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.

Special Joint Meeting of the Executive Committee and Board of Directors - Final - Revised 1

November 18, 2025

12:30 PM

Tuesday, November 18, 2025 Meeting Schedule
08:30 a.m. FAAME 10:30 a.m. OPE 12:00 p.m. BREAK 12:30 p.m. SP JT EXEC and BOD

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

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 873 4767 0235.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 876 9484 9772 or to join by computer click here.

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012
Teleconference Locations:
29514 Bertrand Drive • Agoura Hills, CA 91301
City Hall • 303 W. Commonwealth Avenue, Chambers • Fullerton, CA 92832

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

1. CALL TO ORDER

a. Invocation: Director Gretchen Shepherd Romey, City of San Marino

b. Pledge of Allegiance: TBD

2. ROLL CALL

3. DETERMINATION OF A QUORUM

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

PUBLIC HEARING

a. Public hearing regarding the review of the applicability of Metropolitan Water District Act Section 124.5 ad valorem property tax limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast **21-5209**

EXECUTIVE COMMITTEE ITEMS

A. Approval of the Minutes of the Executive Committee of October 28, 2025 **21-5146**

B. Approve draft committee and board meeting agendas and schedule for December 2025 **21-5147**

BOARD ITEMS

5. OTHER MATTERS AND REPORTS

A. Report on Directors' Events Attended at Metropolitan's Expense **21-5148**

Attachments: 11182025 SP JT EXEC_BOD 5A Report

B. Chair's Monthly Activity Report **21-5141**

C. General Manager's summary of activities **21-5142**

D. General Counsel's summary of activities **21-5143**

E. General Auditor's summary of activities **21-5144**

F. Ethics Officer's summary of activities **21-5145**

G. Presentation of Commendatory Resolution for Director S. Gail Goldberg representing San Diego County Water Authority **21-5149**

**** CONSENT CALENDAR ****

6. BOARD CONSENT ITEMS

A. Approval Minutes of the meeting of the Board of Directors for July 8, 2025, September 9, 2025 and October 14, 2025; and the Special Board of Directors meeting for August 11, 2025, August 12, 2025, and September 8, 2025; and the Joint Board of Directors and Executive Committee for August 26, 2025; and the Board of Directors Workshop on Finance, Affordability, Asset Management and Efficiency for September 23, 2025; and the Board of Directors Workshop on Engineering, Operations, and Technology for September 23, 2025 **21-5150**

Attachments: 11182025 SP JT EXEC & BOD 6A (09232025 FAAME WKSP) Minutes
11182025 SP JT EXEC & BOD 6A (09232025 EOT WKSP) Minutes

B. Approve Committee Assignments **21-5151**

7. BOARD LETTERS CONSENT

7-1 Authorize agreements with (1) HDR Engineering Inc. in an amount not to exceed $1.80 million for a comprehensive investigation of Metropolitan's 230 kV transmission system; and (2) Towill Inc. in an amount not to exceed $270,000 to perform an aerial survey of the 230 kV transmission system; the General Manager has determined that the proposed action is exempt or not subject to CEQA (EOT) **21-5180**

Attachments: 11182025 EOT 7-1 B-L

7-2 Approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) **21-5185**

7-3 Authorize the General Manager to grant a permanent access easement to Pacific Gas and Electric for electrical transmission purposes on a portion of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Bouldin Island and also identified as Assessor Parcel Number 069-030-38; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. Agency negotiators: Steven Johnson, Kevin Webb, and Kieran Callanan; negotiating parties: Pacific Gas & Electric; under negotiation: a permanent easement for public utility purposes (FAAME) **21-5186**

7-4 Authorize the General Manager to execute a new license agreement with Eastmore Partners LLC for up to twenty years for access and supplemental parking purposes on Metropolitan fee-owned property in the city of Riverside, and identified as County of Riverside Assessor Parcel Number TBD; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) **21-5187**

7-5 Authorize an increase in the maximum amount payable under contract with Best Best & Krieger LLP for legal advice on environmental review and permitting issues related to Pure Water Southern California by $100,000 to a maximum amount payable of $350,000; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA (LEGAL) **21-5192**

7-6 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 **21-5216**

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

8. BOARD LETTERS (ACTION)

8-1 Award a $35,722,000 contract to Kiewit Infrastructure West Co.to replace utilities at the Eagle Mountain and Julian Hinds pumping plants; and authorize an increase of $320,000 to an agreement with AECOM Technical Services Inc. for a new not-to-exceed amount of $550,000; the General Manager has determined that the proposed action is exempt or not subject to CEQA (EOT) **21-5177**

Attachments: 11182025 EOT 8-1 B-L

8-2 Adopt the resolution finding that the ad valorem property tax rate limitation of Metropolitan Water District Act Section 124.5 is not applicable because it is essential to Metropolitans fiscal integrity to collect ad valorem property taxes in excess of the limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAAME) **21-5184**

8-3 Authorize an agreement with Securitas to provide security guard services for a maximum period of five years at a total cost not-to-exceed $84 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OPE) **21-5207**

8-4 Amend the Administrative Code to grant authority to the Ethics Officer to conduct ethics-related reviews of policies, procedures, and practices for the purpose of making recommendations that help foster an ethical culture and prevent ethics violations in support of SB 60; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (CWC) **21-5176**

Attachments: 11182025 CWC 8-4 B-L

8-5 Authorize the General Manager to enter into an agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System; the General Manager has determined that the proposed action is exempt or not subject to CEQA [conference with legal counsel regarding anticipated litigation based on existing facts and circumstances, including allegations of a breach of an agreement, there is significant exposure to litigation against Metropolitan: one or more potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)] (EOT) **21-5178**

9. BOARD ITEMS (INFORMATIONAL)

9-1 Report on Conservation Program **21-5198**

Attachments: 11182025 SP JT EXEC_BOD 9-1 Report

9-2 Legislative Priorities and Principles for 2026 (LEG) **21-5193**

9-3 Information on Los Angeles County Department of Public Works Potential Stormwater Pilot Program (Jt OWA - IW) **21-5199**

9-4 Update on proposed extension of the Yuba Accord Long-Term Water Transfer Program and amendment to the agreement with the California Department of Water Resources (Jt OWA - IW) **21-5200**

Attachments: 11182025 JT OWA_IW 9-4 Report

9-5 Compliance with Fund Requirements and Bond Indenture Provisions (FAAME) **21-5210**

9-6 Report on proposed agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System [conference with legal counsel regarding anticipated litigation based on existing facts and circumstances, including allegations of a breach of an agreement, there is significant exposure to litigation against Metropolitan: one or more potential cases; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(2)]. [ADDED SUBJECT on 10/29/2025] (EOT) **21-5219**

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.

November 18, 2025 Board Meeting

Item 5A

Metropolitan Water District of Southern California
Summary of Events
Attended by Directors at Metropolitan's Expense in October 2025

Date(s)	Location	Meeting Hosted by:	Participating Director(s)
October 1-3, 2025	Taylorsville, CA	Upper Feather River Watershed Tour provided by Blue Feather and Sierra Institute	Gloria Cordero Dennis Erdman Cynthia Kurtz Tana McCoy
October 6-10, 2025	Reno, NV	AWWA Water Innovations Conference	Jacque McMillan
October 16-17, 2025	Sacramento, CA	DCA Board Meeting	Miguel Angel Luna
October 23, 2025	Newport Beach, CA	Southern California Water Coalition's Annual Meeting & Dinner	Desi Alvarez Brenda Dennstedt Dennis Erdman Adan Ortega Karl Seckel
October 23-24, 2025	Westlake Village, CA	LA Area Chamber Board Retreat	Ardy Kassakhian

Date of report: 9/9/2025

MINUTES

BOARD OF DIRECTORS WORKSHOP ON FINANCE, AFFORDABILITY, ASSET MANAGEMENT AND EFFICIENCY

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 23, 2025

1. CALL TO ORDER

Chair Miller called the meeting to order at 1:00 p.m.

Director Fong-Sakai indicated she was participating under AB 2449 “just cause” due to a contagious illness. Director Fong-Sakai appeared by audio and on camera.

2. ROLL CALL

Board Executive Secretary Hudson administered the roll call.

Board Members present: Directors Ackerman, Alvarez, Bryant, Cordero, Denham, Dennstedt, Dick, Faessel, Fellow, Fong-Sakai (AB 2449 just cause), Gold, Jay, Kurtz, McCoy, McMillan, Miller, Ortega, Pressman, Quinn, Seckel, and Shepherd Romey.

Board Members absent: Directors Armstrong, Camacho, Crawford, De Jesus, Douglas, Erdman, Garza, Gray, Jung, Kassakhian, Katz, Lewitt, Luna, Petersen, Phan, Ramos, and Sutley.

3. DETERMINATION OF QUORUM

Board Executive Secretary Hudson determined that a quorum was present.

4. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD LIMITED TO THE ITEMS LISTED ON THE AGENDA.

No members of the public requested to speak.

5. WORKSHOP ITEMS

A. Subject: Staffing Needs Analysis

Presented by: Adam Benson, Group Manager - Finance & Administration
JR Rhoades, Group Manager - Conveyance & Distribution
Mickey Chaudhuri, Group Manager - Treatment & Water Quality
Keith Nobriga, Group Manager - Integrated Operations, Planning & Support Services
Mai Hattar, Group Manager - Engineering Services

Ms. Kasaine introduced the item and Mr. Benson provided an overview of the workshop agenda, initial group requests, and the revised requests to target a one percent biennial impact. Next, Mr. Rhoades, Mr. Chaudhuri, Mr. Nobriga, and Ms. Hattar provided their groups' staffing needs and key drivers. Lastly, Mr. Benson provided a summary of the staffing needs and next steps.

