

# 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 1

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>

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

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## 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](#)
- B. Chair's Monthly Activity Report [21-3515](#)
- C. General Manager's summary of activities [21-3516](#)
- D. General Counsel's summary of activities [21-3517](#)
- E. General Auditor's summary of activities [21-3518](#)
- F. Ethics Officer's summary of activities [21-3519](#)
- 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 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) [21-3520](#)
- 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](#)
- 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](#)
- 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](#)
- 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](#)
- 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](#)

- 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](#)
- 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](#)
- 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](#)
- 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](#)

**7-10** 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] (FAM) [21-3535](#)

**7-11** Authorize amending the existing agreement with Public Financial Management Asset Management, for an additional not to exceed amount of \$125,000 and an extended term of six months through December 31, 2024 for investment management services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [ADDED ITEM 6/28/24] (FAM) [21-3595](#)

## **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](#)

- 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](#)

- 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](#)

**\*\* 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](#)
- 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](#)

## **10. OTHER MATTERS**

NONE

## **11. FOLLOW-UP ITEMS**

NONE

## **12. FUTURE AGENDA ITEMS**

## 13. ADJOURNMENT

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

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

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



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

7/9/2024 Board Meeting

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7-1

## Subject

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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

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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

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### Staff Recommendation: Option #1

#### Option #1

- 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.
- 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**

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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**

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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)**

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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**

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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)**

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### **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**

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### **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# es1269997

### Allocation of Funds for Rialto Pipeline Rehabilitation

	<b>Current Board Action</b>
	<b>(Jul. 2024)</b>
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
<b>Total</b>	<b>\$ 3,600,000</b>

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

<b>Bidder and Location</b>	<b>Total</b>	<b>SBE \$</b>	<b>SBE %</b>	<b>Met SBE<sup>1</sup></b>
<b>J.F. Shea Construction Inc. Walnut, CA</b>	<b>\$2,197,460</b>	<b>550,000</b>	<b>25</b>	<b>Yes</b>
Mladen Buntich Construction Co. Inc Upland, CA	\$2,433,000	-	-	-

<sup>1</sup> 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

# Distribution System





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

7/9/2024 Board Meeting

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7-2

## **Subject**

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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**

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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**

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### **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

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Option #2 and Option #3

## Applicable Policy

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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)

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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)

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### 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

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### 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**

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	<b>Current Board Action (July 2024)</b>
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
<b>Total</b>	<b>\$ 1,880,000</b>



- **Board of Directors**  
***Finance and Asset Management Committee***

7/9/2024 Board Meeting

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7-9

## Subject

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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

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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

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### 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

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Not applicable

## Applicable Policy

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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)

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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)

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### 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

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### 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:

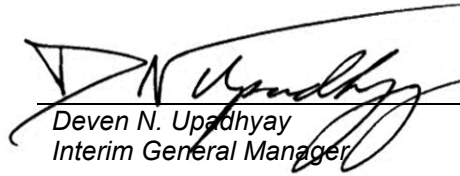
- Subject to Metropolitan's paramount rights provision.
- For operation, maintenance, repair, and replacement of natural gas pipelines and appurtenances.
- SDGE shall provide Metropolitan reasonable access over and across the permanent easement.
- All plans for construction, maintenance, major repair, 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



