

# 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

**August 18, 2026**

**2:00 PM**

| Tuesday, August 18, 2026<br>Meeting Schedule                                              |
|-------------------------------------------------------------------------------------------|
| 08:30 a.m. OPE<br>09:30 a.m. FAAME<br>11:30 a.m. LC<br>01:30 p.m. BREAK<br>02:00 p.m. BOD |

To livestream the meetings on the internet: [click here](#).

Members of the public may present their comments to the Board and Committees on matters within their jurisdiction in real-time during the public comment section of the meeting by teleconference and in-person. To attend remotely or to provide public comment dial 1-877-853-5257 and enter meeting ID: 891 1613 4145 or to join through the internet [click here](#).

Written public comments sent to [BoardPublicComment@mwdh2o.com](mailto:BoardPublicComment@mwdh2o.com) and received by 3:00 p.m. the business day before the meeting is scheduled are sent to the Board and will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>. Written comments not received on time will not be included in the record for that meeting. Comments within the subject matter jurisdiction will be sent after the meeting for the record of the next meeting.

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

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

Teleconference Locations:

3008 W. 82nd Place • Inglewood, CA 90305

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

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- \* 08182026 Board of Directors Translated Agendas [21591](#)

**Attachments:** [08182026 BOD Agenda - Armenian](#)  
[08182026 BOD Agenda - Chinese Mandarin](#)  
[08182026 BOD Agenda - Spanish](#)

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**1. Call to Order**

- a. Invocation: Director Randall Crane, Municipal Water District of Orange County
- b. Pledge of Allegiance

**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 Director's Metropolitan Expenses [21-5765](#)

**Attachments:** [08182026 BOD 5A Report](#)

- B. Chair's Monthly Activity Report [21-6050](#)

- C. General Manager's summary of activities [21-5816](#)

- D. General Counsel's summary of activities [21-5817](#)

- E. General Auditor's summary of activities [21-5818](#)

- F. Ethics Officer's summary of activities [21-5819](#)

- G. Report on list of certified assessed valuations for fiscal year 2026/27 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 18, 2026 (FAAME) [21-6065](#)

**\*\* CONSENT CALENDAR \*\***

## 6. BOARD CONSENT ITEMS

- A. Approve the Minutes of the Board of Directors meeting held on July 14, 2026 and of the Board of Directors Workshop on Engineering, Technology and Operations Committee held on July 28, 2026 [21-5820](#)
- B. Approve Commendatory Resolution for Director Thai Phan representing the City of Santa Ana **21-6105**
- C. Approve Committee Assignments [21-5821](#)

## 7. BOARD LETTERS CONSENT

- 7-1 Authorize an increase of \$25,000 in change order authority to an existing procurement contract with B&K Valves and Equipment Inc. to furnish two valves for the Lake Skinner outlet tower; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) [21-6051](#)

**Attachments:** [08182026 EOT 7-1 B-L](#)

- 7-2 Adopt CEQA determination that the proposed action was previously addressed in the 2024 Mitigated Negative Declaration adopted by the City of Fontana for the Fontana Fire Station No. 80 and Training Center Project, and authorize the General Manager to execute a new license agreement with the City of Fontana for a base term of 15 years, with three 10-year options and one five-year option to extend the license, for a maximum combined term of 50 years to support a new Fire Station and Training Facility with supplemental parking on Metropolitan fee-owned property in the City of Fontana, identified as San Bernardino County Assessor Parcel No. 0228-021-26 (FAAME) [21-6052](#)
- 7-3 Authorize increase of \$TBD to a maximum amount payable of \$TBD for existing General Counsel contract with Olson Remcho LLP; [CEQA] (LC) [21-6053](#)
- 7-4 Approve the Metropolitan Water District of Southern California's salary schedules pursuant to CalPERS regulations; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OPE) [21-6054](#)

- 7-5** Award a \$5,164,432 contract to Bigfoot Homes Inc. to furnish and install up to twenty-one manufactured houses at four Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or not subject to CEQA (EOT) [21-6104](#)

**Attachments:** [08182026 EOT 7-5 B-L](#)

- 7-6** Authorize an agreement with Nokia of America Corporation in an amount not to exceed \$6.831 million for equipment procurement and design support to upgrade the Western Region wide-area network; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) [21-6056](#)

**\*\* END OF CONSENT CALENDAR \*\***

**8. BOARD LETTERS ACTION**

- 8-1** Authorize a \$29,214,000 agreement with PCL Construction West Coast Inc. for Phase 1 progressive design-build services for the Lake Mathews Pressure Control Structure and Electrical System Upgrades Project; and an increase of \$3.1 million to an existing agreement with Carollo Engineers Inc. for a new not-to-exceed amount of \$4.4 million to serve as the owner's advisor through the Phase 1 design-build agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) [21-6057](#)

**Attachments:** [08182026 EOT 8-1 B-L](#)

- 8-2** Adopt resolution establishing the Ad Valorem tax rate for fiscal year 2026/27; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) [21-6058](#)

**9. BOARD INFORMATION ITEMS**

- 9-1** Information on proposed changes to the Coordinated Operating, Water Storage, Exchange and Delivery Agreement among Metropolitan, the Municipal Water District of Orange County, and Irvine Ranch Water District (OWA) [21-6060](#)

**Attachments:** [08182026 BOD 9-1 B-L](#)

- 9-2** Information on the proposed amendments to the Administrative Code to incorporate Board direction on climate action and adaptation (OWA) [21-6062](#)

- 9-3** 2025 Combined Annual Benefits Financial Report [21-6061](#)

**Attachments:** [08182026 BOD 9-3 B-L](#)

- 9-4** Permissible Activities Related to Ballot Measures (LEG) [21-6063](#)

- 9-5** Overview of Proposition 45: An Initiative Statute Proposing to Amend Environmental Review (LEG) [21-6103](#)

- 9-6** Discussion on Metropolitan's Centennial Recognition (LEG) [21-6099](#)

- 9-7** Information on proposed sole-source agreement with Electric & Gas Industries Association to administer Metropolitan's regional consumer incentive programs (OWA) [21-6100](#)

## **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.

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## Agenda

### Տնօրենների խորհրդի -վերջնական որոշում

2026 թվականի օգոստոսի 18-ին

14:00

Երեքշաբթի, 2026 թվականի

օգոստոսի 18

Հանդիպման ժամանակացու

08:30 a.m. Բաց է

09:30 am FAAME

11:30 a.m. LC

13:30 ԸՆԴՄԻՋՈՒՄ

14:00-ին

Հանդիպումները ինտերնետում ուղիղ հեռարձակմամբ դիտելու համար [սեղմեք այստեղ](#)

Հանրության անդամները կարող են իրենց իրավասությանը ենթակա հարցերի վերաբերյալ իրենց մեկնաբանությունները ներկայացնել խորհրդին և կոմիտեներին՝ Նիստի հանրային մեկնաբանությունների բաժնի ընթացքում՝ հեռախոսակապով և անձամբ: Հեռակա մասնակցելու կամ հանրային մեկնաբանություն տալու համար զանգահարեք 18778535257 հեռախոսահամարով և մուտքագրեք հանդիպման ID-ն՝ 891 1613 4145, կամ ինտերնետի միջոցով միանալու համար [սեղմեք այստեղ](#):

[BoardPublicComment@mwddh2o.com](mailto:BoardPublicComment@mwddh2o.com) հասցեին ուղարկված և Նիստից մեկ աշխատանքային օր առաջ՝ ժամը 15:00-ին ստացված գրավոր հանրային մեկնաբանությունները ուղարկվում են խորհրդին և կտեղադրվեն «Ներկայացված նյութեր և պատասխաններ» բաժնում, որը հասանելի է այստեղ՝ <https://mwddh2o.com/Legislation.aspx>: Ժամանակին չստացված գրավոր մեկնաբանությունները չեն ներառվի տվյալ Նիստի արձանագրության մեջ: Թեմայի իրավասության շրջանակներում մեկնաբանությունները կուղարկվեն Նիստից հետո՝ հաջորդ Նիստի արձանագրության համար:

Հրաժարում պատասխանատվությունից. Գրավոր և բանավոր հանրային մեկնաբանությունները ստացվում են Ռալֆ Մ. Բրաունի օրենքի համաձայն: Խնդրում ենք նկատի ունենալ, որ Մետրոպոլիտենը չի հաստատում կամ չի ապահովում հանրային մեկնաբանությունների կամ երրորդ կողմից տրամադրված տեղեկատվության ճշգրտությունը կամ հուսալիությունը:

MWD գլխավոր գրասենյակի շենք • 700 Հյուսիսային Ալամեդա փողոց • Լոս Անջելես, Կալիֆոռնիա 90012

Հեռախոսաժողովի վայրեր՝

3008 Արևմտյան 82-րդ տեղ • Ինգլվուդ, Կալիֆոռնիա 90305

Ֆուլերտոնի քաղաքապետարան • 303 Արևմտյան Զոմոնվելթ պողոտա, Չեմբերս • Ֆուլերտոն, Կալիֆոռնիա 92832

\* 08182026 Տնօրենների խորհրդի թարգմանված օրակարգեր

21591

Օրակարգերը թարգմանվում են թվային թարգմանչական ծառայության կողմից: Մետրոպոլիտենը չի երաշխավորում որևէ թարգմանության ճշգրտությունը:

**1. Ձանգահարեք պատվիրելու համար**

- ա. Հրավիրող խոսք՝ Օրանժ շրջանի քաղաքային ջրային շրջանի տնօրեն Ռանդալ  
բ. Հավատարմության երդում

**2. Անվանական զանգ****3. Քվորումի որոշում****4. Հանրության անդամների համար հնարավորություն՝ դիմելու խորհրդին խորհրդի իրավասության ներքո գտնվող հարցերի վերաբերյալ: (Ինչպես պահանջվում է Կառավարության օրենսգրքի §54954.3(a) կետով):****5. ԱՅԼ ՀԱՐՑԵՐ ԵՎ ՀԱՇՎԵՏՎՈՒԹՅՈՒՆՆԵՐ**

|    |                                                                                                                                                                                                                                                                                      |          |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Ա. | Տնօրենի Մետրոպոլիտենի ծախսերի մասին հաշվետվություն                                                                                                                                                                                                                                   | 21 -5765 |
| Բ. | Նախագահի ամսական գործունեության հաշվետվություն                                                                                                                                                                                                                                       | 21 -6050 |
| Գ. | Գլխավոր տնօրենի գործունեության ամփոփում                                                                                                                                                                                                                                              | 21 -5816 |
| Դ. | Գլխավոր դատախազի գործունեության ամփոփում                                                                                                                                                                                                                                             | 21 -5817 |
| Ե. | Գլխավոր աուդիտորի գործունեության ամփոփում                                                                                                                                                                                                                                            | 21 -5818 |
| Ֆ. | Էթիկայի պատասխանատուի գործունեության ամփոփում                                                                                                                                                                                                                                        | 21 -5819 |
| Գ. | Հաշվետվություն 2026/27 ֆինանսական տարվա համար հավաստագրված գնահատված գնահատումների ցանկի և գնահատված գնահատումների, մասնակցության տոկոսային ցուցանիշների և անդամ գործակալությունների քվեարկության իրավունքի աղյուսակավորման վերաբերյալ՝ 2026 թվականի օգոստոսի 18-ի դրությամբ (FAAME) | 21 -6065 |

**\*\*ՀԱՄԱՁԱՅՆՈՒԹՅԱՆ ՕՐԱՑՈՒՅՑ\*\*****6. Խորհրդի համաձայնության կետեր**

|    |                                                                                                                                                                                                                        |          |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Ա. | Հաստատել տնօրենների խորհրդի 2026 թվականի հուլիսի 14-ի նիստի արձանագրությունը և տնօրենների խորհրդի 2026 թվականի հուլիսի 28-ի ճարտարագիտության, տեխնոլոգիայի և գործառնությունների կոմիտեի աշխատաժողովի արձանագրությունը: | 21 -5820 |
| Բ. | Հաստատել Սանտա Անա քաղաքը ներկայացնող տնօրեն Թայ Ֆանի գովասանքի բանաձևը                                                                                                                                                | 21 -6105 |
| Գ. | Հաստատել հանձնաժողովի հանձնարարությունները                                                                                                                                                                             | 21 -5821 |

