill	60	lf	\$135.00	\$8,100
Dry Utilities				
Electrical service and distribution	60	lf	\$180.00	\$10,800
Total - RV Pad	2,000	sf	\$108.20	\$216,400
06 - Carport	800	sf		
Steel carport, 20' x 40', for 4 cars with asphalt paving	800	sf	\$100.00	\$80,000
Total - Carport	800	sf	\$100.00	\$80,000
07 - Guest Amenity	2,000	sf		
Guest amenities including kitchenette, laundry, linen, janitorial, utility, office, restrooms, small fitness room and a meeting room, single story	2,000	sf	\$825.00	\$1,650,000
Total - Guest Amenity	2,000	sf	\$825.00	\$1,650,000
08 - Guest Room	350	sf		
Guest room with 50SF covered patio including bathroom, closet and bedroom, excluding kitchenette, single story	350	sf	\$715.00	\$250,250
Total - Guest Room	350	sf	\$715.00	\$250,250
09 - Village Club House	2,500	sf		
Village club house including common room, fitness, janitor, mechanical and restrooms, single story	2,500	sf	\$830.00	\$2,075,000
Total - Village Club House	2,500	sf	\$830.00	\$2,075,000

DETAIL ELEMENTS - VILLAGE PRODUCT TYPOLOGY STUDY				
Element	Quantity	Unit	Unit Cost	Total
10 - Kitchen/Dining	4,000	sf		
Kitchen including dining, food prep, storage, freezer, server, chef's office, janitor and restrooms, single story	4,000	sf	\$1,100.00	\$4,400,000
Total - Kitchen/Dining	4,000	sf	\$1,100.00	\$4,400,000
11 - Multi-Purpose Fitness Complex	10,000	sf		
Multi-purpose fitness complex including multi use court, fitness room, community meeting rooms, lockers, restrooms, storage etc., single story	10,000	sf	\$850.00	\$8,500,000
Total - Multi-Purpose Fitness Complex	10,000	sf	\$850.00	\$8,500,000
12 - Outdoor Fenced Sport Court	5,600	sf		
Outdoor sports court (basketball / tennis / volleyball)	5,600	sf	\$50.00	\$280,000
Chain-link fence & gates, 12' H	312	lf	\$225.00	\$70,200
Shade structure	200	sf	\$125.00	\$25,000
Pole lighting	6	ea	\$15,000.00	\$90,000
Total - Outdoor Fenced Sport Court	5,600	sf	\$83.07	\$465,200
13 - Pool with 200 SF Shade Structure	6,000	sf		
Pool with 200SF shade structure	6,000	sf	\$300.00	\$1,800,000
Total - Pool with 20 SF Shade Structure	6,000	sf	\$300.00	\$1,800,000

MWD Village Improvements					
RNT Architects					
	4/30/2024				
	PHASE 1	PHASE 2	PHASE 3	PHASE 4	
Julian Hinds					
Site Prep	253,932	0	0	0	
Site Improvements	2,183,154	0	0	0	
Mechanical Utilities	70,860	0	0	0	
Electrical Utilities	44,400	0	0	0	
Survey	50,000	0	0	0	
Julian Hinds Village Total	2,602,346	0	0	0	
Eagle Mountain					
Site Prep	404,046	151,100	270,350	151,100	
Site Improvements	4,459,219	280,620	802,080	260,460	
Mechanical Utilities	270,930	69,000	258,000	69,000	
Electrical Utilities	333,340	45,840	106,000	45,840	
Survey	181,411	6,000	20,000	6,000	
Eagle Mountain Village Total	5,648,946	552,560	1,456,430	532,400	
Iron Mountain					
Site Prep	1,427,821	163,900	291,150	163,900	
Site Improvements	5,071,542	246,160	801,800	123,480	
Mechanical Utilities	238,730	60,300	229,200	30,150	
Electrical Utilities	229,780	38,400	87,400	19,200	
Survey	266,509	6,000	20,000	3,000	
Iron Mountain Village Total	7,234,382	514,760	1,429,550	339,730	
Gene					
Site Prep	1,383,701	204,225	295,050	167,800	
Site Improvements	2,417,704	435,525	801,800	241,960	
Mechanical Utilities	180,730	88,450	60,300	60,300	
Electrical Utilities	50,160	50,600	87,400	38,400	
Survey	50,000	8,000	20,000	6,000	
Gene Village Total	4,082,295	786,800	1,264,550	514,460	
Intake (incl Gene/Intake vacation rentals)					
Site Prep	145,450	0	0	0	
Site Improvements	208,570	0	0	0	
Mechanical Utilities	34,450	0	0	0	
Electrical Utilities	23,700	0	0	0	
Survey	5,000	0	0	0	
Intake Village Total	417,170	0	0	0	
Total (all villages)	19,985,139	1,854,120	4,150,530	1,386,590	
Escalation 4/22 - 4/24	1.0882	1.0882	1.0882	1.0882	
Grand total	21,747,279	2,017,602	4,516,493	1,508,849	
					TOTAL SITEWORK (2024 dollars)
					29,790,223