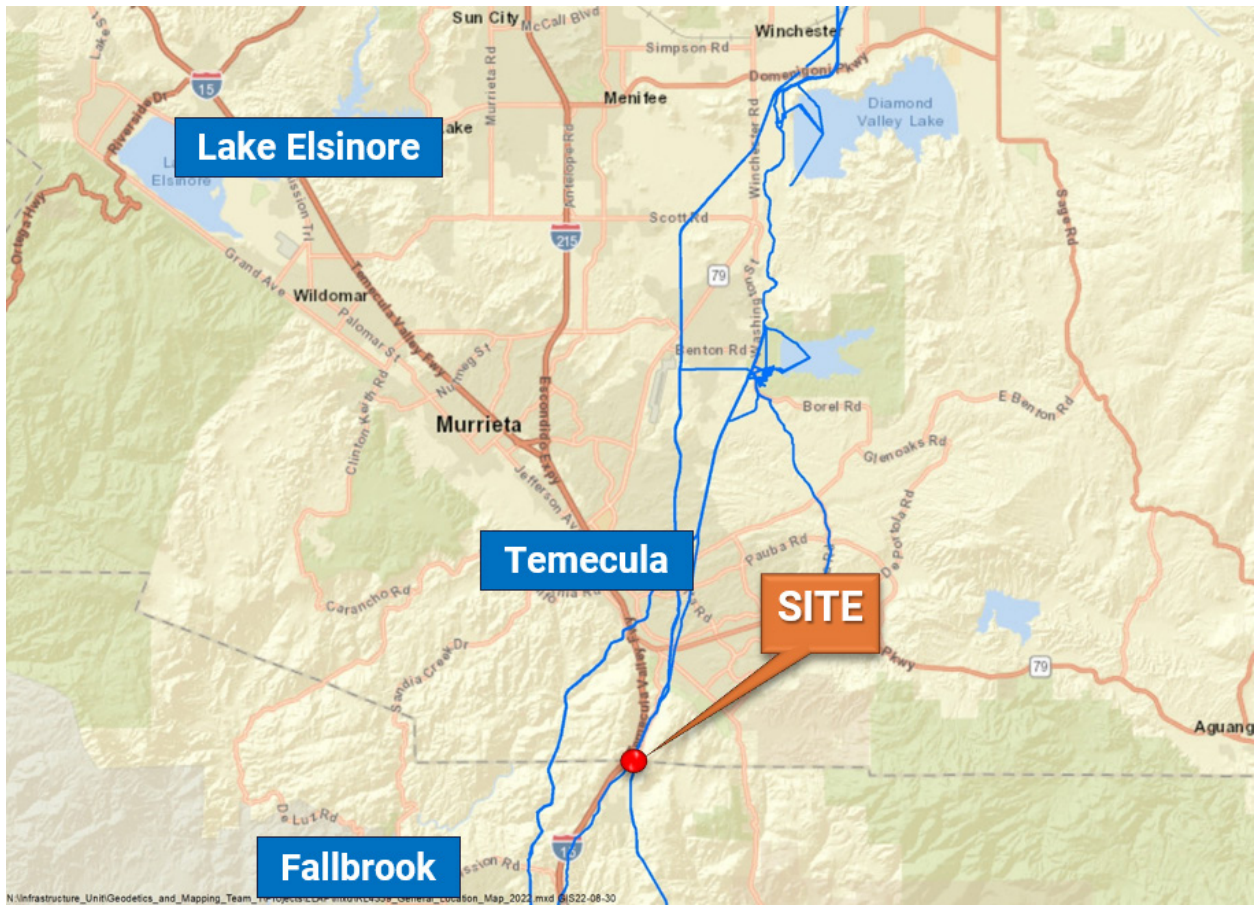
Deven N. Upadhyay  
Interim General Manager

6/27/2024  
Date

**Attachment 1 – Location Map**

Ref# sri12698224

### Location Map





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

7/9/2024 Board Meeting

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8-1

## Subject

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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

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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

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### 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**

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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**

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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)**

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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)**

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#### **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**

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**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.

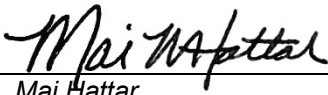
Proceeding with early procurement of the long-lead equipment at this time will enable the completion of the pump stations at the Venice and Sepulveda Canyon sites during a planned 2026 shutdown of the Sepulveda Feeder. This action authorizes a \$600,000 increase to an existing agreement with J.F. Shea for a new not-to-exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project.

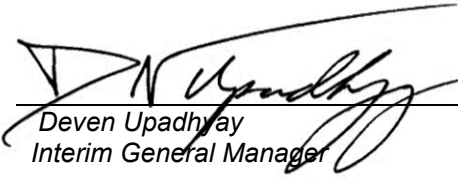
***Project Milestones***

November 2024 – Board award of a Phase 2 agreement for PDB services

December 2025 – Delivery of equipment

July 2026 – Completion of construction

  
 \_\_\_\_\_ 6/24/2024  
 Mai Hattar Date  
 Interim Chief Engineer  
 Engineering Services

  
 \_\_\_\_\_ 6/27/2024  
 Deven Upadhyay Date  
 Interim General Manager

**Attachment 1 – Allocation of Funds**

**Attachment 2 – Location Map**

Ref# es12700876

**Allocation of Funds for Sepulveda Feeder Pump Stations**

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	<b>Current Board Action (July 2024)</b>
	<hr/>
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	-
<b>Total</b>	<b><u><u>\$ 690,000</u></u></b>

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.

# Distribution System





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

7/9/2024 Board Meeting

8-2

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## 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.