**7. Վարչության համաձայնության նամակներ**

- 7 -1** Հաստատել B&K Valves and Equipment Inc.-ի հետ կնքված գործող գնման պայմանագրի փոփոխության լիազորությունը 25,000 դոլարով ավելացնելու հնարավորությունը՝ Սկիններ լճի ելքային աշտարակի համար երկու փական մատակարարելու համար: Գլխավոր տնօրենը որոշել է, որ առաջարկվող գործողությունը ազատված է կամ այլ կերպ չի ենթարկվում CEQA (EOT) պահանջներին: **21 -6051**
- 7 -2** Ընդունել CEQA որոշումը, որ առաջարկվող գործողությունը նախկինում քննարկվել է Ֆոնտանա քաղաքի կողմից 2024 թվականին ընդունված մեղմացված բացասական հռչակագրում՝ Ֆոնտանա քաղաքի թիվ 80 հրշեջ կայանի և ուսումնական կենտրոնի նախագծի համար, և լիազորել գլխավոր տնօրենին Ֆոնտանա քաղաքի հետ կնքել նոր լիցենզիայի պայմանագիր՝ 15 տարի հիմնական ժամկետով, երեք 10- -ամյա և մեկ հնգամյա երկարաձգման տարբերակով՝ առավելագույնը 50 տարի համակցված ժամկետով՝ Ֆոնտանա քաղաքում Սան Բերնարդինո շրջանի գնահատողի հոդամասի համար 022802126 (FAAME) նույնականացված մետրոպոլիտենի սեփականության իրավունքով պատկանող տարածքում լրացուցիչ կայանատեղիով նոր հրշեջ կայանի և ուսումնական կենտրոնի կառուցման համար: **21 -6052**
- 7 -3** Remcho LLP- ի հետ գործող գլխավոր խորհրդատուի պայմանագրի համար վճարման ենթակա \$TBD-ի ավելացումը՝ մինչև \$TBD առավելագույն վճարման ենթակա գումար: [CEQA] (LC) **21 -6053**
- 7 -4** Հաստատել Հարավային Կալիֆոռնիայի Մետրոպոլիտեն ջրային շրջանի աշխատավարձերի ժամանակացույցը՝ համաձայն CalPERS կանոնակարգերի: Գլխավոր տնօրենը որոշել է, որ առաջարկվող գործողությունը ազատված է կամ այլ կերպ չի ենթարկվում CEQA (OPE)-ին: **21 -6054**
- 7 -5** Կոլորադո գետի չորս ջրմուղային պոմպակայաններում մինչև քսանմեկ արտադրված տներ կահավորելու և տեղադրելու համար : Գլխավոր տնօրենը որոշել է, որ առաջարկվող գործողությունը ազատված է կամ չի ենթարկվում CEQA (EOT) պահանջներին:- **21 -6104**
- 7 -6** Հաստատել Nokia of America Corporation-ի հետ 6.831 միլիոն դոլարից ոչ ավելի գումարի համաձայնագիր՝ Արևմտյան տարածաշրջանի լայնածավալ -ցանցի արդիականացման համար սարքավորումների ձեռքբերման և նախագծման աջակցության համար: Գլխավոր տնօրենը որոշել է, որ առաջարկվող գործողությունը ազատված է կամ այլ կերպ չի ենթարկվում CEQA (EOT) պահանջներին: **21 -6056**

**\*\* ՀԱՄԱՁԱՅՆՈՒԹՅԱՆ ՕՐԱՑՈՒՅՑԻ ԱՎԱՐՏ \*\***

**8. Տախտակի նամակների գործողություն**

Էջ 4

- 8 -1** Հաստատել 29,241,000 դոլարի համաձայնագիր PCL Construction West Coast Inc.-ի հետ՝ Մեթյուզ լճի ճնշման կառավարման կառուցվածքի և Էլեկտրական համակարգի արդիականացման նախագծի 1-ին փուլի պրոգրեսիվ նախագծման -շինարարության ծառայությունների համար: Եվ Carollo Engineers Inc.-ի հետ գործող համաձայնագրի 3.1 միլիոն դոլարի չափով ավելացում՝ նոր , չգերազանցող 4.4 միլիոն դոլարի չափով, որը կծառայի որպես սեփականատիրոջ խորհրդատու 1-ին փուլի նախագծման -կառուցման պայմանագրի միջոցով: Գլխավոր տնօրենը որոշել է, որ առաջարկվող գործողությունը ազատված է կամ այլ կերպ չի ենթարկվում CEQA (EOT) պահանջներին:
- 21 -6057**
- 8 -2** Ընդունել որոշում՝ սահմանելով 2026/27 ֆինանսական տարվա համար Ad Valorem հարկային դրույքաչափը: Գլխավոր տնօրենը որոշել է, որ առաջարկվող գործողությունը ազատված է կամ այլ կերպ չի ենթարկվում CEQA (FAAME) պահանջներին:
- 21 -6058**

## 9. Վարչության տեղեկատվական կետեր

- 9 -1** Տեղեկատվություն Մետրոպոլիտենի, Օրանժ շրջանի քաղաքային ջրային շրջանի և Իրվայն Ռանչի ջրային շրջանի (OWA) միջև համակարգված շահագործման, ջրի պահեստավորման, փոխանակման և մատակարարման համաձայնագրում առաջարկվող փոփոխությունների վերաբերյալ
- 21 -6060**

**Կից ֆայլեր՝** [08182026 BOD 9 -1 BL](#)

- 9 -2** Տեղեկատվություն Վարչական օրենսգրքում առաջարկվող փոփոխությունների վերաբերյալ՝ կլիմայի փոփոխության դեմ պայքարի և հարմարվողականության վերաբերյալ խորհրդի ուղղությունը (OWA) ներառելու համար:
- 21 -6062**

- 9 -3** 2025 թվականի համակցված տարեկան օգուտների ֆինանսական
- 21 -6061**

**Կից ֆայլեր՝** [08182026 BOD 9 -3 BL](#)

- 9 -4** Զվեարկության միջոցառումներին վերաբերող թույլատրելի
- 21 -6063**

- 9 -5** Առաջարկ 45-ի ակնարկ. Նախաձեռնության կանոնադրություն, որը առաջարկում է փոփոխություններ կատարել շրջակա միջավայրի
- 21 -6103**

- 9 -6** Զննարկում Մետրոպոլիտենի հարյուրամյակի ճանաչման (LEG)
- 21 -6099**

- 9 -7** Էլեկտրաէներգիայի և գազի արդյունաբերության ասոցիացիայի հետ առաջարկվող միակ աղբյուրի համաձայնագրի վերաբերյալ՝ Մետրոպոլիտենի տարածաշրջանային սպառողների խրախուսման ծրագրերը (OWA) կառավարելու համար:
- 21 -6100**

## 10. ԱՅԼ ՀԱՐՑԵՐ

ՈՉԻՆՉ

## 11. Հետևողական -նյութեր

## ՈԶԻՆՉ

**12. Ապագա օրակարգի կետեր****13. ՀԵՏԱԶԳՈՒՄ**

**ՆՇՈՒՄ.** Օրակարգի յուրաքանչյուր կետ, որը ունի կոմիտեի անվանում, կքննարկվի, և մեկ կամ մի քանի կոմիտեներ կարող են առաջարկություն անել՝ նախքան Տնօրենների խորհրդի լիազումար նիստում քննարկումը և վերջնական որոշումը կայացնելը: Կոմիտեի անվանումը նշված է փակագծերի մեջ՝ օրակարգի կետի նկարագրության վերջում, օրինակ՝ (EOT): Խորհրդի օրակարգերը կարելի է ստանալ Մետրոպոլիտենի կայքէջում՝ <https://mwdh2o.legistar.com/Calendar.aspx>:

Բաց նիստի օրակարգի հարցերի վերաբերյալ գրավոր նյութերը, որոնք տնօրեններին տրամադրվել են հերթական նիստից 72 ժամ առաջ, հասանելի են հանրային ծանոթացման համար Մետրոպոլիտենի գլխավոր գրասենյակի շենքում և Մետրոպոլիտենի կայքում՝ <https://mwdh2o.legistar.com/Calendar.aspx>:

Հաշմանդամության -հետ կապված փոփոխության կամ հարմարեցման, այդ թվում՝ օժանդակ միջոցների կամ ծառայությունների վերաբերյալ հարցումները, որոնք նախատեսված են նիստին մասնակցելու կամ մասնակցելու համար, պետք է ներկայացվեն Խորհրդի գործադիր քարտուղարին նիստից առաջ՝ պահանջվող ծառայության կամ

# The Metropolitan Water District of Southern California

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.

## Agenda

### 董事会-最终决定

2026年8月18日

下午2:00

2026年8月18日，星期二

会议日程

上午 8:30 开放  
上午 9:30 FAAME  
上午 11:30 LC  
下午 1:30 休息  
下午 2:00 BOD

要通过互联网直播会议，[请点击这里](#)。

公众可通过电话会议或现场参会，在会议的公众评议环节实时向理事会和各委员会就其管辖范围内的事项发表意见。如需远程参会或发表公众意见，请拨打 **18778535257** 并输入会议 ID：891 1613 4145；或-[点击此处](#)通过网络加入会议。

公众提交的书面意见，请发送至[BoardPublicComment@mw dh2o.com](mailto:BoardPublicComment@mw dh2o.com)，并在会议召开前一个工作日的下午 3:00

前收到。这些意见将提交给委员会，并发布在“已提交事项及回复”标签页下，该标签页可在此处查看：[https :](https://mw dh2o.legistar.com/Legislation.aspx)

[//mw dh2o.legistar.com/Legislation.aspx](https://mw dh2o.legistar.com/Legislation.aspx)。未按时收到的书面意见将不被纳入本次会议的记录。与会议主题相关的意见将在会后提交，以供下次会议记录。

免责声明：根据《拉尔夫·M·布朗法案》，公众可提交书面和口头意见。请注意，大都会医疗中心不对公众意见或第三方提供的信息的准确性或可靠性进行认可或保证。

MWD总部大楼 • 北阿拉米达街700号 • 洛杉矶，加利福尼亚州 90012

电话会议地点：

加利福尼亚州英格尔伍德市西82街3008号，邮编90305

\* 08182026 董事会会议议程翻译

21591

议程由数字翻译服务翻译。大都会酒店集团不保证任何翻译的准确性。

**1. 点名**

- a. 祈祷：兰治县市政水务局局长兰德尔·克莱恩
- b. 效忠誓词

**2. 点名**

**3. 确定法定人数**

**4. 公众有机会就委员会管辖范围内的事项向委员会发言。（根据政府法典第5495 4.3(a)条规定）**

**5. 其他事项和报告**

|    |                                                                           |          |
|----|---------------------------------------------------------------------------|----------|
| A. | 董事大都会开支报告                                                                 | 21 -5765 |
| B. | 主席月度活动报告                                                                  | 21 -6050 |
| C. | 总经理活动总结                                                                   | 21 -5816 |
| D. | 总法律顾问的活动总结                                                                | 21 -5817 |
| E. | 总审计员活动总结                                                                  | 21 -5818 |
| F. | 道德官活动总结                                                                   | 21 -5819 |
| G. | 2026/27 财年经认证的评估价值清单报告，以及截至 2026 年 8 月 18 日成员机构的评估价值、参与百分比和投票权统计表 (FAAME) | 21 -6065 |

**\*\*同意书日历\*\***

**6. 董事会同意事项**

|    |                                                  |          |
|----|--------------------------------------------------|----------|
| A. | 2026年7月14日董事会会议纪要和2026年7月28日董事会工程、技术和运营委员会研讨会纪要。 | 21 -5820 |
| B. | 批准表彰圣安娜市董事泰潘的决议                                  | 21 -6105 |
| C. | 批准委员会成员任命                                        | 21 -5821 |

**7. 董事会信函同意**

- 7 -1**    批准将与        B&K        Valves        and        Equipment        Inc.        **21 -6051**  
签订的现有采购合同的变更订单授权增加 25,000 美元，用于为 Lake Skinner  
出水塔提供两个阀门；总经理已确定拟议行动属于豁免范围或不受        CEQA  
约束（EOT）。
- 7 -2**    采纳《加州环境质量法案》(CEQA)        **21 -6052**  
的认定，即拟议行动已在丰塔纳市为丰塔纳第 80  
号消防站和培训中心项目通过的 2024  
年缓解否定声明中得到解决，并授权总经理与丰塔纳市签订一份新的许可协议  
，基本期限为 15 年，并三个 10-年的续约选择权和一个 5  
年的续约选择权，最长总期限为 50  
年，以支持在丰塔纳市大都会所有土地上（圣贝纳迪诺县评估员地块编号为  
022802126 (FAAME)) 建设新的消防站和培训设施以及补充停车场。
- 7 -3**    Remcho LLP签订的现有总法律顾问合同的应付金额增加至最高金额待定；[CEQA        **21 -6053**  
(LC)
- 7 -4**    根据加州公共雇员退休系统        (CalPERS)        **21 -6054**  
的规定，批准南加州大都会水务局的工资表；总经理已确定拟议行动属  
于豁免或不受加州环境质量法案 (CEQA) 约束 (OPE)
- 7 -5**    授予        Bigfoot        Homes        Inc.        一份价值        5,164,432        **21 -6104**  
美元，用于在科罗拉多河输水渠的四个泵站提供和安装最多  
21-套预制房屋；总经理已确定拟议行动属于豁免或不受 CEQA 约束（EOT）。
- 7 -6**    授权与诺基亚美国公司签订金额不超过        683.1        **21 -6056**  
万美元的协议，用于采购设备和提供设计支持，以升级西部地区的广域-网；总经  
理已确定拟议行动属于豁免或不受加州环境质量法案 (CEQA) 约束 (EOT)

**\*\*同意书日历结束\*\***

**8.    董事会信函行动**

**8 -1**    批准与 PCL Construction West Coast Inc. 签订一份价值 29,241,000 **21 -6057**  
美元的协议，-用于马修斯湖压力控制结构和电气系统升级项目的第一阶段渐进式  
设计建造服务；并将与 Carollo Engineers Inc. 签订的现有协议金额增加 310  
万美元，使新协议金额不超过 440  
万美元，-用于在第一阶段设计建造协议期间-担任业主顾问；总经理已确定拟议行  
动属于豁免范围或不受加州环境质量法案 (CEQA) 的约束 (EOT) 。

**8 -2**    通过决议，确定 2026/27 **21 -6058**  
财年的从价税率；总经理已确定拟议行动属于豁免或不受 CEQA (FAAME)  
.....

**9. 董事会信息项目**

**9 -1**    关于大都会水务局、橙县市政水务局和尔湾牧场水务局 (OWA) **21 -6060**  
之间协调运营、储水、交换和输送协议拟议变更的信息

**附件：**            [08182026 BOD 9 -1 BL](#)

**9 -2**    关于拟议对行政法规进行修订以纳入理事会关于气候行动和适应的指示 **21 -6062**  
的信息 (OWA)

**9 -3**    2025年综合年度福利财务报告 **21 -6061**  
**附件：**            [08182026 BOD 9 -3 BL](#)

**9 -4**    与投票措施相关的允许活动 (LEG) **21 -6063**

**9 -5**    第 45 号提案概述：一项旨在修订环境审查 (LEG) 的倡议法案 **21 -6103**

**9 -6**    关于大都会百年庆典的讨论 (LEG) **21 -6099**

**9 -7**    与电力和燃气工业协会签订的拟议单一来源协议的信息，该-协议旨在 **21 -6100**  
管理大都会地区的消费者激励计划 (OWA) 。

**10. 其他事项**

没有任何

**11. 后续-事项**

没有任何

## 12. 未来议程项目

## 13. 休会

**注：**所有标明委员会名称的议程项目都将由一个或多个委员会进行审议，并可能提出建议，之后才会提交全体董事会审议并做出最终决定。委员会名称会显示在议程项目描述末尾的括号内，例如（EOT）。董事会议程可在Metropolitan网站<https://mwdh2o.legistar.com/Calendar.aspx>上获取。

与公开会议议程项目相关的书面材料，如果在例会召开前不到 72 小时分发给董事，则可在大都会总部大楼和大都会网站<https://mwdh2o.legistar.com/Calendar.aspx> 上供公众查阅。

如需残疾相关的调整或便利措施（包括辅助工具或服务）以便参加会议，应提前向董事会执行秘书提出申请，以确保所要求的服务或便利措施能够提供。

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.

