The Metropolitan Water District of Southern California



The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Board of Directors - Final - Revised 3

November 14, 2023

3:00 PM

Tuesday, November 14, 2023 Meeting Schedule

08:30 a.m. LC 10:30 a.m. FAIRP 12:30 p.m. Break 01:00 p.m. LRAC 03:00 p.m. BOD

Agendas, live streaming, meeting schedules, and other board materials are available here: https://mwdh2o.legistar.com/Calendar.aspx. A listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmdsUWpKR1c2Z z09

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

City of Fullerton City Hall • 303 W. Commonwealth Avenue • Fullerton, CA 92832 525 Via La Selva • Redondo Beach, CA 90277
Cedars Sinai Medical Center • 8700 Beverly Blvd • Los Angeles, CA 90048 3008 W. 82nd Place • Inglewood, CA 90305
2680 W. Segerstrom Avenue Unit I • Santa Ana, CA 92704

1. Call to Order

- Invocation: Director Glen Peterson, Las Virgenes Municipal Water District
- b. Pledge of Allegiance: Director Cynthia Kurtz, City of Pasadena

2. Roll Call

- 3. Determination of a Quorum
- 4. Karla Nemeth, Director California Department of Water Resources, to discuss California Department of Water Resources and Governor Newsom administration priorities for water policy and program initiatives

5. 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))

6. OTHER MATTERS AND REPORTS

A.	Report on Directors' Events Attended at Metropolitan's Expense	<u>21-2756</u>
	Attachments: 11142023 BOD 6A Report	
В.	Chair's Monthly Activity Report	<u>21-2757</u>
	Attachments: 11142023 BOD 6B Report	
C.	General Manager's summary of activities	<u>21-2758</u>
	Attachments: 11142023 BOD 6C Report	
D.	General Counsel's summary of activities	<u>21-2759</u>
	Attachments: 11142023 BOD 6D Report	
E.	General Auditor's summary of activities	<u>21-2760</u>
	Attachments: 11142023 BOD 6E Report	
F.	Ethics Officer's summary of activities	<u>21-2761</u>
	Attachments: 11142023 BOD 6F Report	
G.	Presentation of Advanced Water Treatment Champions Award to Metropolitan by California-Nevada American Water Works Association and California Water Environment Association. [DEFERRED 11/3/2023]	<u>21-2777</u>

** CONSENT CALENDAR ITEMS -- ACTION **

7. CONSENT CALENDAR OTHER ITEMS - ACTION

A. Approval of the Minutes of the Board of Directors Meeting for October 10, 2023 (Copies have been submitted to each Director, any additions, corrections, or omissions)

<u>Attachments</u>: <u>11142023 BOD 7A (10102023) Minutes</u>

21-2763

21-2732

21-2764

21-2765

B. Approve Committee Assignments

8. CONSENT CALENDAR ITEMS - ACTION

7-1 Authorize professional services agreements with: AECOM Technical Services Inc. in a total amount not to exceed \$660,000; and (2) CDM Smith Inc. in an amount not to exceed \$475,000, to perform water desalination studies in Metropolitan's service area; for desalination technologies for potential water supply augmentation; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 11/1/23] (EOT)

Attachments: 11142023 EOT 7-1 B-L

11142023 EOT 7-1 Presentation

7-2 Authorize an agreement with General Networks Corporation in an amount not to exceed \$6,609,900 for the implementation of a cloud-based Enterprise Content Management System; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

Attachments: 11142023 EOT 7-2 B-L

11142023 EOT 7-2 Presentation

7-3 Authorize an increase of \$3,100,000 in change order authority for the contract to replace the overhead bridge cranes at the five Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

Attachments: <u>11142023 EOT 7-3 B-L</u>

11142023 EOT 7-3 Presentation

7-4 Award a \$1,244,935 contract to HP Communications Inc. to construct a new fiber optic cable line from Parker Dam to the Gene Pumping Plant; and authorize an increase of \$176,000 to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$451,000 for technical support during construction; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA (EOT)

Attachments: 11142023 EOT 7-4 B-L

11142023 EOT 7-4 Presentation

21-2769

21-2740

21-2741

7-5 Authorize the General Manager extend the to 21-2739 Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000.00 in 2024 and escalated annually through 2026; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)

Attachments: 11142023 OWS 7-5 B-L

11142023 OWS 7-5 Presentation Revised

7-6 Express support for the 2023 California Resilience Challenge and approve a financial sponsorship of \$50,000 to continue as a Resilience Leader; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)

Attachments: 11142023 OWS 7-6 B-L

11142023 OWS 7-6 Presentation

7-7 Authorize a \$200,000/year increase to the existing agreement with WaterWise Consulting, Inc., currently set at \$200,000/year, for the Large Landscape and Residential Survey Program, for a total agreement not to exceed \$400,000/year; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA (OWS)

Attachments: 11142023 OWS 7-7 B-L

11142023 OWS 7-7 and 7-8 Presentation

7-8 Authorize a \$350,000/year increase to the existing agreement with WaterWise Consulting, Inc., currently set at \$500,000/year, to provide inspection services for turf removal, regional device rebates, and water savings incentive program projects for Metropolitan's conservation rebate programs, for a total agreement not to exceed \$850,000/year; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)

Attachments: <u>11142023 OWS 7-8 B-L</u>

11142023 OWS 7-7 and 7-8 Presentation

7-9 Authorize an extension to June 30, 2024, on 13 supplemental labor contracts for professional services; and authorize an increase of \$200,000 in funding for four of the contracts not to exceed \$449,000 each; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOP)

<u>21-2770</u>

<u>Attachments</u>: <u>11142023 EOP 7-9 B-L</u>

11142023 EOP 7-9 Presentation

7-10 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 (EOP)

21-2771

Attachments: 11142023 EOP 7-10 B-L

11142023 EOP 7-10 Presentation

7-11 Approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices, and regulations; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC)

21-2744

Attachments: 11142023 LC 7-11 B-L

11142023 LC 7-11 Presentation

7-12 Approve amendments to Metropolitan Water District Administrative Code sections 6431 and 6453 to increase the authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 and the General Auditor to obtain professional services to an amount not to exceed \$100,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC)

<u>21-2743</u>

<u>Attachments</u>: <u>11142023 LC 7-12 B-L</u>

11142023 LC 7-12 Presentation

7-13 Adopt a resolution providing financial assurance for the Colorado River Aqueduct Master Reclamation Plan, establish the Metropolitan Reclamation Plan Trust Fund, and amend Sections 5200 and 5201 of the Metropolitan Water District Administrative Code to establish the Metropolitan Reclamation Plan Trust Fund; the General Manager has determined that this action is exempt or otherwise not subject to CEQA (FAIRP)

21-2775

21-2776

21-2703

21-2766

Attachments: 11142023 FAIRP 7-13 B-L

11142023 FAIRP 7-13 Presentation

- 7-14 Approve Metropolitan's annual membership in the Center for Energy Advancement through Technological Innovation and annual dues payment of \$82,000 for three interest groups, Transmission Planning and Operations, Asset Management, and Dam Safety; the General Manager determined that the proposed action is exempt or otherwise not subject to CEQA. [DEFERRED 11/1/23] (LRAC)
- 7-15 Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LRAC)

Attachments: 11142023 LRAC 7-15 B-L

11142023 LRAC 7-15 Presentation

** END OF CONSENT CALENDAR ITEMS **

9. OTHER BOARD ITEMS - ACTION

8-1 Award an \$18,840,000 contract to Steve P. Rados Inc. to construct a surge protection facility on the Inland Feeder as part of the water supply reliability improvements in the Rialto Pipeline service area; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project dependent member agencies.) (EOT)

Attachments: 11142023 EOT 8-1 B-L

11142023 EOT 8-1 Presentation

8-2 Adopt the CEQA determination that the proposed action was previously addressed in the Mitigated Negative Declaration and award a \$16,055,500 procurement contract to Northwest Pipe Company for steel pipe to rehabilitate a portion of the Lakeview Pipeline (EOT)

21-2767

Attachments: <u>11142023 EOT 8-2 B-L</u>

11142023 EOT 8-2 Presentation

8-3 Authorize the General Manager to enter into agreements with Coachella Valley Water District, Imperial Irrigation District, and San Diego County Water Authority to allow water to be added to Lake Mead under U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program in 2023; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [REVISED SUBJECT 11/8/2023] (OWS)

21-2768

Attachments: 11142023 OWS 8-3 B-L

11142023 OWS 8-3 Presentation

8-4 Receive report on litigation in In re: Aqueous Film-Forming Foams Products Liability Litigation, Master Docket 2:18-mn-2873-RMG, consider options, and provide direction on action in response to proposed settlements in: (1) City of Camden, et al. v. 3M Company, Civil Action No.: 2:23-cv-03147-RMG; and (2) City of Camden, et al. v. E.I. DuPont De Nemours and Company (n/k/a EIDP, Inc.) et al., Civil Action No.: 2:23-cv-03230-RMG; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with legal counsel – existing litigation; may be heard in closed session pursuant to Government Code Section 54956.9(d) (1)] (LC)

21-2773

Attachments: 11142023 LC 8-4 Presentation

Report on litigation in Systems Integrated, LLC v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 21STCV18292; authorize an increase in maximum amount payable under contract for legal services with Internet Law Center, Ltd. in the amount of \$150,000 for a total amount not to exceed \$250,000; and authorize an increase in maximum amount payable under contract for legal services with Kronenberger Rosenfeld, LLP in the amount of \$150,000 for a total amount not to exceed \$250,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]. [REVISED SUBJECT 11/8/2023] (LC)

21-2745

8-6 Update on labor negotiations and approve entering into two-year extension of 2022-2024 Memorandum of Understanding between The Metropolitan Water District of Southern California and The American Federation of State, County and Municipal Employees, Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with Labor Negotiators; to be heard in closed session pursuant to Gov. Code 54957.6. Metropolitan representatives: Katano Kasaine, Assistant General Manager, Chief Financial Officer and Gifty J. Beets, Human Resources Section Manager of Labor Relations. Employee organization: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902]. [REVISED SUBJECT 11/8/2023]

<u>21-2772</u>

<u>Attachments</u>: <u>11142023 BOD 8-6 B-L REVISED 11.14.23</u>

11142023 BOD 8-6 Non-Interest Disclosure Notice

8-7 Adopt the 2023 Long-Range Finance Plan Needs Assessment; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [ADDED ITEM 11/8/2023] (FAIRP)

21-2810

Attachments: 11142023 FAIRP 8-7 B-L

11142023 FAIRP 8-7 Presentation

10. BOARD INFORMATION ITEMS

Board of Directors November 14, 2023

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9-1 Conservation Board Report 21-2749

Attachments: 11142023 BOD 9-1 B-L

9-2 Legislative Priorities and Principles for 2024 (LRAC) 21-2748

Attachments: 11142023 LRAC 9-2 B-L

11142023 LRAC 9-2 Presentation

11. OTHER MATTERS

NONE

12. FOLLOW-UP ITEMS

NONE

13. FUTURE AGENDA ITEMS

14. 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 14, 2023 Board Meeting

Item 6A



Metropolitan Water District of Southern California Summary of Events Attended by Directors at Metropolitan's Expense in October 2023

Date(s)	Location	Meeting Hosted by:	Participating Director(s)
Oct. 19-21	Carlsbad, CA	California Association of Black School Educators – 7 th Annual Education Conference	Tana McCoy



Chair of the Board Adán Ortega Jr.'s Monthly Activity Report – October 2023

Summary

This report highlights my activities as Chair of the Board during the month of October 2023 on matters relating to The Metropolitan Water District of Southern California's business.

Monthly Activities

Key Activities

Attended Sustainable Conservation's Reception & Meeting, where I served as a panelist along with Ashley Boren, Chief Executive Officer, and Karla Neimith, Director of the California Department of Water Resources, to provide guests with a deeper understanding of water in Southern California, particularly the significance of groundwater for climate adaptation, the potential to mitigate flood risk and recharge groundwater during wet years, and the importance of integrated water management. I am a director on the Board of the organization which met the next day at Metropolitan Headquarters. Sustainable Conservation advances the collaborative stewardship of California's land, air, and water to benefit nature and people. It is seen as an innovative and essential partner for the state, water agencies, growers, and others in shaping California's water future.