The following Directors made comments or asked questions:

1. Faessel
2. Seckel
3. Bryant
4. Fong-Sakai
5. Kurtz
6. Pressman
7. Gold
8. Ortega
9. Dick

Staff responded to the Directors questions and comments.

6. FOLLOW-UP ITEMS

None

7. FUTURE AGENDA ITEMS

None

8. ADJOURNMENT

Meeting adjourned at 2:33 p.m.

RICKITA HUDSON

BOARD EXECUTIVE SECRETARY

C. MARTY MILLER

COMMITTEE CHAIR

MINUTES

BOARD OF DIRECTORS WORKSHOP ON
ENGINEERING, OPERATIONS, AND TECHNOLOGY

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 23, 2025

1. CALL TO ORDER

Vice Chair Faessel called the meeting to order at 8:35 a.m.

Directors Fong-Sakai and Garza indicated they are participating under AB 2449 "just cause" due to caretaking for a loved one. Directors Fong-Sakai and Garza appeared by audio and on camera.

The Pledge of Allegiance was given by Director Dennstedt, Western Municipal Water District of Riverside County.

2. ROLL CALL

Board Executive Secretary Hudson administered the roll call.

Board Members present: Ackerman, Alvarez, Bryant, Cordero (entered after roll call), Denham, Dennstedt, Dick, Faessel, Fellow (entered after roll call), Fong-Sakai (AB 2449 "just cause"), Garza (AB 2449 "just cause"), Gray (teleconference posted location), Jay, McCoy (entered after roll call), McMillan (entered after roll call), Miller (entered after roll call), Ortega, Pressman, Ramos, Seckel, and Shepherd Romey

Board Members absent: Directors Armstrong, Camacho, Crawford, De Jesus, Douglas, Erdman, Gold, Jung, Kassakhian, Katz, Kurtz, Lewitt, Luna, Petersen, Phan, Quinn, and Sutley

Directors Fong-Sakai and Garza announced during roll call that no one was in the room with them.

3. DETERMINATION OF QUORUM

Board Executive Secretary Hudson determined that a quorum was present.

4. Opportunity for members of the public to address the Board on Matters within the Board's jurisdiction.

	Name	Affiliation	Item
1.	Tom Love	Upper San Gabriel Valley MWD	5a

Committee Vice Chair Faessel and John Bednarski made introductory remarks.

5. WORKSHOP ITEMS

Directors Ramos, Cordero, and Shepherd Romey entered the meeting.

a. Subject: Pure Water Cost Estimate

Presented by: Gloria Lai-Bluml, Pure Water Southern California Program Manager and Arnout Van den Berg, Revenue & Budget Section Manager

Ms. Hattar introduced Ms. Lai-Bluml, who provided an overview of the Pure Water Southern California cost estimate. The presentation summarized foundational information of the project explaining cost, staging options, schedules and potential cashflows for staging options. Arnout Van den Berg added the overall estimated rate impact along with unit cost estimates.

The following Directors made comments or asked questions:

1. Dick
2. Miller
3. Seckel
4. Alvarez
5. Miller
6. Ortega
7. Seckel
8. Fong-Sakai
9. Miller

Staff responded to the directors' questions and comments.

6. FOLLOW UP ITEMS

Director Alvarez requested the costs of having all treatment at Carson and taking treated water to the central pool, versus building a conveyance pipeline.

Director Seckel requested an update to the analysis of the cost difference between Indirect Potable Reuse (IPR) and Direct Potable Reuse (DPR) including Treated Water Augmentation (TWA) given the costs for the conveyance system.

Director Miller would like the cost of the training building reported back to the board.

7. FUTURE AGENDA ITEMS

None.

Meeting adjourned at 10:03 a.m.

STEPHEN FAESSEL
COMMITTEE VICE CHAIR

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

11/18/2025 Board Meeting

7-1

Subject

Authorize agreements with (1) HDR Engineering Inc. in an amount not to exceed $1.80 million for a comprehensive investigation of Metropolitan's 230 kV transmission system; and (2) Towill Inc. in an amount not to exceed $270,000 to perform an aerial survey of the 230 kV transmission system; the General Manager has determined that the proposed action is exempt or not subject to CEQA

Executive Summary

Metropolitan's 230 kV transmission system provides power to the Colorado River Aqueduct (CRA) pumping plants. The 230 kV transmission system is in good condition; however, system components are showing signs of deterioration after 90 years of service in the harsh desert environment. A comprehensive investigation and condition assessment is recommended to improve the reliability of the 230 kV transmission system. In addition, this project will investigate adding a fiber optic communication path to the Iron Mountain, Eagle Mountain, and Hinds pumping plants along the 230kV transmission system. Fiber optic cables provide higher bandwidths and speeds, making them ideal for the core network in the desert region.

This action authorizes agreements with (1) HDR Engineering Inc. (HDR) for a comprehensive investigation of the CRA 230 kV transmission line system; and (2) Towill Inc. to perform an aerial survey of the 230 kV transmission system. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for a list of Subconsultants, and **Attachment 3** for the Location Map.

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

Staff Recommendation: Option #1

Option #1

a. Authorize an agreement with HDR Engineering Inc. in an amount not to exceed $1.8 million for a comprehensive investigation of Metropolitan's 230 kV transmission system; and

b. Authorize an agreement with Towill Inc. in an amount not to exceed $270,000 to perform an aerial survey of the 230 kV transmission system.

Fiscal Impact: Expenditure of $2.7 million in capital funds. Approximately $700,000 in capital funds will be incurred in the current biennium and have been previously authorized. The next capital investment plan budget will fund the remaining capital expenditures.
Business Analysis: This option will address aging infrastructure while enhancing the reliability and efficiency of the communication system to support CRA operations, ensure regulatory compliance, and enhance long-term system resiliency.

Option #2
Do not proceed with the project at this time.
Fiscal Impact: None

Business Analysis: This option will increase the risk of unexpected transmission line failures and extended power outages, which could compromise water delivery operations, escalate emergency repair costs, and diminish confidence in the reliability of the CRA infrastructure.

Alternatives Considered

Staff initiated the CRA 230 kV Transmission Line Rehabilitation project as a stand-alone effort centered on the need to inspect and assess the need to rehabilitate the entire transmission line system to provide reliability and long-term system resiliency. A separate Capital Investment Plan project, the Fiber Installation at Iron Mountain (Iron Mtn.), Eagle Mountain (Mtn.), and Hinds Pumping Plants, seeks to provide a fiber optic communication path to all Metropolitan desert facilities. Metropolitan currently uses microwave radio equipment to transmit voice, data, video, and supervisory control and data acquisition data between the desert facilities and all other Metropolitan facilities. Fiber optic cables offer significantly higher bandwidth and speeds, making them ideal for core networks.

The selected alternative combines the rehabilitation of the CRA's 230 kV transmission line with fiber installation at Iron Mtn., Eagle Mtn., and Hinds pumping plants. This alternative uses the 230 kV transmission line network to support a fiber optic line from Gene Pumping Plant to Eagle, Hinds, and Intake pumping plants. This alternative will reduce construction costs by utilizing existing Metropolitan infrastructure and easements, provides higher bandwidth capacity than is available from fiber connections at the individual pumping plants, and offers an opportunity to install security features at the transmission lines.

Applicable Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

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

CEQA determination for Option #2:

None required

Details and Background

Background

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews. It consists of five pumping plants, 124 miles of tunnels, 63 miles of canals, and 55 miles of conduits, siphons, and reservoirs. The aqueduct was constructed in the late 1930s and was placed into service in 1941.

Metropolitan owns and operates over 305 miles of 230 kV and 69 kV transmission lines that supply power to the five CRA pumping plants within the desert region. Two parallel 230kV lines, the Westline and Eastline, originate from Hoover Dam and traverse through the desert to Metropolitan's Camino Switching Station. The Westline was constructed during the original CRA construction and dates to the 1930s, while the Eastline was added during the 1950s CRA expansion. The Eastline extends 60 miles from the switching station to supply power to the Gene

Pumping Plant, while the Westline stretches 93 miles to power Iron Mountain, Eagle Mountain, and Hinds Pumping Plants. Intake Pumping Plant is supplied by a 2.5-mile-long 69 kV transmission line that originates from the Gene Pumping Plant and traverses the Whipple Mountains. These transmission lines are supported by over 1,200 steel towers with an average span of 1,200 feet between towers.

The CRA transmission lines consist of structural towers; conductors, the cables that carry the electricity; a static line, which is a conductor that protects the main power conductors from lightning strikes; and insulator components that prevent electricity from flowing to the towers. They also include hardware like cross arms to mount the components, dampers to reduce vibration, and various clamps and connectors to join the hardware and cables. In 2013, tower foundations were rehabilitated on a 6.5-mile-long section of the Westline that passes through the Danby Dry Lake area just north of Iron Mountain Pumping Plant.

The 230 kV transmission system is in good condition; however, staff has observed deterioration of some components of the 90-year-old electrical system. For example, spans between the towers average 1,200 feet, and the vertical clearance between the lowest conductor and the ground can vary with temperature, wind speeds, and power loads. Over the years, operating under maximum power loads and extreme desert temperatures may have led power lines to sag, resulting in insufficient vertical clearances as required by current electrical standards. Staff also observed severe corrosion and deterioration of some static line splices. The splices were added to extend the conductor line at the time of construction. In July 2024, an initial assessment concluded that some splices were vulnerable to corrosion from water intrusion since these splices are encased in outer sleeves; other sections use a single-piece splice without any outer sleeves, and these are in good condition. Staff will also evaluate the condition of insulators and other connection hardware.