## Junta Directiva -Final

18 de agosto de 2026

14:00

Martes, 18 de agosto de 2026  
Calendario de reuniones

08:30 am OPE  
09:30 am FAAME  
11:30 am LC  
13:30 h DESCANSO  
14:00 horas BOD

Para ver las reuniones en directo por internet: [haga clic aquí](#).

Los miembros del público pueden presentar sus comentarios a la Junta y a los Comités sobre asuntos de su competencia en -tiempo real durante la sección de comentarios públicos de la reunión, tanto por teleconferencia como en persona. Para asistir de forma remota o para presentar comentarios públicos, marque 18778535257 e ingrese el ID de la reunión: 891 1613 4145 o, para unirse por internet, [haga clic aquí](#).

[escrito](#) enviados a [BoardPublicComment@mwdh2o.com](mailto:BoardPublicComment@mwdh2o.com) y recibidos antes de las 15:00 horas del día hábil anterior a la reunión programada se enviarán a la Junta y se publicarán en la pestaña "Elementos y respuestas presentados", disponible aquí: <https://mwdh2o.legistar.com/Legislation.aspx>. Los comentarios por escrito que no se reciban a tiempo no se incluirán en el acta de esa reunión. Los comentarios que se encuentren dentro de la jurisdicción temática se enviarán después de la reunión para el acta de [la siguiente reunión](#).

**Descargo de responsabilidad:** Los comentarios públicos, tanto escritos como orales, se reciben de conformidad con la Ley Ralph M. Brown. Tenga en cuenta que Metropolitan no respalda ni garantiza la exactitud ni la fiabilidad de la información proporcionada en los comentarios públicos ni por terceros.

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Edificio de la sede central de MWD • 700 N. Alameda Street • Los Ángeles, CA 90012

Ubicaciones para teleconferencias:

3008 W. 82nd Place • Inglewood, CA 90305

Ayuntamiento de Fullerton • 303 W. Commonwealth Avenue, Chambers • Fullerton, CA 92832

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\* 08182026 Junta Directiva Agendas traducidas

21591

Los programas se traducen mediante un servicio de traducción digital. Metropolitan no garantiza la exactitud de ninguna traducción.

**1. Llamar al orden**

- a. Invocación: Director Randall Crane, Distrito Municipal de Agua del Condado de
- b. Juramento de Lealtad

**2. Lista de asistencia****3. Determinación del quórum****4. Oportunidad para que los miembros del público se dirijan a la Junta sobre asuntos que sean de su competencia. (Según lo estipulado en el Código Gubernamental §54954.3(a))****5. OTROS ASUNTOS E INFORMES**

- |            |                                                                                                                                                                                                                                                   |                 |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>A.</b>  | Informe sobre los gastos metropolitanos del director                                                                                                                                                                                              | <b>21 -5765</b> |
| <b>B.</b>  | Informe mensual de actividades del presidente                                                                                                                                                                                                     | <b>21 -6050</b> |
| <b>C..</b> | Resumen de actividades del gerente general                                                                                                                                                                                                        | <b>21 -5816</b> |
| <b>D.</b>  | Resumen de actividades del Asesor Jurídico General                                                                                                                                                                                                | <b>21 -5817</b> |
| <b>E.</b>  | Resumen de actividades del Auditor General                                                                                                                                                                                                        | <b>21 -5818</b> |
| <b>F.</b>  | Resumen de actividades del responsable de ética                                                                                                                                                                                                   | <b>21 -5819</b> |
| <b>G.</b>  | Informe sobre la lista de valoraciones catastrales certificadas para el año fiscal 2026/27 y tabulación de las valoraciones catastrales, porcentaje de participación y derecho a voto de los organismos miembros al 18 de agosto de 2026 (FAAME). | <b>21 -6065</b> |

**\*\* CALENDARIO DE CONSENTIMIENTO \*\*****6. ASUNTOS DE CONSENTIMIENTO DE LA JUNTA**

- |           |                                                                                                                                                                                              |                 |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>A.</b> | Aprobar las actas de la reunión de la Junta Directiva del 14 de julio de 2026 y del taller de la Junta Directiva del Comité de Ingeniería, Tecnología y Operaciones del 28 de julio de 2026. | <b>21 -5820</b> |
| <b>B.</b> | Aprobar la resolución de reconocimiento para el director Thai Phan en representación de la ciudad de Santa Ana.                                                                              | <b>21 -6105</b> |
| <b>C.</b> | Aprobar las asignaciones de los comités                                                                                                                                                      | <b>21 -5821</b> |

**7. CONSENTIMIENTO DE LAS CARTAS DE LA JUNTA DIRECTIVA**

- |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>7 -1</b> | Autorizar un aumento de \$25,000 en la autorización de modificación de un contrato de adquisición existente con B&K Valves and Equipment Inc. para el suministro de dos válvulas para la torre de salida del lago Skinner; el gerente general ha determinado que la acción propuesta está exenta o no está sujeta a la CEQA (EOT).                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>21 -6051</b> |
| <b>7 -2</b> | Adoptar la determinación de CEQA de que la acción propuesta fue abordada previamente en la Declaración Negativa Mitigada de 2024 adoptada por la Ciudad de Fontana para el Proyecto de la Estación de Bomberos No. 80 y Centro de Capacitación de Fontana, y autorizar al Gerente General a ejecutar un nuevo acuerdo de licencia con la Ciudad de Fontana por un plazo base de 15 años, con tres -opciones de 10 años y una opción de cinco años para extender la licencia, por un plazo combinado máximo de 50 años para respaldar una nueva Estación de Bomberos y Centro de Capacitación con estacionamiento suplementario en propiedad de dominio absoluto Metropolitano en la Ciudad de Fontana, identificada como Parcela del Tasador del Condado de San Bernardino No. 022802126 (FAAME). | <b>21 -6052</b> |
| <b>7 -3</b> | Autorizar aumento de \$TBD a un monto máximo a pagar de \$TBD para el contrato existente de Asesoría Jurídica General con Olson Remcho LLP; [CEQA] (LC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>21 -6053</b> |
| <b>7 -4</b> | Aprobar las escalas salariales del Distrito Metropolitano de Agua del Sur de California de conformidad con las regulaciones de CalPERS; el Gerente General ha determinado que la acción propuesta está exenta o no está sujeta a CEQA (OPE).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>21 -6054</b> |
| <b>7 -5</b> | Adjudicar un contrato de \$5,164,432 a Bigfoot Homes Inc. para suministrar e instalar hasta veintiuna -casas prefabricadas en cuatro estaciones de bombeo del acueducto del río Colorado; el gerente general ha determinado que la acción propuesta está exenta o no está sujeta a la CEQA (EOT).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>21 -6104</b> |
| <b>7 -6</b> | Autorizar un acuerdo con Nokia of America Corporation por un monto que no exceda los \$6.831 millones para la adquisición de equipos y el apoyo al diseño para actualizar la -red de área amplia de la Región Occidental; el Gerente General ha determinado que la acción propuesta está exenta o no está sujeta a CEQA (EOT).                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>21 -6056</b> |

**\*\* FIN DEL CALENDARIO DE CONSENTIMIENTO \*\***

## **8. DIRECTIVA ACCIÓN**

- 8 -1** Autorizar un acuerdo de \$29,241,000 con PCL Construction West Coast Inc. para -servicios progresivos de diseño y construcción de la Fase 1 para el Proyecto de Mejoras del Sistema Eléctrico y de la Estructura de Control de Presión del Lago Mathews; y un aumento de \$3.1 millones a un acuerdo existente con Carollo Engineers Inc. por un nuevo -monto que no exceda los \$4.4 millones para servir como asesor del propietario a través del acuerdo de diseño y construcción de la Fase 1 -; el Gerente General ha determinado que la acción propuesta está exenta o no está sujeta a CEQA (EOT). **21 -6057**
- 8 -2** Aprobar resolución que establece la tasa del impuesto ad valorem para el año fiscal 2026/27; el gerente general ha determinado que la acción propuesta está exenta o no está sujeta a CEQA (FAAME). **21 -6058**

## 9. INFORMACIÓN SOBRE LA JUNTA DIRECTIVA

- 9 -1** Información sobre los cambios propuestos al Acuerdo Coordinado de Operación, Almacenamiento, Intercambio y Suministro de Agua entre Metropolitan, el Distrito Municipal de Agua del Condado de Orange y el Distrito de Agua de Irvine Ranch (OWA). **21 -6060**

**Archivos**      [08182026 BOD 9 -1 BL](#)

- 9 -2** Información sobre las enmiendas propuestas al Código Administrativo para incorporar las directrices de la Junta Directiva sobre acción y adaptación climática (OWA). **21 -6062**

- 9 -3** Informe financiero anual combinado de beneficios de 2025 **21 -6061**

**Archivos**      [08182026 BOD 9 -3 BL](#)

- 9 -4** Actividades permitidas relacionadas con las propuestas electorales **21 -6063**

- 9 -5** Resumen de la Proposición 45: Una ley de iniciativa popular que propone enmendar la revisión ambiental (LEG) **21 -6103**

- 9 -6** Debate sobre el reconocimiento del centenario de Metropolitan (LEG) **21 -6099**

- 9 -7** Información sobre -el acuerdo propuesto de adjudicación directa con la Asociación de Industrias Eléctricas y de Gas para administrar los programas regionales de incentivos al consumidor de Metropolitan **21 -6100**

## 10. OTROS ASUNTOS

NINGUNO

## 11. TEMAS DE SEGUIMIENTO-

NINGUNO

## **12. PUNTOS DEL ORDEN DEL DÍA FUTURO**

## **13. APLAZAMIENTO**

**NOTA:** Cada punto del orden del día con una designación de comité será considerado y uno o más comités podrán emitir una recomendación antes de su consideración y decisión final por parte de la Junta Directiva en pleno. La designación del comité aparece entre paréntesis al final de la descripción del punto del orden del día, por ejemplo (EOT). Las agendas de la Junta pueden consultarse en el sitio web de Metropolitan: <https://mwdh2o.legistar.com/Calendar.aspx>

Los documentos relacionados con los puntos del orden del día de las sesiones públicas que se distribuyen a los directores con menos de 72 horas de antelación a una reunión ordinaria están disponibles para su consulta pública en el edificio de la sede de Metropolitan y en el sitio web de Metropolitan: <https://mwdh2o.legistar.com/Calendar.aspx>.

Las solicitudes de modificaciones o adaptaciones relacionadas con la discapacidad -, incluidas las ayudas o servicios auxiliares, para asistir o participar en una reunión, deben dirigirse al Secretario Ejecutivo de la Junta con antelación a la reunión para garantizar la disponibilidad del servicio o la adaptación solicitada.

**August 18, 2026 Board Meeting**

**Item 5A**



Metropolitan Water District of Southern California

Report on Directors' Metropolitan Expenses

| Date(s)         | Location | Meeting Hosted by: | Director(s) |
|-----------------|----------|--------------------|-------------|
| None to report. |          |                    |             |



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

8/18/2026 Board Meeting

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7-1

## Subject

---

Authorize an increase of \$25,000 in change order authority to an existing procurement contract with B&K Valves and Equipment Inc. to furnish two valves for the Lake Skinner outlet tower; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## Executive Summary

---

In April 2023, Metropolitan's Board awarded a procurement contract to replace the two valves at Lake Skinner outlet tower. Manufacturing of the valves is approximately 95 percent complete, with delivery scheduled for the fall of 2026. In April 2025, the United States federal government imposed additional tariffs on goods delivered from Italy. The tariff costs were unforeseen at the time of contract award and are not included in the original contract amount. Payment of the additional tariff costs, in combination with a previously directed change to the contract, will result in contract costs that will exceed the General Manager's current change order authority of \$250,000.

Staff recommend that the General Manager's change order authority for this construction contract be increased by \$25,000 at this time so the contractor can complete the remaining work without delay and at the lowest overall cost. See **Attachment 1** for the Location Map.

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

---

### Staff Recommendation: Option #1

#### Option #1

Authorize an increase of \$25,000 in change order authority to an existing procurement contract with B&K Valves and Equipment Inc. to furnish two valves for the Lake Skinner outlet tower.

**Fiscal Impact:** Expenditure of \$25,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

**Business Analysis:** This option will enable the procurement contract to be completed and the two valves to be delivered on time.