 Participated in the 15th Annual Orange County Water Summit, on a panel interview on "What's Our Water Supply Future". I stressed the need for climate adaptation planning for finding such solutions in

the Bay-Delta and the Colorado River, as well as local supply planning. I also facilitated the appearance of former State Secretary of State Bill Jones who I previously served under as a Chief Deputy. Secretary Jones spoke about lost opportunities in achieving resiliency with the derailment of the CalFed process that aimed to stabilize the Bay-Delta but was largely opposed by Delta interests 25 years ago. I was joined by Directors Larry Dick, Brenda Dennstedt, Jacque McMillan, Dennis Erdman, Karl Seckel, and General Manager Adel Hagekhalil.







Participated in a Community Leaders Water Briefing with Western Municipal Water District to hear from State Senator Richard Roth and Assemblymember Sabrina Cervantes. I started my opening remarks by thanking State Senator Roth and Assemblymember Cervantes for supporting reliable water equitably available to all because California law promotes a human right to water. State Senator Richard Roth, Western Water Director Laura Roughton, Metropolitan and Western Director Brenda Dennstedt, Assemblymember Sabrina Cervantes, and Western Water GM Craig Miller attended.





Attended a celebration with General Manager Adel Hagekhalil and other officials from Metropolitan and the Antelope Valley-East Kern Water Agency to celebrate the \$211 million High Desert Water Bank, Metropolitan's largest-ever investment in groundwater storage. After three years of construction, the first stage of this critical new groundwater storage project is complete, and water is flowing into storage, significantly increasing Southern California's water supply reliability in the face of a rapidly changing climate. Metropolitan will be able to store and withdraw up to 70,000 acre-feet of water annually to serve the annual needs of 210,000 Southern California homes. Once operating at full capacity, the water bank will provide Metropolitan an additional storage capacity of 280,000 acre-feet of water, comparable in size to Castaic Lake, nearly double the size of Lake Perris and four times the capacity of Big Bear Lake. Joining me were Directors John Morris, Jacque McMillan, Brenda Dennstedt, and Matt Petersen. In addition, AVEK Chair George Lane, General Manager Matt Knudson, and Assistant Deputy Director of Los Angeles County Public Works Russ Bryden, and Assistant Director of Administration of Los Angeles County Public Works Anthony Nyivih.





Attended the celebration of the Yolo Bypass Wildlife Area Drainage Improvement Project, where Metropolitan provided funding for the project, which supports the Pacific flyway, recovers endangered species, protects agricultural lands, and reduces flood risk. By partnering on investments in projects like these, we can ensure a healthy ecosystem that reinforces the recovery of species, controls invasive species and improves water quality while also supporting a diverse and robust statewide economy. In attendance were Directors Tana McCoy, Miguel Luna, and Russell Lefevre. Also in attendance was Nina Hawk, Bay-Delta Initiatives Group Manager, along with other Metropolitan staff.





Speaking Engagements/Events

Provided congratulatory remarks at the October 2023 Fall Service Awards Luncheon, paying tribute to employees for their years of service and dedication to the organization, which was also attended by General Manager Adel Hagekhalil. I was particularly pleased to acknowledge Yvette Martinez's 20-year tenure at Metropolitan. The General Manager and I were joined by Directors Jacque McMillan, Brenda Dennstedt, Anthony Fellow, and Stephen Faessel.





Other Activities

• Celebrated the 20th anniversary of the Quantification Settlement Agreement with Board members and Metropolitan staff. The Quantification Settlement Agreement united Metropolitan and California agricultural water districts using Colorado River water. Together, we have improved our water resources and made remarkable progress.





Issued a personal statement on the passing of my dear friend Cindy Montañez. In the statement, I wrote that she"... had a love for nature and hiking, as well as tackling trails of public policy. In 2022, as we faced dire drought conditions while supporting turf replacement incentives to conserve water, Cindy, a Councilmember in San Fernando, spoke up for the trees. Since then, we at Metropolitan have been in the process of rolling out a program to protect the tree canopy to prevent heat island effects as we conserve water by eliminating turf. Cindy will be remembered, and her work will continue to guide and inspire us all.



On October 28th the <u>Desert Sun</u> published a lauditory article about Colorado River Board President J.B. Hamby, who also serves on the Board of the Imperial Irrigation District. There were substantial factual errors in a section about Mr. Hamby's election as it pertained to Metropolitan and my own involvement. The article states that I wanted the post of CRB president, and that when thwarted, I was attempting to force Dir. Peterson to vote for Jim Madaffer from the San Diego County Water Authority who was also running for the CRB post.

It suffices to state that I found out about the CRB's leadership election the weekend before the CRB vote from our General Manager, not Metropolitan's then-appointee to the CRB Board, Director Glen Peterson. I also had committed to appoint Director Cordero to the CRB Board in November '22, in effect making myself ineligible to run for the CRB presidency because I am not a member of the Board.

I called Director Peterson upon learning about the fast approaching CRB leadership election and he shared that other than Mr. Hamby, San Diego County Water Authority Director Jim Madaffer was also interested in the post of CRB President. Dir. Peterson expressed that he opposed both candidates. Mr. Hamby for what Dir. Peterson described as a lack of maturity, and Mr. Madaffer because Dir. Peterson has strong feelings against the San Diego County Water Authority over past litigation. Dir. Petersen shared that he preferred that incumbent CRB President Peter Nelson from the Coachella Valley Water District remain in the post, but had no strategy for assuring other votes, or for persuading Mr. Nelson to stand for re-election. Dir. Peterson blamed me for not being a candidate himself given my appointment of Dir. Gloria Cordero whose approval was pending by the Governor.

Dir. Peterson said to the Desert Sun that he was abruptly removed from the CRB board. Members of the Board are all witness to the fact that I reached out to every single member upon my election to discuss potential leadership positions. Dir. Peterson was one of two directors who did not respond or reply to my emails, calls and text messages in the months leading to January when I began the term. The bottom line is that he never asked me to retain his service on the CRB board, much less that there was a CRB leadership election in January 2023, until I asked.

Attached is an email I sent to Dir. Peterson after Mr. Hamby's election. When I removed Dir. Peterson from the Colorado River Adhoc Committee I did not make any board or public announcement about his removal. While we disagree mostly about his continued open hostility against the San Diego County Water Authority, I have done my best to demonstrate respect to Dir. Peterson for whom I have personal affection given my long past and positive acquaintance. However, he has been publicly speaking about the events I am mentioning here and I feel a responsibility to advise the board about my motives for removing him from the Colorado River Adhoc Committee, as well as from the Colorado River Board, especially now that other members of the news media have called to understand the events I just described:

Board Report (Chair of the Board Adán Ortega Jr.'s Monthly Activity Report – October 2023)

Page 6 of 3

EMAIL:

From: Ortega Jr., Adan

Sent: Friday, January 13, 2023 4:01 AM

To: Peterson, Glen

Cc: Heather M. Repenning - City of Los Angeles; Miller, Marty C; De Jesus, David D; Hagekhalil, Adel;

Wheeler, Margie

Subject: Notice of Removal from Adhoc Committee on Agricultural Conservation, Bay Delta and Colorado River

Negotiations

Dear Director Petersen,

I was disappointed in your effort during the meeting of the Colorado River Board on January 11th, to remove an opportunity for compromise. You did so by suggesting the removal of the state's representatives to reduce the threshold of victory favoring one candidate for Chair. As you know, reaching such compromise was the preferred course during our recent discussions with the General Manager and board colleagues leading up to the CRB meeting. It is my understanding that the State's representatives were with instructions to remain neutral. Given your argument that you are a gubernatorial appointee not subject to deliberations at MWD, neutrality would have been a proper course as well until compromise could be reached.

Your actions were outside of any MWD policy principle, recent actions by the board, and contrary to the spirit of overcoming past disputes among the MWD family as well. You openly expressed willingness to act based upon your personal bias against San Diego. Thanks to the efforts of others, the outcome of the election of the CRB's officers was reached in compromise, and exacerbation of our internal issues are for the time being, averted.

It's my intention to reduce such risks in the future. I am using any available means to accelerate the appointment of Gloria Cordero as your replacement on the Colorado River Board. I also want to advise you that I am removing you from the Adhoc Committee on Agricultural Conservation, Bay-Delta and Colorado River Negotiations. The administrative code stipulates that members of adhoc committees serve at the Chair's pleasure. I am asking that staff consultations continue with your alternate. Given your experience and knowledge I regret having to take this action, but I wish to avert similar risks within my limited means. Thank you for your past service.

Adán Ortega

Chair of the Board

Metropolitan Water District of Southern California

Regularly Scheduled/Ongoing Meetings

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

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General Manager's Monthly Report



Activities for the Month of October 2023

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Message from the

General Manager

In Lancaster, I was filled with pride and hope as I watched water flow into the High Desert Water Bank.

Board Chair Ortega and the MWD team stood alongside our partners at the Antelope Valley-East Kern Water Agency to celebrate the completion of the first stage of this important project. The collaboration between our two agencies will provide Metropolitan with underground storage capacity of 280,000 acre-feet of water—about the size of Castaic Lake.

At more than \$200 million, the Water Bank is Metropolitan's largest investment in groundwater storage to date. When operating at full capacity, it will offer Metropolitan the ability to draw up to 70,000 acre-feet in a dry year. That's enough water to serve the annual needs of 210,000 households.

Meanwhile, Metropolitan and its member agencies have been hard at work to devise a program that can expand the use of local aquifers to store surplus water during wet years. The task is both complicated and urgent, as our available surface storage fills up after record breaking wet weather and as forecasters suggest El Nino rains are headed our way.

The dramatic weather whiplash of the last couple years is part of the climate reality we face, which will add ever greater stresses on our water supplies in the years ahead. To chart our course into this future, we've undertaken the Climate Adaptation Master Plan for Water to evaluate and scope investments that will build our regional resilience.

Many projects, like the Water Bank, will take years to plan and construct, yet we must remain agile to respond to changes upon us already. We must simultaneously develop strategies for next year and the next 20 years.

Among these strategies, groundwater storage offers immediate capacity as well as future potential. The challenges are many—technical, legal, and financial—but between Metropolitan and our member agencies, we have the industry's best minds focused on the opportunity. I'm confident that, if we work in partnership, we can make the most of the critical resource that is right beneath our feet.

We are one

Adel



"The best way to predict your future is to create it."

- Peter Drucker, Educator, Business Consultant, and Author



Strategic Priorities Update

The General Manager's Strategic Priorities guide actions in key areas of focus, investment, and transformation for Metropolitan.

Empower the workforce and promote diversity, equity, and inclusion

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

The Equal Employment Opportunity (EEO) Office reported an average case closure rate of 58 business days for the third quarter (July-September 2023), meeting its commitment to conduct prompt, thorough and fair investigations.

The EEO Office conducted the second of three trainings scheduled this year on EEO's complaint and investigative process, ("EEO Investigations 101") to provide employees with an overview of the EEO Office, the complaint intake process, and its investigative guidelines. The goal of this training series is to ensure that Metropolitan employees know how to file an EEO complaint, have a better understanding of the complaint process and their rights and responsibilities in the workplace, and are more aware of the support offered by the EEO Office

Diversity, Equity, and Inclusion (DE&I) Chief Liji Thomas presented a proposed Vision Statement and Values to the recent gathering of 300 managers and solicited their feedback. The proposed values are Safety, Trust, Accountability, Respect and Teamwork. The Vision Statement and Values will be presented to the Board in Q1 2024 followed by further communication with employees and implementation. Additionally, evaluation of the National Safety Council's (NSC) proposed "Safety Vision" continued, and staff is working with NSC to finalize the vision and prioritize safety initiatives.

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

Metropolitan welcomes new Human Resources Group Manager Mark Brower! The executive office and staff from across the organization have been actively helping to onboard Mark and are identifying ways to support his success.

The Metropolitan Management University held session #7 covering Communication Skills (assertive communication and handling conflict constructively). Staff facilitated team- and skill-building for Laboratory Support in Water Quality.

To help reduce the time it takes to recruit staff, we have brought on additional temporary staff, contracted with an external recruiting firm, and are preparing proposed changes to the hiring manual, which will be shared with the bargaining units.