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Information

- **Board of Directors**
Legislation and Communications Committee

7/9/2024 Board Meeting

9-3

Subject

Report on SB 1255 (Durazo, D – Los Angeles): Public water systems: needs analysis: water rate assistance program (June 19, 2024)

Executive Summary

SB 1255 (Durazo) (**Attachment 1**), as amended on June 19, 2024, seeks to address the affordability of drinking water in California by establishing a water rate assistance program for low-income households. SB 1255 would require the State Water Resources Control Board to conduct regular needs analysis updates for community water systems with fewer than 3,300 service connections by July 1, 2026, and every three years thereafter. This analysis will determine the necessary funds to provide a 20 percent discount to low-income households served by smaller community water systems.

Further, qualified systems which serve over 3,300 residential service connections would be mandated to implement a low-income rate assistance (LIRA) program by July 1, 2027, for their eligible ratepayers based on available information. The intent is to provide a 20 percent monthly credit for qualified low-income households or, if contributions are insufficient to meet that intent, at least a credit of 10 percent or \$5 (whichever is greater). If the system cannot sustain a 10 percent or \$5 monthly credit, then the water systems are required to establish a crisis assistance fund to assist eligible ratepayers with bill arrearages.

The LIRA program as currently drafted includes a number of provisions, including but not limited to the following:

- Mandated automatic enrollment of eligible, low-income ratepayers.
- Outreach and communication by qualified water systems regarding the implementation of the program.
- Funding by voluntary contributions; if available, state or federal funding sources may be used to offset or supplement contributions.
- The requirement that voluntary contributions from ratepayers be made on an opt-out basis.

Metropolitan staff convened and met with a Member Agency LIRA Working Group (May 15, 2024, and June 14, 2024) to solicit member agency feedback and better understand the benefits, concerns and impacts at the local level.

Fiscal Impact

The bill does not apply to Metropolitan, and there is no direct fiscal impact to Metropolitan.

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 53500, dated January 9, 2024, the Board adopted the Metropolitan Legislative Priorities and Principles, Legislative Priority 7 and Sections I.B.1, I.B.2, and I.B.3.

Related Board Actions/Reports

Equity, Inclusion and Affordability, Water Affordability Expert Panels: Discussion of Member Agency Programs (August 14, 2023), Metropolitan's Role in Household Water Affordability (October 24, 2023), Regulatory Requirements Impacting Affordability (November 13, 2023).

Equity, Inclusion and Affordability Committee Report on Water Affordability Panels and Recommended Actions (April 23, 2024)

Details and Background

Background

Previous State Legislative Efforts

The State of California has long recognized the importance of providing safe and affordable drinking water to all residents. Previous legislative efforts include Assembly Bill (AB) 685, which established state policy that declares that every human being has the right to safe, clean, affordable, and accessible water, chaptered on September 25, 2012. AB 401 (Dodd, D-Napa) directed the State Water Board to develop recommendations for a statewide LIRA program; this bill was chaptered on October 9, 2015. Most recently, in 2021, Senate Bill (SB) 222 (Dodd) attempted to establish a statewide water rate assistance program to help eligible residential water ratepayers, but it was vetoed by Governor Newsom. At the time, he cited a lack of funding to support the program and noted that SB 222 would impose ongoing requirements on community water and wastewater systems, potentially straining the general fund by billions annually.

Proposed Legislation

SB 1255 continues the State's efforts to address water affordability challenges and proposes a structured assistance program to aid low-income households. This bill would amend Section 116772 and add Chapter 6.5 to Part 12 of Division 104 of the Health and Safety Code relating to public water systems and the establishment of a water rate assistance program.

Actions

If passed as drafted, SB 1255 mandates that the State Water Resources Control Board update the needs analysis for public water systems by July 1, 2026, and every three years thereafter to determine the level of funding required to provide a 20 percent bill discount to low-income households served by community water systems with fewer than 3,300 service connections.

Further, qualified systems serving over 3,300 residential connections must implement a water rate assistance program by July 1, 2027, providing automatic enrollment for eligible ratepayers based on available information to ensure that those in need receive assistance without navigating complex application processes. To facilitate and streamline the automatic enrollment for eligible ratepayers, the Public Utilities Commission must establish a mechanism for data sharing between electrical and gas corporations and qualified water systems. The bill also includes a reporting component: qualified systems must report on voluntary contributions, administrative costs, and the number of households receiving assistance and an evaluation of available relevant information regarding any arrearages that remain after application of bill assistance. The Attorney General can enforce compliance.