#### Option #2

Do not authorize an increase in change order authority to the existing procurement contract with B&K Valves and Equipment Inc. to furnish two valves for the Lake Skinner outlet tower.

**Fiscal Impact:** Unknown

**Business Analysis:** This option could lead to legal claims by the vendor, potential litigation, higher overall costs, and delays in valve delivery.

## Alternatives Considered

---

Staff attempted to negotiate terms and conditions with the valve supplier to remain within the General Manager's change order authority limits. However, that was not possible because the contract states that when tariffs are imposed on imports after contract award, such changes constitute unforeseen expenditures under the contract.

The selected alternative is to consider the increased tariffs a changed condition under the terms of the contract. For contracts awarded after the tariff increase in April 2025, staff updated the construction and procurement documents to reflect the inclusion of increased tariffs.

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**Applicable Policy**

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Metropolitan Water District Administrative Code Section 8121: General Manager 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 53212, dated April 11, 2023, the Board awarded a \$1,174,475 procurement contract to B&K Valves and Equipment Inc. for the replacement of two valves at the Lake Skinner outlet tower.

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**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 the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4).)

**CEQA determination for Option #2:**

None required

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**Details and Background**

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**Background**

Lake Skinner was built in the early 1970s and is part of the Skinner Branch System, which delivers water to southern Riverside County and San Diego County. The Lake Skinner outlet tower controls the outflows from Lake Skinner, which supplies untreated water to the Skinner plant and San Diego Pipeline Nos. 3, 5, and 6. The outlet tower is the only means of releasing water from the reservoir.

The outlet tower is a circular, freestanding, reinforced-concrete structure equipped with five tiers of 42-inch-diameter valves. The top four tiers contain six valves each and feed the Skinner plant and the San Diego pipelines. The lowest tier, tier five, contains two valves designed to dewater the reservoir.

During the preliminary outlet tower seismic investigation, staff identified hairline cracks on the valve actuators of the valves located at the bottom of the tower. These two valves are critical to ensure that Lake Skinner can be fully dewatered in the event of a potential dam safety issue. The actuators for the valves in question were repaired to ensure the valves are operable; however, replacement of the valves and actuators is recommended to ensure long-term reliable and repeatable operation.

**Lake Skinner Outlet Tower Valve Replacement – Procurement**

In April 2023, Metropolitan's Board awarded Contract 214904, for \$1,174,475 to B&K Valves and Equipment Inc., for the procurement of two 42-inch diameter butterfly valves and actuators. While B&K Valves is a United States company based in California, its supplier's foundry facility is located in Italy.

At the time the contract was awarded, a 5 percent import tariff was included in the contract amount. After the contract award, the import tariffs increased to 15.6 percent in April 2025. Although Contract 214904 was awarded before the increase in import tariffs, all deliveries under this contract are now subject to the new import tariffs. Staff has reviewed the contract and has determined that Metropolitan is responsible for paying the valve supplier for the increased tariff costs.

***Increase in Change Order Authority (B&K Valves and Equipment Inc.)***

Per Metropolitan's Administrative Code, the General Manager has the authority to execute change orders for this procurement contract up to \$250,000. To date, \$178,840 has been expended to increase the actuator size to accommodate the operating conditions of the existing appurtenant equipment, leaving \$71,160 in change order authority. The estimated increase in tariff costs for this project is currently \$84,174. Staff recommend increasing the change order authority for Contract 214904 by \$25,000 to a new maximum of \$275,000. The increased change order will allow Metropolitan to pay for the replacement valves, reimburse the valve vendor for tariffs, and include a small contingency amount. The valves are currently 95 percent complete and are scheduled for delivery by the fall of 2026, and will be installed by Metropolitan forces in winter 2027 during a planned shutdown.

This action authorizes an increase of \$25,000 to the General Manager's change order authority for procurement Contract 214904 with B&K Valves and Equipment Inc., for the Lake Skinner outlet tower, for a new not-to-exceed total of \$275,000. This action will not result in a time extension for the contract. No additional funds are required as sufficient funds are available in the project budget.

***Project Milestone***

October 2026 – Delivery of replacement valves for Lake Skinner outlet tower



Mai M. Hattar  
Chief Engineer  
Engineering Services

7/30/2026

Date



John V. Bednarski  
Assistant General Manager

7/30/2026

Date

**Attachment 1 – Location Map**

Ref# es12709895





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

8/18/2026 Board Meeting

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7-5

## Subject

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Award a \$5,164,432 contract to Bigfoot Homes Inc. to furnish and install up to twenty-one manufactured houses at four Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or not subject to CEQA

## Executive Summary

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Metropolitan maintains employee housing, kitchens, and short-term lodging facilities at the Colorado River Aqueduct (CRA) pumping plant villages to enable staff to conduct their regular operational duties, participate in scheduled major maintenance/rehabilitation activities, and respond to emergencies in a timely manner. These facilities have exceeded their design life, are showing signs of deterioration, and require replacement. Metropolitan is implementing a long-term Desert Housing Project to improve housing in the Desert Region. While the long-term Desert Housing Project is being designed and constructed, there is an immediate need to support the housing needs for new hires and incoming apprentices in the Desert Region.

This action awards a procurement contract to furnish and install up to twenty-one manufactured homes at four CRA pumping plants. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the Location Map.

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

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### Staff Recommendation: Option #1

#### Option #1

Award a \$5,164,432 contract to Bigfoot Homes Inc. to furnish and install up to twenty-one manufactured houses at four Colorado River Aqueduct pumping plants.

**Fiscal Impact:** Expenditure of \$9 million in capital funds. Approximately \$6 million in capital funds will be incurred in the current biennium and have been previously authorized. The remaining capital expenditures will be funded from the next capital investment plan budget.

**Business Analysis:** This option will provide adequate housing for staff stationed at Metropolitan's desert facilities, ensuring sufficient staffing for operations and maintenance.

#### Option #2

Do not proceed with the project at this time.

**Fiscal Impact:** None

**Business Analysis:** This option will forgo an opportunity to provide adequate housing and staffing at the Metropolitan's desert facilities.

## Alternatives Considered

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During the planning process for the manufactured homes, staff considered providing rental housing at the closest towns, such as Parker, Blythe, or Indio, where residential or hotel accommodations are available. However, the

remoteness of the pumping plants makes travel time and long-term costs impractical, rendering this option neither economically nor operationally feasible. The selected alternative ensures that staff can respond to emergencies on time, provides the most cost-effective solution, and supports improved recruitment and retention for these remote facilities.

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**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

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

By Minute Item 52179, dated November 10, 2020, the Board authorized preparation of conceptual master plan and to conduct property assessments for District housing.

By Minute Item 52381, dated May 11, 2021, the Board authorized two new agreements for environmental documentation and geotechnical services in support of the District Housing and Property Improvements.

By Minute Item 52448, dated July 13, 2021, the Board authorized an increase to an agreement with Roesling Nakamura Terada Architects for preliminary design and architectural services in support of the District Housing and Property Improvements.

By Minute Item 52980, dated September 13, 2022, the Board authorized an increase to an agreement with Roesling Nakamura Terada Architects for final design and architectural services in support of the District Housing and Property Improvements.

Board Informational Item 9-2, dated July 9, 2024, transmitted the final report from the community planner on the District Housing and Property Improvement Program.

Board Informational Item 6a, dated October 7, 2024, recommended implementing the new CRA housing strategy in four stages.

By Minute Item 53843, dated November 19, 2024, the Board authorized an amendment to an agreement with Roesling Nakamura Terada Architects for design and architectural services in support of the District Housing and Property Improvements.

By Minute Item 54446, dated April 14, 2026, the Board appropriated a total of \$1.025 billion for projects identified in the Capital Investment Plan for Fiscal Years 2026/2027 and 2027/2028.

Board Informational Item 6c, dated July 13, 2026, recommended procurement and installation of manufactured homes at four CRA pumping plants to support the immediate housing needs within the Desert Region.

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**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 construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. Furthermore, the proposed action consists of minor public or private alterations in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. Finally, 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 Sections 15061 (b)(3), 15301, 15303, and 15304.)

**CEQA determination for Option #2:**

None required

**Details and Background**

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**Background**

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews in Riverside County. The aqueduct system was constructed in the late 1930s and was placed into service in 1941. The CRA includes five pumping plants that are located in remote, isolated areas of the California desert. Since the CRA's inception, Metropolitan has provided housing and lodging to employees involved in the construction, operation, and maintenance of the aqueduct system. Due to the remoteness of the pumping plants, providing on-site housing ensures that staff can respond to emergencies promptly. Houses, kitchens, and short-term lodging were initially constructed at the CRA pumping plants in the early 1940s. Expansion of the CRA's capacity in the 1950s led to the construction of additional houses. Metropolitan has performed routine maintenance on each of these facilities since their construction. However, after decades of continuous use and exposure to the harsh desert environment, the facilities have deteriorated and need replacement.

Metropolitan initiated the Desert Housing and Property Improvements Project to address the long-term needs for housing, kitchens, and lodging within the Desert Region through a staged approach. In November 2024, staff recommended initiating the first stage of a multi-stage program with Eagle Mountain Pumping Plant as the first facility. Design is underway for the Eagle Mountain Pumping Plant, with construction anticipated to begin by fall 2027. Stage 1 at Eagle Mountain Pumping Plant includes: (1) constructing eight new 750-square-foot townhomes comprised of one-bedroom and one bath; (2) replacing the existing kitchen and lodge facilities; and (3) providing amenity features that include a multi-purpose building. Lessons learned from these initial facilities at Eagle Mountain Pumping Plant will be applied to the remaining plants, ensuring optimized cost and schedule for the entire project.

While staff implement the long-term plans, there is also an immediate need for additional housing to accommodate new hires and support the apprenticeship and upcoming pump rehabilitation programs. The CRA pumping plants require specialized skills and expertise, particularly in mechanical and electrical disciplines, to support daily operations. With existing staff shortages, the Desert Region has an increased need to bring in apprentices to train and prepare them to ensure continued, reliable operations at these plants, including supporting the upcoming capital work. The Desert region hired three apprentices this year, who were provided housing from the existing housing inventory. However, there are plans to hire an additional cohort of apprentices over the next two years. These additional apprentices would be provided housing at the pumping plants. In addition to the apprentices, and with the adoption of the FY 2026/2027 to FY 2027/2028 biennial budget, approximately 10 additional full-time staff will be hired over the next several years to address long-term staffing needs. The planned onboarding schedule of these new employees will outstrip the availability of existing housing inventory.

Staff recommends that housing for these new desert staff be provided by utilizing cost-effective manufactured housing. While these units are not designed/manufactured to withstand decades of use in harsh desert climates, staff incorporated provisions into the procurement contract to enhance certain features beyond the manufacturer's standard offerings, such as improved roofing, insulation, and siding, to enhance durability. The additional manufactured housing units will provide immediate living accommodation for both apprentices and new staff while the long-term improvements are being planned and implemented. Fourteen 1,300-square-foot, three-bedroom, two-bath manufactured houses and up to seven 660-square-foot, one-bedroom, one-bath manufactured houses will be provided, for a total of up to twenty-one houses, to meet the immediate and short-term needs. A combination of three-bedroom and one-bedroom units provides flexibility to accommodate different household types and increases long-term employee retention at these remote facilities during this interim transition period. These units will be delivered and installed in multiple phases over three years across the Desert Region as needs arise. Up to 21 interim units may eventually be needed, but staff will procure the units in an incremental manner that matches the actual onboarding of the new staff.

**Manufactured Employee Housing for Colorado River Aqueduct Pumping Plants – Procurement and Installation**

The procurement and installation contract will provide up to twenty-one manufactured houses for four of the CRA pumping plants at Hinds, Eagle Mountain, Iron Mountain, and Gene. Fourteen 1,300-square-foot, three-bedroom, two-bath manufactured houses and up to seven 660-square-foot, one-bedroom, one-bath manufactured houses will be provided. The houses feature composite shingle roofing, exterior cement-panel siding, dual-hung glazed windows, HVAC, dishwasher, electric range, and refrigerator. The houses will be delivered to the pumping plants and installed on-site.

Installation of the manufactured houses will be performed utilizing a hybrid construction approach. The vendor will fabricate the houses at a factory, deliver them to each pumping plant, and install them on the designated vacant lots. Metropolitan forces will perform grading before house delivery and extend utility services for sewer, potable water, and power to each house. Some of the site work will also be handled through minor construction contracts that are planned to be awarded by the General Manager under his Administrative Code authority. This work may include installation of hardscape, such as walkways, stairs, and driveways; surface drainage features; and minimal landscaping. Installation of the manufactured houses will be phased over three years, based on the new staff hiring and the upcoming apprenticeship program in the Desert Region. The procurement contract also includes provisions for unit pricing reductions if Metropolitan determines that some of the houses are not needed.

A total of \$9,000,000 is required to perform this work. In addition to the amount of the procurement contract described below, the allocated funds for Metropolitan staff include \$570,000 for factory fabrication inspection; \$2,500,000 for Metropolitan force construction as described above; \$155,000 for submittals review and responding to requests for information; \$290,000 for contract administration, environmental monitoring, and project management; and \$320,568 for the remaining budget. **Attachment 1** provides the allocation of the required funds.

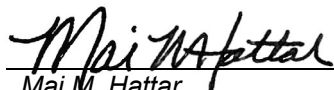
***Award of Procurement Contract (Bigfoot Homes Inc.)***

Specifications No. 2190 for furnishing twenty-one manufactured houses was advertised for bids on April 23, 2026. As shown in **Attachment 2**, three bids were received and opened on July 14, 2026. The bid from Bigfoot Homes Inc. in the amount of \$5,164,432 complies with the requirements of the specifications. This amount includes delivery and all sales and use taxes imposed by the state of California. The other bids, including taxes, ranged from approximately \$5,823,895 to \$6,852,225. The budgetary estimate for the procurement contract based on manufacturer estimates is \$5,500,000.