We are taking a number of steps to support more effective recruitment, ensuring that we cast the net wide and leverage our strategic partnerships to build the pipeline that continues to attract the best talent. For example, we are working with external partners to host a Q&A/resume writing workshop for potential applicants to the apprenticeship program; we developed a recruitment video that highlights our diverse talent; and we have applied for grant funding for the WETT (Water Education and Training for the Trades) program to reduce traditional barriers to the apprenticeship program (we expect a decision on our grant application in November).

Sustain Metropolitan's mission with a strengthened business model

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

Staff presented the Pure Water Southern California cost recovery alternatives at the October FAIRP Committee meeting.

The Board's Equity, Inclusion, and Affordability Committee considered expert and member agency advice about affordability strategies, as the District confronts the need to invest in system-wide climate adaptation and to achieve greater resilience in the face of growing variability in weather and our imported supplies.

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

In October, the Centralized Grants Management Office launched the Certified Grants Administrator training program, a series of six training sessions. Part one hosted over 60 Metropolitan and member agency staff who learned the basic components of applying for a grant and about Metropolitan's grant tracking software eCivis.

Strategic Priorities Update

(continued)

With persistent outreach and advocacy from Metropolitan, the CA Department of Water Resources and the US Bureau of Reclamation executed a cost-sharing agreement for seismic upgrades at Sisk Dam that ensures a more equitable cost distribution for the State Water Project. The final arrangement significantly saves Metropolitan and its ratepayers nearly \$200 million, driving down the estimated cost-share from \$236 million to \$42 million.

Adapt to changing climate and water resources

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

The CAMP4W core team has been preparing for the November meeting of the new Joint Task Force, to continue progress in developing a Climate Decision Making Framework and draft evaluative criteria that will assess climate adaptation projects and programs for possible implementation.

Metropolitan is making rapid progress on early-action drought projects, and we convened a planning workshop (#10) with all member agencies to update ongoing actions and receive feedback. The progressive design-build method expedites the development of pump stations at two existing pressure control structures, enabling greater deliveries of Colorado River water to the western portion of the State Water Project exclusive area. During October, staff evaluated bids to construct a surge protection facility to safeguard existing infrastructure when moving water from Diamond Valley Lake to the eastern portion of the SWP exclusive area.

Metropolitan and the member agencies are collaborating to develop a new framework for groundwater/reservoir storage when Metropolitan cannot capture all available supplies; we continue to workshop this with member agencies and expect to bring an item for Board action in Q1 2024.

Metropolitan and Antelope Valley-East Kern Water Agency (AVEK) celebrated the first milestone of the High Desert Water Bank, Metropolitan's largest investment in groundwater storage to date. The event marked the completion of the project's first phase, giving Metropolitan the ability to take advantage of this wet year and store 12,000 AF in 2023. When completed, the Water Bank will allow Metropolitan to store up to 280,000 AF of State Water Project supplies in the Antelope Valley groundwater basin. In 2027, when the project is expected to be fully operational, Metropolitan will have the ability to store or withdraw up to 70,000 AF in any given year. This project not only improves our reliability by being able to capture more supplies in wet years but also reduces our dependency on imported supplies in dry years.

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

Assembly Bill 1572, the Metropolitan co-sponsored bill banning the irrigation of non-functional turf with potable water, was signed by the Governor into law on October 14, 2023.

Metropolitan's Board approved a \$50,000 sponsorship of Climate Mayors to facilitate a working group of mayors throughout the Colorado River Basin to work together on water use efficiency and conservation commitments.

Metropolitan is working collaboratively to expedite Pure Water Southern California (PWSC) and is extending its environmental analyses to allow for the possible incorporation of flows from the City of LA's Operation NEXT/Hyperion 2035 project. An updated schedule was shared with the PWSC subcommittee on September 26, and a more detailed draft construction-sequencing plan will be available soon. The online date is still 2032, and we continue to pursue opportunities for the early delivery of water. Integration and early deliver are the foci of our convening the Water Reuse Collaborative, 11 agencies in the vicinity of the PWSC plant, which met again in October. The discussion included a presentation by Long Beach Utilities on how the City's plans incorporate demand for water from PWSC.

A revised draft of state Direct Potable Reuse (DPR) regulations was released, with changes made to respond to the collaborative—and effective—testimony and comments in which Metropolitan played a leading role. Comments on the revisions are due noon, Nov. 6.

Climate Action Plan implementation advanced with the development of a preliminary "roadmap" for our transition to zero-emission vehicles; this will be shared with the Board in January at EOT Committee. Staff is also assessing commute emissions and engaging with partners to explore innovations for reducing power use, costs and GHG emissions related to Pure Water.

Strategic Priorities Update

(continued)

Metropolitan's Board approved amending the Capital Investment Plan to include the multi-benefit landscape project on Webb Tract, which earlier this year received a \$21M grant from the Delta Conservancy. The Board also authorized professional service agreements for design, environmental documentation, permit applications, and scientific monitoring. Following development work, two eddy covariant stations which will be used to calculate and validate the emissions reductions anticipated by wetlands and rice farming.

Science staff submitted a proposal to the Bureau of Reclamation's WaterSMART Applied Science Grants to fund a two-year project that would develop publicly accessible datasets. These datasets would support improved water management planning, assessment of flow operations, and evaluate effects on fish and wildlife.

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

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

While further internal review is still needed, staff reached a significant milestone by completing an initial assessment of all Capital Investment Plan projects according to overall risk and value. This sizeable effort will help Metropolitan prioritize limited resources and can support the two-year and ten-year budget plans under development.

Cybersecurity staff began onboarding and training interim support staff, reviewed and updated Metropolitan's Cyber Incident Response plan, and initiated the annual Cybersecurity Awareness Training Campaign.

Eight dam emergency action plans have been completed, with only two still awaiting approval by Cal OES. Two additional plans are substantially complete and will be submitted to the state by the end of 2023.

In addition to participating District-wide in the Great Shake Out earthquake-response simulation, staff conducted a Regional Seismic Resilience Task Force meeting with representatives from DWR and LADWP to plan for upcoming activities.

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

Toward establishing the Enterprise Contract Management system, contract negotiations with the recommended vendor are substantially complete, and a contract award will be considered by the Board in November.

Toward the sustainability of CIP projects, La Verne Water Quality Lab Upgrade has been identified as a potential candidate for LEED certification.

Two of Metropolitan's master specification sections have been updated, in alignment with the Climate Action Plan, to require the contractor to provide greenhouse gas monitoring information.

Partner with interested parties and the communities we serve

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

Progress is being made for further CAMP4W outreach, through a new video, fact sheets and coordination with member agencies.

Staff developed a set of best practices for communicating public engagement and input for relevant items in front of the Board, which are being considered for inclusion in a set of improvements in Q1 2024.

Having previously completed and reported on our assessment of the Community Partnership Program, External Affairs is considering its first larger CPP sponsorship, more strategically linked with our SRI initiatives; and staff will report on progress in the coming weeks.

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

Work on this goal is continuing with more multilingual resources for outreach and support for grant opportunities to expand Metropolitan's programs. A press event on November 14 will highlight new conservation funds for turf replacement and direct install of water saving fixtures in disadvantaged communities.

Executive Summary

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

Administrative Services

On October 18, the Administrative Services Section held an All-Hands Luncheon to show appreciation for the hard work of section staff and provide an opportunity for engagement. Katano Kasaine, Assistant GM/CFO offered opening remarks and reiterated the value of coming together to connect, share updates, ask questions, and celebrate successes. Adam Benson, Finance Group Manager, and Mark Brower, HR Director, were also introduced to the team. While everyone welcomed new employees section-wide, employees with over 30 years of service received special applause for their longstanding commitment and dedication to Metropolitan. Cuauhtemoc "Moty" Torres, Administrative Services Section Manager, and staff look forward to offering more opportunities for employee engagement throughout the year.

Bay-Delta Initiatives

At the upcoming Sites Authority Board meeting scheduled for Friday, November 17, 2023, it is anticipated that the Final Sites Reservoir Environmental Impact Report and corresponding California Environmental Quality Act actions will be certified. Check the Sites Reservoir website here for details regarding this upcoming historic meeting. In anticipation of the certification, the Reservoir Committee and Authority Board authorized the Executive Director to post the required public notices in accordance with SB149 if the Governor certifies that the Sites Reservoir Project is a SB149-eligible infrastructure project.

Chief Financial Officer

Business Continuity conducted the district-wide annual ShakeOut earthquake drill on October 19, 2023. The purpose of this drill was to promote earthquake preparedness. Key activities included practicing drop, cover, and hold on, an earthquake preparedness presentation facilitated by the American Red Cross, and a display of security and emergency equipment and vehicles.

Colorado River

In late October, the Bureau of Reclamation issued a Revised Supplemental Draft Environmental Impact Statement (Revised DSEIS) for short-term Colorado River operations. The Revised DSEIS analyzed three action alternatives and selected the Lower Basin Plan to conserve an additional 3 million acre-feet of water through 2026 as the preferred alternative. Comments on the Revised DEIS are due December 11. Metropolitan plans to provide comments supporting the Lower Basin Plan.

Diversity, Equity & Inclusion

On October 21, 2023, in collaboration with the Office of Diversity, Equity & Inclusion, Business Outreach, and External Affairs along with employee staff attended the 2023 Taste of Soul located in the Crenshaw District. Together Metropolitan advocates the message on conservation, business outreach, and workforce development.

Engineering Services

In October, substantial progress was achieved on several major construction contracts that will ensure water supply reliability and have a combined construction value of more than \$220 million. The projects include the \$93.8 million contract to rehabilitate four treatment basins and replace half the filter valves at the F.E. Weymouth Water Treatment Plant, the \$68.8 million contract to steel line a portion of the Prestressed Concrete Cylinder Pipe on the Second Lower Feeder, and the \$59.5 million contract to cross underneath the I-215 Freeway to complete the Perris Valley Pipeline. All three contracts are on track to be completed as scheduled and within budget. Construction is also proceeding on 35 other water supply reliability and system rehabilitation projects within the Capital Investment Plan with contract amounts ranging from approximately \$0.11 million to \$32.8 million.

Executive Summary

External Affairs

Chairman Ortega, Directors Dennstedt, McMillan, Morris, Peterson, and Seckel, AGM Hagekhalil, Metropolitan staff, and officials from the Antelope Valley-East Kern Water Agency celebrated the completion of the first phase of the High Dessert Water Bank, Metropolitan's largest-ever investment in groundwater storage. Media coverage included LA Times, Southern California News Group, Antelope Valley Press, KABC-7, KFI-AM, KNX-AM, and KPPC/LAist. (October 23)

Human Resources

In October, 290 Metropolitan employees attended virtually facilitated classes including Time Management, Customer Service Skills, Visio, and Personal Security Awareness.

Information Technology

The latest replacement of enhanced microphone hardware for our second floor committee rooms has been installed. This technology offers an exceptionally user-friendly experience, allowing for easy adjustments and ensuring that every participant's voice is heard with clarity.

Security Management

Security robotics is an exciting new area in critical infrastructure protection.

Sustainability, Resiliency and Innovation

In recent updates, the Chief SRI Officer presented a \$50k sponsorship for Climate Mayors, which will support the Climate Mayors Colorado River Conservation Working Group's efforts to enhance the river's supply and usage through initiatives like turf replacement and water reuse. The Board approved the sponsorship. The SRI Office also played a crucial role in organizing panels related to affordability for the Board Equity, Inclusion, and Affordability Committee as part of the Climate Adaptation Master Plan for Water (CAMP4W). Furthermore, a panel discussed carbon-neutral water systems and how to measure carbon reduction. A management retreat introduced project evaluation and decision support tools, enhancing decision-making processes. Additionally, SRI is working on sustainability and resilience policies, collaborating with the Responsible Purchasing Network, conducting surveys on employee commutes and electric vehicles, and facilitating the transition to zero-emission vehicles. The Centralized Grants Management Office updated the grant procedures and offered training sessions.