On or before September 1, 2026, qualified systems serving over 3,300 residential connections may begin to include a recommended voluntary contribution amount on the bill of each ratepayer to fund their respective LIRA program. Voluntary contributions will be used to fund the program, with clear notifications in advance of the implementation start date and opt-out options for ratepayers. SB 1255 requires that the water agency recommend a voluntary contribution amount on the bill of each ratepayer, other than a low-income ratepayer, at a level that

will raise funding sufficient to provide a credit of not less than 20 percent for eligible ratepayers and to cover the costs of administering the program. However, the recommended amount may not exceed 5 percent of a ratepayer's charges for water and wastewater. When setting the initial contribution level, the system is to assume that 60 percent of ratepayers not eligible for assistance will provide contributions. If the voluntary contributions are insufficient to provide a minimum 10 percent discount or \$5 monthly credit, the water system shall use the funds for crisis assistance to eligible ratepayers facing delinquency on their water bill, with limitations on frequency and amount.

Funds are to be used for the purposes below:

1. Provide a discount to low-income residential ratepayers (or "eligible ratepayer"), defined as having annual household incomes not exceeding 200 percent of the federal poverty guideline level.
2. Pay for "reasonable" administrative costs to implement the program, capped at 10 of voluntary contributions received.
3. Establish a balancing account to manage fluctuations in voluntary contributions and granting of bill credits, if the qualified system chooses to do so.

The bill would also authorize a qualified system to use any state or federal funds that are available to support a ratepayer assistance program by offsetting or supplementing the funds collected from voluntary contributions.

Finally, the bill would also require a qualified system to engage in outreach and notify ratepayers of the voluntary contribution on the water bill and provide an option and method to "opt out" of the voluntary contribution, amongst other provisions. Qualified systems that offer an existing LIRA program that meets the minimum bill credit and enrollment criteria are exempted. The bill would prohibit a qualified system from sanctioning or holding liable a ratepayer in any manner for not paying the voluntary contribution.

Impacts to Metropolitan and Member Agencies

SB 1255 applies to retail water agencies and seeks to improve water affordability for low-income households in California. The use of voluntary contributions can leverage positive community support and goodwill and add flexibility to the funding mechanism, potentially addressing issues (i.e., Proposition 218 and 26 restrictions) that other similar initiatives may face. The bill also aims to simplify the process for low-income households by ensuring automatic enrollment based on available data.

The implementation of SB 1255 presents several challenges, as articulated by member agency staff and Metropolitan's staff analysis, including but not limited to:

Administrative Burden

Fundamentally, retail billing systems will need to be updated to facilitate the programmatic requirements for automatic enrollments, multiple contribution levels, and opt-out options. These levels of complexity can be costly and time-consuming, and confusing to customers. Additionally, the contributions received may not justify the cost outlay required to sustain the program long term. The external coordination to optimize the data-sharing provisions add to the administrative burden and complexity, especially because retail water systems do not have ready access to income data.

Long-Term Stability and Public Trust

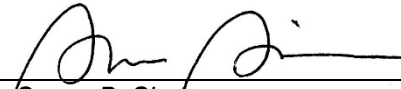
Functionally, the bill's reliance on voluntary contributions raises concerns regarding the long-term stability and viability of this funding strategy. Contributions may fluctuate significantly, especially during economic downturns when they may be needed the very most, potentially leaving the program underfunded. Furthermore, member agencies identified the opt-out mechanism as a significant cause of concern, citing confusion, and a general perception of a lack of transparency that could result in a deterioration of customer relations and trust in the retail water utility, which would undermine the program's long-term success and acceptance.

Regional Disparity

Equity concerns are also prominent. The eligibility criteria may exclude some families in need, particularly those just above the income threshold. The variability in voluntary contributions could result in unequal resource

distribution, exacerbating regional disparities. Moreover, privacy concerns regarding data sharing require stringent protection measures to ensure customer information security, further complicating the program's administration.

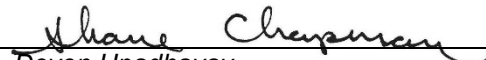
While SB 1255, as currently drafted, raises a number of concerns, water affordability remains an important objective for Metropolitan. The rising costs of water treatment and delivery and the investments required to adapt the region's infrastructure to climate change will likely necessitate some form of assistance program to maintain access to drinking water. Staff will continue to monitor this legislation and research options to address affordability through LIRA programs and other policies.