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## 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

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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)

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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)

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### 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

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### 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:

<b>Class</b>	<b>Representative</b>	<b>Contractors</b>
1	Chris Lee	<b>Solano County Water Agency (WA)</b> , Yuba City, Napa County Flood Control & Water Conservation District (FCWCD)
2	Laura Hidas	<b>Alameda County Water District</b> , Alameda Zone 7 WA, Santa Clara Valley Water District (WD)
3	Jacob Westra	County of Kings, Dudley Ridge WD, <b>Tulare Lake Basin Water Storage District</b> , Empire West Side Irrigation District (ID), Oak Flat WD
4	Craig Wallace	<b>Kern County Water Agency (KCWA)</b>
5	Ray Stokes	<b>Central Coast Water Authority</b> , San Luis Obispo FCWCD
6	Nina Hawk	<b>Metropolitan Water District of Southern California</b>
7	Matthew Stone	<b>Santa Clarita Valley Water District</b> , Casitas Municipal Water District
8	Peter Thompson, Jr. Robert Cheng	<b>Antelope Valley East Kern WA, Coachella Valley Water District</b> , 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:

<b>Fund</b>	<b>Basis of Allocation</b>
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 10<sup>th</sup> 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:

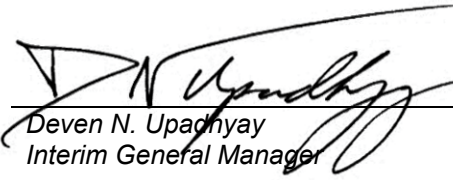
	<b>FY 2023/24 Actual</b>	<b>FY 2024/25 MWD Budget</b>	<b>FY 2025/26 MWD Budget</b>
Dues Fund	\$2,068,300	\$1,652,700	\$1,702,200
Energy Fund	\$ 289,200	\$ 280,000	\$ 288,400
Bay-Delta Fund	\$1,086,400	\$1,057,100	\$1,088,800
Delta Conveyance Project Fund	\$ 454,200	\$ 930,400	\$ 958,300
MWQI	\$ 258,300	\$ 260,000	\$ 260,000
<b>Total:</b>	<b>\$4,156,400</b>	<b>\$4,180,200</b>	<b>\$4,297,700</b>

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**

<b>Objective</b>	<b>Accomplishments</b>
<b>Water Supply</b>	
Delta Conveyance Technical/Policy Support	<ul style="list-style-type: none"> <li>• Participated in Delta Conveyance Project (DCP) technical and policy discussions with the Department of Water Resources (DWR) and conveyed contractors’ perspectives.</li> <li>• Supported and facilitated State Water Contractors (SWC) discussions to advance the DCP Contract Amendment.</li> </ul>
Delta Conveyance Permitting	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Water Operations Evaluation	<ul style="list-style-type: none"> <li>• Provided water operations dashboard updates focused on State Water Project (SWP) water supply operations.</li> <li>• Worked with DWR on the Incidental Take Permit (ITP) amendments and long-term operations consultation.</li> </ul>
Update to the Bay-Delta Water Quality Control Plan	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Water Supply and Operations Improvements	<ul style="list-style-type: none"> <li>• Participated in real-time operations tracking workgroups, such as the Delta Monitoring Workgroup, that provides feedback on real-time operational decisions/recommendations.</li> <li>• 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.</li> </ul>
<b>Infrastructure</b>	
Infrastructure Reliability	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Tracked the implementation of the California Aqueduct Subsidence Program and Fire System Modernization Program to ensure infrastructure reliability.</li> </ul>

Objective	Accomplishments
Capacity Retention	<ul style="list-style-type: none"> <li>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.</li> <li>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 &amp; Delta-Mendota Water Authority, and Friant Water Authority.</li> <li>Pursued non-SWP funding opportunities for evaluating and alleviating impacts resulting from subsidence.</li> <li>Led the SWP Storage Expansion Workgroup. Communicated with DWR management/executives to emphasize the contractors’ interest in opportunities to increase SWP capacity.</li> </ul>
Infrastructure Safety	<ul style="list-style-type: none"> <li>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.</li> <li>Tracked development/execution of the SWP Fire Modernization/Life Safety Improvement Program physical/cyber security projects.</li> </ul>
Infrastructure Affordability	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<b>Business Processes</b>	
Budgets	<ul style="list-style-type: none"> <li>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.</li> </ul>
Financial Projections	<ul style="list-style-type: none"> <li>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.</li> </ul>
Financial Resources, Revenue Requirements, and Investments	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