Water Resource Management

Water Resource Management continues to participate in and support ongoing discussions with California, the Upper Basin, and Lower Basin partners developing post-2026 reservoir operation guidelines. These guidelines will significantly influence Metropolitan's future supply of Colorado River water. In addition to the efforts to secure access to sufficient Colorado River supplies, the team continues to explore methods to reduce Metropolitan's dependency on imported supplies in dry years. In addition to the ongoing implementation of regional conservation program activities, on October 23, 2023, Metropolitan and Antelope Valley-East Kern Water Agency celebrated the first milestone of the High Desert Water Bank. This partnership enhances our water supply reliability by enabling the capture of additional supplies in wet years for use in dry years.

Water System Operations

Metropolitan staff assisted Coachella Valley Water District in repairing facilities damaged by Tropical Storm Hilary, enabling water deliveries to resume for groundwater replenishment to CVWD and Desert Water Agency. Shortly after, staff discovered high water levels near a protective berm downstream of the CRA water release into the Whitewater River. This condition resulted from new flow patterns created by the tropical storm. Staff urgently responded with heavy construction equipment to redirect the 230 cfs delivery away from the potential breach area, allowing berm improvements to proceed while water deliveries continued. Deliveries will be returning to their pre-storm level of 700 cfs in early November, completing an important response by operations staff to effectively manage supplies and storage this year.







"Seeing this project unfold from a concept to an approved program and finally to constructed facilities has been a remarkable experience due to the hard work of many involved. I look forward to its continued success and full operation."

Tracy Abundez, Resource Specialist,
Supply Acquisition Team

PROGRAM DESCRIPTION

In October 2023, officials from Metropolitan and the Antelope Valley East-Kern Water Agency (AVEK) gathered to celebrate the opening of the High Desert Water Bank, a groundwater recharge and recovery project which improves Metropolitan's water supply reliability in dry years. The Program is a partnership in which AVEK is constructing and operating the facilities, and Metropolitan is providing funding and has first priority right to use of the facilites. The Program was approved by Metropolitan's Board in 2019 and currently has an estimated capital cost of \$211M. Once fully operational, it will allow Metropolitan to manage up to 70,000 acre-feet per year of its State Water Project (SWP) supplies with a total storage capacity of 280,000 AF within the Antelope Valley Groundwater Basin.

IMPORTANCE TO METROPOLITAN

The Program will enhance Metropolitan's water supply reliability by increasing dry-year storage capacity and operational flexibility. It will nearly double the total direct pump-back capability of current SWP groundwater storage programs and provide emergency reliability to SWP Dependent Areas located along the East Branch of the California Aqueduct. In addition, a future project could provide reliability to SWP Dependent Areas located along the West Branch of the California Aqueduct.

MEMORABLE MOMENT

Since its approval in 2019, the Program has evolved and the strong relationship between AVEK and Metropolitan staff has allowed for great success despite the many challenges that were presented. Staff credits close coordination and collaboration with AVEK for the success in describing and obtaining approval from Metropolitan's Board for the several changes that resulted in an increase of \$80M in project costs. This board action in September 2023 could not have been possible without a strong team effort from AVEK staff and many Metropolitan staff.

Water Resource Management



Ensure Access to Sufficient Water Supplies to Operate a Full Colorado River Aqueduct in Times of Drought

Staff participated in meetings and workshops with California, Lower Basin, and Upper Basin partners to continue developing a Basin States alternative for operating Lakes Mead and Powell after 2026, once the current operational guidelines (the 2007 Interim Guidelines) expire. The post-2026 reservoir operation guidelines will significantly influence Metropolitan's future supply of Colorado River water. Meetings included a gathering of technical modeling teams from Metropolitan, Southern Nevada Water Authority, and the Central Arizona Project in Las Vegas; a workshop in Las Vegas with the Colorado River Board of California (CRB) and representatives from California agencies holding rights to water from the Colorado River (the Quechan Tribe, Imperial Irrigation District, Palo Verde Irrigation District, Coachella Valley Water District, and Metropolitan); and a three-day meeting of Lower and Upper Basin States principals in Midway, Utah.

Staff attended a meeting of the Colorado River Basin Salinity Control Forum (Forum) in Santa Fe, New Mexico. Topics discussed included (1) proposed language for the 2023 federal Farm Bill to reduce the state cost-share requirement from 30 percent to roughly 15 percent for salinity control funding from the Natural Resources Conservation Service (NRCS), which would reduce the existing Salinity Control Program (Program) funding deficit; (2) an update on the U.S. Bureau of Reclamation's (USBR's) Request for Information (RFI) from private industry representatives to solicit new alternatives for the long-term replacement of the Paradox Valley Unit (PVU); (3) the final draft 2023 "Triennial Review," in which the Forum communicates to the U.S. Environmental Protection Agency (EPA) an assessment of the sufficiency of existing water quality criteria for salinity on the Lower Colorado River; and (4) updates from key federal agencies involved in the Program, including USBR, NRCS, the Bureau of Land Management (BLM), and the U.S. Geological Survey.

Implement Regional Conservation Program

Presented at the WaterSmart Innovations conference on a range of topics including Metropolitan's household water use study, public agency turf program, and non-functional turf efforts.

Held Water Efficient Landscaper Dual Certification Program workshops in partnership with CLCA and Chino Basin Water Conservation District for 50 landscape professionals.

Held Model Water Efficient Landscape Ordinance training classes in Mission Viejo and Monrovia which each had 20 participants.

Explore Opportunities to Leverage Metropolitan's SWP and Colorado River Supplies and Storage Assets

On October 23, 2023, Metropolitan and Antelope Valley-East Kern Water Agency (AVEK) celebrated the first milestone of the High Desert Water Bank (HDWB), Metropolitan's largest investment in groundwater storage. The event marked the completion of the project's first phase, giving Metropolitan the ability to take advantage of this

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wet year and store 12,000 AF in 2023. When completed, the HDWB, a partnership between the two agencies, will allow Metropolitan to store up to 280,000 acre-feet (AF) of State Water Project supplies in the Antelope Valley groundwater basin. In 2027, when the project is expected to be fully operational, Metropolitan will have the ability to store or withdraw up to 70,000 AF in any given year. During dry years, the water withdrawn from storage will be extracted and delivered to Metropolitan through the California Aqueduct for use in its service area. This project not only improves our reliability by being able to capture more supplies in wet years for use in dry years but also reduces our dependency on Colorado River supplies in dry years

Collaborate with Member Agencies, Water Agencies and Associations, and Provide Leadership for Policy Development, Advocacy, Outreach and Education

Staff participated as a member of the Western Water Drought Task Force at its meeting on October 17. Staff gave a presentation on Southern California's regional water supply conditions and outlook, which had improved dramatically for Water Year 2022–2023.

The Water Utilities Climate Alliance (WUCA) held its annual General Manager's Meeting in Coronado, California on October 25. WUCA comprises twelve of the largest water utilities across the United States that work to provide leadership and collaborate on climate change issues affecting the nation's water agencies. General Manager Adel Hagekhalil attended the meeting along with staff representatives. The general managers of the WUCA water utilities approved the 2024 WUCA work plan and budget and participated in a round table discussion that highlighted past experiences with securing federal funding and climate adaptation projects.

Staff attended the California Water Plan (CWP) Update 2023 Plenary Meeting in Roseville, hosted by DWR on October 3–4, 2023. At this meeting, DWR discussed the contents of the recently released Public Review Draft (PRD) and took feedback from in-person and virtual attendees. During the 30-day comment period, staff from various groups at Metropolitan reviewed the PRD and submitted comments aimed at clarifying the information and recommended actions contained in the draft CWP. Staff also coordinated with ACWA in developing feedback to DWR that will help inform the final CWP. DWR is planning to release the final CWP Update 2023 by the end of the year.

Implement Future Supply Actions Funding Program

Staff from WRM and Engineering delivered presentations on the Pure Water Southern California Project, Metropoiltan's seawater desalination activities, and dam safety to representatives from Morocco and Jordan. General Manager Adel Hagekhalil welcomed and addressed the delegation. Both countries are investing billions of dollars in climate-resilient resources such as desalination projects and pipeline infrastructure. Staff discussed the many benefits of communal water districts compared with government agencies.

Position Metropolitan As A Leader In Open Water Data.

Staff participated in several California Water Data Collaborative committee meetings in October and completed planning for a "Data for Lunch" webinar scheduled for noon on November 16. The webinar will feature Metropolitan's AGM Deven Upadhyay leading a panel on urban water data reporting with state agency representatives. A link to the webinar will be shared with the member agencies and other interested stakeholders shortly. Streamline approvals for future Sacramento Valley water transfers.

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Promote Metropolitan's Technical Capabilities and Innovation Efforts to Advance the Understanding of Water Resources Management.

Staff hosted a briefing on peer agency workforce development practices delivered by Booky Oren GWT (BOGWT). The briefing included practices from water agencies across the country and internationally. The best practices included implementing tours for internal staff for all aspects of a utility and using building information management (BIM) and other software as succession planning aids. The briefing was delivered through Metropolitan Peer-2-Peer innovation agreement with BOGWT. Staff from Human Resources, Operations, Water Resource Management, and the Sustainability, Resiliency, and Innovation Office attended the briefing. Additional information on workforce development and HR practices is available on BOGWT's k2i platform, which is available to all Metropolitan employees and accessible through IntraMet and at this link: https://www.k2iplatform.com/

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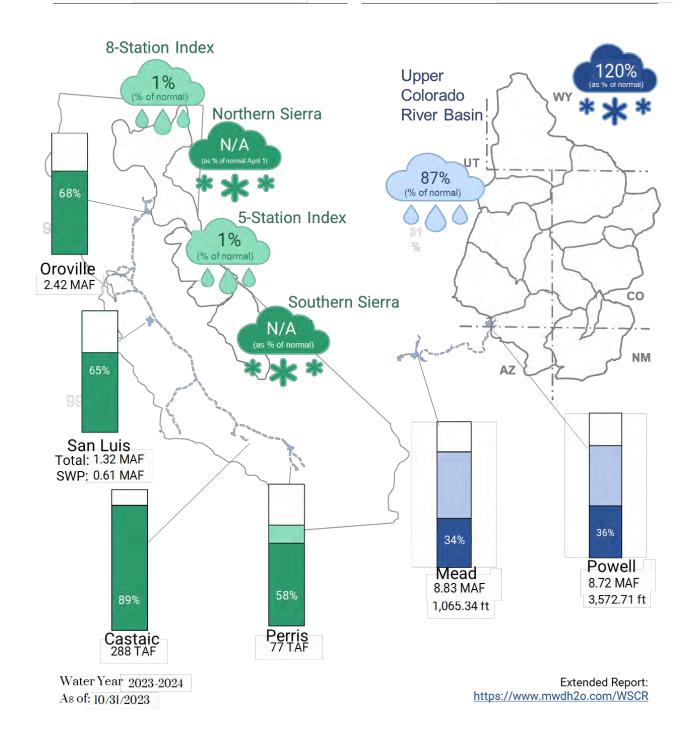
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State Water Project Resources

SWP Table A-100% - 1,911,500 acre-feet

Colorado River Resources

Projected CRA Diversions - 686,000 acre-feet



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Bay-Delta Initiatives

Core Functions

Delta Conveyance

The California Department of Water Resources released a draft Environmental Impact Report (EIR) to comply with the California Environmental Quality Act (CEQA) for a public review that ended on December 16, 2022. The Final EIR is expected at the end of 2023. It will include responses to all substantive comments on the Draft EIR and edits to the Draft EIR, as appropriate, to respond to the comments.

The U.S. Army Corps of Engineers (USACE), as part of its permitting review under the Clean Water Act and Rivers and Harbors Act, released a draft Environmental Impact Statement to comply with the National Environmental Policy Act for a public review that ended on March 16, 2023. USACE is in the process of developing responses to the comments received.

Delta Conveyance related Joint Powers Authorities

Comprehensive updates regarding ongoing and required Tribal consultation and public communication and outreach efforts to advance the Delta Conveyance Project were presented to the Delta Conveyance Design and Construction Authority (DCA) Board of Directors at their regularly scheduled October 19 meeting. Localized fact sheets surrounding the relevance of the State Water Project are being created, and the geotargeted social media campaign has reached over 50,000 Californians in the State Water Project area.

The October 19 regularly scheduled Delta Conveyance Finance Authority meeting was cancelled.

