



● **Board of Directors**  
***Engineering and Operations Committee***

12/13/2022 Board Meeting

---

**7-6**

**Subject**

---

Adopt a resolution to accept \$50 million in state funding from the California Department of Water Resources to support the Metropolitan's drought mitigation projects; designate the Group Manager of Engineering Services to be the signatory to execute actions related to the funds; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

**Executive Summary**

---

The recurring regional severe droughts have prompted an imminent, compelling need for Metropolitan to develop strategies to enhance the reliability of the current water conveyance infrastructure. In September 2022, the Governor approved an amendment to the 2021 Budget Act under AB 211 as part of the Emergency Relief Fund. This bill allocates \$50 million to the California Department of Water Resources (DWR) for Metropolitan to improve and expand its infrastructure to make its service area resilient to fluctuating imported water supplies. DWR will administer the funds and release the reimbursement after Metropolitan invoices expenses. This action authorizes the General Manager to accept funding of up to \$50 million to be used for drought mitigation projects; and designates Metropolitan's Group Manager of Engineering Services (Group Manager) to be the signatory to execute actions for reimbursement by DWR.

**Details**

---

**Background**

Metropolitan's distribution system was originally constructed in the 1940s to deliver treated Colorado River Aqueduct (CRA) supplies throughout its service area. The distribution system was expanded in the 1970s to connect to the State Water Project (SWP) in which Metropolitan obtained participation rights. The distribution system was designed to take advantage of the region's topography and primarily utilizes gravity to move water throughout the service. Metropolitan is able to deliver both CRA and SWP sources of supply to most of the service area; however, in certain portions of the system, Metropolitan currently can only deliver limited SWP water due to inherent hydraulic limitations (Metropolitan's SWP-dependent areas).

The current state-wide drought and resulting low allocation of SWP supplies by DWR have a direct impact on Metropolitan's ability to deliver water to SWP-dependent areas. Metropolitan has executed several board actions with the intention to expand the existing infrastructure to improve system flexibility throughout the entire service area during a state-wide drought. These board actions include a December 2021 action that amended the existing Capital Investment Plan (CIP) to start water supply reliability improvements in the Rialto Pipeline service area. The action authorized work to expand the delivery of alternative supplies from Diamond Valley Lake and possibly the CRA to the eastern SWP-dependent area, thus preserving SWP supply for the west side. Subsequently, in February 2022, the Board amended the CIP to include planning and implementation of infrastructure improvements for the western SWP-dependent areas. As a result, staff began the design of pump stations at the Sepulveda Canyon and Venice Pressure Control Facilities. This project allows Metropolitan to reverse the normal flow in the Sepulveda Feeder and augments treated water deliveries to the western service area.

In September 2022, the state approved an amendment to the 2021 Budget Act, under AB 211, as part of the Emergency Relief Fund. This bill allocated \$50 million to DWR for Metropolitan to implement drought

resilience projects. Per AB 211, the \$50 million fund will be available for encumbrance or expenditure until June 30, 2024, and five percent of this amount may be used for administrative costs by DWR. From the state-allocated amount, it allocated to Metropolitan \$47.5 million to improve and expand its infrastructure to make its entire jurisdiction resilient to fluctuating water supplies from each of its imported water sources and to allow conveyance of water throughout all its jurisdiction.

Metropolitan currently has multiple drought-related supply reliability projects in SWP-dependent areas, including new pipeline interconnections, pump stations, water storage facilities, and equipment upgrades on which it would apply the state funding. Initially, the new state funding will likely be used to fund construction contracts for the Wadsworth Pumping Plant bypass pipeline, the Inland Feeder/Rialto Pipeline intertie, the Inland Feeder Badlands Tunnel Surge Protection Facility, and the Foothill Pump Station intertie. These contracts are anticipated to be awarded by the Board by mid-2023. These infrastructure modifications will allow for the delivery of up to 107 cubic feet per second to the Rialto Pipeline service area. These state funds may also be applied to other drought-related projects, such as the Sepulveda Feeder pumping project.