Susan B. Sims
Group Manager, External Affairs

7/2/2024

Date

for 
Deven Upadhyay
Interim General Manager

7/3/2024

Date

**Attachment 1 – Bill Text of SB 1255 (Durazo): Public Water Systems: Needs Analysis:
Water Rate Assistance Program (as amended June 19, 2024)**

Ref# ea12696240

AMENDED IN ASSEMBLY JUNE 19, 2024

AMENDED IN ASSEMBLY JUNE 3, 2024

AMENDED IN SENATE APRIL 1, 2024

SENATE BILL**No. 1255**

Introduced by Senator Durazo

(~~Coauthor: Senator Dodd~~)

(Coauthors: Senators Dodd and Smallwood-Cuevas)

*(Coauthors: Assembly Members Arambula, Bennett, Connolly, Kalra,
Ortega, and Ting)*

February 15, 2024

An act to amend Section 116772 of, and to add Chapter 6.5 (commencing with Section 116930) to Part 12 of Division 104 of, the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1255, as amended, Durazo. Public water systems: needs analysis: water rate assistance program.

(1) The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties relating to the regulation of drinking water to protect public health. Existing law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Existing law requires the state board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Existing law requires the state board to

base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment.

This bill would require the state board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter.

(2) Existing law requires the state board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program. Existing law requires the plan to include, among other things, a description of the method for collecting moneys to support and implement the program and a description of the method for determining the amount of moneys that may need to be collected from water ratepayers to fund the program.

This bill would require qualified systems, defined as any retail water supplier that serves over 3,300 residential connections, to begin providing water rate assistance to eligible ratepayers, defined to mean a low-income residential ratepayer with an annual household income that is no greater than 200% of the federal poverty guideline level, on or before ~~April~~ July 1, 2027. The bill would require a qualified system to automatically enroll an eligible ratepayer in the water rate assistance program if available information, which includes, among other things, authorizing a ratepayer to confirm eligibility by self-certification made under penalty of perjury, indicates that they are qualified to receive assistance and provide a water bill credit, as specified. By expanding the crime of perjury, the bill would impose a state-mandated local program.

The bill would require a qualified system, on or before ~~July~~ September 1, 2026, to provide an opportunity for each ratepayer to provide a voluntary contribution as part of the ratepayer's water bill to provide funding for the qualified system's water rate assistance program. The bill would require a qualified system to recommend a voluntary contribution amount on the bill of each ratepayer, other than an eligible ratepayer, at a level ~~that will intended to~~ raise sufficient funding to provide a ~~discount bill credit~~ to eligible ratepayers, pay for the qualified system's administrative costs to implement the ~~program, program~~ *beginning January 1, 2025*, and establish a balancing account if the

qualified system chooses to do so. The bill would require a qualified system to notify ratepayers of the voluntary contribution on the water bill and provide each ratepayer the option and method of opting out of the voluntary contribution, as specified. The bill would also prohibit a qualified system from sanctioning or holding liable a ratepayer in any manner for not paying the voluntary contribution. The bill would authorize a qualified system to use any state or federal funds that are available to support a ratepayer assistance program by offsetting or supplementing the funds collected from voluntary contributions. The bill would authorize the Attorney General to bring an action in state court to restrain the use of any method, act, or practice in violation of these provisions, except as provided.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Existing state law declares that it is the established policy
4 of the state that every human being has the right to safe, clean,
5 affordable, and accessible water adequate for human consumption,
6 cooking, and sanitary purposes.

7 (b) In 2015, the Legislature passed Assembly Bill 401 (Chapter
8 662 of *the Statutes of 2015*) that required the State Water Resources
9 Control Board to develop a plan, informed by the public and the
10 State Board of Equalization, for a statewide low-income rate
11 assistance for water.

12 (c) In 2020, the state board released a report pursuant to
13 Assembly Bill 401, which is entitled "Recommendations for
14 Implementation of a Statewide Low-Income Water Rate Assistance
15 Program," that found that it would take over \$140,000,000 annually
16 to create a low-income water rate assistance program.

1 (d) However, the cost of water has continued to rise, outpacing
2 the rate of inflation and putting too many California families at
3 risk of water shutoffs.

4 (e) Many larger systems in California could provide ratepayer
5 assistance, but are limited by Proposition 218. The Legislature
6 should develop tools for larger water systems to provide more
7 assistance to ratepayers without violating Proposition 218.

8 (f) Further, the options available to aid small water systems vary
9 from those available to larger water systems, and include ongoing
10 operations and maintenance assistance for some systems that serve
11 all or nearly all low-income households.

12 (g) Therefore, to inform future legislation, the state board should
13 develop regularly updated data on resources needed to support
14 small water systems to guide the creation of a future program to
15 fulfill the right of customers of these systems to affordable drinking
16 water and wastewater.

17 SEC. 2. Section 116772 of the Health and Safety Code is
18 amended to read:

19 116772. (a) (1) By January 1, 2021, the board, in consultation
20 with local health officers and other relevant stakeholders, shall use
21 available data to make available a map of aquifers that are at high
22 risk of containing contaminants that exceed safe drinking water
23 standards that are used or likely to be used as a source of drinking
24 water for a state small water system or a domestic well. The board
25 shall update the map annually based on new and relevant data.