Sites Reservoir

At the joint Sites Project Authority Board and Sites Reservoir Committee Meeting on October 20, the Reservoir Committee and Authority Board approved actions related to the Amendment 3 Work Plan Update including an extension of the work plan to December 31, 2025, an overall program baseline schedule that would support a projected seven-year substantial construction completion, which is currently projected in 2032, and an update to the priorities. The annual budget for fiscal year 2024 and the cash call amount for fiscal year 2024 were also approved as part of the Amendment 3 Work Plan Update.

At the upcoming Joint Reservoir Committee and Sites Authority Board meeting scheduled for Friday, November 17, 2023, it is anticipated that the Final EIR and corresponding CEQA actions will be certified. Check the Sites Reservoir website here for details regarding this upcoming historic meeting. In anticipation of the certification, the Reservoir Committee and Authority Board authorized the Executive Director to post the required public notices in accordance with SB149 if the Governor certifies that the Sites Reservoir Project is an SB149-eligible infrastructure project.

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Science Activities

Science staff submitted a proposal to the Bureau of Reclamation's WaterSMART Applied Science Grants for fiscal year (FY) 2023 to fund a two-year project that would develop publicly accessible datasets. These datasets would support improved water management planning, assessment of flow operations, and evaluate effects on fish and wildlife.

To progress the Floating Wetlands Pond Study, staff is evaluating options for relocating tules from a nursery location on Bouldin Island to an existing impoundment on Bouldin Island. The Floating Wetlands Pond Study will be a practical evaluation of the benefits of using native plants from the Delta as a tool in habitat restoration. The results of this study will allow Metropolitan to determine relative benefits of investing in this novel restoration tool.

Staff is participating in a Department of Fish and Wildlife Zooplankton Monitoring Review effort for evaluating the effects of management actions on zooplankton. Zooplankton are a vital prey for listed species. Determining how best to improve zooplankton densities is important for the management of listed species.

Delta Island Activities

Staff responded to a magnitude 4.2 earthquake centered near Brannan Island on October 18. In coordination with Reclamation District staff, all 56 miles of levees on Metropolitan's four islands were inspected within one hour. No seismic damage was reported on Metropolitan's Islands. Additionally, real-time data from the Bouldin Island Seismic Instrumentation & Monitoring Pilot Project was evaluated in the minutes following the seismic event.

Metropolitan's Board of Directors approved amending the Capital Investment Plan for FY 2022/23 and 2023/24 to include the development of a multi-benefit landscape project on Webb Tract. The Board also authorized professional service agreements for design, preparation of environmental documentation, permit applications, and scientific monitoring.

Staff hosted the Sacramento-San Joaquin Delta Conservancy Board tour on Webb Tract. The tour highlighted Metropolitan's project planning in the Delta, including the Delta Conservancy grant-funded Webb Tract Landscape Mosaic Project.

Bay-Delta Staff participated in a panel on subsidence during the Delta Independent Science Board's October meeting. The panel provided an overview of current land inundation practices and experiments in the Delta. Staff provided information on the current practices and ongoing studies on Metropolitan's Delta Islands.

Other Activities

Bay-Delta Resources staff, along with Chair Adán Ortega, Jr., and Board Directors Lefevre, Luna, and McCoy attended the Yolo Basin Wildlife Area Celebration in Yolo County. This celebration recognized Metropolitan's role in the partnership that led to the recently completed project.

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Colorado River Resources

Reclamation supports Lower Basin Water Conservation Proposal

In response to record low storage levels in Lake Powell and Lake Mead in the summer of 2022, Reclamation began a process to amend the Colorado River Interim Guidelines through 2026 in the event conditions continued to be dry and additional shortages were needed to protect critical infrastructure at Lakes Powell and Mead. The draft Supplemental Environmental Impact Statement (DSEIS) that analyzed the options was completed in spring of 2023. Two action items were included in the document: one that implemented additional shortages by the priority system and another that shared shortages equally among contractors. None of the Lower Basin States supported either alternative; therefore, in May of 2023, the Lower Basin States came up with their own proposal. That proposal was based on two important factors: first, the much-improved conditions due to the wet winter of 2022-23, and second, the availability of \$4 billion for western drought relief provided by the Inflation Reduction Act (IRA). The Lower Basin States proposed using IRA funds and existing Intentionally Created Surplus programs to conserve an additional 3 million acre-feet of water through 2026, on top of the existing shortage requirements under the 2007 Guidelines. The Lower Basin submitted that plan to Reclamation in May 2023, with support from the Upper Basin, requesting Reclamation to consider their alternative in the development of the SEIS. Reclamation agreed to suspend the process while it evaluated the Lower Basin Proposal.

On October 27, Reclamation issued a Revised DSEIS that included the two original alternatives, along with the Lower Basin Plan. The document concluded that the Lower Basin Plan was the most effective option and dropped the original two alternatives from further consideration. Reclamation is soliciting comments on the Revised DSEIS, with comments due on December 11. Reclamation plans to issue a Final SEIS in early 2024, followed by a Record of Decision approving the new plan. The Lower Basin States are ahead of the proposed water conservation schedule, with record low water use in 2023. The Lower Basin states are projected to use 5.8 million acre-feet of water this year, which is 1.7 million acre-feet less than its allocation under the 1922 Colorado River Compact. Metropolitan plans to submit comments to Reclamation supporting the Lower Basin Plan, along with highlighting specific interests our region may have in this process. Staff will provide an overview of the Revised SEIS at the November 13 One Water and Stewardship Committee meeting.

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Engineering

Core Business Function – Execute Capital Investment Plan Projects

Engineering Services manages and executes projects within the Capital Investment Plan (CIP) to maintain infrastructure resiliency, ensure regulatory compliance, enhance sustainability, and provide flexibility in system operations to address uncertain water supply conditions.

Distribution System Reliability Program

This program maintains reliable water deliveries through specific rehabilitation and upgrade projects on Metropolitan's pipelines, reservoirs, and control structures. Recent activities include the following:

- Lake Mathews Wastewater Replacement—This project consists of replacing the existing septic tank system with a wastewater collection system at Lake Mathews. The new wastewater system connects to a nearby off-site Western Municipal Water District main wastewater line. Metropolitan's Board awarded a construction contract for the final stage in October 2021. The contractor continues to seal up the accessways and will be connecting the buildings to the new system. Construction is approximately 95 percent complete and is scheduled to be complete in February 2024.
- La Verne Shops Building Completion—Stage 4—This project will complete the La Verne Shops building improvements and install Metropolitan-furnished shop equipment. Metropolitan's Board awarded a construction contract in May 2022. The contractor continued installing reinforcing steel for new concrete equipment pads; installing electrical conduits for branch circuits; excavating for new electrical ductbank; and performing wall repair and resurfacing of shop exterior. Construction is approximately 67 percent complete and is scheduled to be complete in August 2024.
- Orange County Feeder Lining Repairs—This project replaces the deteriorated internal lining along an 11-mile portion of the Orange County Feeder within the cities of Santa Ana, Costa Mesa, and Newport Beach. Rehabilitation is proceeding in three stages. Construction of Stages 1 and 2 are complete. Metropolitan's Board awarded a construction contract for the third and final stage in April 2022. The contractor completed applying mortar lining and the pipeline was returned to service in August 2023. Site restoration is approximately 75 percent complete and is scheduled to be complete by November 2023, which will complete construction of this project.
- Rialto Pipeline Rehabilitation—This project replaces a 35-foot-long, 121.5-inch diameter section of welded steel pipe on the Rialto Pipeline in the city of Upland, where the mortar lining has failed. This project also replaces the deteriorating pipe spool and isolation valve at the CB-11 service connection. Final design is 90 percent complete and is scheduled to be complete in December 2023.

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Lake Mathews Wastewater Replacement—
Interior coating prep in wastewater access-hole at new Valve Storage Building

Prestressed Concrete Cylinder Pipe (PCCP) Reliability Program

This program was established to enhance the reliability of Metropolitan's water distribution system and to reduce the risk of costly emergency repairs of PCCP. The priority pipelines included in the program are the Second Lower Feeder, Sepulveda Feeder, Calabasas Feeder, Rialto Pipeline, and the Allen-McColloch Pipeline. A total of 100 miles of PCCP pipelines will be refurbished under this 20-year program. Recent activities include the following:

- Sepulveda Feeder CFRP Urgent Relining—This project rehabilitates three deteriorated Sepulveda Feeder PCCP segments in the Van Nuys, Sherman Oaks, and Brentwood neighborhoods of the City of Los Angeles using carbon fiber reinforced polymer lining. Metropolitan's Board awarded a construction contract in August 2023. Sitework is scheduled to begin in February 2023 and be completed in April 2024. Metropolitan has received noise variances and is pursuing other necessary permits before construction.
- Second Lower Feeder Valves—This procurement contract provides 13 conical plug valves for the Second Lower Feeder PCCP rehabilitation. Metropolitan's Board awarded a procurement contract for the valves in December 2018. Seven valves have been delivered as of March 2023. The eighth and ninth valves will ship from Yokohama, Japan, in November 2023, and are scheduled to arrive in the Port of Long Beach in early December 2023. The tenth valve is scheduled to be shipped in January 2024. The eleventh and twelfth valves are scheduled to be shipped by October 2024. Fabrication of the final valve will be completed in late 2024, and delivery is projected for early-2025.
- **Sepulveda Feeder Reach 2**—This project enhances distribution system reliability by rehabilitating PCCP segments of the Sepulveda Feeder. Reach 2 spans 3.9 miles through several cities including the cities of Torrance and Los Angeles. Final design is approximately 92 percent complete and is planned to be complete by November 2023.
- Calabasas Feeder PCCP Rehabilitation—This project rehabilitates the Calabasas Feeder, which is
 approximately 9 miles long, and delivers treated water from the Joseph Jensen Water Treatment Plant to the
 cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village, and to areas of unincorporated western
 Los Angeles County. Preliminary design is 61 percent complete and scheduled to be complete in May 2024.

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Colorado River Aqueduct (CRA) Reliability Program

This program maintains the reliability of Metropolitan's CRA conveyance system. Recent activities include the following:

- Gene Communication System Upgrade—This project will construct a new fiber optic cable line from Parker
 Dam to Gene Pumping Plant. The new line is predominantly located within Metropolitan fee property on new
 power poles with a small underground portion of the alignment within the Bureau of Reclamation's property.
 Final design was completed in July 2023 and a board action is scheduled for November 2023 to award a
 construction contract.
- **CRA Storage Buildings**—This project furnishes and installs storage buildings at Hinds, Eagle Mountain, and Iron Mountain pumping plants. Metropolitan's Board awarded a construction contract in July 2023, and the Notice to Proceed was sent to the contractor in September 2023. The contractor is preparing submittals for review. Construction is anticipated to be completed in January 2026.
- Flow Level Monitoring Stations—This project will install 12 flow monitoring stations at remote locations along the Colorado River Aqueduct. Metropolitan's Board awarded a construction contract in May 2023. The contractor is preparing to mobilize to the site and is preparing submittals for review. Construction is 5 percent complete and is scheduled to be complete in July 2024.
- Freda Siphon Seals—This project consists of installing internal seals at over 80 locations along the Freda Siphon to address existing cracks and leaks. Metropolitan's Board awarded a construction contract in September 2023. The Notice to Proceed was sent to the Contractor in October 2023. Construction is scheduled to be complete in May 2024.
- **CRA Erosion Control**—This project will install erosion control features at 19 conduit locations along the CRA that are vulnerable to erosion during storm events. Preliminary design is 70 percent complete and is scheduled to be complete in December 2023.

System Flexibility/Supply Reliability

Projects under this program will enhance the flexibility and/or increase the capacity of Metropolitan's water supply and delivery infrastructure to meet current and projected service demands. Projects under this program address climate change affecting water supply, regional drought, and alternative water sources for areas dependent on State Project Water.