### **Recommended Action**

The receipt of state funds requires the inclusion of a board resolution that authorizes the General Manager to accept funding and designates a signatory to invoice and receive the state funds. This action designates the Group Manager to be the signatory with DWR to execute actions related to the funds. Without this resolution and designation, Metropolitan would not be able to receive state funding for multiple drought mitigation projects. Additionally, without this resolution, staff would utilize existing capital funds for the drought mitigation projects, which may limit the number of other CIP rehabilitation projects that could be completed under the biennial budget.

### **Policy**

---

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

By Minute Item 52581, dated November 9, 2021, the Board adopted a resolution declaring a Regional Drought Emergency.

By Minute Item 52626, dated December 14, 2021, the Board amended the current CIP to include projects to improve water supply reliability in the Rialto Pipeline service area.

By Minute Item 52703, dated February 8, 2022, the Board amended the current CIP to include planning and implementation of infrastructure projects to improve water supply reliability for the western service area.

By Minute Item 52778, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24.

By Minute Item 52802, dated April 26, 2022, the Board adopted the Resolution and (a) declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area; (b) adopt the framework of an Emergency Water Conservation Program and authorize the General Manager to finalize the Program consistent with the framework, and (c) express support for the Governor's Executive Order N-7-22.

By Minute Item 52946, dated August 16, 2022, the Board adopted the resolution committing to regional reliability for all member agencies.

### **California Environmental Quality Act (CEQA)**

---

#### **CEQA determination for Option #1:**

The proposed actions are not defined as projects under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378(b)(4) and 15378(b)(5)) because they involve government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project and organizational or administrative activities that would not result in a direct or indirect physical change to the environment.

**CEQA determination for Option #2**

None required

**Board Options**

---

**Option #1**

- a. Adopt a resolution to accept \$50 million in state funding from the California Department of Water Resources to support Metropolitan's drought mitigation projects; and
- b. Designate the Group Manager of Engineering Services to be the signatory to execute actions related to the funds.

**Fiscal Impact:** Savings of approximately \$47.5 million in Metropolitan CIP funds or allows additional rehabilitation projects to proceed in the current biennium as a result of applying state grant funds towards the applicable CIP projects.

**Business Analysis:** This option would advance the development of drought mitigation projects in Southern California to augment regional supplies within Metropolitan's entire service area.

**Option #2**

Do not proceed with the use of state funds at this time.

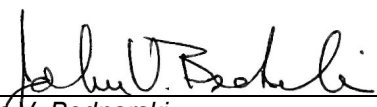

**Fiscal Impact:** None

**Business Analysis:** This option would forego the opportunity to receive additional funding for multiple supply reliability projects and increase Metropolitan capital spending to achieve goals under drought mitigation initiatives.

**Staff Recommendation**

---

Option #1

 _____ John V. Bednarski Manager/Chief Engineer Engineering Services	11/23/2022 Date
 _____ Adel Hagekhalil General Manager	11/29/2022 Date

**Attachment 1 – Board Resolution**

Ref# es12681240

## Resolution for State Funding AB 211 under Emergency Relief Fund

## RESOLUTION

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA TO ACCEPT FUNDING  
FROM THE CALIFORNIA DEPARTMENT OF WATER  
RESOURCES FOR DROUGHT MITIGATION  
PROJECTS**

WHEREAS, in September 2022, the Governor approved an amendment to the 2021 Budget Act under AB 211, as part of the Emergency Relief Fund. This bill allocates \$50 million to the California Department of Water Resources (DWR) for Metropolitan to improve and expand its infrastructure to provide resiliency to fluctuating imported water supplies; and

WHEREAS, the Board adopted a resolution declaring a Regional Drought Emergency on November 9, 2021;

WHEREAS, the Board adopted the resolution committing to regional reliability for all member agencies on August 16, 2022;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports acceptance of funding from DWR.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager or his/her designee to accept grant funding of up to \$50,000,000.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates' legal authority to the Group Manager of the Engineering Services Group to be designated signatory to execute, authorize, and approve actions related to the fund.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held December 13, 2022.

---

Secretary of the Board of Directors  
of The Metropolitan Water District  
of Southern California