26 (2) The board shall make the map of high-risk areas, as well as
27 the data used to make the map, publicly accessible on its internet
28 website in a manner that complies with the Information Practices
29 Act of 1977 (Chapter 1 (commencing with Section 1798) of Title
30 1.8 of Part 4 of Division 3 of the Civil Code). The board shall
31 notify local health officers and county planning agencies of
32 high-risk areas within their jurisdictions.

33 (b) (1) By January 1, 2021, a local health officer or other
34 relevant local agency shall provide to the board all results of, and
35 data associated with, water quality testing performed by a
36 laboratory that has accreditation or certification pursuant to Article
37 3 (commencing with Section 100825) of Chapter 4 of Part 1 of
38 Division 101 for a state small water system or domestic well that
39 was collected after January 1, 2014, and that is in the possession
40 of the local health officer or other relevant local agency.

(2) By January 1, 2022, and by January 1 of each year thereafter, all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system or domestic well that is submitted to a local health officer or other relevant local agency shall also be submitted directly to the board in electronic format.

(c) (1) On or before July 1, 2026, and on or before July 1 of each three years thereafter, the board, in consultation with the advisory group established pursuant to Section 116768.5 and appropriate stakeholders, shall update the needs analysis of the state's public water systems to include an assessment of the funds necessary to provide a 20-percent bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet the affordability threshold established pursuant to Section 116769.

(2) To develop this assessment, the board shall do all of the following:

(A) Collect arrearage data from water systems not regulated by the Public Utilities Commission and request data from the Public Utilities Commission on those systems they regulate.

(B) Estimate the number of households in need of assistance using arrearage data as well as information provided by the United States Census *Bureau* or other comparable data source.

(C) Identify available data on water rates charged by community water systems with fewer than 3,300 service connections.

(D) Where data is unavailable for a water system, use an average of existing data to estimate the level of need for that system.

SEC. 3. Chapter 6.5 (commencing with Section 116930) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6.5. WATER RATE ASSISTANCE PROGRAMS

116930. For purposes of this chapter, the following definitions apply:

(a) "Affordability programs" means any of the following programs:

6

- 1 (1) CalWORKs.
- 2 (2) CalFresh.
- 3 (3) General assistance.
- 4 (4) Medi-Cal.
- 5 (5) Supplemental Security Income or the State Supplementary
- 6 Payment Program.
- 7 (6) California Special Supplemental Nutrition Program for
- 8 Women, Infants, and Children.
- 9 (7) California Alternate Rates for Energy program.
- 10 (8) Family Electric Rate Assistance program.
- 11 (b) "Available information" means any of the following:
- 12 (1) Information provided pursuant to an agreement entered into
- 13 pursuant to Section 116933 for the purposes of documenting the
- 14 residential ratepayer's participation in an affordability program.
- 15 (2) A benefits award letter provided by the residential ratepayer
- 16 documenting that the customer is an enrollee in, or is a recipient
- 17 of, an affordability program.
- 18 (3) Self-certification of eligibility, under penalty of perjury, by
- 19 the residential ratepayer.
- 20 (c) "Balancing account" means a reserved amount of sufficient
- 21 funding to address fluctuations in voluntary contributions received
- 22 or changes in eligible ratepayers, not to exceed 25 percent of the
- 23 annual expenditures of the program.
- 24 (d) "Crisis assistance" means direct bill credits to accounts of
- 25 eligible ratepayers to reduce accrued arrearages.
- 26 (e) "Eligible ratepayer" means a low-income residential
- 27 ratepayer with an annual household income that is no greater than
- 28 200 percent of the federal poverty guideline level.
- 29 (f) "Program" means a water rate assistance program established
- 30 pursuant to this chapter.
- 31 (g) "Qualified system" means any retail water supplier that
- 32 serves over 3,300 residential connections.
- 33 (h) "Residential ratepayer" means an accountholder of a
- 34 qualified system who resides in a single-family or multifamily
- 35 residence and who receives a bill from a qualified system for water
- 36 service.
- 37 (i) "State board" means the State Water Resources Control
- 38 Board.
- 39 (j) "Voluntary contributions" means funds voluntarily remitted
- 40 by ratepayers to qualified systems that are not derived from fees

1 or assessments pursuant to Section 4 or 6 of Article XIII D of the
2 California Constitution.

3 116931. (a) On or before ~~April~~ July 1, 2027, a qualified system,
4 other than a system meeting the requirements of subdivision (f),
5 shall establish a program meeting the minimum requirements of
6 subdivision (b) and begin providing water rate assistance to eligible
7 ratepayers in compliance with this chapter.

8 (b) A program offered pursuant to this chapter shall, at a
9 minimum, include both of the following:

10 (1) Automatic enrollment of eligible ratepayers if available
11 information indicates that they are qualified to receive assistance.