- Perris Valley Pipeline—This project will complete construction of the Perris Valley Pipeline and provide service connections to Eastern and Western Municipal Water Districts. This project installs 3,000 linear feet of tunnel which crosses the Interstate 215 freeway. Metropolitan's Board awarded a construction contract in January 2023. The contractor has finished installing support-of-excavation secant piles and begun excavation for the first of four 30-feet deep and 40-feet diameter shafts that are needed to construct the crossing. Construction is 21 percent complete and is scheduled to be complete in early 2025.
- Badlands Tunnel Surge Protection—In conjunction with three other projects, this project enhances water supply reliability in the Rialto Pipeline service area by enabling water to be pumped from the Wadsworth Pumping Plant forebay to Rialto Pipeline by way of the Inland Feeder. This project installs a new hydraulic surge tank at the south portal of the tunnel, which will protect the Inland Feeder from hydraulic transients when pumping water from DVL to the Rialto Pipeline through the Inland Feeder. Final design is complete, and board award of a construction contract is scheduled for November 2023.

(continued)

- Inland Feeder-Rialto Pipeline Intertie—In conjunction with three other projects, this project enhances water supply reliability in the Rialto Pipeline service area by enabling water to be pumped from the Wadsworth Pumping Plant forebay to Rialto Pipeline by way of the Inland Feeder. This project installs an interconnection pipeline and isolation valve structure between the Inland Feeder and Rialto Pipeline. Metropolitan's Board awarded a construction contract in September 2023. Construction is scheduled to be complete in March 2025.
- Wadsworth Pumping Plant Bypass—In conjunction with three other projects, this project enhances water supply reliability in the Rialto Pipeline service area by enabling water to be pumped from the Wadsworth Pumping Plant forebay to Rialto Pipeline by way of the Inland Feeder. This project installs a bypass pipeline and an isolation valve to interconnect the Wadsworth Pumping Plant with the Eastside Pipeline. Metropolitan's Board awarded a construction contract in January 2023. Construction of the valve structure and relocation of utilities in area is underway. Construction is approximately 16 percent complete and is scheduled to be complete in May 2024.
- Sepulveda Feeder Pumping Stations—This project installs new pump stations at the existing Venice and Sepulveda Canyon pressure control facilities, providing the ability to reverse flow in the Sepulveda Feeder and deliver water from the Central Pool to portions of the Jensen plant exclusive area. This project uses a progressive design-build (PDB) project delivery method. The Board awarded a Phase 1 design-build services agreement in September 2023. The contractor started project planning with a kickoff meeting held in October 2023. Design and Operations staff have begun reviewing initial planning submittals to support upcoming work. The contractor and Metropolitan are coordinating with both Southern California Edison and Los Angeles Department of Water and Power on upgrades to the incoming power service at both locations. Phase 1, which includes site investigation, design to the 70 percent level, environmental planning, and preparation of long-lead-item procurement documents, is scheduled to be complete in September 2024.

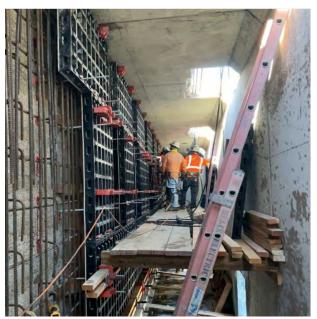
Treatment Plant Reliability Program

This program was initiated to maintain reliability and improve the operating efficiency of Metropolitan's water treatment plants through specific improvement projects. Recent activities include the following:

- Weymouth Basins 5–8 and Filter Building No. 2 Rehabilitation—This project rehabilitates major mechanical and structural components of Basins 5–8 and Filter Building No. 2 at the Weymouth plant, including the flocculation/sedimentation equipment, sludge pumps, baffle boards, and walls, launders, inlet gates, and outlet drop gates. Rehabilitation work also includes seismic upgrades of basin walls and inlet channel, hazardous material abatement, and replacement of filter valves and actuators in Filter Building No. 2. Metropolitan's Board awarded a construction contract in May 2022. The contractor continued planned work under the first quarter-plant outage, including installation of filter valves, piping, and electrical components in Filter Building No. 2; construction of new concrete walls, steel catwalks; and installation of new mechanical piping and electrical conduits in Basins 7 and 8. Construction is 50 percent complete and is scheduled to be complete in May 2025.
- Mills Electrical Upgrades—This project upgrades the electrical system with dual power feeds to key process equipment to comply with current codes and industry practice, improve plant reliability, and enhance worker safety. Stage 1 construction is complete, and a construction contract for Stage 2 improvements was awarded in November 2021. Stage 2 improvements will add a second incoming 12 kV service from Riverside Public Utilities, reconfigure the existing 4160-volt switchgear, and replace the standby generator switchgear and the emergency generator programmable logic controller. The contractor completed construction of the new switchyard and installation of structural steel members, a new sump pump system, and a new battery system in the ORP Switchgear building. Construction is 40 percent complete and is scheduled to be complete in August 2025.

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• Jensen Ozone PSUs Replacement—This project rehabilitates the ozone generation system at the Jensen plant by replacing four existing ozone power supply units (PSUs) and four sets of generator dielectrics. The project also makes required modifications to the associated electrical, control, and cooling water systems. Metropolitan's Board awarded a construction contract in June 2022. All PSUs and dielectrics have been manufactured and delivered. Installation of two PSUs is complete and dielectrics for two ozone generators have been replaced. The contractor has initiated work on cooling water system modifications and continued with the coordination study for start-up testing of the newly installed PSUs. Construction is 51 percent complete and is scheduled to be complete in April 2024.



Weymouth Basins 5–8 and Filter Building No. 2 Rehabilitation
—Influent channel steel reinforcement and concrete forms



Weymouth Basins 5–8 and Filter Building No. 2 Rehabilitation— Basin 7 slide gate wall overlays

(continued)

System Reliability Program

The System Reliability Program consists of projects to improve or modify facilities located throughout Metropolitan's service area to use new processes and/or technologies and improve facility safety and overall reliability. Recent activities include the following:

- Headquarters Physical Security Upgrades—This project implements comprehensive security upgrades for the Metropolitan Headquarters Building. These upgrades are consistent with federally recommended best practices for government buildings. This work has been prioritized and staged to minimize rework and impacts on day-to-day operations within the building. Stage 1 work is complete and provides enhanced security related to perimeter windows and doors. Stage 2 work is complete and provides security system upgrades inside the building with a focus on the main entry rotunda area, boardroom, executive dining lounge, and security control room. Stage 3 improvements will provide security system upgrades around the perimeter of the building. Metropolitan's Board awarded the third and final contract in December 2022. The contractor completed fabrication and receipt of bollard bases and stainless-steel covers and began installation of the ornamental fence within the courtyard. Construction is 45 percent complete and is scheduled to be complete in March 2024.
- Headquarters Building Fire Alarm and Smoke Control System Upgrades—This project upgrades the Metropolitan Headquarters Building fire life safety systems, which includes replacement of the fire detection and alarm system and HVAC system improvements for smoke control. The fire alarm and smoke control systems in Metropolitan's Headquarters Building provide detection, notification, and control of building functions so that occupants and visitors can safely exit in the event of a fire. Metropolitan's Board awarded a construction contract in August 2020. The contractor continued addressing Los Angeles Fire Department (LAFD) correction list items and began final testing and sign-off of the fire alarm and smoke control systems by the LAFD and Los Angeles Department of Building and Safety. Construction is 98 percent complete and is scheduled to be complete in December 2023.
- SCADA System Upgrades—This project will upgrade Metropolitan's entire control system in incremental stages, spanning the Colorado River Aqueduct, the five water treatment plants, and the conveyance and distribution system. The first stage of this project replaces the control system at the Mills plant, starting with a pilot effort on one of the plant's remote terminal units. The pilot effort will demonstrate the proposed technology and the consultant's approach for the plant and the overall project. The consultant continued providing submittals, performing equipment verification, and developing control narratives and a training plan. The pilot phase is approximately 45 percent complete and is scheduled to be complete in March 2024. The system upgrades at the Mills plant are scheduled to be complete in April 2026.
- Foothill Hydroelectric Plant and Control Building Seismic Upgrade—This project strengthens the Foothill Hydroelectric Plant and Control Building to withstand a significant earthquake, by removing and replacing the roofing system; adding encasements to enlarge and strengthen concrete columns; and reinforcing shallow foundations. A construction contract was awarded in April 2023. The contractor continued performing abatement activities on the building's roof, demolition of existing exhaust fans, and installation of structural steel roof plates. Construction is 25 percent complete and is scheduled to be completed in December 2024.

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Headquarters Building Fire Alarm and Smoke Control System Upgrades – Restorative painting in Level 1 Elevator area

Pure Water Southern California

The Pure Water Southern California (PWSC) Program is a large-regional recycled water project that will provide a new source of safe and reliable drinking water for Southern California. The PWSC currently is working in three areas: demonstration testing, environmental planning, and design. The PWSC will produce 150 mgd of purified water from an advanced water treatment plant (AWP) in Carson California to be used for indirect potable reuse (IPR) and direct potable reuse (DPR) with the first deliveries by 2030 and completion by 2035.

- **Demonstration Testing**: Demonstration testing began in 2019 with N-only tertiary membrane bioreactor (tMBR) testing completed in 2021, secondary MBR testing completed in 2023, and a summary report is being prepared. The demo plant will be taken offline in November 2023 to perform maintenance and modifications, with nitrification tMBR optimization testing scheduled to begin in early 2024. Test plans are being prepared to guide the future testing. The name of the demo plant will be changed to the Grace F. Napolitano Pure Water Southern California Innovation Center and dedicated at the site on Thursday, November 2, 2023.
- Environmental Planning: The Environmental Planning Phase began in 2020 with the goal of preparing an Environmental Impact Report (EIR) for approval in 2025. The draft EIR is currently scheduled for publication in early 2025. Staff continues to finalize the project description, performing additional technical studies, incorporating changes to the program because of inclusion of the LADWP Operation NEXT pipe upsizing, and developing text for the draft EIR.
- **Conveyance Pipeline Design**: The program's backbone conveyance system consists of over 40 miles of pipeline. Metropolitan's Board authorized consulting agreements for preliminary design in March 2023.
 - Reach 1—This reach is approximately six miles long and runs through the city of Carson. Current
 work includes potholing and geotechnical work. Preliminary design is 16 percent complete and is
 scheduled to be complete by mid-2024.
 - Reach 2—This reach is approximately 8 miles long and runs through the cities of Long Beach and Lakewood. Current work includes scheduling and obtaining permits for potholing and geotechnical work. Preliminary design is 5 percent complete and is scheduled to be complete by late-2024.

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Value Engineering



San Diego Canal at Lake Skinner Inlet

In October, Engineering conducted a Value Engineering workshop for the San Diego Canal Radial Gates Rehabilitation capital project. Two radial gates are the subject of this project. One radial gate is located at the Lake Skinner Inlet Channel and is critical to serve member agency demands and bypass Lake Skinner during certain operational conditions. The second gate is located at the Casa Loma Canal Turnout Structure and is used to control flows into the San Diego Canal. Both gates are epoxy-coated carbon steel and, after 50 and 64 years of service, respectively, have reached the end of their useful lives.

The Value Engineering workshop was conducted to identify value alternatives to improve this project. The VE Team included Metropolitan and consultant project and design staff, WSO managers and staff, and outside subject matter experts. The team considered the planned project scope of work and, through the value engineering process, identified more than 40 alternatives and design suggestions for Metropolitan to consider. The alternatives included alternate gate designs, materials and coatings, operational safety improvements, and concepts to reduce construction cost. Many of the design suggestions were developed from Engineering's Lessons Learned Program, designed to improve how capital projects are delivered by learning from experience. The project team will consider all the alternatives and suggestions for incorporation into the project design.

Protecting the Public and Metropolitan's Assets

Engineering Services continued to develop state-mandated Emergency Action Plans (EAPs) for Metropolitan's state-regulated dams to help ensure long-term public safety. In October, the EAPs for Gene Wash Dam and Copper Basin Dam were officially approved by the Cal OES. The EAPs for Lake Mathews, Lake Skinner, and Skinner Finished Water Reservoir are currently under review by the Cal OES, and the outreach effort for the Garvey Reservoir and Palos Verdes Reservoir EAPs is substantially complete, with an anticipated completion and submittal date of December 2023.