Staff recommends proceeding with a comprehensive investigation for the entire 230 kV transmission system to define the scope of rehabilitation needed to enhance electrical system reliability and reduce the risk of unplanned outages. The scope of the investigations and analysis is listed below. Additionally, this effort will include assessing and planning for the integration of fiber optic interconnection utilizing the 230 kV transmission system to enhance all CRA facilities' communications and system monitoring capabilities, as discussed in the Alternatives Considered section above. Finally, this project will provide information that could be used to assess protection options if electrical energy development in proximity to Metropolitan's 230kV system adversely impacts the system's operations. The remedial actions will address impacts along several dimensions including steady-state thermal loading, steady-state transient, and post-transient voltage stability impacts.

CRA 230 kV Transmission Line and Fiber Optic Improvements – Comprehensive Investigations

Planned activities include: (1) detailed field investigations and visual inspections of the entire transmission system; (2) performing conductor and electrical load capacity analysis; (3) modeling of the entire system to analyze structural integrity of the towers, sag and tension, and line clearances; (4) performing analysis for fiber optic integration; (5) developing construction cost estimates for recommended improvements; and (6) preparing the comprehensive investigation report. HDR will perform these activities as discussed below. Comprehensive investigation activities will be conducted with a hybrid effort of consultants and Metropolitan staff. Metropolitan staff will perform project management, provide background information and technical oversight, and review the consultant's work.

A total of $2.7 million is required for this work. Allocated funds include $1.8 million for a comprehensive investigation report by HDR and $270,000 for an aerial survey by Towill Inc. under new agreements described below. Allocated funds for Metropolitan staff activities include $270,000 for the technical oversight and review of the consultant's work; $265,000 for project management, establishing survey controls, environmental support, and project controls; and $95,000 for the remaining budget.

Engineering Services (HDR Engineering Inc.) – New Agreement

HDR is recommended to complete the comprehensive investigations for the CRA 230 kV Transmission Line and Fiber Optic Improvements within Metropolitan's desert region. HDR was prequalified via Request for Qualifications No. 1404 and selected for this project based on its design expertise in the discipline-specific technical aspects of this project, technical approach, and experience with similar projects.

The planned activities for HDR include: field investigations and visual site assessments such as signs of wear, corrosion, physical damage, rust or cracks of the entire 305-mile transmission line system; conductor and electrical load capacity analysis; modeling to analyze tower structure integrity and usage identifying overstressed tower steel members, conductors and hardware; conductor usage and analysis for thermal capacity loading; sag and tension, and line clearances; risk assessment analysis identifying short- and long-term equipment failures with potential non-compliance to the current codes; fiber optic integration analysis; preparing construction cost estimates, preparation of a comprehensive investigation report, and analysis of multiple system impact studies to Metropolitan's 230kV transmission system and network as impacted by potential third party connections.

This action authorizes an agreement with HDR for a not-to-exceed amount of $1.8 million to provide engineering services to complete a comprehensive investigation for the 230 kV transmission line and fiber optic improvements within the desert region. Metropolitan has established a Small Business Enterprise (SBE) participation level of 25 percent for this agreement. HDR has agreed to meet this level of participation. See **Attachment 2** for a listing of the subconsultants.

Engineering Services (Towill Inc.) – New Agreement

Towill Inc. is recommended to complete the aerial survey of the 230 kV transmission system. Towill Inc. was prequalified via Request for Qualifications No. 1354 and was selected for this project based on its technical approach, aerial LiDAR survey expertise, and demonstrated experience with similar projects.

The planned activities for Towill Inc. include the following: establishing geodetic control points, conducting airborne LiDAR data acquisition along the 230 kV transmission system, and processing and classifying the collected data to be used in modeling efforts for the detailed analysis of the 230 kV transmission system, as described above.

This action authorizes an agreement with Towill Inc. for a not-to-exceed amount of $270,000 to provide engineering services to perform an aerial LiDAR survey of the 230 kV transmission system. Towill Inc. is certified as an SBE firm and thus achieves a 100 percent SBE participation level. There are no subconsultants for this agreement.

Project Milestone

March 2027 – Completion of comprehensive investigations

10/27/2025

Mai M. Hattar *Date*
Chief Engineer
Engineering Services

10/27/2025

John V. Bednarski *Date*
Interim General Manager

Attachment 1 – Allocation of Funds

Attachment 2 – Subconsultants

Attachment 3 – Location of Map

Ref# es12703950

Allocation of Funds for CRA 230 kV Transmission Line and Fiber Optic Improvements

	Current Board Action (Nov. 2025)
Labor	
Preliminary Investigations	$ 270,000
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	265,000
Submittals Review & Record Drwgs.	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
HDR Engineering Inc.	1,800,000
Towill Inc. (Aerial Survey)	270,000
Equipment Use	-
Contracts	-
Remaining Budget	95,000
Total	**$ 2,700,000**

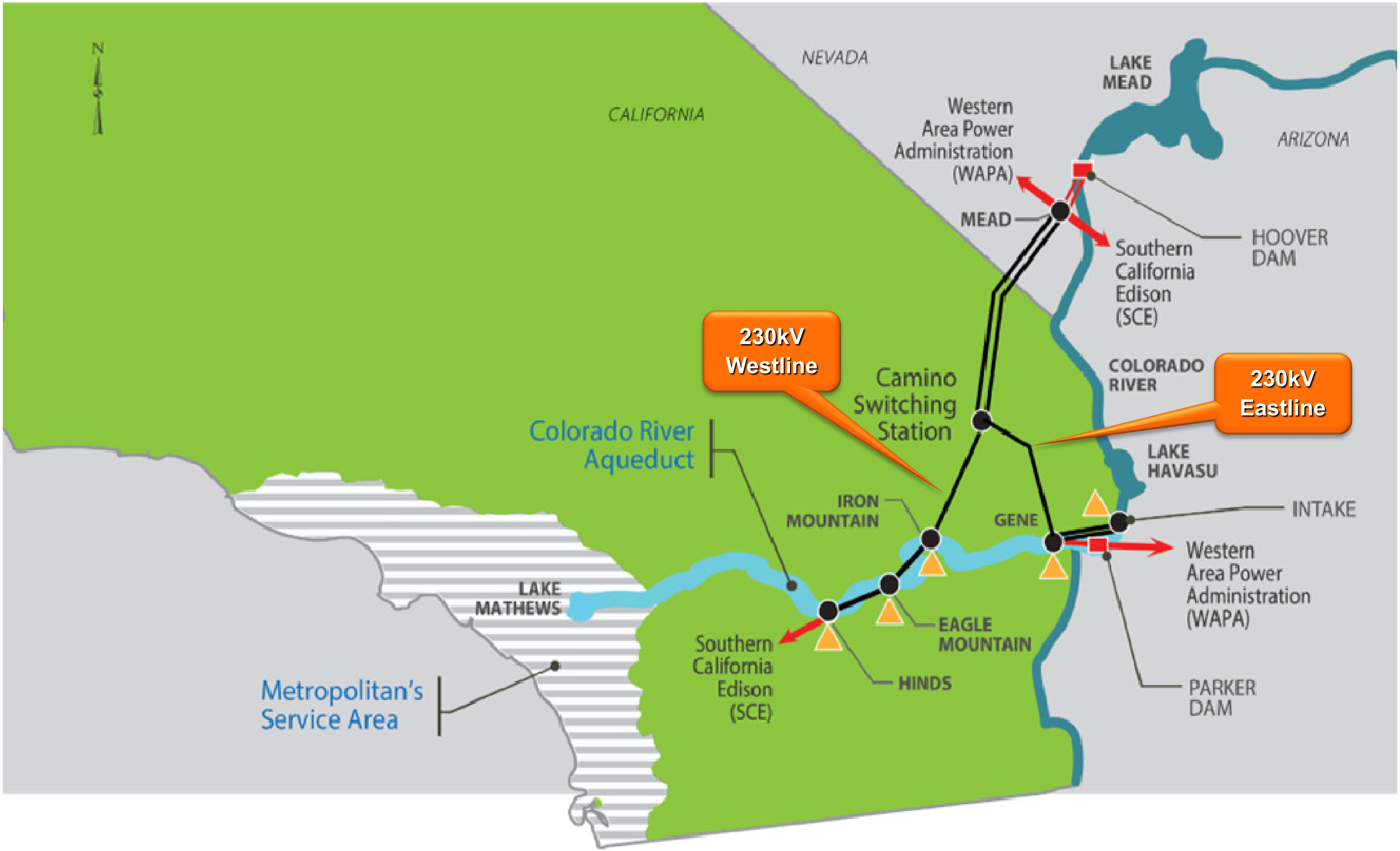
The total amount expended to date is approximately $242,000. The total estimated cost to complete the 230 kV Transmission Line and Fiber Optic Improvements, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from $20 million to $26 million.

The Metropolitan Water District of Southern California

Subconsultants for Agreement with HDR Engineering Inc.
CRA 230 kV Transmission Line and Fiber Optic Improvements

Subconsultant and Location	Service Category; Specialty
DRP Engineering Inc. Monterey Park, CA	CAD Services
Magna Consulting and Design Irvine, CA	Transmission Engineering & CAD Services
GIS Surveyors, Inc San Diego, CA	CAD Modeling & Drone Services
Global Engineering Management Solutions Inc. (GEMS) Los Angeles, CA	Field Inspection & Assessment Services
Partners In Diversity Inc. Santa Fe Springs, CA	Field Inspection & Assessment Services

Location Map



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

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

11/18/2025 Board Meeting

8-1

Subject

Award a $35,722,000 contract to Kiewit Infrastructure West Co. to replace utilities at the Eagle Mountain and Julian Hinds pumping plants; and authorize an increase of $320,000 to an agreement with AECOM Technical Services Inc. for a new not-to-exceed amount of $550,000; the General Manager has determined that the proposed action is exempt or not subject to CEQA

Executive Summary

The five Colorado River Aqueduct (CRA) pumping plants are isolated facilities that rely upon on-site utility systems to treat and produce drinking water and dispose of wastewater. In these remote areas, there are no opportunities to rely on public utilities to provide such services. Many portions of these existing systems have been in operation for nearly 80 years. Despite receiving regular maintenance, major components of these systems are exhibiting signs of failure, including the domestic potable water, non-potable water, and wastewater systems.