12 (2) (A) Provision of a bill credit for eligible ratepayers of no
13 less than 20 percent of the *total* water charges, and, if present on
14 the bill, wastewater ~~charges~~: *charges, for a volume of water similar*
15 *to that identified in Section 10609.4 of the Water Code or, if the*
16 *eligible ratepayer uses less, the actual volume used.* In the event
17 there is not sufficient funding, including any balancing account
18 funds, to support a 20-percent bill credit, the program shall provide
19 the maximum bill credit available that funding is able to ~~support~~.
20 *support, unless the maximum bill credit available that funding is*
21 *able to support is less than 10 percent, in which case the qualified*
22 *system shall instead provide crisis assistance to the extent funds*
23 *are available consistent with subdivision (j). The bill credit may*
24 *be applied pursuant to subparagraph (B).*

25 (B) *The qualified system may select the element or elements of*
26 *the water charges, pursuant to subparagraph (C), upon which the*
27 *bill credit is applied or may elect to provide a bill credit as a set*
28 *percentage of the total water bill, provided that the total bill credit*
29 *is equivalent in value to the bill credit required by this paragraph.*

30 (C) *Element, or elements, of the drinking water charges upon*
31 *which the bill credit may be applied include, but are not limited*
32 *to, the fixed, volumetric, or fixed and volumetric charges levied*
33 *by the system.*

34 (c) (1) ~~Beginning July~~ On or before September 1, 2026, for the
35 reasonable costs associated with the administration of this chapter
36 and to establish initial program funding, a qualified system may
37 begin collecting voluntary contributions. Reasonable costs include
38 administrative costs associated with this chapter and for providing
39 notice to ~~customers~~: *ratepayers pursuant to this chapter.*

(2) Beginning ~~April~~ July 1, 2027, the reasonable costs associated with the administration of this chapter shall not exceed 10 percent of voluntary contributions collected pursuant to this section.

(d) In establishing a program pursuant to this section, a qualified system may establish a balancing account to manage fluctuations in voluntary contributions and the granting of bill credits to eligible ratepayers.

(e) This section does not require a qualified system to use ~~other~~ funds *other than voluntary contributions collected pursuant to Section 116932* to provide rate assistance to eligible ratepayers or to pay for associated administrative costs. ~~Only voluntary contributions collected pursuant to Section 116932 shall be used to implement this program, unless the~~ A qualified system ~~has~~ may use other funds available for this purpose that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIID of the California Constitution.

(f) (1) Any qualified system that offers an existing water rate assistance program on or before ~~July~~ September 1, 2026, that meets the minimum enrollment and bill credit requirements specified in subdivision (b) *by July 1, 2027*, shall not be required to comply with this chapter, but may collect voluntary contributions pursuant to Section 116932 to supplement or expand the existing program or to provide crisis assistance.

(2) *Nothing in this chapter shall prohibit a qualified system from offering assistance to residential ratepayers that does either, or both, of the following:*

(A) *Provides a greater bill credit benefit.*

(B) *Exceeds the definition of low income as specified in this chapter for ratepayer eligibility.*

(g) Any public water system that is not a qualified system may collect voluntary contributions to fund a water affordability program, but is not required to comply with this chapter.

(h) A qualified system may require verification of eligibility from a sample of ~~up to 5 percent~~ of enrolled eligible ratepayers on an annual basis to verify the ratepayer's low-income status and eligibility for assistance. *A qualified system may remove any ratepayers found to not be eligible for assistance from this program.*

(i) A qualified system shall continue to have a program pursuant to this chapter as long as there is sufficient funding available

1 pursuant to Section 116932 to provide water rate assistance or
2 crisis assistance, pay for the qualified system's reasonable costs
3 for administration of the program, and establish a balancing account
4 if the qualified system chooses to do so.

5 (j) (1) If, after three months of accepting voluntary
6 contributions, the qualified system can demonstrate there will not
7 be sufficient funds to support a program at a minimum of a
8 10-percent discount or five dollars (\$5) per month, whichever
9 amount is greater and adjusted for the consumer price index after
10 July 1, 2027, *and pay for the qualified system's reasonable costs*
11 *for administration of the program*, the system shall *instead* use
12 the collected contributions to provide ongoing crisis ~~assistance~~.
13 ~~assistance and pay for the qualified system's reasonable costs for~~
14 ~~administration of crisis assistance. Crisis assistance shall be~~
15 ~~offered on or before July 1, 2027.~~ Crisis assistance shall be offered
16 to eligible ratepayers, at a minimum, when a qualified system
17 provides notice pursuant to Section 116908 or when the eligible
18 customer contacts the qualified system about a delinquent account.

19 (2) Crisis assistance shall only be provided to an eligible
20 ratepayer once per year and limited to an amount determined by
21 the qualified system, taking into account the overall past due
22 amount and available funding. To the extent the amount of crisis
23 assistance provided does not eliminate an eligible ratepayer's
24 arrearages, the ratepayer shall enter into an amortization agreement,
25 alternative payment schedule, or plan for deferred or reduced
26 payment, pursuant to Section 116910, to be eligible for crisis
27 assistance.