Engineering's Mentoring Program

Engineering's Mentoring Program celebrated completion of its 11th year as a formalized program within the group to foster staff development and enhance career progression. In October, the 2023 mentoring cohort celebrated its culmination ceremony after six months of activities, which included StrengthsFinder assessments, flash mentoring, a

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session on building better bridges to enhance communication, an alumni panel of recent retirees and experienced staff sharing experiences and career path advice, and a professional hack-a-thon to enhance efficiency. The 2023 cohort consisted of 27 mentor/mentee pairs. Since its inception, the mentoring program has included a total of 281 participants.





Engineering Mentoring Program culmination ceremony on October 17, 2023, with Chief Engineer/Group Manager John Bednarski and program coordinator Zary Lahouti

Engineering's Career Launch Program

In October, Engineering Services held the first meeting for the 11th cohort of the Career Launch Program. The current cohort includes 21 new staff that have been in the group for less than one year. Engineering Services uses the program to link new staff to Metropolitan's mission and Engineering's role within the organization, communicate expectations, inspire professional development, and foster leadership in an effort to enhance the onboarding process for new staff. Managers and subject-matter experts will present relevant topics to the cohort over a 6-month period and a site visit will be coordinated to acquaint staff with district facilities.



Career Launch Kickoff Session on October 25, 2023

(continued)



Career Launch Kickoff Session with General Manager Adel Hagekhalil welcoming Engineering's new hires



Career Launch Session with Assistant Group Manager Mai Hattar introducing guiding principles and career paths

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Safety, Security and Protection

Project Highlights

Security and Emergency Management

Security and Emergency Response

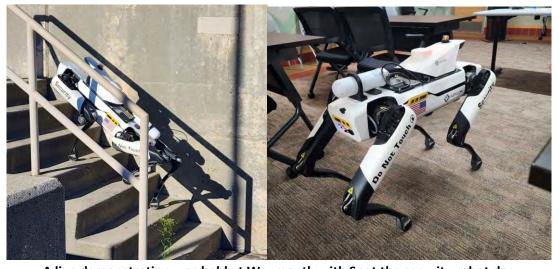
Boston Dynamics and Asylon, Inc. recently partnered to develop a unique DroneDog system using advanced geospatial technology, artificial intelligence (AI), specialized hardware, and cutting-edge software. The system exclusively pairs an aerial drone with "Spot," a security ground robot dog identified as a quadruped unmanned ground vehicle (Q-UGV). Spot's legs and life-like movement allow it to easily climb stairs, travel over uneven terrain, re-right itself, and remain upright even if purposely kicked.

In October, the Security and Emergency Management Unit and Weymouth Water Treatment Plant staff viewed a live demonstration with Spot the security robot dog. During the demonstration, Spot made its way through Weymouth's facility interior, traversed uneven ground, navigated curbs, climbed multiple stairs (forward and backwards), and even climb into a large diameter pipe.

Spot's amazing capabilities include:

- Live video monitoring
- Semi-autonomous preprogrammed patrol routes
- 20X optical zoom
- Infrared (thermal) vision
- Automated set-and-forget charging with over 1-hour battery operation between charges
- Remote speakers

Security robotics is an exciting new area in critical infrastructure protection and augments traditional security officer capabilities by automating security perimeter patrols, responding to potentially dangerous hazards, and detecting anomalies or threats from both the air and ground simultaneously—a potential gamechanger.



A live demonstration was held at Weymouth with Spot the security robot dog

(continued)

Security and Emergency Response

On Thursday, October 19, staff participated in the Great California ShakeOut, a state-wide earthquake exercise which allows all California residents to practice Duck, Cover, and Hold-on drills and take action to prepare for the next large earthquake.

Metropolitan staff took this opportunity to exercise some essential response tools.

- All employees received Met-Alert emergency notifications calls and emails. Met-Alert is an application that allows staff to immediately receive critical information when there is an emergency.
- Employees were able to log on and hear a live earthquake preparedness presentation by the American Red Cross from the Metropolitan Headquarters Building.
- Security and Emergency Management Unit staff demonstrated some of their response capabilities and various Security vehicles and Emergency Management's rapid response vehicle, which can support Metropolitan staff sent to Fire and Police command posts or act as immediate Metropolitan Incident Command Post (ICP) for developing emergencies such as wildfires or floods.



Emergency Management Program Manager, Ian Whyte, demonstrating some of the systems in the rapid response vehicle

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An example of an alternate Metropolitan ICP



Metropolitan's Business Continuity Program Manager, Jill Frater, demonstrating the proper Duck, Cover and Hold-on technique during this year's ShakeOut exercise

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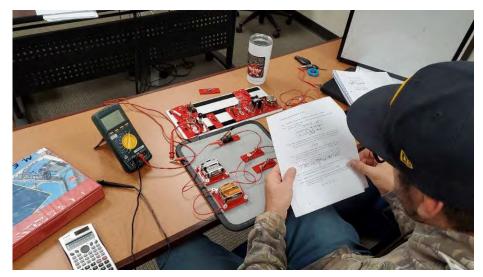
Safety, Regulatory and Training

The Apprentice and Technical Training Unit develops and trains Metropolitan staff. The Unit is part of the Safety, Regulatory, and Training Section and comprises Metropolitan's Apprenticeship Programs and the Safety and Technical Training Team.

Apprenticeship Programs prepare apprentices to become qualified mechanics and electricians responsible for maintaining Metropolitan's water treatment and distribution systems. This month, the Class of 2026 electricians and the Desert Electrical Cross Training students completed midterm exams for the second period of instructions. These comprehensive exams included written and practical assessments aimed at assessing their grasp of fundamental concepts such as the sources and characteristics of electricity and the definitions of amps, volts, and ohms. In the practical examination, the students were tasked with the design and construction of circuits based on provided resistors and circuit parameters to hone the skills necessary for diagnosing and repairing electrical components during daily fieldwork.

The Class of 2027 mechanics and electricians completed their probationary period and are now formally registered as apprentices with the Division of Apprenticeship Standards. This milestone brings them one step closer to becoming highly skilled tradespeople, achieving certification as journeymen recognized by the State of California.

The Safety and Technical Training Team provides environmental, health, and safety training to ensure compliance with federal, state, and local regulatory agency requirements and Metropolitan policies and procedures. This month, Training staff conducted a total of 34 in-person classes, benefiting 290 students on 19 distinct safety topics. This unwavering commitment to continuous education and development underscores Metropolitan's dedication to maintaining the highest safety and regulatory standards.



Class of 2026 Apprentice completing the practical midterm exam

(continued)

Enhance Worker Safety

The Safety, Regulatory, and Training Section (SRT) conducted a comprehensive investigation of a near miss incident that occurred at Santiago Lateral Tower. The investigation resulted in implementing corrective actions and the development of a Near Miss Safety Advisory. This Safety Advisory provides critical information for identifying and addressing unique hazards in confined spaces and key take-aways to heighten employees' awareness of similar scenarios requiring detailed planning for safe entry. Encouraging near miss reporting is valuable to share lessons-learned and improve safety awareness throughout Metropolitan.



Safety Advisory – Near Miss Recognition posted on the IntraMet

SRT continued working with South Coast Air Quality Management District (SCAQMD) to process Metropolitan's permit application for a plasma arc cutting system at the Weymouth Manufacturing Services Unit Fabrication Shop. Staff conducted detailed research into historical SCAQMD permitting processed to justify Metropolitan's recommendations for maximum cut allowances without source test requirements. Staff continued to work with SCAQMD to emphasize the need for consistent permitting practices to ensure the ability to meet future project timelines.



Water System Operations

Core Business Objectives

Develop New Solutions to Enhance Operational and Business Processes

At the Perris Pressure Control Structure, staff installed new fiber optic equipment as part of the Fiber Communications upgrade project. Staff removed outdated and unnecessary components while installing the new electrical conduits, receptacles, and equipment to enhance the infrastructure's communication reliability.





Staff installing new communications equipment at Perris PCS

Prepare Employees for New Opportunities

This month, the Class of 2027 mechanics and electricians in Metropolitan's Apprenticeship Program completed their probationary period and are now formally registered as apprentices with the Division of Apprenticeship Standards. This milestone brings these apprentices one step closer to becoming highly skilled tradespeople, ultimately achieving certification as journeys recognized by the State of California.

Provide Reliable Water Deliveries

Metropolitan member agency water deliveries were 135,700 acre-feet (AF) for October with an average of 4,400 AF per day, which was about 100 AF per day higher than in September. In addition, Metropolitan delivered 23,500 AF to Cyclic and Conjunctive Use Programs. Treated water deliveries were 4,400 AF higher than September for a total of 65,300 AF, or 48 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 45,200 AF in October. Repairs have been made to both the Desert Water Agency and Coachella Valley Water District recharge facilities and the Whitewater River conveyance system. Metropolitan maintained a three-pump flow along the CRA for most of the month. State Water Project (SWP) imports averaged 3,800 AF per day, totaling about

118,800 AF for the month. The target SWP blend is about 80 percent for the Weymouth Plant, 35 percent for the Diemer Plant, and 50 percent for the Skinner Plant.

As deliveries to Desert Water Agency and Coachella Valley Water District resumed this month, staff found high water levels along a berm that protects an adjacent road and neighboring property and there was potential for a breach to form. The location was about a quarter mile downstream of where the CRA water is released into the Whitewater River for delivery. This issue was a result of a new flow paths in the river created by storm flows from Tropical Storm Hilary. Staff urgently responded with heavy construction equipment and rerouted the 230 cubic feet per second (cfs) discharge water away from the potential breach area. This allowed improvements to the berm to proceed while water deliveries continue.



Staff excavating along the Whitewater River



CRA deliveries to Whitewater River successfully re-routed

Staff completed a shutdown of the Inland Feeder in early October to help optimize system flexibility for Eastern Municipal Water District. The shutdown provided access to a contractor to the pipeline to tie in a new 42" service connection in the city of San Jacinto. This new connection will be labeled EM-25 and provides a reliable source of high-quality water to the member agency.



Staff removing flanges during dewatering process of the Inland Feeder

The La Verne Shops received a request to refurbish multiple sets of industrial water filters. These filters are used to screen out quagga mussels during shutdown activities. The filters were abrasively blasted, assessed, and coated.





As-received set of quagga filters received (left) and prepping for abrasive blast of filters (right)





Abrasive blast in process (left) and post blast assessment (right)





Application of intermediate coating (left and right)





Filters with finished coating (left) and fully refurbished filter (right)

The La Verne Shops received a request to refurbish and manufacture several components in support of the emergency response to a leak on the Compton Lateral. The Shops refurbished a boiler plate used for access to the pipeline, fabricated a repair band, and modified an elliptical companion flange to aid in future dewatering efforts.





As-received boiler plate and elliptical flange (left) and boiler plate in blasting process (right)





Completed boiler plate and accessories (left) and elliptical flange prepping for initial blasting and welding (right)





Welding completed on elliptical flange (left) and completed abrasive blasting (right)





Application of finished coating (left) and manufactured repair plate (right)

Manage Water Reserves

The 100 percent State Water Project (SWP) allocation when combined with Colorado River supplies provides the region with more water supply than demands, allowing a significant increase in storage in 2023. Water continues to be managed according to Water Surplus and Drought Management (WSDM) principles and operational objectives with an emphasis to position SWP supplies to meet future demands in the SWP-dependent area. This month, Metropolitan restarted and slowly increased deliveries to Desert Water Agency and Coachella Valley Water District after necessary repairs were completed. With the higher SWP allocation and low regional demands, Metropolitan is working to maximize its use of Table A supplies this year. This month, staff also continued working with member agencies to manage supplies through the Cyclic and Cyclic Cost Offset Programs.

Support the Pure Water Southern California Program

During October, staff continued new supply development by continuing operations and testing at the Pure Water Southern California (PWSC) demonstration plant. Staff supported treatability studies to evaluate the effects of raw

water augmentation with advanced treated water. Staff also supported chlorine decay and ozonation bench-scale tests conducted at a consultant laboratory in Pasadena. These bench-scale studies will help inform the design of direct potable reuse pilot treatment trains.

A paper titled "Science-based pathogen treatment requirements for direct potable reuse" was published on October 20 in the journal, *Environmental Science*: Water Research & Technology. The work was partly supported by Metropolitan with funding from the Future Supply Actions Funding Program, and staff participated in the technical workgroup for the project and was included as co-author on the paper.