This action awards a construction contract to replace these three utility systems at Eagle Mountain and Julian Hinds pumping plants and authorizes an increase to an existing agreement with AECOM Technical Services Inc. for technical support during construction. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the Subcontractors for Low Bidder, **Attachment 4** for the Location Map, and **Attachment 5** for the List of Subconsultants.

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

Staff Recommendation: Option #1

Option #1

a. Award a $35,722,000 contract to Kiewit Infrastructure West Co. to replace utilities at Eagle Mountain and Julian Hinds pumping plants; and

b. Authorize an increase of $320,000 to an existing agreement with AECOM Technical Services Inc. for a new not-to-exceed total of $550,000 for technical support during construction.

Fiscal Impact: Expenditure of $42,000,000 in capital funds. Approximately $4 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 enhance reliability of the Eagle Mountain and Julian Hinds pumping plants by replacing the utilities systems; thereby, reducing the frequency of repairs and long-term maintenance costs.

Option #2
Do not proceed with the project at this time.
Fiscal Impact: None

Business Analysis: This option would forego an opportunity to enhance the reliability of the Eagle Mountain and Julian Hinds pumping plants. Under this option, staff would make repairs to address leaking pipes and odor issues in the plant villages.

Alternatives Considered

During the design phase of the project, staff examined the feasibility of utilizing different pipe alignments, depths, and innovative materials as cost-effective alternatives to conventional utility systems. Staff has specified a combination of polyvinyl chloride (PVC) and high-density polyethylene (HDPE) pipe for the domestic water, non-potable water, and wastewater distribution and collection systems. PVC is specified as widely as possible due to its cost-effectiveness and ease of construction and maintenance. HDPE pipe is specified in areas where double containment is necessary, such as where individual lines are in proximity to each other, and cross-contamination is possible in the event of a leak. HDPE pipe is selected for double containment applications due to its fusion-welded joints, which create a continuous, leak-proof system that effectively prevents cross-contamination. Compatible utilities were also placed within a utility corridor to provide a single accessible space, eliminate conflicts between the lines, and minimize trenching.

For the planned upgrades to the roadway pavement, staff considered replacement of all the asphalt-paved roadways and surfaces at the two pumping plants. However, it was decided to replace only the areas disturbed by utility replacement at this time (approximately 12 acres for both plants). A coordinated site-wide pavement renewal project is planned as a future project that will replace the pavement in stages as future near-term subsurface utility work is completed at each area of the plant.

Applicable Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 50940, dated March 10, 2015, the Board authorized replacement of the wastewater system at Hinds and Eagle Mountain Pumping Plants.

By Minute Item 51040, dated December 12, 2017, the Board authorized final design to replace the water distribution systems and pavement at the CRA pumping plants.

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves the repair, maintenance, or minor alteration of existing public facilities involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301.) The proposed action is also exempt from CEQA because it consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (State CEQA Guidelines Section 15302.) Finally, the proposed action is exempt from CEQA because it 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. (State CEQA Guidelines Section 15304.)

CEQA determination for Option #2:

None required

Details and Background

Background

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews. It consists of five pumping plants, 124 miles of tunnels, 63 miles of canals, and 55 miles of conduits, siphons, and reservoirs. The aqueduct was constructed in the late 1930s and was placed into service in 1941. The CRA pumping plants are located in remote areas of Riverside and San Bernardino Counties, where municipal water and sewer services are not available, and the harsh desert conditions cause accelerated deterioration of infrastructure and roadways.

The CRA pumping plants and villages are isolated facilities that rely on-site utility systems to supply treated drinking water, a non-potable water system to supply industrial and irrigation water needs, and wastewater disposal. Wastewater at each plant is collected and disposed through a series of collection laterals and a septic tank system. Most of the distribution system piping and ancillary features for these systems were installed in the 1940s. Major components of these systems have deteriorated over time through continuous use, and staff makes repairs to these systems as they fail. This includes the water distribution piping, which is prone to pipe breaks and leaks, resulting in costly repairs. In December 2021, the Board awarded a contract to J.F. Shea Construction Inc. to upgrade the domestic water treatment systems at all five CRA pumping plants, including replacing the water treatment units. Construction is approximately 50 percent complete and is scheduled to be complete by April 2027. Additionally, portions of the wastewater collection systems also need to be rehabilitated. The wastewater system experiences operational issues such as slow-draining collection pipes and pervasive odors.

The asphalt roadways at the pumping plants provide access between buildings and the villages for Metropolitan staff, residents, and visitors. The existing roadways need to be replaced. Potholes and cracks have developed throughout the villages as the nearly 80-year-old subgrade below the roads has deteriorated. In many areas, poor drainage has also contributed to the deterioration of the roadways. Furthermore, replacement of the utilities beneath the roadways will require cutting and trenching of the existing roadways. This work will further distress the asphalt surfaces, leaving the roadways in very poor condition and in need of replacement. Staff plans to replace sections of the roadways that will be affected by the installation of the utilities.

Metropolitan's Board has previously authorized final design to replace the domestic and non-potable water distribution systems, the wastewater system, and asphalt pavement at all five CRA pumping plants. These improvements will be implemented in a staged approach to minimize disruption to water delivery operations and to staff at each of the plants. Design for utilities replacement at Eagle Mountain and Julian Hinds pumping plants is now complete, and staff recommends award of a construction contract at this time. Design efforts to replace the utilities at the other pumping plants are in progress.

Eagle Mountain and Julian Hinds Pumping Plants Utilities Replacement – Construction

The contract work will replace the existing domestic watermains and service laterals. The contract work will also replace wastewater collector lines, which convey wastewater to the septic tanks from the pumping plant villages, and sewer laterals, which convey wastewater from individual buildings to the collector lines. The contract will also replace the septic tank and leach field at the Julian Hinds Pumping Plant. The replacement utility systems are designed to accommodate tie-ins for future housing projects.

The scope of the construction includes replacement of the existing domestic water distribution piping, non-potable water distribution piping, and portions of the wastewater collection piping; replacement of existing asphalt pavement within affected areas of the utility's replacement, including grading and drainage improvements, installation of new roadway striping and signage; and site restoration. In support of these improvements, Metropolitan forces will coordinate field activities to minimize disturbances to Metropolitan staff at their residences and provide site access as needed.

A total of $42 million is allocated for this work, including the amount of the contract and $320,000 for construction support by AECOM Technical Services Inc. (AECOM). Allocated funds for Metropolitan staff include: $295,000 for Metropolitan force activities as described above; $3,240,000 for construction management and inspection; $356,000 for construction documentation, coordination, approval, responding to contractor requests for information, coordination with contractor during commissioning, and archiving record drawings; $674,000 for contract administration, environmental monitoring, and project management; and $1,393,000 for remaining budget. **Attachment 1** provides the allocation of required funds.

Award of Construction Contract (Kiewit Infrastructure West Co.)

Specifications No. 1935A for the Eagle Mountain and Julian Hinds pumping plants' utilities replacement were advertised for bids on April 21, 2025. As shown in **Attachment 2**, two bids were received and opened on August 26, 2025. The low bid from Kiewit Infrastructure West Co. in the amount of $35,722,000 complies with the requirements of the specifications. The second bid was $39,170,000, while the engineer's estimate for this project was $21 million. Staff investigated the difference between the engineer's estimate and the low bid. The engineer's estimate was prepared by the consulting firm. The consultant underestimated the challenges with work in remote locations, such as loss of productivity due to the rocky terrain of the pumping plants, costs associated with supporting concurrent construction at two plants, and housing of contract workers for an extended period during construction. In addition, this estimate did not account for hazardous material removal and disposal; increased fuel, material, and labor costs; and escalation. Staff considered rebidding the project and performing additional outreach to the construction industry. However, due to the remote locations of the work and the sheer volume of competing construction contracts within the Southern California region, lower bids are not anticipated. Given the urgent need to replace the failing utilities, staff recommends award of a contract at this time. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the bid amount. Kiewit Infrastructure West Co. has agreed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**. This work will be conducted under the terms of Metropolitan's project labor agreement.

This action awards a $35,722,000 contract to Kiewit Infrastructure West Co. to replace the existing domestic and non-potable water distribution piping, wastewater collection piping, and asphalt paving at the Eagle Mountain and Julian Hinds Pumping Plant. As described above, Metropolitan staff will perform construction management and inspection. Engineering Services' performance metric target range for construction management and inspection of projects with construction costs greater than $3 million is 9 to 12 percent. For this project, the anticipated cost of inspection is approximately 9.0 percent of the total construction cost. The total cost of construction for this project is $36,017,000, which includes the amount of the contract ($35,722,000) and Metropolitan force activities ($295,000).

Engineering Services (AECOM Technical Services Inc.) – Amendment of Existing Agreement

AECOM Technical Services Inc. (AECOM) performed the final design for the Eagle Mountain and Julian Hinds pumping plants' utilities replacement under an existing General Manager authorized professional services agreement. As the engineer of record, AECOM is recommended to provide technical support during construction. Planned activities include responding to requests for information from the contractor, reviewing submittals, advising staff on technical issues as they may arise during construction, and preparing record drawings. The estimated cost for these services is $320,000.

This action authorizes an increase of $320,000 to the existing agreement with AECOM Technical Services Inc. for a new not-to-exceed total of $550,000 to provide technical support during construction. For this agreement, Metropolitan has established a Small Business Enterprise participation level of 25 percent. AECOM Technical Services Inc. has agreed to meet this level of participation. The planned subconsultants are listed in **Attachment 5**.