This action awards a \$5,164,432 procurement contract to Bigfoot Homes Inc to furnish and install up to 21 manufactured homes in the Desert Region. As this is primarily a procurement contract, there are limited subcontracting opportunities, and no Small Business Enterprise participation level was established for this contract.

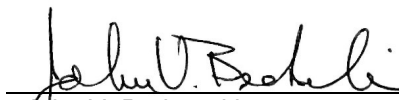
***Project Milestone***

June 2029 – Complete delivery of interim housing units

  
\_\_\_\_\_  
Mai M. Hattar  
Chief Engineer  
Engineering Services

7/29/2026

Date

  
\_\_\_\_\_  
John V. Bednarski  
Assistant General Manager

7/29/2026

Date

**Attachment 1 – Allocation of Funds****Attachment 2 – Abstract of Bids****Attachment 3 – Location Map**

Ref# es12710207

### **Allocation of Funds for Manufactured Employee Housing for Colorado River Aqueduct Pumping Plants – Procurement and Installation**

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|                                                   | <b>Current Board<br/>Action<br/>(Aug. 2026)</b> |
|---------------------------------------------------|-------------------------------------------------|
| Labor                                             |                                                 |
| Studies & Investigations                          | \$ -                                            |
| Final Design                                      | -                                               |
| Owner Costs (Program mgmt.,<br>envir. monitoring) | 270,000                                         |
| Submittals Review & Record Drwgs.                 | 155,000                                         |
| Construction Inspection & Support                 | 570,000                                         |
| Metropolitan Force Construction                   | 2,250,000                                       |
| Materials & Supplies                              | 250,000                                         |
| Incidental Expenses                               | 20,000                                          |
| Professional/Technical Services                   | -                                               |
| Right-of-Way                                      | -                                               |
| Equipment Use                                     | -                                               |
| Contracts                                         | -                                               |
| Bigfoot Homes Inc.                                | 5,164,432                                       |
| Remaining Budget                                  | 320,568                                         |
| <b>Total</b>                                      | <b>\$ 9,000,000</b>                             |

The total amount expended to date is approximately \$540,000. The total estimated cost to complete the installation of the manufactured homes, including the amount appropriated to date, and funds allocated for the work described in this action is \$9.54 million.

**The Metropolitan Water District of Southern California****Abstract of Bids Received on July 14, 2026, at 2:00 P.M.****Specifications No. 2190****Furnishing Manufactured Employee Housing for Colorado River Aqueduct Pumping Plants**

The work includes procurement and installation of up to 21 manufactured homes, along with all appliances as specified and shown in the specifications.

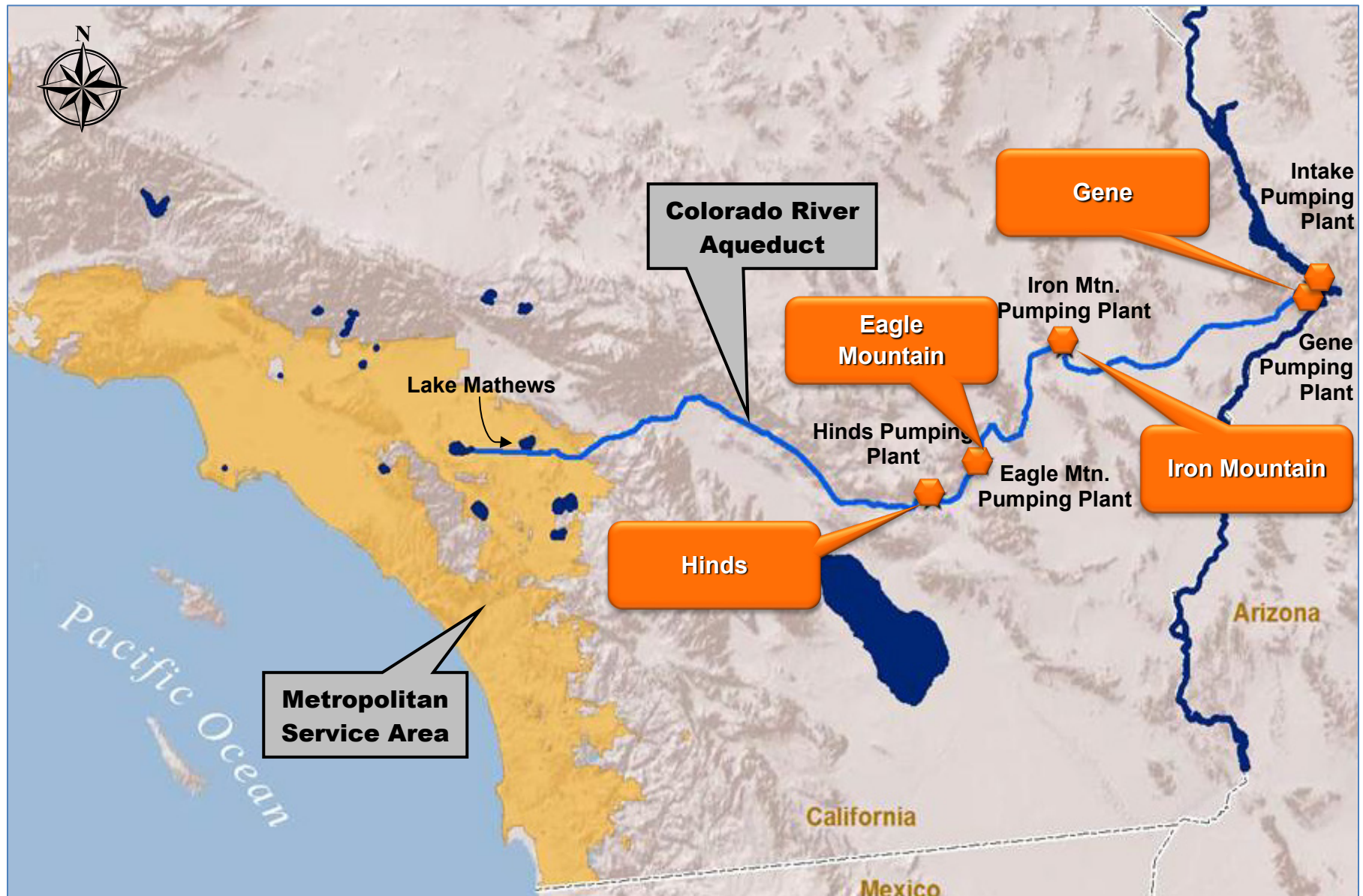
**Budgetary Estimate: \$5.5 million**

| <b>Bidder and Location</b>                        | <b>Total<sup>1</sup></b> |
|---------------------------------------------------|--------------------------|
| Bigfoot Homes Inc. <sup>2</sup><br>El Segundo, CA | <b>\$5,164,432</b>       |
| Horizon Manufactured Homes Inc.<br>Hemet, CA      | \$5,823,895              |
| TKM Home Sales Inc.<br>Riverside, CA              | \$6,852,225              |

<sup>1</sup> Includes State of California sales and use taxes of 9.75 percent.

<sup>2</sup> Small Business Enterprise (SBE) participation level is not applicable for this contract.

### Location Map





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

8/18/2026 Board Meeting

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8-1

## Subject

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Authorize a \$29,214,000 agreement with PCL Construction West Coast Inc. for Phase 1 progressive design-build services for the Lake Mathews Pressure Control Structure and Electrical System Upgrades Project; and an increase of \$3.1 million to an existing agreement with Carollo Engineers Inc. for a new not-to-exceed amount of \$4.4 million to serve as the owner's advisor for the Phase 1 design-build agreement; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## Executive Summary

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Lake Mathews is the terminus of the Colorado River Aqueduct (CRA). The Lake Mathews facilities, including the forebay discharge facility and electrical distribution network, were constructed in the 1930s. These key structures and a majority of the related equipment are original and in need of rehabilitation. As all CRA water to both the Upper and Lower Feeders flows through this critical facility, staff recommend that a new bypass facility be constructed around the existing forebay. The bypass facility includes piping and a pressure control structure (PCS) that will allow staff to regulate flow leaving the lake into the Upper and Lower Feeders. The new facilities would be constructed to replace the existing aging structure/equipment and eliminate this potential system vulnerability. Additionally, the aging electrical distribution system requires an upgrade to meet current and future demands and provide system redundancy. A new chemical addition facility is also needed for control of invasive mussels. Collectively, these improvements will ensure overall system reliability and resiliency of the Lake Mathews facilities.

This action authorizes an agreement with PCL Construction West Coast Inc. (PCL) to develop the Lake Mathews PCS and Electrical System Upgrades Project under a Progressive Design-Build (PDB) project delivery approach. Under this PDB approach, PCL will provide both design and construction services related to this project. The current action requests authorization of the Phase 1 design-build agreement, which will primarily include the design services for the project. Staff will return to the board at a future date(s) to authorize the construction portions of this project. This action also authorizes an increase to an existing agreement with Carollo Engineers Inc. to serve as the owner's advisor for the Phase 1 design-build agreement. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the List of Subconsultants, **Attachment 3** for the Key Agreement Terms, and **Attachment 4** for the Location Map.

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

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### Staff Recommendation: Option #1

#### Option #1

- a. Authorize a \$29,214,000 agreement with PCL Construction West Coast Inc. for Phase 1 progressive design-build services for the Lake Mathews Pressure Control Structure and Electrical System Upgrades Project; and

- b. Authorize an increase of \$3.1 million to an existing agreement with Carollo Engineers Inc. for a new not-to-exceed amount of \$4.4 million to serve as the owner's advisor for the Phase 1 design-build agreement.

**Fiscal Impact:** Expenditure of \$41 million in capital funds. Approximately \$37 million will be incurred in the current biennium and has been previously authorized. The remaining funds from this action will be accounted for in the next biennial budget.

**Business Analysis:** This option will replace aging infrastructure and enhance the reliability of water deliveries from Lake Mathews to the Weymouth and Diemer plants.

#### **Option #2**

Do not authorize the agreement at this time.

**Fiscal Impact:** None

**Business Analysis:** This option would forego an opportunity to reduce the risk of unplanned electrical outages and interruption of water deliveries from Lake Mathews. This option could lead to higher repair costs, more extensive repairs, and unplanned shutdowns. Under this option, staff would continue to pursue the two projects separately utilizing a traditional design-bid-build delivery method.

### **Alternatives Considered**

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Alternatives considered for the Lake Mathews PCS and Electrical Upgrades included using a traditional design-bid-build project delivery process in which drawings and specifications would be developed for advertisement for competitive bidding. It was determined that this traditional project delivery approach would delay completion of the project by two years when compared to the PDB method. An expected completion date for a typical design-bid-build method would be mid-2035, whereas with design-build, completion would be expected by mid-2033. Due to the critical nature of these facilities, it was determined that Metropolitan should utilize PDB delivery to expedite construction of the Lake Mathews Pressure Control Structure and Electrical Upgrades Project. This selected alternative is expected to provide the earliest possible completion of 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 49672, dated February 11, 2014, the Board authorized preliminary design phase activities to perform repairs and replace the Howell-Bunger valves at the Lake Mathews forebay facility.

By Minute Item 50756, dated March 14, 2017, the Board authorized preliminary design phase activities for upgrades to the Lake Mathews electrical system.

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 53745, dated August 20, 2024, the Board authorized an agreement with Carollo Engineers Inc. to perform owner's advisor services for progressive design-build delivery of the Lake Mathews Pressure Control Structure and Electrical System Upgrades.

By Minute Item 54446, dated April 14, 2026, the Board appropriated a total of \$1.025 billion for projects identified in the Capital Investment Plan for Fiscal Years 2026/27 and 2027/28.

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## Summary of Outreach Completed

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Metropolitan highlighted this project at a September 2023 MetWorks event during the Inland Empire Utilities Agency Inland Empire Industry Day to allow adequate time for interested design-build entities to form in advance and prepare to submit proposals.

On March 12, 2025, Metropolitan hosted an outreach event and site tour ahead of the Request for Qualifications release to provide prospective design-builders with more information about the project.

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## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action 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 which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies as a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines). Additionally, the proposed action is statutorily exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves feasibility or planning studies for possible future actions which the agency, commission or board has not yet approved, adopted or funded (Section 15262 of the State CEQA Guidelines).

### CEQA determination for Option #2:

None required

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## Details and Background

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### Background

Lake Mathews is the terminus of the CRA. The Lake Mathews facilities were initially constructed in 1938 and expanded to their current capacity in 1961. The original facilities included the main dam embankment, the lake's first outlet tower, discharge facilities, and the forebay, which has its own outlet tower. In 1961, the main dam embankment was raised, and two dikes were constructed, increasing the lake's volume to its current capacity of 182,000 acre-feet.

The Lake Mathews discharge facility is used to convey all of the water from the lake to the Upper and Lower Feeders to supply the Weymouth and Diemer plants. The facility includes the forebay, its outlet tower, and ten 32-inch-diameter Howell-Bunger fixed-cone valves that control flow from the lake into the forebay to dissipate the excess energy. The forebay is a reinforced concrete reservoir with a storage capacity of 31 acre-feet and includes a 60-foot-tall rectangular concrete outlet tower with steel slide gates. The design and configuration of the forebay and appurtenant structures/equipment reflects the state-of-the-art facility design from the late 1930s.