Objective	Accomplishments
Business Process Control Activities and Environment	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Energy</b>	
Senate Bill No. 49 (Energy: Appliance Standards and SWP Assessment) Report	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Energy Legislation	<ul style="list-style-type: none"> <li>Ensured DWR’s responsibilities as a central procurement entity for energy generation do not interfere with State Water Project operations or costs.</li> </ul>
<b>Science</b>	
Endangered Species Act (ESA), California Endangered Species Act (CESA), and Water Quality Control Plan (WQCP) Environmental Compliance	<ul style="list-style-type: none"> <li>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.</li> <li>Worked with DWR to hold the Environmental Coordination Committee meetings quarterly.</li> <li>Worked with DWR to hold the DWR-SWC Environmental Science Work Group meetings quarterly.</li> </ul>
<b>Outreach</b>	
Position Awareness	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>SWC Management</b>	
Accounting	<ul style="list-style-type: none"> <li>Maintained internal financial records and provided regular reports to the SWC Board of Directors.</li> </ul>
Contract Management	<ul style="list-style-type: none"> <li>Issued contracts to research institutes, consultants, and other entities; executed cost-sharing agreements with funding partners.</li> </ul>

**FY 2024/25 High Priority Objectives of the State Water Project Contractors**

Objective	Description
<b>Water Supply</b>	
Delta Conveyance Technical/Policy Support	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Update to the Bay-Delta Water Quality Control Plan	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Water Supply and Operations Improvements	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Infrastructure</b>	
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"> <li>• Continuing work to develop/document/implement an asset management plan and capital improvement program.</li> <li>• Developing a tracking/communication process for members to better understand the roll-out and addition of future SWP-funded positions and the resulting benefits.</li> <li>• Assessing maintenance management systems to better identify vulnerabilities, the required risk mitigation strategies and management policy and objectives. Advocate for appropriate priorities and affordability.</li> </ul>
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"> <li>• Subsidence in the San Joaquin Valley, machine outages, power outages, regulatory requirements, weeds/debris, and water quality.</li> <li>• Advocating for projects, repairs, procedures, and studies to ensure that capacity is restored or preserved to ensure long-term operational capacity.</li> <li>• 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.</li> </ul>

<p>Infrastructure Safety</p>	<p>Work with DWR and member agencies to plan and ensure SWP infrastructure safety by:</p> <ul style="list-style-type: none"> <li>• Tracking SWP seismic vulnerability studies and begin planning/preparing for realistic response and recovery.</li> <li>• Tracking SWP dam safety - expanded focus and regulatory requirements on dam safety, including the Oroville Dam Comprehensive Needs Assessment, to ensure timely remediation.</li> <li>• Fire modernization project for all SWP plants.</li> </ul>
<p>Infrastructure Affordability</p>	<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"> <li>• 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.</li> <li>• 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.</li> <li>• Tracking implementation of SWP initiatives, quarterly budget reviews, Business Case Evaluations, Value Engineering Studies, and asset management informed processes.</li> </ul>
<p><b>Business Processes</b></p>	
<p>Budgets</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>Financial Projections</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>Financial Resources, Revenue Requirements, and Investments</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>Energy</b></p>	
<p>Senate Bill No. 49 (Energy: Appliance Standards and SWP Assessment) Report</p>	<ul style="list-style-type: none"> <li>• Collaborate with DWR to brief stakeholders on the report’s content and advocate for appropriate funding sources for identified tracks.</li> </ul>
<p>Energy Roadmap</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

<b>Science</b>	
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"> <li>• 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.</li> <li>• Engage the DWR-SWC Environmental Science Work Group and hold meetings at least quarterly.</li> <li>• Work towards defining requirement offramps for science elements and seek permit amendments.</li> <li>• Ensure costs are split equitably with the United States Bureau of Reclamation.</li> <li>• Participate in adaptive management actions informing project operations.</li> </ul>
<b>Outreach</b>	
Position Awareness	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>SWC Management</b>	
Accounting	<ul style="list-style-type: none"> <li>• Oversee all financial and accounting operations. Establish financial policies, procedures, controls, and reporting systems to ensure the accuracy and integrity of financial data.</li> </ul>
Treasury	<ul style="list-style-type: none"> <li>• Ensure SWC retains adequate liquidity to meet the needs of its primary business operations and respond to organizational threats as needed.</li> </ul>





## Water Resource Management Group

### • Conservation Board Report July 2024

#### Summary

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This report provides a summary of conservation activity and expenditures for May 2024.

#### Purpose

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Informational

#### Detailed Report

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### Conservation Expenditures – FY2022/23 & FY2023/24 <sup>(1)</sup>

	Paid <sup>(2)</sup>	Committed <sup>(3)</sup>
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
<b>TOTAL</b>	<b>\$86.2 M</b>	<b>\$26.9 M</b>

(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 ft<sup>2</sup> replaced

FY2022/23-FY2023/24: 21,676,609 ft<sup>2</sup> 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.