Project Milestone

June 2027 – Completion of construction

10/28/2025

Mai M. Hattar
Chief Engineer
Engineering Services
Date

10/28/2025

John V. Bednarski
Interim General Manager
Date

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – Subcontractors

Attachment 4 – Location Map

Attachment 5 – List of Subconsultants

Ref# es12699479

Allocation of Funds for Eagle Mountain and Hinds Pumping Plant Utilities Replacement

		Current Board Action (Nov. 2025)
Labor		
Studies & Investigations	$	-
Final Design		-
Owner Costs (Program mgmt., envir. monitoring)		674,000
Submittals Review & Record Drwgs.		356,000
Construction Inspection & Support		3,240,000
Metropolitan Force Construction		295,000
Materials & Supplies		-
Incidental Expenses		-
Professional/Technical Services		
AECOM Technical Services Inc.		320,000
Right-of-Way		-
Equipment Use		-
Contracts		
Kiewit Infrastructure West Co.		35,722,000
Remaining Budget		1,393,000
Total	**$**	**42,000,000**

The total amount expended to date to replace the Eagle Mountain and Hinds Utilities replacement is approximately $3,900,000. The total estimated cost to complete this project, including the amount appropriated to date and funds allocated for the work described in this action is $45.9 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on August 26, 2025, at 2:00 P.M.

Specifications No. 1935A
Eagle Mountain and Hinds Pumping Plants Utilities Replacement

The work includes replacement of the existing potable and non-potable water distribution piping systems, replacement of the existing wastewater piping, and replacement of existing asphalt pavement including grading and drainage improvements.

Engineer's estimate: $21,000,000

Bidder and Location	Total	SBE $	SBE %	Met SBE[1]
Kiewit Infrastructure West Co. Santa Fe Springs, CA	**$35,722,000**	**$8,931,188**	**25%**	**Yes**
Steve P Rados, Inc. Santa Ana, CA	$39,170,000	-	-	-

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

The Metropolitan Water District of Southern California

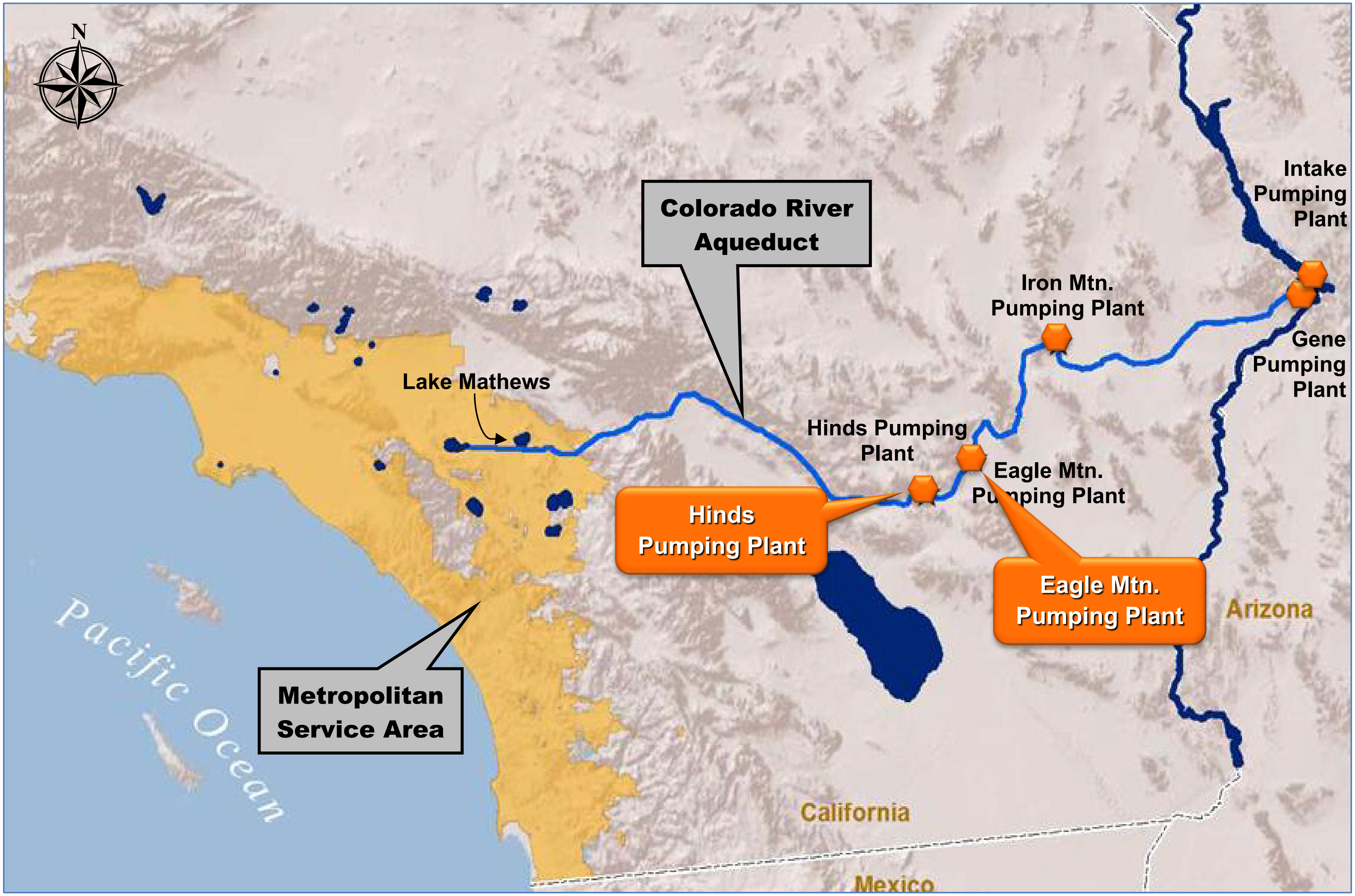
Subcontractors for Low Bidder

Specifications No. 1935A
Eagle Mountain and Hinds Pumping Plants Utilities Replacement

Low bidder: Kiewit Infrastructure West Co.

Subcontractor	Service Category; Specialty
Karcher Environmental Anaheim, CA	Hazmat Abatement
National Coating & Lining Co. Lake Elsinore, CA	Painting and Coating
Odigos Construction South Lake Tahoe, CA	Flatwork and Asphalt Paving
Sierra Landscape Company Palm Desert, CA	Landscaping

Location Map



The Metropolitan Water District of Southern California

Subconsultants for Agreement with AECOM Technical Services Inc.

Subconsultant and Location	Service Category; Specialty
ProjectLine Technical Services (ProjectLine) Costa Mesa, CA	Project Management and CAD services

- **Board of Directors**
  Community and Workplace Culture Committee

11/18/2025 Board Meeting

8-4

Subject

Amend the Administrative Code to grant authority to the Ethics Officer to conduct ethics-related reviews of policies, procedures, and practices for the purpose of making recommendations that help foster an ethical culture and prevent ethics violations in support of SB 60; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan Water District Act (MWD Act) Section 126.7, which codified Senate Bill (SB) 60, and Administrative Code Section 6470 authorize the Ethics Officer to perform various ethics-related functions including educating, training, investigating, and proposing amendments to Metropolitan's ethics rules. In June and September 2022, the Ethics Officer informed the Audit and Ethics Committee of his intention to conduct ethics-related reviews of policies, procedures, and practices arising in the course and scope of the Ethics Office's work that do not merit a formal ethics investigation but warrant review to ensure the concerns are evaluated and addressed where applicable. To date, the Ethics Officer has conducted two such reviews as reported to the ethics committee in his 2024 and 2025 annual business plan presentations.

This letter requests the Board's approval of Administrative Code amendments to add Section 6470(k) to authorize the Ethics Officer to conduct ethics-related reviews; add Section 6470(l) to authorize the Ethics Officer to obtain records and information requested as part of the reviews; and add Section 6470(m) to require the Ethics Officer to report the status of the reviews to the Board. The proposed amendments to the Administrative Code are set forth in **Attachment 1** with overstrikes reflecting deletions and underlining reflecting additions. **Attachment 2** sets forth the sections as they will appear in the Administrative Code if approved.

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

Staff Recommendation: Option #1

Option #1

Amend the Administrative Code to grant authority to the Ethics Officer to conduct ethics-related reviews of policies, procedures, and practices for the purpose of making recommendations that help foster an ethical culture and prevent ethics violations in support of SB 60.

Fiscal Impact: None.
Business Analysis: The Administrative Code will be amended to authorize the Ethics Officer to conduct reviews of ethics-related concerns, with the purpose of supporting the goals of SB 60.

Option #2

Do not amend the Administrative Code to grant authority to the Ethics Officer to conduct ethics-related reviews for the purpose of making recommendations that help foster an ethical culture and prevent ethics violations in support of SB 60.
Fiscal Impact: None.

Business Analysis: The Administrative Code will not be amended to authorize the Ethics Officer to conduct reviews of ethics-related concerns.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Act Section 81: Powers, Duties, and Compensation of Officers and Employees

Metropolitan Water District Act Section 126.7: Establishment of Office of Ethics; Adoption of Rules and Penalties for Violations

Metropolitan Water District Administrative Code Section 6470: Ethics Officer – Powers and Duties

Metropolitan Water District Administrative Code Division VII, Section 7100, et seq.: Governmental Ethics

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

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

CEQA determination for Option #2:

None required

Details and Background

Background

MWD Act Section 126.7, which codified SB 60, directed Metropolitan to establish and operate an Ethics Office and adopt rules relating to internal disclosure, lobbying, conflicts of interest, contracts, campaign contributions, and ethics for application to Board members, officers, and employees consistent with the intent and spirit of the laws and regulations of the Los Angeles City Ethics Commission, the Fair Political Practices Commission, and the Los Angeles County Metropolitan Transportation Authority. MWD Act Section 126.7/SB 60 mandated that those ethics rules were to address and seek to avoid potential ethical abuses relating to: the business relationships between board members, contractors, and vendors, and between board members and officers or employees of member public agencies; the solicitation of campaign contributions by board members, officers, or employees and the receipt of contributions from bidders, contractors, or subcontractors; and public notice and approval procedures for contracts. MWD Act Section 126.7/SB 60 also mandates that the Ethics Office shall operate as an independent entity that is not subject to political influence.