28 116932. (a) On or before ~~July~~ *September* 1, 2026, a qualified
29 system shall provide an opportunity for each ratepayer of the
30 system to provide a voluntary contribution as part of the ratepayer's
31 water bill to provide funding for the qualified system's program.

32 (b) A qualified system shall establish a recommended voluntary
33 contribution amount on the bill of each ratepayer other than an
34 eligible ratepayer based on available information as of ~~March~~ *July*
35 *1, 2026*, at a level ~~designed~~ *intended* to raise sufficient funding to
36 provide a ~~discount~~ *bill credit* to eligible ratepayers pursuant to
37 paragraph (2) of subdivision (b) of Section 116931, pay for the
38 qualified system's administrative costs to implement this ~~chapter~~,
39 *chapter beginning January 1, 2025*, and establish a balancing
40 account if the qualified system chooses to do so. When setting the

1 ~~initial level of the~~ *recommended* voluntary contribution, a qualified
2 system shall assume that 60 percent of ratepayers other than eligible
3 ratepayers will provide the contribution. ~~After March~~ *On or before*
4 *July 1, 2027*, a qualified system may adjust the voluntary
5 contribution, as necessary, considering the previous year's actual
6 participation rate. The *recommended* voluntary contribution shall
7 not exceed 5 percent of the charges for water and wastewater *on*
8 *the water bill* for any residential ratepayer.

9 (c) A bill from a qualified system shall label the voluntary
10 contribution in a way that describes the purpose of the funds. The
11 qualified system shall notify their ratepayers of the voluntary
12 contribution and, in a visually accessible manner and using clear
13 and unambiguous language, shall provide each ratepayer the option
14 and method of opting out of providing the voluntary contribution
15 at least three months prior to beginning collection of the voluntary
16 contribution, and thereafter on at least an annual basis. Voluntary
17 contributions shall commence on the qualified system's subsequent
18 billing cycle from the notice. The qualified system may choose to
19 include alternative amounts for contributions. A qualified system
20 shall also provide this information on its internet website in
21 English, the other languages listed in Section 1632 of the Civil
22 Code, and any other language spoken by at least 10 percent of the
23 people residing in its service area.

24 (d) A ratepayer may opt out of the voluntary contribution at any
25 time in a manner that may be specified by the qualified system
26 and shall be included in the notice in subdivision (c), with voluntary
27 contributions terminating on the qualified system's subsequent
28 normal billing cycle.

29 (e) A ratepayer may only request a refund for contributions
30 made since the last notice of opportunity to opt out of the program
31 was provided or for the period of the last billing cycle prior to the
32 date the ratepayer opts out, whichever time period is greater.
33 Qualified systems may provide refunds in the form of a bill credit.

34 (f) ~~(f)~~ A qualified system shall not sanction, take any
35 enforcement or collection action against, impose any late charge
36 or penalty against, or otherwise hold liable a ratepayer in any
37 manner for exercising the option of not paying a voluntary
38 contribution described in this section.

11

1 ~~(2) Nothing in this chapter shall prohibit a qualified system from~~
2 ~~offering assistance to residential ratepayers that do either, or both,~~
3 ~~of the following:~~

4 ~~(A) Provides a greater bill credit benefit.~~

5 ~~(B) Exceeds the definition of low income as specified in this~~
6 ~~chapter for ratepayer eligibility.~~

7 (g) The voluntary ~~contribution~~ *contributions* shall be used only
8 to provide rate assistance to eligible ratepayers, pay for associated
9 administrative costs to implement the program, and establish a
10 balancing account. Administrative costs of establishing the program
11 may be reimbursed from ~~initial~~ voluntary contributions.

12 (h) A qualified system may ~~coordinate~~ *contract* with a third
13 party to receive the voluntary contributions and comply with this
14 section.

15 (i) Any partial payment made by a ratepayer that is insufficient
16 to pay for charges on the bill shall be used to pay the qualified
17 system's ~~fees~~ *charges* shown on the ratepayer's bill before being
18 attributed to a voluntary contribution.

19 (j) No penalty or late fee may be assessed by a qualified system
20 for the failure of a ratepayer to make timely payment of a voluntary
21 contribution described in this section, regardless of whether the
22 ratepayer has exercised the option of not paying a voluntary
23 contribution.

24 (k) A qualified system may use any state or federal funds that
25 are available to support a program by offsetting or supplementing
26 the funds collected from voluntary contributions.