The ten original Howell-Bunger valves have gradually deteriorated through continuous use and must be replaced. In addition, five 54-inch-diameter butterfly valves within the headworks structure and four large slide gates on the forebay outlet tower need to be refurbished or replaced. The facility's design makes it difficult to safely access the fixed-cone valves for maintenance or repairs while the facility is in operation. The entire discharge facility and forebay must be shut down and dewatered before work can be performed on the outlet slide gates. All CRA water deliveries serving the Central Pool portion of the distribution system are funneled through these 88-year-old outlet facilities. The lack of redundancy in the current system increases operational risk, and scheduling shutdowns for routine maintenance and repairs has become challenging due to Metropolitan's heavy reliance on these facilities.

Due to the critical nature of this facility and the difficulty getting an adequate shutdown duration to perform the work, staff recommends the construction of a new bypass facility. The bypass facility would include modern pressure/flow control equipment in the form of a new PCS structure to replace the existing Howell-Bunger valves and forebay. The configuration of the recommended PCS at Lake Mathews would be similar to existing installations at the Foothill Feeder and Inland Feeder PC-1. Metropolitan staff is very familiar with operating and

maintaining this type of equipment. The bypass piping and the PCS structure would be constructed while the existing forebay remains in service, with a short-duration shutdown to perform the final tie-in. Once completed, the bypass would provide system redundancy and allow routine maintenance or rehabilitation work that would otherwise be limited by the short shutdown window.

The Lake Mathews power distribution system has undergone numerous modifications and upgrades over the years. The incoming electrical service is 480-volt (V) AC, three-phase from Southern California Edison. The incoming service voltage is stepped up from 480V to 2.4 kilovolts (kV) and distributed to outlying loads through a radial network of overhead and underground cables. Unit power centers with step-down transformers convert the 2.4kV back to 480V to power the loads. The loads consist of office buildings, maintenance and repair shops, reservoir outlet structures, outlet headworks, fire pumps, dam seepage pump structures, a chlorination structure, a hydroelectric power plant, and a Communication/Disaster Recovery Building, which is considered a critical facility for Metropolitan operations.

The current electrical system is at capacity and cannot support new equipment loads. The components have also reached the end of their useful life and need replacement. The new system will be upgraded to a 4.16 kV distribution network which will match other upgraded, high-voltage systems at Metropolitan. A significant portion of the electrical system upgrade work is located near the planned PCS structure. Since electrical system upgrades are necessary to supply the new PCS structure, successive design-bid-build contracts, with the electrical system upgrades performed first, would be needed to avoid conflict between the two contractors. To reduce the schedule without risking conflict between the two contractors, staff recommends combining the new bypass, PCS, and electrical system upgrades into a single PDB contract.

#### **Lake Mathews Pressure Control Structure and Electrical Upgrades – Progressive Design-Build**

With the passage of SB 991 in August 2022, Metropolitan was granted authority to utilize PDB delivery for projects over \$5 million. The PDB model utilizes a two-phase process. Under Phase 1, a design-build entity would be selected based on qualifications in response to a Request for Qualifications (RFQ). The selected design-build entity would then progress the design to the point where a guaranteed maximum price (GMP) could be estimated. Metropolitan would negotiate the GMP with the selected design-build entity before entering Phase 2 for completion of design and construction. If unable to reach an agreement or if Metropolitan elects not to proceed with the PDB agreement, Metropolitan would discontinue negotiations and select a different design-build entity for negotiations. Metropolitan will utilize a third party to develop an independent cost estimate to support cost reconciliation and negotiations with PCL to achieve the best overall value for Metropolitan.

This project will construct a new bypass facility, which includes a new PCS and associated piping, a new chemical addition facility for invasive mussel control, and facility-wide electrical upgrades. Major items include large-diameter control valves, isolation valves to allow maintenance while the facility remains in service, and control systems. The PCS will reside inside an enclosed building with heating and air conditioning, a bridge crane, and access hatches. The facility-wide electrical system upgrades include replacing the underground and overhead distribution lines; replacing the existing unit power centers and adding unit power centers where needed; and integrating the new electrical system with Metropolitan's supervisory control and data acquisition system.

The planned activities for the Phase 1 PDB agreement will include geotechnical investigation, survey, site planning to accommodate current water delivery operations, preliminary design, performing pre-construction services, development of design-build procurement documents, final design to approximately the 70 percent level of completion, equipment design and preparation of submittal documents for key long-lead equipment, and development of a GMP proposal. Metropolitan force activities include field staff participation and review of the operational aspects of the design.

A total of \$41 million is allocated for this work. Allocated funds include \$29,214,000 for Phase 1 design-build services by PCL; and \$3.1 million for owner's advisor services throughout Phase 1 by Carollo Engineers Inc. Allocated funds for Metropolitan staff include \$3.653 million for technical oversight, review of the design-builder's work, and identification of technical requirements; \$2.235 million for project management, preparation of environmental documentation, contract administration and construction management, and other owner's costs; \$524,000 for submittals review and responding to requests for information; \$100,000 for Project Labor

Agreement (PLA) administration services by Parsons Constructors Inc. under an existing board-authorized agreement; \$150,000 for preparation of CEQA documentation and supporting technical studies using an existing board-authorized agreement; and \$2.024 million for remaining budget. **Attachment 1** provides the allocation of the required funds.

Design will be performed by PCL Construction West Coast Inc. as part of the Phase 1 design-build services to approximately 70 percent level of completion; the metric below will be reviewed at the start of Phase 2. Engineering Services' performance metric target range for construction management and inspection of projects with construction more than \$3 million is 9 to 12 percent. For this project, the performance metric goal for Phase 1 design is estimated to be 7.7 percent of the total construction cost, which includes \$20.5 million for PCL Construction West Coast Inc. and \$2.6 million for Metropolitan staff; both sums represent the final design portion of the budgets noted above.

The estimated construction value for this project is anticipated to range from \$300 million to \$310 million. The total estimated cost to complete this project, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$350 million to \$370 million.

### **Phase 1 Design-Build Services Agreement (PCL Construction West Coast Inc.)**

In August 2025, Metropolitan issued RFQ No. 1384 to select the entity to provide PDB services for the Lake Mathews Pressure Control Structure and Electrical System Upgrades Project. Six firms submitted a Statement of Qualifications. All six firms met the mandatory minimum qualifications for bonding capacity, insurance coverage, safety record, and other statutory requirements. The firms were then evaluated based on the qualifications of the project team and key personnel, experience related to similar design-build projects, project understanding and delivery approach, and construction planning and scheduling. PCL Construction West Coast Inc. was the top-ranked DBE with the highest evaluation scores based on the evaluation criteria described above.

Staff recommends authorizing an agreement with PCL Construction West Coast Inc. for Phase 1 design-build services for the Lake Mathews Pressure Control Structure and Electrical Upgrades for a not-to-exceed amount of \$29,214,000. While the agreement will need to be amended for Phase 2 work once the GMP is established, the agreement contains the negotiated terms and conditions for both Phases 1 and 2. Key terms and conditions are summarized in **Attachment 3**. Metropolitan staff, with assistance from specialized consultants, successfully negotiated an eight percent reduction of the Phase 1 GMP with PCL that is described herein. The approach to the negotiations and resultant design fee for Phase 1 work are consistent with staff's prior experience on PDB projects and reflect the nature of the Phase 1 work to be completed by PCL. Staff is confident that the agreement price is a fair and equitable negotiated outcome. Staff will return to the Board at a future date to procure long-lead equipment and, if Metropolitan and PCL are able to negotiate a GMP, to amend the agreement to cover Phase 2 work, which includes completion of design and construction.

The Phase 1 activities will include: (1) review of existing project documentation, (2) development of the project schedule, (3) preparation of a Basis of Design Report, procurement plan, and preliminary design deliverables, (4) site investigations including geotechnical investigations, potholing, and survey, (5) performance of pre-construction services including but not limited to environmental planning support, permitting, and constructability reviews, (6) development of final design to the 70 percent level, (7) preparation of procurement documents and design for key, long-lead equipment, and (8) development of a GMP proposal for Phase 2 services.

This action authorizes an agreement with PCL Construction West Coast Inc. for a not-to-exceed amount of \$29,214,000 for Phase 1 PDB services for the Lake Mathews PCS and Electrical System Upgrades. This PDB agreement is being conducted under the terms of Metropolitan's PLA. Metropolitan has established a Small Business Enterprise and Disabled Veteran Business Enterprise participation level of 15 percent. PCL Construction West Coast Inc. has agreed to meet this level of participation. The lead designer is Stantec Consulting Services, and other planned subconsultants are identified in **Attachment 2**.

### **Owner's Advisor Services – Carollo Engineers Inc.**

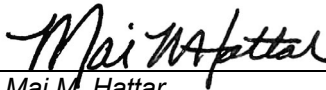
In August 2024, Metropolitan's Board authorized an agreement with Carollo Engineers Inc. to provide owner's advisor services to assist with progressive design-build project delivery. Carollo was selected to provide owner's advisor services based on the firm's expertise in progressive design-build contracts and its familiarity with the Lake Mathews PCS and Electrical System Upgrades Project. Carollo completed the conceptual study for this project and assisted with development of the PDB request for qualifications documents.

The planned owner's advisor services will include: (1) development of a formal partnering approach to identify and resolve issues; (2) facilitating project meetings and progress reviews; (3) reviewing proposed plans, invoices, technical plans, procedures, schedules, guidelines, and submittals; (4) advising staff throughout the first phase of the project; (5) developing Phase 1 cost estimate and schedule, (6) engaging the services of an independent construction cost estimator to be used as a basis of negotiating the GMP with the DBE.

This action authorizes an increase of \$3.1 million to an existing board-authorized agreement with Carollo Engineers Inc. for a new not-to-exceed amount of \$4.4 million for owner's advisor services during Phase 1 of PDB for the Lake Mathews PCS and Electrical System Upgrades. Metropolitan has established a Small Business Enterprise participation level of 10 percent. Carollo Engineers Inc. has agreed to meet this level of participation. See **Attachment 2** for a listing of subconsultants.

### ***Project Milestone***

April 2029 – Board award of a Phase 2 agreement for construction

|                                                                                                                                                      |                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <br><hr/> Mai M. Hattar<br>Chief Engineer<br>Engineering Services | 7/29/2026<br><hr/> <i>Date</i> |
| <br><hr/> John V. Bednarski<br>Assistant General Manager         | 7/29/2026<br><hr/> <i>Date</i> |

**Attachment 1 – Allocation of Funds**

**Attachment 2 – List of Subconsultants**

**Attachment 3 – Key Term Agreements**

**Attachment 4 – Location Map**

Ref# es12712434

## Allocation of Funds for Lake Mathews Pressure Control Structure and Electrical System Upgrades – Phase 1

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|                                                   | <b>Current Board<br/>Action<br/>(Aug. 2026)</b> |
|---------------------------------------------------|-------------------------------------------------|
| Labor                                             |                                                 |
| Studies & Investigations                          | \$ 1,094,000                                    |
| Final Design                                      | 2,559,000                                       |
| Owner Costs (Program mgmt.,<br>envir. monitoring) | 2,155,000                                       |
| Submittals Review & Record Drwgs.                 | 524,000                                         |
| Construction Inspection & Support                 | -                                               |
| Metropolitan Force Construction                   | -                                               |
| Materials & Supplies                              | -                                               |
| Incidental Expenses                               | 80,000                                          |
| Professional/Technical Services                   |                                                 |
| Carollo Engineers Inc.                            | 3,100,000                                       |
| Parsons Constructors Inc.                         | 100,000                                         |
| Environmental Consultant                          | 150,000                                         |
| Right-of-Way                                      | -                                               |
| Contracts                                         |                                                 |
| PCL Construction West Coast Inc.                  | 29,214,000                                      |
| Remaining Budget                                  | 2,024,000                                       |
| <b>Total</b>                                      | <b>\$ 41,000,000</b>                            |

The total amount expended for the Lake Mathews Pressure Control Structure and Electrical System Upgrades is approximately \$8.9 million. The total cost to complete this project, including funds allocated for the work described in this action, and future actions is anticipated to range from \$350 million to \$370 million.