MWD Act Section 126.7/SB 60 further directed that the Ethics Office was to adopt these rules for the Metropolitan Board's approval; educate the Board, staff, contractors, and subcontractors concerning the rules; investigate complaints concerning violations of the rules; and adopt protective procedures.

Administrative Code Section 6470 sets forth the powers and duties of the Ethics Officer. Metropolitan's ethics rules and other matters relating to the Ethics Office's work are contained in Administrative Code Division VII, Section 7100, et seq.

Administrative Code Section 7101 (Purposes, Policy, and Values) establishes the foundational goals for implementing Metropolitan's ethics rules. It states:

> *The policy of Metropolitan is to maintain the highest standards of ethics from Metropolitan officials. Metropolitan is a public agency that shall conduct its business with integrity in an honest and ethical manner. The proper operation of Metropolitan requires decisions and policy to be made in the proper channels of governmental structure, that public office not be used for unauthorized personal gain, and that all individuals associated with Metropolitan remain impartial and responsible towards the public. Accordingly, it is the policy of Metropolitan that Metropolitan officials shall strive to maintain the highest standard of personal honesty and fairness in carrying out their duties. Metropolitan officials shall conduct Metropolitan's business in compliance with the law, this Chapter, and other Metropolitan policies, and shall exercise good judgment based on Metropolitan's values and goals. In carrying out their duties, Metropolitan officials should exercise fairness, impartiality, and avoid behavior that is likely to create an appearance of impropriety. This policy sets forth the minimal ethical standards to be followed by Metropolitan officials. Strict compliance with this Chapter is not necessarily sufficient, and any attempt to evade or circumvent any requirements of the Chapter is improper.*

In order to meet the goals of MWD Act Section 126.7/SB 60 and Administrative Code Section 7101, the core functions of the Ethics Office include providing ethics advice, training, and compliance assistance to Metropolitan officials and conducting fair and independent investigations of potential violations of Metropolitan's ethics rules. These functions support the Ethics Office's mission to promote the highest standards of government integrity to support Metropolitan's mission through an independent and comprehensive program that enhances trust, transparency, and accountability for the benefit of the workforce and the public it serves.

In the course of carrying out these core functions and in support of the Ethics Office's mission, the Ethics Office on occasion becomes aware of concerns arising from complaints, investigations, or advice requests that raise policy, process, or other ethics-related issues that do not merit a formal ethics investigation but merit review. In addition, while formal investigations hold individuals accountable for their conduct, they do not address any underlying policy, procedure, or practice that may have enabled the conduct or created ethics risks. Addressing these concerns through reviews provides a valuable tool in helping to improve the organizational culture and bolster public trust by showing that concerns are being heard and assessed at the highest levels. Reviews also serve as a tool to assess ethics concerns for the purpose of determining whether there is a need for supplemental ethics training or revisions to existing ethics rules.

Reviews are not investigations. Instead, based on the information gathered and analysis, reviews conclude in recommendations to senior management and/or the Board of Directors regarding policies, procedures, or practices if warranted. Reviews are advisory. A management response may be submitted to the Ethics Officer prior to finalizing the review but is not required. The Ethics Officer will provide advance notice of review topics and completion status of reviews to the CWC Committee. Recommendations are intended to provide actionable feedback, prevent ethics violations, and promote an ethical organizational work culture.

Over the past two fiscal years, the Ethics Office has conducted two reviews to assess specific ethics concerns, determine whether there is a factual basis for the concern, memorialize the data and analysis in a written report, and provide recommendations to senior management. The first review assessed practices for protecting the confidentiality of sensitive personnel matters, and the second review centered on hiring practices for non-competitive recruitments.

Requested Authority

This proposal requests the Board's approval of Administrative Code amendments to authorize the Ethics Officer to conduct ethics-related reviews of policies, procedures, and practices; to obtain records and information as part of the reviews; and to report the status of the reviews to the Board. While the proposed reviews are beyond the scope of MWD Act Section 126.7/SB 60 and the current Administrative Code provisions, these changes support their objectives by seeking to prevent ethics violations and foster an ethical work culture.

Under MWD Act Section 81, the Board may establish and reestablish the powers and duties of Metropolitan officers and employees. Accordingly, the Board may expand the scope of the Ethics Officer's powers and duties, as requested here. The proposed Administrative Code amendments would authorize the ethics-related reviews, along with providing for the Ethics Officer's authority to request information and secure cooperation in furtherance of reviews (in the same way that is currently authorized for investigations), and status reports to the Board about reviews.

Proposed Administrative Code Amendments:

To implement the requested authority, the following changes to the Administrative Code are proposed:

1. Amend Section 6470 (Powers and Duties) to add Section 6470(k) to authorize the Ethics Officer to conduct ethics-related reviews of policies, procedures, and practices.
2. Further amend Section 6470 to add Section 6470(l) to clarify that the Ethics Officer shall have unrestricted access to all information and materials requested as part of an Ethics Office review.
3. Further amend Section 6470 to add Section 6470(m) to require the Ethics Officer to report the status of reviews to the Board.

The foregoing proposed amendments to Administrative Code Section 6470 are found in **Attachment 1** (with changes marked) and in **Attachment 2** (clean copy).

10/22/2025

Abel Salinas *Date*
Ethics Officer

Attachment 1 – Proposed Administrative Code Language (Redlined)

Attachment 2 – Proposed Administrative Code Language (Clean)

Ref# e12703475

Division VI

Article 5

ETHICS OFFICER

§6470. Powers and Duties.

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

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

(b) The Ethics Officer shall oversee an Ethics Office staffed with professional, qualified persons.

(c) The Ethics Officer shall be free from political interference in fulfilling the responsibilities detailed in this article and in Division VII.

(d) The Ethics Officer shall have sole authority to interpret Metropolitan's ethics rules.

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

(1) Regulation of lobbying activities;
(2) Conflicts of interest and financial disclosure;
(3) Public notice and approval procedures for contracts of $50,000 or more;
(4) Disclosure of campaign contributions related to potential conflicts of interest;
(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

(f) The Ethics Officer shall educate, train, provide advice and seek compliance from board members, officers, applicable employees, lobbyist, lobbying firms, and Metropolitan contractors and subcontractors concerning:

(1) The rules prescribed in Division VII;
(2) The Political Reform Act of 1974, as amended and applicable regulations;
(3) The conflict of interest rules of Government Code section 1090.

(g) The Ethics Officer shall investigate potential violations of ethics rules in Division VII by board members, officers, applicable staff, lobbyists, lobbying firms, and contractors consistent with the rules specified in Division VII. The Ethics Officer shall prepare status reports of pending investigations on a bi-monthly basis. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, the resolution of the investigation.

(h) The Ethics Officer shall be the filing officer on behalf of the District to receive and file Statements of Economic Interest pursuant to the California Government Code and Section 7501 of this Administrative Code.

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

(j) The Ethics Officer shall have the authority to obtain, and have unrestricted access to all functions, documents, records, property, personnel and other information requested as part of an Ethics Office complaint or investigation without waiving any privileges that may apply.

(k) The Ethics Officer shall have the authority and sole discretion to conduct independent ethics-related reviews. Reviews assess policies, procedures, practices, or other aspects of Metropolitan operations for the purpose of making recommendations to Metropolitan officials, identifying opportunities for supplemental ethics education, proposing ethics rules or procedures, and preventing future ethics violations. Reviews are advisory. A management response may be submitted to the Ethics Officer prior to finalizing the review but is not required.

(l) The Ethics Officer shall have the authority to obtain, and have unrestricted access to all functions, documents, records, property, personnel, and other information requested as part of an Ethics Office review without waiving any privileges that may apply. The provisions of Administrative Code Section 7413(a) and (b) apply to reviews in the same manner as to complaints and investigations.

(m) The Ethics Officer shall provide advance notice of review topics and review completion status to the Board through the CWC Committee.

M. I. 45285 - April 8, 2003; paragraph (e) deleted by M. I. 46338 - August 16, 2005; paragraph (e) added by M.I. 49648 - January 14, 2014; amended paragraphs (a), (b), (c) and (d), added paragraphs (e), (f) and (g), and renumbered former paragraph (e) to paragraph (h) and amended same by M.I. 51391 - November 6, 2018; amended paragraphs (e), (f), (g), and (h), and added new paragraph (i) by M.I. 52574 - November 9, 2021; amended paragraphs (c), (d). (g), and (i), and added new paragraph (j) by M.I. 52941- August 16, 2022; amended paragraphs (a), (c), (e) and (i) by M.I. 53064 – December 13, 2022; amended paragraphs (a), (e), and (i) by M.I. 53408 - March 11, 2025.

§6471. Authority to Obtain Professional Services.

(a) The Ethics Officer is authorized to contract for independent legal counsel as they deem necessary in fulfilling duties and responsibilities of the Ethics Office. The Ethics Officer may contract with one or more attorneys or law firms depending on the areas of expertise needed. The amount to be expended in fees, costs and expenses under any one contract in any one-year period shall not exceed $100,000. The General Counsel shall review such contracts solely for consistency with Metropolitan’s contract requirements. The General Counsel shall not have the authority to deny the Ethics Officer’s ability to contract with any given party.

(b) The Ethics Officer is authorized to contract for professional services of outside investigators and investigation firms to conduct investigations under the Ethics Officer’s purview. The amount to be expended in fees, costs, and expenses under any one contract in any one-year period shall not exceed $250,000.