27 116933. (a) On or before January 1, 2026, the Public Utilities
28 Commission shall establish a mechanism for electrical corporations
29 and gas corporations to ~~regularly~~ provide data to all qualified
30 systems *no later than April 1, 2026, and annually by April 1*
31 *thereafter*, regarding ratepayers enrolled in, or eligible to be
32 enrolled in, the California Alternate Rates for Energy (CARE)
33 program established pursuant to Section 739.1 of the Public
34 Utilities Code and the Family Electric Rate Assistance (FERA)
35 program established pursuant to Section 739.12 of the Public
36 Utilities Code.

37 (b) All qualified systems may enter into agreements with local
38 publicly owned electric utilities and local publicly owned gas
39 utilities, including, but not limited to, municipal utility districts
40 and irrigation districts, for the purpose of regularly receiving data

12

1 regarding ratepayers enrolled in, or eligible to be enrolled in,
2 affordability programs benefiting eligible ratepayers.

3 (c) Data provided pursuant to subdivision (a) or (b) is subject
4 to Section 7927.410 of the Government Code and the Information
5 Practices Act of 1977 (Chapter 1 (commencing with Section 1798)
6 of Title 1.8 of Part 4 of Division 3 of the Civil Code).

7 (d) Data provided pursuant to subdivision (a) or (b) shall not
8 be considered a disclosure under Section 1798.83 of the Civil
9 Code.

10 116934. ~~The Beginning in 2028, the~~ state board shall require
11 qualified systems, in technical reports required by the state board
12 pursuant to Section 116530, to *annually* report the following:

13 (a) The total amount of voluntary contributions collected, the
14 administrative costs of operating the program, the number of
15 eligible households that were provided rate assistance or crisis
16 assistance, and the total amount of rate assistance or crisis
17 assistance provided to eligible households.

18 (b) An evaluation of available relevant information regarding
19 any arrearages that remain after application of bill assistance.

20 116935. (a) The Attorney General may bring an action in state
21 court to restrain, by temporary or permanent injunction, the use
22 of any method, act, or practice in violation of this chapter by a
23 qualified system, other than a system that meets the requirements
24 of subdivision (f) of Section 116931, including nonparticipation
25 by a qualified system pursuant to this chapter.

26 (b) The Attorney General shall not bring an action against a
27 qualified system for failing to meet the requirements of subdivision
28 (f) of Section 116931, as long as the qualified system makes a
29 good faith effort to raise sufficient funding pursuant to Section
30 116932.

31 116936. The provisions of this chapter are severable. If any
32 provision of this article or its application is held invalid due to a
33 conflict with federal requirements, that invalidity shall not affect
34 other provisions or applications that can be given effect without
35 the invalid provision or application.

36 SEC. 4. No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty

13

- 1 for a crime or infraction, within the meaning of Section 17556 of
- 2 the Government Code, or changes the definition of a crime within
- 3 the meaning of Section 6 of Article XIII B of the California
- 4 Constitution.

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Legislation and Communications Committee



Report on SB 1255 (Durazo) : Public water systems: needs analysis: water rate assistance program

Item 9-3

July 8, 2024

Report on SB 1255

Subject

Report on SB 1255 (Durazo, D – Los Angeles): Public water systems: needs analysis: water rate assistance program.

Purpose

To provide a legislative update on a legislative proposal regarding low-income water rate assistance.

Report on SB 1255

Summary

Sponsor: CA Water Foundation, Community Water Center, Clean Water Action and Leadership Council for Justice and Accountability

Summary: Would require an urban retail water agency to establish a low-income rate assistance program through voluntary contributions.

Status: Language introduced June 3, currently in legislative committee.

Report on SB 1255

Key Provisions

- LIRA program for urban retail water suppliers with at least 3,300 connections
- Voluntary contributions, opt-out basis
- Goal of 20% bill credit, minimum 10% or \$5/mo
- Automatic enrollment based on public assistance program data
- Electric and gas utilities to share data

Report on SB 1255

Key Provisions

- Assumption that 60% of non-eligible ratepayers will contribute
- 10% cap on administrative costs
- Crisis Assistance Program for contributions below minimum
- Existing LIRA programs must conform to bill credit and enrollment requirements
- Flexibility in assigning bill credits

Report on SB 1255

Implementation Timeline

January 1, 2025 – System may begin using ratepayer funds to cover initial administrative costs for the program

September 1, 2026 - System may begin collecting voluntary contributions

July 1, 2027 - Date to establish LIRA program or crisis assistance program if cannot fund LIRA

Report on SB 1255

Member Agency Concerns

Opt-out Provision (No. 1 Priority): Undermines customer trust. Importance of transparency.

Administrative Burden: 10% cap is too low. Reimbursement administration and bill credit processing will be staff intensive. Litigation risk.

Equity: Unequal benefit across the state. Regressive in nature.

Report on SB 1255

Legislative Process and Stakeholders

Committee Status

- Assembly Utilities and Energy: July 1, 2024
- Assembly Appropriations Committee
- July Recess

Next Steps

- Continue work with water community/sponsors to resolve conflicts