**The Metropolitan Water District of Southern California**  
**Subconsultants for Agreement with Carollo Engineers Inc.**  
**Lake Mathews PCS and Electrical Upgrades**

| <b>Subconsultant and Location</b>                | <b>Service Category; Specialty</b>    |
|--------------------------------------------------|---------------------------------------|
| Schnabel Engineering<br>Boise, ID                | Mechanical                            |
| ProjectLine Technical Services<br>Costa Mesa, CA | Electrical                            |
| SubTerra Inc.<br>North Bend, WA                  | Tunneling and underground engineering |

**The Metropolitan Water District of Southern California**

**Subconsultants for Agreement with PCL Construction West Coast Inc.  
Lake Mathews PCS and Electrical Upgrades**

| <b>Subconsultant and Location</b>                 | <b>Service Category; Specialty</b>                           |
|---------------------------------------------------|--------------------------------------------------------------|
| Stantec Consulting Services Inc.<br>Pasadena, CA  | Lead Designer                                                |
| Drill Tech<br>Antioch, CA                         | Drilling Plans, Engineering, and Design Approach             |
| Infixa Consulting Inc.<br>Irvine, CA              | Scheduling                                                   |
| Guida Inc.<br>Irvine, CA                          | Survey                                                       |
| Gregg Drilling LLC<br>Signal Hill, CA             | Geotechnical Boring                                          |
| GeoVision Geophysical Services Inc.<br>Corona, CA | Geophysical Testing                                          |
| DRP Engineering, Inc.<br>Monterey Park, CA        | CADD Services                                                |
| Cooper Testing Laboratories Inc.<br>Palo Alto, CA | Geotechnical Laboratory Testing                              |
| MicroTest Laboratories Inc.<br>Folsom, CA         | Environmental Laboratory Testing                             |
| OrgMetrics<br>Livermore, CA                       | Partnering Workshops                                         |
| RHA<br>Glendale, AZ                               | Certified Value Specialist                                   |
| Erock Associates, LLC<br>Grass Valley, CA         | Photogrammetry Services for Outlet and Feeder<br>Tunnels     |
| Integrity Inspections<br>Esparto, CA              | Ultrasonic Testing Services for Outlet and Feeder<br>Tunnels |

**The Metropolitan Water District of Southern California**  
**Lake Mathews Pressure Control Structure and Electrical Upgrades**  
**Progressive Design-Build Project Key Agreement Terms**

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <p>Phase 1 Progressive Design-Build Agreement: Not to exceed \$29,214,000 million, includes engineering design and related field investigations to achieve 70 percent complete design package, design allowances, payment for key submittals on critical path equipment, and site investigations.</p> <ol style="list-style-type: none"><li>1. Approximately \$25.3 million for investigations, design, and cost estimates</li><li>2. Approximately \$1.5 million for critical path equipment submittals</li><li>3. Approximately \$2.414 million for further investigations, design and submittal allowance</li></ol> |
| 2. | <p>Phase 2 Design-Builders Fee: 11.5 percent, includes design-builder's overhead (G&amp;A), and profit.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3. | <p>Procurement of critical path equipment: In the event that prior to 70 percent GMP negotiations, the need to commence procurement of key critical path equipment is identified, staff will return to the Board for procurement of long-lead equipment.</p>                                                                                                                                                                                                                                                                                                                                                           |
| 4. | <p>Design-Build Entity agrees to terms and conditions of Metropolitan's draft construction contract that was part of RFQ No. 1384.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |





THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Board Information

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

8/18/2026 Board Meeting

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9-1

## Subject

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Information on proposed amendments to the Coordinated Operating, Water Storage, Exchange and Delivery Agreement among Metropolitan, the Municipal Water District of Orange County, and Irvine Ranch Water District

## Executive Summary

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In 2011, Metropolitan, the Municipal Water District of Orange County (MWDOC), and Irvine Ranch Water District (IRWD) (collectively, the Parties) entered into the Coordinated Operating, Water Storage, Exchange and Delivery Agreement (COA). The purpose of the COA is to provide joint benefits of increased water supply reliability and diversification to Metropolitan and IRWD. Through the COA, IRWD acquires State Water Project (SWP) supplies through exchanges with other State Water Contractors (SWCs) and banks the supplies in its Strand Ranch groundwater bank located within Rosedale Rio Bravo Water Storage District's (RRBWSD) groundwater bank in Kern County Water Agency. IRWD retains a share of the exchanged water and can request delivery of its share into its service area. Through its role as an SWC, Metropolitan facilitates the delivery and recovery of IRWD's exchanges using Metropolitan's capacity in the California Aqueduct and through coordination with the Department of Water Resources (DWR). When Metropolitan declares a Water Supply Allocation, IRWD may request delivery of its banked supplies into its service area as Extraordinary Supplies, while paying Metropolitan the full-service water rate for all delivered supplies. Under the COA, Metropolitan can also borrow IRWD's banked supplies by taking delivery of the supplies into Metropolitan's service area and returning the supplies to IRWD's bank.

The Parties propose to amend the COA to include IRWD's new Kern Fan Project facilities as eligible for storage and to update and clarify several agreement provisions, including provisions relating to eligible sources of water, financial responsibility, and the repayment of borrowed water.

## Fiscal Impact

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The proposed amendments would not result in a financial impact on Metropolitan. With the amendment, Metropolitan would continue to pay the DWR fees for exchanged water under the COA to be delivered to, and recovered from, IRWD's groundwater bank. When exchange water is returned to the Exchange Partners, Metropolitan is compensated through a DWR credit for the prior delivery of the Exchange Partner's share of exchange water to IRWD's groundwater bank. When IRWD's share of exchange water is delivered to MWDOC's service area, MWDOC pays Metropolitan's full-service water rate for the delivered water, which compensates Metropolitan for the prior delivery of IRWD's share of exchange water to IRWD's groundwater bank.

## Applicable Policy

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By Minute Item 48334, dated July 13, 2010, the Board adopted the CEQA determination and authorized executing agreements with the Municipal Water District of Orange County, the Irvine Ranch Water District, and the Department of Water Resources, as appropriate, for the coordinated delivery of procured State Water Project supplies with Irvine Ranch Water District's Strand Ranch Project.

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

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See Applicable Policy section above.

Staff will return to the Board in September 2026 to seek authorization to amend the COA with the proposed changes.

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**Details and Background**

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**Background**

IRWD is within the service areas of Metropolitan and MWDOC and is a member agency of MWDOC. In 2009, IRWD entered into an agreement with RRBWSD for the development and operation of a groundwater recharge, storage, and recovery facility in IRWD's Strand Ranch facility in Kern County. In 2011, Metropolitan, MWDOC, and IRWD executed the COA, which allows IRWD to secure, exchange, and move water supplies to its service area, including those stored in its Strand Ranch groundwater bank, and provides Metropolitan with the ability to augment its water supplies.

Under the COA, IRWD acquires SWP supplies through exchanges with other SWCs, or "Exchange Partners". For the exchanges to be delivered through the California Aqueduct, Metropolitan enters into agreements with DWR and the Exchange Partners whereby DWR delivers the exchanged water from the Exchange Partner to Metropolitan at IRWD's groundwater bank or directly to Metropolitan's service area. Exchanged water is placed under the right and authority of Metropolitan and becomes "Program Water" under the COA. A share of the Program Water is obligated for return to the Exchange Partner, and the other share is held for IRWD's future use. Metropolitan holds the Program Water on behalf of the Exchange Partner and IRWD until either party requests delivery.

When an Exchange Partner requests the delivery of its water, stored water in IRWD's groundwater bank is either pumped and delivered to the Exchange Partner, or Metropolitan delivers its own SWP supplies to the Exchange Partner and accepts delivery of the banked water into its service area. IRWD can request the recovery of its share of the Program Water as an Extraordinary Supply during a Metropolitan Water Supply Allocation, provided that IRWD's Program Water is managed consistent with the Metropolitan Board Policy Principles on Determining the Status of Extraordinary Supply. Upon delivery to an MWDOC service connection, IRWD pays Metropolitan's full-service water rate for the requested Program Water. Metropolitan can also borrow IRWD's share of Program Water and is obligated to return an equal amount of water back to IRWD in the future.

To date, IRWD has secured approximately 75,000 acre-feet (AF) of Program Water through nine different exchange agreements. There are approximately 30,000 AF of Program Water stored in IRWD's groundwater bank under Metropolitan's ownership, of which 25,000 AF is held on behalf of IRWD for its future use. Metropolitan borrowed approximately 12,000 AF during periods of shortages, including 8,000 AF during the 2022 drought, to deliver to its member agencies where Metropolitan could only deliver SWP supplies. Metropolitan is currently in the process of returning approximately 4,000 AF of borrowed water to IRWD's groundwater bank.

**Proposed Changes**

The Parties are considering amending the existing COA with the following changes and clarifications:

*Addition of Stockdale Ranch*

IRWD's groundwater bank includes Strand Ranch. Since 2017, IRWD has also stored Program Water in its Stockdale Ranch banking facility, which is adjacent to, and operated in conjunction with, Strand Ranch. Staff proposes to clarify that Stockdale Ranch is included as a storage facility under the COA.

*New Kern Fan Project Facilities*

IRWD is constructing the Kern Fan Project in partnership with RRBWSD. Both IRWD and RRBWSD will each have access to 50 percent of the Kern Fan Project's storage capacity. The Kern Fan Project is adjacent and hydraulically connected to Strand Ranch. Deliveries of SWP supplies to Strand Ranch, Stockdale Ranch, and the Kern Fan Project are all made by utilizing the Cross Valley Canal. The proposed changes include adding the Kern Fan Project as a storage facility under the COA.

The Kern Fan Project is partly funded through the State of California's Water Storage Investment Program (WSIP). Under WSIP, the Kern Fan Project will accept deliveries of Article 21 supplies, store the Article 21 supplies in an ecosystem account, and, in the future, will provide supplies to support pulse flows in the Feather River. Metropolitan is not a partner on the Kern Fan Project and will have no obligation to deliver its Article 21 supplies to the Kern Fan Project or provide supplies to support pulse flows. The proposed amendment to the COA would only cover IRWD's utilization of the Kern Fan Project facilities to recharge, store, and recover Program Water.

*Source of Program Water*

IRWD primarily obtains Program Water through unbalanced exchanges. IRWD has also participated in one-for-one exchanges and wishes to purchase SWP transfer supplies as Program Water. Staff proposes to clarify that SWP water obtained through purchases and any exchange ratio is eligible to become Program Water.

*DWR Fees Associated with Delivery of Program Water*

Under the existing COA, IRWD pays the DWR costs associated with the delivery of Program Water from an Exchange Partner to Metropolitan, and Metropolitan reimburses IRWD. However, in practice, DWR does not bill IRWD since IRWD is not an SWC; rather, DWR bills Metropolitan. The proposed amendment would remove IRWD's cost responsibility to DWR, Metropolitan's reimbursement to IRWD, and clarify that Metropolitan pays all DWR fees.

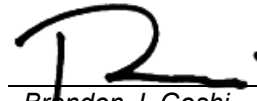
*Repayment of Borrowed Water*

The existing COA requires Metropolitan to return water it borrows to IRWD's groundwater bank or incur a future obligation to deliver an equal amount of water to a MWDOC service connection when requested by IRWD. However, during a Metropolitan Water Supply Allocation, only water stored consistent with Metropolitan's Board Policy Principles on Determining the Status of Extraordinary Supply may qualify as Extraordinary Supply. If IRWD requests delivery of borrowed water to MWDOC during a Water Supply Allocation, the delivered water would not qualify as an Extraordinary Supply because it is not held in storage by IRWD. Additionally, Metropolitan may not always be able to deliver to MWDOC upon IRWD's request.

The proposed clarification to the COA would remove the option for Metropolitan to incur a future debt to deliver water to MWDOC. Instead, Metropolitan would be required to return all borrowed water to IRWD's groundwater bank within three years, unless otherwise approved by the Parties. IRWD would continue to maintain the reliability of Program Water by physically storing it in its bank, which qualifies as Extraordinary Supplies if maintained consistently with the Metropolitan's Board Policy Principles on Determining the Status of Extraordinary Supply.

**Next Steps**

Staff will return to the Board in September 2026 to seek authorization to include the proposed changes in an amended COA. If the Board approves, staff will work with MWDOC and IRWD to amend the COA. Following an amendment, IRWD would be able to pursue exchanges with Exchange Partners to begin storing new Program Water in the Kern Fan Project facilities.



Brandon J. Goshi  
Manager, Water Resource Management

7/23/2026

Date



Shivaji Deshmukh  
General Manager

7/23/2026

Date

Ref# wrm12714213



## Human Resources Group

### • 2025 Combined Annual Benefits Financial Report

#### Summary

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The following information is reported to the Board of Directors on an annual basis:

- (1) A summary of the activities related to the 401(k) and 457(b) defined contribution plans for the calendar year 2025, including total assets as of calendar year end, December 31, 2025.
- (2) A summary of the CalPERS defined benefit retirement plan for the fiscal year period of July 1, 2024, through June 30, 2025. The data presented in this report is based on the most recent CalPERS' actuarial valuation. Rates for the fiscal year 2026/27 are based on data from fiscal year 2023/24.
- (3) A summary of group health premiums, fees, and commissions paid to all Agents, Providers, and Brokers for calendar year 2025 as required by California Section 1367.08 of the Health and Safety Code, and Section 10604.5.

#### Purpose

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Informational

#### Attachments

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None

#### Detailed Report

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##### (1) Metropolitan Defined Contributions Plans

Metropolitan employees may participate in both 457(b) and 401(k) deferred compensation plans. Metropolitan has offered the 457(b) plan since February 1977, and the 401(k) plan since May 1985. Pursuant to the Administrative Code, Chapter 8, the General Manager is designated to carry out the powers, duties, and responsibilities of the Plan Administrator. The General Manager has delegated authority to the Assistant General Manager/Chief Financial Officer (CFO) to act as the Interim Plan Administrator. The Assistant General Manager/Chief Financial Officer (CFO), Assistant General Manager/Chief Administrative Officer (CAO), and Treasury & Debt Manager served as Plan Trustees until the Deferred Compensation Investment Committee (DCIC) was adopted by the Board on February 13, 2024, to replace the Deferred Compensation Advisory Committee, with DCIC members becoming co-fiduciaries.

## Board Report 2025 Combined Annual Benefits Financial Report

### **(a) Asset/Activity Summary**

The following summarizes investment and contribution activities in the plans.

| <b>Plan Statistics</b>                      | <b>401(k) Plan<br/>(as of<br/>12/31/24)</b> | <b>401(k) Plan<br/>(as of<br/>12/31/25)</b> | <b>457(b) Plan<br/>(as of<br/>12/31/24)</b> | <b>457(b) Plan<br/>(as of<br/>12/31/25)</b> |
|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|
| Number of Participants (including retirees) | 2,657                                       | 2,682                                       | 1,969                                       | 2,004                                       |
| Active Employees Eligible to Participate    | 1,825                                       | 1,818                                       | 1,886                                       | 1,918                                       |
| Active Employees Contributing               | 1,693                                       | 1,681                                       | 1,135                                       | 1,152                                       |
| Percentage of Contributing Participants     | 92.7%                                       | 92.4%                                       | 60.1%                                       | 60.0%                                       |

| <b>Key Plan Statistics</b>             | <b>401(k) Plan</b> | <b>457(b) Plan</b> |
|----------------------------------------|--------------------|--------------------|
| Plan Assets as of December 31, 2025    | \$887,411,608      | \$258,627,346      |
| Contributions: 01/01 to 12/31/2025     | \$24,152,530       | \$15,008,773       |
| Employer Matching: 01/01 to 12/31/2025 | \$13,237,642       | N/A                |

### **(b) Deferred Compensation Investment Committee**

The Committee Bylaws were approved by the Board as of February 13, 2024, with the new structure. The DCIC meets quarterly; its primary role is investment activity with discussions on administrative issues concerning the plans, plan regulations, and to provide recommendations for amendments to the official Plan Documents. The DCIC is chaired by the Assistant General Manager/CFO, and the Human Resource Group Manager serves as the Secretary of the Committee and backup to the Interim Plan Administrator.