(c) The Ethics Officer is authorized to employ the services of other professional or technical consultants for advice and assistance in performing the duties assigned as may be required or as deemed necessary, provided that the amount to be expended in fees, costs and expenses under any one contract in any one year shall not exceed $50,000.

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

M. I. 45285 - April 8, 2003; amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; amended by M. I. 47636 - September 9, 2008; renumbered from Section 6472 to 6471 and amended same by M.I. 51391 - November 6, 2018; added paragraph numbering to Section, added new paragraph (a) by M.I. 52941- August 16, 2022; amended paragraph (a) by M.I. 53014 – October 11, 2022; amended paragraphs (a) and (c) by M.I. 53064 – December 13, 2022; added new paragraph (b), and renumbered paragraphs (c) – (d) by M.I. 53185 - March 14, 2023; amended paragraph (b) by M.I. 53351 – August 15, 2023; amended paragraph (d) by M.I. 53408 - March 11, 2025.

§6472. Reports to Community and Workplace Culture Committee.

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

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

M. I. 45285 - April 8, 2003; Section title and paragraph amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; Section title and paragraph amended by M.I. 47636 - September 9, 2008; amended by M.I. 49187 - September 11, 2012; changed section number from 6473 to 6472, added numbering (a) to first paragraph, and added new paragraphs (b) and (c) by M.I. 51391 - November 6, 2018; amended paragraph (b) and deleted paragraph (c) by M.I. 52941- August 16, 2022; amended paragraphs (a) and (b) by M.I. 53064 – December 13, 2022; amended Section title by M.I. 53441 - November 14, 2023; amended section title and paragraphs (a) and (b) by M.I. 53408 - March 11, 2025.

§6473. Principal Assistant Ethics Officer.

(a) The Ethics Officer may designate a Principal Assistant Ethics Officer who shall perform such duties and render such services to the District as may be prescribed and assigned by the Ethics Officer personally.

(b) During the Ethics Officer’s absence, recusal, or inability to act in the event of vacancy due to death, resignation, or removal, the Principal Assistant shall perform all duties and exercise all powers of the Ethics Officer until a successor is appointed and qualified.

(c) The Principal Assistant Ethics Officer may act in the name of the Ethics Officer or in their own name, as directed, and such acts shall be equally valid and effective. In the event of a permanent vacancy, the Principal Assistant shall act in their own name.

*M.I. ____ (*M.I. to be Determined) - July 8, 2025

[Former Section 6471 (Authority to Investigate) repealed by M.I. 51391 - November 6, 2018]

[Section 6474 (Ethics Training Required by Government Code) repealed by M.I. 51391 - November 6, 2018]

Division VI

Article 5

ETHICS OFFICER

§6470. Powers and Duties.

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

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

(b) The Ethics Officer shall oversee an Ethics Office staffed with professional, qualified persons.

(c) The Ethics Officer shall be free from political interference in fulfilling the responsibilities detailed in this article and in Division VII.

(d) The Ethics Officer shall have sole authority to interpret Metropolitan's ethics rules.

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

(1) Regulation of lobbying activities;
(2) Conflicts of interest and financial disclosure;
(3) Public notice and approval procedures for contracts of $50,000 or more;
(4) Disclosure of campaign contributions related to potential conflicts of interest;
(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

(f) The Ethics Officer shall educate, train, provide advice and seek compliance from board members, officers, applicable employees, lobbyist, lobbying firms, and Metropolitan contractors and subcontractors concerning:

(1) The rules prescribed in Division VII;
(2) The Political Reform Act of 1974, as amended and applicable regulations;
(3) The conflict of interest rules of Government Code section 1090.

(g) The Ethics Officer shall investigate potential violations of ethics rules in Division VII by board members, officers, applicable staff, lobbyists, lobbying firms, and contractors consistent with the rules specified in Division VII. The Ethics Officer shall prepare status reports of pending investigations on a bi-monthly basis. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, the resolution of the investigation.

(h) The Ethics Officer shall be the filing officer on behalf of the District to receive and file Statements of Economic Interest pursuant to the California Government Code and Section 7501 of this Administrative Code.

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

(j) The Ethics Officer shall have the authority to obtain, and have unrestricted access to all functions, documents, records, property, personnel and other information requested as part of an Ethics Office complaint or investigation without waiving any privileges that may apply.

(k) The Ethics Officer shall have the authority and sole discretion to conduct independent ethics-related reviews. Reviews assess policies, procedures, practices, or other aspects of Metropolitan operations for the purpose of making recommendations to Metropolitan officials, identifying opportunities for supplemental ethics education, proposing ethics rules or procedures, and preventing future ethics violations. Reviews are advisory. A management response may be submitted to the Ethics Officer prior to finalizing the review but is not required.

(l) The Ethics Officer shall have the authority to obtain, and have unrestricted access to all functions, documents, records, property, personnel, and other information requested as part of an Ethics Office review without waiving any privileges that may apply. The provisions of Administrative Code Section 7413(a) and (b) apply to reviews in the same manner as to complaints and investigations.

(m) The Ethics Officer shall provide advance notice of review topics and review completion status to the Board through the CWC Committee.

M. I. 45285 - April 8, 2003; paragraph (e) deleted by M. I. 46338 - August 16, 2005; paragraph (e) added by M.I. 49648 - January 14, 2014; amended paragraphs (a), (b), (c) and (d), added paragraphs (e), (f) and (g), and renumbered former paragraph (e) to paragraph (h) and amended same by M.I. 51391 - November 6, 2018; amended paragraphs (e), (f), (g), and (h), and added new paragraph (i) by M.I. 52574 - November 9, 2021; amended paragraphs (c), (d). (g), and (i), and added new paragraph (j) by M.I. 52941- August 16, 2022; amended paragraphs (a), (c), (e) and (i) by M.I. 53064 – December 13, 2022; amended paragraphs (a), (e), and (i) by M.I. 53408 - March 11, 2025.

§6471. Authority to Obtain Professional Services.

(a) The Ethics Officer is authorized to contract for independent legal counsel as they deem necessary in fulfilling duties and responsibilities of the Ethics Office. The Ethics Officer may contract with one or more attorneys or law firms depending on the areas of expertise needed. The amount to be expended in fees, costs and expenses under any one contract in any one-year period shall not exceed $100,000. The General Counsel shall review such contracts solely for consistency with Metropolitan’s contract requirements. The General Counsel shall not have the authority to deny the Ethics Officer’s ability to contract with any given party.

(b) The Ethics Officer is authorized to contract for professional services of outside investigators and investigation firms to conduct investigations under the Ethics Officer’s purview. The amount to be expended in fees, costs, and expenses under any one contract in any one-year period shall not exceed $250,000.

(c) The Ethics Officer is authorized to employ the services of other professional or technical consultants for advice and assistance in performing the duties assigned as may be required or as deemed necessary, provided that the amount to be expended in fees, costs and expenses under any one contract in any one year shall not exceed $50,000.

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

M. I. 45285 - April 8, 2003; amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; amended by M. I. 47636 - September 9, 2008; renumbered from Section 6472 to 6471 and amended same by M.I. 51391 - November 6, 2018; added paragraph numbering to Section, added new paragraph (a) by M.I. 52941- August 16, 2022; amended paragraph (a) by M.I. 53014 – October 11, 2022; amended paragraphs (a) and (c) by M.I. 53064 – December 13, 2022; added new paragraph (b), and renumbered paragraphs (c) – (d) by M.I. 53185 - March 14, 2023; amended paragraph (b) by M.I. 53351 – August 15, 2023; amended paragraph (d) by M.I. 53408 - March 11, 2025.

§6472. Reports to Community and Workplace Culture Committee.

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

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

M. I. 45285 - April 8, 2003; Section title and paragraph amended by M. I. 46064 – January 11, 2005; amended by M.I. 46983 - February 13, 2007; Section title and paragraph amended by M.I. 47636 - September 9, 2008; amended by M.I. 49187 - September 11, 2012; changed section number from 6473 to 6472, added numbering (a) to first paragraph, and added new paragraphs (b) and (c) by M.I. 51391 - November 6, 2018; amended paragraph (b) and deleted paragraph (c) by M.I. 52941- August 16, 2022; amended paragraphs (a) and (b) by M.I. 53064 – December 13, 2022; amended Section title by M.I. 53441 - November 14, 2023; amended section title and paragraphs (a) and (b) by M.I. 53408 - March 11, 2025.

§6473. Principal Assistant Ethics Officer.

(a) The Ethics Officer may designate a Principal Assistant Ethics Officer who shall perform such duties and render such services to the District as may be prescribed and assigned by the Ethics Officer personally.

(b) During the Ethics Officer's absence, recusal, or inability to act in the event of vacancy due to death, resignation, or removal, the Principal Assistant shall perform all duties and exercise all powers of the Ethics Officer until a successor is appointed and qualified.

(c) The Principal Assistant Ethics Officer may act in the name of the Ethics Officer or in their own name, as directed, and such acts shall be equally valid and effective. In the event of a permanent vacancy, the Principal Assistant shall act in their own name.

*M.I. ____ (*M.I. to be Determined) - July 8, 2025

[Former Section 6471 (Authority to Investigate) repealed by M.I. 51391 - November 6, 2018]

[Section 6474 (Ethics Training Required by Government Code) repealed by M.I. 51391 - November 6, 2018]

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Report

Water Resources Management Group

- **Board Report on Conservation**

Summary

This report provides a summary of conservation activities and expenditures for September 2025.