#### **DCIC Members:**

1. Assistant General Manager/CAO
2. Assistant General Manager/CFO
3. Human Resources Group Manager
4. Audit Manager
5. Treasury & Debt Manager
6. Risk Manager
7. Association of Confidential Employees representative
8. AFSCME Local 1902 representative
9. Management and Professional Employees' Association representative
10. Supervisors' Association representative
11. Metropolitan Retiree

#### **DCIC Staff Support:**

1. HR Benefits & Medical Services Section Manager
2. Principal Benefits Analyst
3. General Counsel representatives (two)

**(c) Major Actions and Discussions of the Plan Administrator and Investment Committee**

- The following optional Secure Act 2.0 features were adopted by the Plans: Section 109 (age 60 to 63 catch-up), Section 314 (Victim of domestic abuse distribution), Section 326 (Terminally ill participants can withdraw from their 401(k) plan), Section 331 (Federally declared emergency disaster distribution), and Section 334 (Long-Term care premium distributions). Sections 109 and 334 are contingent on technological ability and expected to be implemented in CY 2026.
- MWD's investment consultant, Hyas Group, was acquired by Morgan Stanley and rebranded as Fiduciary Consulting Group.
- Jan Matusak was elected by the DCIC committee to serve as the newest retiree member.
- The American Funds EuroPacific Growth Fund (RERGX) has been reclassified as a growth fund to align with its investment characteristics. This required the Investment Policy to be updated.
- Parnassus Core Equity Fund was consolidated into the Vanguard FTSE Social Index Fund due to its underperformance and low participation usage.
- MWD's plans received an honorable mention in the Hermes Awards for the Roth Rollout Campaign of CY 2024.

**(2) CalPERS Defined Benefit Pension Plan**

Metropolitan originally contracted with CalPERS as a Local Miscellaneous agency on January 1, 1945, to administer its pension plan. The plan provides employees with a defined benefit upon retirement based on years of service, age, and salary. Effective July 1, 1971, Metropolitan adopted the 2 percent age 60 benefit formula. The formula was amended on December 28, 1997, to provide 2 percent at age 55. Effective January 1, 2012, Metropolitan's MOUs with the bargaining units were amended to implement a 5-year vesting schedule for represented members. Represented classic members pay their full employee contribution for their first 5 years of employment before receiving employer-paid member contributions (EPMC), and unrepresented classic members continue to receive EPMC from date of hire. Effective January 1, 2013, Pension Reform changes required that all "new" members to the CalPERS system be enrolled in the 2 percent at age 62 formula.

The CalPERS employer rate is set annually based on an actuarial valuation performed by a CalPERS actuary. The valuation considers several factors, including the number and age of employees, total payroll, and the CalPERS' investment returns. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 6.8 percent, adopted by the Board in November 2021.

Effective July 1, 2017, the unfunded accrued liability (UAL) is now reported as a dollar amount rather than added to the employer rate by CalPERS. This is determined by looking at the market value of assets of the plan and comparing it with the accrued liability of that plan\*\*. To the extent that the plan's assets are less than its liabilities, the employer must make an unfunded liability payment to cover the shortfall. The purpose of the unfunded liability payment is to stabilize the assets and liabilities over time. The total employer contribution is the sum of the normal cost rate applied to an employer's reported payroll plus the UAL payment. Taken together, these two components are the required contribution amount that employers pay CalPERS to fund their employees' pension benefits.

## Board Report 2025 Combined Annual Benefits Financial Report

### (a) Metropolitan's Employer Contribution Rates

Below is a history of Metropolitan's employer contribution rates and recent projected employer rates from the actuarial valuation, not including EPMC.

| Fiscal Year | Employer Rate | Unfunded Accrued Liability | Total Employer Cost |
|-------------|---------------|----------------------------|---------------------|
| 2013/14     | 16.306%       | N/A                        | \$47,354,980        |
| 2014/15     | 17.649%       | N/A                        | \$47,031,120        |
| 2015/16     | 19.738%       | N/A                        | \$50,835,530        |
| 2016/17     | 20.747%       | N/A                        | \$54,774,001        |
| 2017/18 **  | 7.853%        | \$32,560,150               | \$61,253,850        |
| 2018/19     | 8.273%        | \$39,554,600               | \$68,324,002        |
| 2019/20     | 9.006%        | \$46,684,999               | \$75,596,862        |
| 2020/21     | 10.116%       | \$51,496,203               | \$85,737,391        |
| 2021/22     | 9.83%         | \$59,117,014               | \$92,552,631        |
| 2022/23     | 9.65%         | \$65,787,464               | \$98,817,258        |
| 2023/24     | 10.84%        | \$60,771,624               | \$100,552,849       |
| 2024/25     | 10.72%        | \$71,360,748               | \$111,450,050       |
| 2025/26     | 10.68%        | \$72,329,773               | Pending             |
| 2026/27     | 10.4%         | \$82,958,358               |                     |
| 2027/28     | 10.3%         | \$86,081,000 (projected)   |                     |

The EPMC rate for classic members remains at 7.49 percent for a total employer cost of \$10,762,699 for FY 2024/25, a decrease of 1.25 percent from FY 2023/24.

### (b) Metropolitan's Pension Demographics

The demographics below are as of June 30, 2023, and June 30, 2024:

| <u>Active Members</u>                    | <u>June 30, 2023</u> | <u>June 30, 2024</u> |
|------------------------------------------|----------------------|----------------------|
| Count                                    | 1,813                | 1872                 |
| Average Age                              | 47.97                | 48.08                |
| Average Age at Hire                      | 35.44                | 35.86                |
| Average Years of Service                 | 12.84                | 12.45                |
| Average Annual Pensionable Earnings      | \$140,140            | \$151,728            |
| Annual Covered Payroll                   | \$254,074,465        | \$284,034,373        |
| <u>Retired Members and Beneficiaries</u> |                      |                      |
| Count                                    | 2,477                | 2,517                |
| Average Age                              | 72.52                | 72.80                |
| Average Annual Pension                   | \$63,655             | \$65,675             |
| Active to Retired Ratio                  | 0.73                 | 0.74                 |

### (c) Public Employees' Pension Reform Act (PEPRA)

As of January 1, 2013, the PEPRA mandates that all "new" PERS members be hired under the 2 percent at age 62 formula and requires that they pay the full employee cost. For the period of

## Board Report 2025 Combined Annual Benefits Financial Report

July 1, 2025, through June 30, 2026, the full employee cost is 8 percent. As of December 2025, there are 1,112 employees enrolled in this new formula, an increase of 108 employees from CY 2024. The cost of EPMC has declined by 20.3 percent since the implementation of the five-year time-in-grade vesting schedule for classic members and the passage of PEPRA for new members based on the growing share of the workforce now consisting of “new” rather than “classic” members.

### **(d) Changes Since the Prior Year’s Valuation**

On April 16, 2024, the CalPERS board took action to modify the Funding Risk Mitigation Policy to eliminate the automatic reductions to the discount rate when the investment return exceeded certain thresholds. Under the revised policy, exceptionally strong investment performance (such as returns more than 2 percent above the assumed rate) now triggers a required CalPERS board discussion rather than an automatic change. Accordingly, even the very high-return scenario shown in the actuarial report’s 95<sup>th</sup> percentile projection, which would be sufficient to prompt such a discussion, does not assume any discount-rate adjustment unless and until the CalPERS board formally votes to make one.

### **(e) Funding History**

Each year, CalPERS actuaries calculate a funded ratio comparing the market value of assets to liabilities. The funded ratios change from year to year and are now based on the market value of assets. The market value of assets is calculated based on the present-day liquidation value of the assets held and reflects the plans’ short-term solvency. For the fiscal year ending 6/30/2025, CalPERS investment returns fund 55 percent of the retirement benefits. This directly impacts the employer contribution rate. The public employee pension is 45 percent funded by investment earnings and member contributions.

| Valuation Date | Funded                 |                    |
|----------------|------------------------|--------------------|
|                | Market Value of Assets | Actuarial Value of |
| 6/30/2011      | 75.1%                  | 84.5%              |
| 6/30/2012      | 70.9%                  | 85.0%              |
| 6/30/2013      | 75.1%                  | N/A                |
| 6/30/2014      | 78.7%                  | N/A                |
| 6/30/2015      | 75.5%                  | N/A                |
| 6/30/2016      | 70.3%                  | N/A                |
| 6/30/2017      | 72.7%                  | N/A                |
| 6/30/2018      | 71.7%                  | N/A                |
| 6/30/2019      | 71.4%                  | N/A                |
| 6/30/2020      | 70.4%                  | N/A                |
| 6/30/2021      | 81.0%                  | N/A                |
| 6/30/2022      | 70.1%                  | N/A                |
| 6/30/2023      | 70.1%                  | N/A                |
| 6/30/2024      | 71.5%                  | N/A                |

**(f) CalPERS Portfolio Returns and Market Values**

Below is historical data on CalPERS' overall portfolio, investment returns, and market value.

| Year | Historical Rates of Return |                            | Market Value            |                            |
|------|----------------------------|----------------------------|-------------------------|----------------------------|
|      | Fiscal Year<br>End 6/30    | Calendar Year<br>End 12/31 | Fiscal Year<br>End 6/30 | Calendar Year<br>End 12/31 |
| 2012 | 1.0%                       | 13.3%                      | \$233.4 billion         | \$248.8 billion            |
| 2013 | 13.2%                      | 16.2%                      | \$257.9 billion         | \$283.5 billion            |
| 2014 | 18.4%                      | 6.5%                       | \$300.3 billion         | \$295.8 billion            |
| 2015 | 2.4%                       | -0.1%                      | \$301.9 billion         | \$289.9 billion            |
| 2016 | 0.6%                       | .77%                       | \$302.0 billion         | \$302.8 billion            |
| 2017 | 11.2%                      | 15.7%                      | \$326.4 billion         | \$350.0 billion            |
| 2018 | 8.6%                       | -3.5%                      | \$354.0 billion         | \$337.2 billion            |
| 2019 | 6.7%                       | 17.3%                      | \$372.6 billion         | \$394.8 billion            |
| 2020 | 4.7%                       | 12.4%                      | \$392.5 billion         | \$442.6 billion            |
| 2021 | 21.3%                      | 13.3%                      | \$477.3 billion         | \$500.7 billion            |
| 2022 | -6.1%                      | -11.2%                     | \$439.4 billion         | \$442.2 billion            |
| 2023 | 5.8%                       | 10.3%                      | \$464.6 billion         | \$483.7 billion            |
| 2024 | 9.3%                       | 9.0%                       | \$506.6 billion         | \$523.4 billion            |
| 2025 | 11.6%                      | 15.4%                      | \$563 billion           | \$600.2 billion            |

**(3) Summary of Metropolitan's Health Insurance Plans**

CalPERS administers and negotiates rates and coverage for all Metropolitan medical plans. Rates are approved by the CalPERS Board of Directors, typically in mid-July for the following calendar year. CalPERS role includes plan design, benefit structure, negotiation with medical and pharmaceutical carriers, development and printing of plan summaries, outlines, and brochures, billing, claims processing, handling participant appeals and grievances, offering free workshops/seminars for employers, employees, and retirees, and hosting an online database for all contracted public agencies to process their own enrollments and changes of their active employees and dependents.

All non-medical employee benefit plans—including dental, vision, life insurance, long-term disability, voluntary Accidental Death & Dismemberment, flexible spending accounts, and supplemental individual plans such as cancer, intensive care, and whole life insurance—were brokered through Orion Risk Insurance Services. Orion Risk Insurance Services provides comprehensive benefits consulting and administrative support, including plan design, carrier negotiations on rates and benefits, legal and compliance updates, and guidance on open enrollment, ACA, and COBRA administration. Additional services include claims assistance and resolution, vendor evaluation and selection, educational workshops and seminars, customized reporting and analysis, the preparation and printing of the annual Benefit Summary Guide, and individual employee Total Compensation Statements.

## Board Report 2025 Combined Annual Benefits Financial Report

### (a) Fees for Agents, Providers, and Brokers

Below are Metropolitan's group health premiums, fees, and commissions paid to all Agents, Providers, and Brokers as required by California, Section 1367.08 of the Health and Safety Code, and Section 10604.5. Premiums and fees include both employer and employee-paid costs for the calendar year 2025.

| Agents/Brokers       | Coverage    | Premiums       | Total Fees/<br>Commissions | % of Fee to<br>Premiums |
|----------------------|-------------|----------------|----------------------------|-------------------------|
| CalPERS              | Medical     | \$70,530,602   | \$123,497                  | .17%                    |
| Orion Risk Insurance | Non-Medical | \$5,159,839.49 | \$171,262.69               | 3.3%                    |

### (b) Agents/Brokers of Record:

| Medical Broker/Administrator                                                                | Non-Medical Broker                                                              |
|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| California Public Employee Retirement Services<br>400 Q Street<br>Sacramento, CA 94229-2714 | Orion Risk Insurance<br>1800 Quail Street, Suite 110<br>Newport Beach, CA 92660 |