Purpose

Informational

Detailed Report

Conservation Expenditures – FY2024/25 & FY2025/26 (1)

	Paid (2)	Committed (3)
Regional Devices	\$1.4 M	\$0.7 M
Member Agency Administered	\$6.5 M	\$6.2 M
Turf Replacement	\$15.5 M	\$32.0 M
Advertising	\$1.4 M	\$0.9 M
Other	\$2.6 M	\$1.7 M
TOTAL	**\$27.4 M**	**\$41.5 M**

(1) The Conservation Program biennial expenditure authorization is \$98.2 million.

(2) Paid as of 7/1/2024 - 9/30/2025. Financial reporting on cash basis.

(3) Committed dollars as of October 10, 2025

Summary of Expenditures in September 2025: \$1,754,205 (1)

Lifetime Water Savings to be achieved by all rebates in September 2025: 3,283 AF
FY2024/25-FY2025/26: 57,690 AF lifetime water savings

Turf Replacement Rebates:
September: 310,154 ft^2 replaced
FY2024/25-FY2025/26: 7,236,365 ft^2 replaced

Clothes Washers:
September: 625 units rebated
FY2024/25-FY2025/26: 9,285 units rebated

Trees (part of Turf Replacement Program):
September: 139 trees rebated
FY2024/25-FY2025/26: 2,598 units rebated

Toilets:
September: 2,019 units rebated
FY2024/25-FY2025/26: 18,063 units rebated

Smart Controllers:
September: 674 units rebated
FY2024/25-FY2025/26: 7,339 units rebated

Sprinkler Nozzles:
September: 626 units rebated
FY2024/25-FY2025/26: 21,407 units rebated

(1) Expenditures may include advertising and Water Savings Incentive Program activity in addition to the incentives highlighted above.

Date of Report: November 18, 2025

Board Information

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

11/18/2025 Board Meeting

9-4

Subject

Update on proposed extension of the Yuba Accord Long-Term Water Transfer Program and amendment to the agreement with the California Department of Water Resources

Executive Summary

This report provides information on the extension of the Yuba Accord Long-Term Water Transfer Program (Program) and a proposed amendment to the agreement between Metropolitan and the California Department of Water Resources (DWR) under which Metropolitan purchases water from the Program. The various agreements that facilitate the Program expire at the end of 2025. Yuba County Water Agency (Yuba Water) is pursuing an extension of the Program through 2050, under substantially similar agreement terms. Proposed changes to existing agreement terms that affect Metropolitan include updated pricing, which will continue to be subject to amendment at five-year intervals, and a reduction to the threshold supply volume after which Yuba transfer supply will be made available to other third-party buyers. Transfer supplies from the Program have been an important source of supplemental supply to Metropolitan in dry years, with Metropolitan purchases exceeding 250,000 acre-feet since 2008.

Fiscal Impact

The fiscal impact to Metropolitan would be the cost to purchase available water in a year. The price of water is projected to range from $75 to $525 depending on water year type, with the highest price under consecutive critical or dry years. The annual quantity of water available to Metropolitan is not known in advance and depends on hydrologic conditions in the Yuba watershed and participation level of other buyers. In recent years, Metropolitan's Yuba Water purchases ranged from 3,825 acre-feet in 2022 to 33,518 acre-feet in 2021.

Applicable Policy

By Minute item 47301, dated November 20, 2007, the Board adopted the CEQA determination and authorized the General Manager to enter into an agreement with the California Department of Water Resources to purchase Yuba County Water Authority Components 2, 3 and 4 Water, as set forth in the letter signed by the General Manager on November 8, 2007.

Metropolitan Water District Administrative Code Section 4203: Water Transfer Policy.

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

Staff plans to return to the Board in December 2025 to request that the Board authorize the General Manager to execute an amendment to the agreement with DWR to purchase water pursuant to the Yuba Accord Long-Term Water Transfer Program.

Details and Background

Background

The Yuba Accord Long-Term Water Transfer Program is implemented by Yuba Water through multiple agreements that terminate in 2025, including an agreement between Yuba Water and DWR (Water Purchase Agreement), an agreement among Yuba Water, Contra Costa Water District, and East Bay Municipal Utility District (Water Transfer Option Agreement), agreements among Yuba Water and its Member Units for conjunctive use, and a State Water Resources Control Board (SWRCB) water rights order approving places of use and points of re-diversion for the Program. Yuba Water is in the process of extending the Program through December 31, 2050. On April 2, 2024, Yuba Water filed a petition for change with the SWRCB to implement the Program through 2050. Yuba Water also filed a separate change petition with the SWRCB to implement the Program through 2026 in the event that its petition for long-term approval is not effective before December 31, 2025. Additionally, on September 17, 2024, Yuba Water, as lead agency, certified a supplemental EIR (supplement to the 2007 EIR) that evaluated the potential environmental effects of the extended Program.

Metropolitan purchases Yuba transfer supply via an agreement with DWR that tiers off the Water Purchase Agreement between Yuba Water and DWR. The Board authorized the Metropolitan-DWR agreement in 2007 (Agreement), and approved amendments in 2009, 2010, 2011, 2014, and 2020. Under the Agreement, DWR facilitates the conveyance of Yuba transfer supply to participating State Water Project (SWP) contractors and the San Luis Delta Mendota Water Authority (collectively, the Buyers).

Yuba Water makes transfer supplies available to DWR by: (1) reservoir reoperation; and (2) member units using groundwater instead of surface water supplies (groundwater substitution). Since its inception in 2008, the Yuba Accord has provided over 1,500,000 acre-feet of supply, which includes 480,000 acre-feet to the Environmental Water Account and the remaining acre-feet shared between participating SWP contractors and San Luis Delta Mendota Water Authority through 2025. Metropolitan has benefited from participation in the Yuba Accord Long-Term Water Transfer Program, having purchased approximately 253,000 acre-feet.

Proposed Agreement

Under the current Agreement, which terminates in 2025, a new amendment is needed to establish fixed prices for surface water supplies purchased after December 31, 2025. Staff worked with the Buyers, DWR and Yuba Water to negotiate an amendment that would secure pricing of surface water supplies for five years beginning on January 1, 2026. The key terms tentatively agreed to are outlined in greater detail in **Attachment 1** and include increasing prices for surface water supplies to reflect updated market conditions. The new prices represent a 3.25 percent annual escalation from the 2020 agreement, but these prices will be fixed through 2030. The proposed amendment retains annual negotiations for groundwater substitution supplies.

In addition to updated terms regarding pricing, the new Agreement reflects revised terminology for the two types of transfer supplies made available under the Program. The supplies made available by reservoir releases are now termed Storage Component instead of Components 1, 2, and 3 Water. The supplies made available by groundwater substitution are termed Groundwater Substitution Component instead of Component 4 Water.

As with the previous agreement, Metropolitan will only be obligated to pay DWR for Storage Component water if DWR can export the supply at Banks Pumping Plant. Metropolitan will be obligated to pay for Delta carriage water losses incurred to convey the water to Banks Pumping Plant, which have historically ranged from 20 to 35 percent. Under new amended Water Purchase Agreement between DWR and Yuba Water, Yuba Water will be responsible for streamflow depletion losses for supplies made available by groundwater substitution. The existing Water Purchase Agreement did not require mitigation for streamflow depletion losses.

Under the new agreements for extension of the transfer program, Yuba Water is seeking greater certainty in its ability to transfer water to third parties, including Contra Costa Water District and East Bay Municipal Utility District. Under the existing agreements, Yuba Water first makes 60,000 acre-feet available to participating contractors prior to transferring up to 10,000 acre-feet of water to third parties. Under the new agreements, this threshold would be lowered from 60,000 acre-feet to 30,000 acre-feet. This could result in a reduction of available supplies to Metropolitan of up to approximately 2,500 acre-feet in years where available transfer supplies are less than 70,000 acre-feet.

Under the existing and proposed agreements, Metropolitan has the flexibility to decide on the amount of water to be purchased each year. For example, Metropolitan would only be obligated to purchase water based proportionately on Metropolitan's Table A share if other participating SWP contractors do not opt to purchase Metropolitan's allocated Storage Component supply. Under the amendment, staff would continue to seek board approval for groundwater substitution supplies on an annual basis.

The Yuba Accord Long-Term Water Transfer Program has been a vital source of supplemental supply to Metropolitan. Staff will return to the Board in the coming months to recommend approval of the amendment to allow Metropolitan to continue to purchase Yuba Water Storage Component supplies through 2050.

10/27/2025

Brandon J. Goshi *Date*
Manager, Water Resource Management

10/27/2025

John V. Bednarski *Date*
Interim General Manager

Attachment 1 – Yuba Amendment Key Terms

Ref# wrm12707985

Attachment 1 - Yuba Amendment Key Terms		
Contract Provisions	**Existing**	**With Amendment**
Term	Through December 31, 2025	Through December 31, 2050
Price for Surface Water Supplies Component 1 Surface Water • Wet Year • Above Normal Year • Below Normal Year • Dry Year • Critical Year • Consecutive Dry or Critical Years Component 2 Surface Water • Dry Year • Critical Year • Consecutive Dry or Critical Years Component 3 Surface Water • Wet Year • Above Normal Year • Below Normal Year • Dry Year • Critical Year • Consecutive Dry or Critical Years	• $64/AF • $128/AF • $191/AF • $255/AF • $383/AF • $447/AF • $204/AF • $306.40/AF • $357.60/AF • $64/AF • $128/AF • $191/AF • $255/AF • $383/AF • $447/AF Subject to 5-year Negotiation	**Storage Component Supply** • $75/AF • $150/AF • $225/AF • $300/AF • $450/AF • $525/AF First 15 TAF in Dry Years and First 30 TAF in Critical Years • $240/AF • $360/AF • $420/AF Subject to 5-year Negotiation
Price for Groundwater Substitution Supplies	Annual Negotiation	Annual Negotiation
Third-Party Transfer Threshold Storage Component Supply Made Available to Participating Contractors (inc. Metropolitan) Prior to Third-Party Transfers	60 TAF	30 TAF