On October 5, staff provided a tour of the PWSC demonstration plant to delegates from the Korea Institute for Water Technology Certification and described each step of the advanced water treatment process.



Staff describing the membrane bioreactor treatment process to an international group visiting the PWSC demonstration plant

Manage Power Resources and Energy Use in a Sustainable Manner

Energy markets in October 2023 reflected the transition from mild fall conditions to the beginning of the winter heating season with an upward trend in energy prices. Natural gas prices in mid-October bumped up into the \$10-12 per Metric Million British Thermal Unit (MMBtu), with electricity prices in the California Independent System Operator (CAISO) market following suit, trending upwards into the \$100 per megawatt-hours (MWh) range.

CRA pumping remained relatively low, keeping the net impact of higher energy price forecasts minimal. CRA pumping costs for October were about \$5.2 million. The CRA energy cost budget for fiscal year 2023/24 is \$82.6 million; the current cost forecast is significantly lower at \$62 million, because of reduced pumping and lower forward cost curves. December is forecast to be the highest cost month in fiscal year 2023/24 at about \$12 million, because of a forecast increase to five-pump flow, higher energy prices, and low United States Bureau of Reclamation (USBR) generation output.

Daily generation output from Metropolitan's small hydroelectric plants (HEPs) averaged around 30 MW during the month of October, for a total energy output of about 22,000 MWh. Metropolitan's solar facilities totaling 5.4 megawatts of capacity generated approximately 1,000 MWh in October 2023.

Ensure Water Quality Compliance, Worker Safety, and Environmental Protection

Metropolitan complied with all water quality regulations and primary drinking water standards during September 2023.

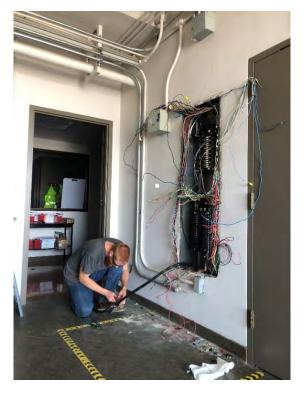
On October 31, Metropolitan hosted its regular quarterly meeting with staff from the State Water Resources Control Board's Division of Drinking Water. Discussion topics included updates on regulations, capital projects, the design and build process for the Sepulveda Feeder project, ongoing nitrification in parts of the distribution system, and general water quality and system updates.

Metropolitan received two certificates of recognition from the Los Angeles County Sanitation District (LACSD). One certificate recognized Metropolitan's Weymouth Treatment Plant and one recognized Palos Verdes Reservoir Conveyance and Distribution for complying with the United States Environmental Protection Agency and LACSD industrial wastewater discharge limits and requirements for 2022. This is a shared achievement of the Safety, Regulatory and Training Section, Water System Operations, and Engineering Services staff, who collaborate closely to ensure all discharges meet these requirements.



Certificate of Recognition from Los Angeles County Sanitation Districts

Staff continues to work on a capital project to replace electrical breaker panels that have outdated grounding. The new breaker panels will improve employee safety and ensure electrical code compliance.





Staff replacing outdated electrical panel at Diemer plant

Proper lighting is critical for safe operations. Staff at the Gene pumping plant have installed new high-efficiency fixtures and bulbs around the facility, which will increase safety and efficiency.





Upgraded lighting at the Gene pumping plant

Optimize Maintenance

Staff recently cleaned and inspected several out-of-service water treatment basins at the Jensen plant. The basins have been in continuous service since a 2022 high turbidity event, resulting in the accumulation of material that the standard removal process could not remove. Working alongside contractors, staff thoroughly cleaned the basins and returned them to service.





Staff and contractors cleaning and removing materials from a basin at the Jensen plant

The East and West 230kV transmission lines convey power over 75 miles from Hoover Dam, south to the Camino substation. These lines traverse rough desert terrain and can be difficult to access; having parallel lines increases reliability by providing redundancy. Staff were notified that a static line splice had failed on a remote portion of the 230kV East Camino Line. The static lines are installed above the energized transmission lines and protects the system from lightning strikes. Appropriate notifications were sent, switching was performed to remove the East Camino line from service, and repairs were successfully completed.





Broken static line (left) and staff splicing the static line (right) on the 230kV CRA transmission system

The broken static line on the 230kV transmission line demonstrated the importance of maintaining access roads in the most remote portion of the system. The terrain in these areas continually change because of environmental factors such as wind and heavy rains. Ensuring that roads are accessible for critical infrastructure is vital to ensuring system reliability.



Staff repairs an access road along the 230kV CRA transmission system

The five CRA pumping plants use microfiltration units to supply domestic water to the respective facilities. Regular maintenance is required to ensure that safe, high-quality, potable water is available on site. The membrane filters are regularly tested and replaced as needed.



Staff replaces membranes for the domestic water system at a CRA pumping plant

Optimize Water Treatment and Distribution

The State Water Project (SWP) target blends entering the Weymouth and Diemer plants were 80 and 35 percent, respectively, during October. The Mills plant switched from a blend of Silverwood Lake and Lake Perris water to solely Silverwood Lake water on October 5, because alkalinity in the East Branch SWP increased above a target level of 60 milligrams per liter (mg/L). The SWP blend target entering Lake Skinner fluctuated to accommodate multiple operational needs and to maximize water delivery from the SWP. It was approximately 60 percent in early October and was lowered to 50 percent mid-month. The SWP blend leaving Lake Skinner was relatively stable at 55 and 65 percent.

Flow-weighted running annual averages for total dissolved solids from August 2022 through July 2023 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the Colorado River Aqueduct were 503, 511, and 583 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.

Staff continued to adjust treatment and distribution operations to control nitrification in the distribution system, along with flushing at key locations to maintain water quality. Nitrification was generally under control in the Orange County area by the end of October. However, some parts of the Central Pool distribution system still had elevated nitrite levels and flushing continued at a few sites to maintain water quality. The treatment plants maintained increased plant effluent pH and total chlorine targets of 2.70 to 2.75 mg/L to help manage nitrification. Extensive monitoring continued throughout the distribution system. Overall, conditions have significantly improved,

highlighting the dedication and collaboration of Metropolitan staff in ensuring delivery of reliable, high-quality water supplies.

Staff installed a new fluorosilicic acid (FSA) diffuser into the Skinner finished water reservoir (FWR) influent channel. This diffuser uses vinyl tubing instead of steel to prevent corrosion. The tubing is inserted into a stainless-steel pipe that penetrates the FWR influent channel to the injection site. This improvement allows the chemical to be safely and reliably diffused into the channel without contacting any structural materials that may prematurely corrode.



Staff installing non-corrosive FSA injection diffuser for the Skinner FWR

Staff completed the removal of dried solids from Lagoon 2 for the Jensen plant. The lagoons are located east of the Jensen plant on the Los Angeles Department of Water and Power's property. Metropolitan uses four lagoons to manage its residual solids from the treatment process at the Jensen plant. Staff removed approximately 400 cubic yards of dried sludge and placed it in the approved lay-down area to be hauled away by a contractor.

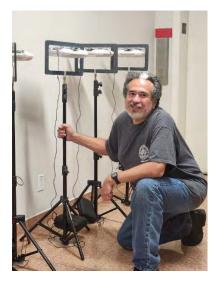




Loader and dump truck loading solids (left) and unloading at the staging area (right)

Actively Engage in Capital Project Planning and Execution

Staff assisted with the Wi-Fi Upgrade capital project. Staff surveyed the Diemer plant maintenance facility to determine optimal locations for the Wi-Fi equipment to provide best coverage.





Staff working on the Wi-Fi Upgrade Project at the Diemer plant

Staff began the installation phase of the district-wide Supervisory Control and Data Acquisition (SCADA) Replacement capital project at the Mills plant. Once installation is complete, a six-month operational testing and validation period will begin. The testing will ensure system reliability and prove the new hardware and software to be compatible with existing processes at the Mills plant. After the testing period, the equipment will be evaluated on its performance and potential to be integrated district-wide.



Staff land wires for installation of new remote terminal unit (RTU)

Staff retrofitted the pressure relief piping for the Palos Verdes Feeder (PVF) located at the Palos Verdes Reservoir in preparation for a contractor to install a new bypass line. Staff modified the relief piping that normally discharged into the reservoir to include a slip-on flange, vacuum valve, and air release. This modification is essential in preparing for the bypass line that will connect the PVF to the Second Lower Feeder (SLF) to provide uninterrupted supply to the

downstream service connections. The new bypass line will allow for several scheduled SLF shutdowns to install new steel liners as part of the Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Program.





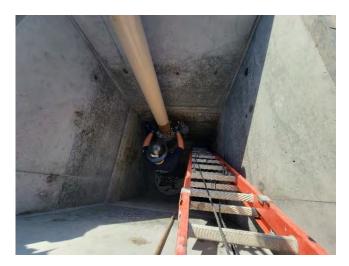
Staff welding flange to the relief piping at Palos Verdes

As part of the rehabilitation of the Orange County Feeder, staff completed upgrades to a blow-off structure located at Upper Newport Bay to comply with current State Water Resource Control Board regulations. Staff replaced corroded piping and valves and increased the height of a concrete structure by five feet to protect the infrastructure from fluctuating tide levels.





Staff preparing to pump concrete (left) to increase structure height (right)





Staff installing blow-off riser (left) and completing structure handrail and cover installation (right)

Protect Source Water Quality

On October 11, staff joined representatives from the California Department of Water Resources and other State Water Contractors for the annual Municipal Water Quality Investigations meeting held at the California Natural Resources Headquarters in Sacramento. Participants discussed current water quality studies, including the impact of flood flows into the State Water Project, distribution of the potential toxin-producing cyanobacterial species *Microcystis* across the Stockton Deepwater Shipping Channel, tracking of harmful algal blooms in San Luis Reservoir, per- and polyfluoroalkyl substances (PFAS) occurrence in the State Water Project, and salinity in the Delta region.

Examine and Mitigate Adverse Water Quality Outcomes

Eastern Municipal Water District reported temporary consumer odor complaints following Metropolitan's operational changes on the Santa Ana Valley Pipeline and startup of the Perris hydroelectric plant. As part of this operation, raw water was released from Lake Perris for about 19 hours, and likely carried stagnant water from the Lake Perris Pressure Control Structure to the Lakeview Pipeline. A sulfurous odor in the stagnant water was likely the cause of the odor complaints. Following a source water change back to Silverwood Lake, a small continuous flow from Lake Perris was initiated to keep the pipeline between the lake outlet tower and the pressure control structure refreshed to minimize further water quality issues.

Manage the Power System

Metropolitan staff responded to a Request for Information (RFI) from the Western Electricity Coordinating Council (WECC) pertaining to a North American Electric Reliability Corporation (NERC) standard. This reliability standard addresses physical security of Bulk Electric System (BES) cyber assets.

Metropolitan also issued revised NERC Critical Infrastructure Protection (CIP) Delegation Process and Authority documents to reflect changes in staff titles due to recent organizational changes. Clear delegation of authority for implementation and approval of physical and cybersecurity standards are a NERC CIP requirement.

Prepare for Future Legislation and Regulation

On October 5, Cal/OSHA published a second 15-Day Notice of Modifications to the Lead Standards for general industry and construction. The proposal lowers the Permissible Exposure Level (PEL) for lead from 50 to $10~\mu g/m^3$, lowers the Action Level (AL) from 30 to $2~\mu g/m^3$, and increases the need for blood lead level (BLL) testing when an employee's BLL is at or above 10 ug/dL. The key updates in the latest revision include new exceptions to medical surveillance/blood lead testing requirements, and updates specifications on types of personal protective equipment (PPE) required. Comments are due October 25. Staff will work with Phylmar Regulatory Roundtable on addressing concerns on the recently proposed amendments.

On October 9, Governor Newsom signed AB 1594 (Garcia)—Medium- and heavy-duty zero-emission vehicles: public agency utilities. The bill, co-sponsored by California Municipal Utilities Association (CMUA), modifies California Resources Board's (CARB) recently adopted Advanced Clean Fleets (ACF) rule, which generally requires all fleet owners to purchase zero-emission vehicles (ZEV) starting in 2024. AB 1594 allows water districts, among others, to access four key existing accommodations in the rule: 1) the Daily Usage Exemption, 2) the ZEV Purchase Exemption, 3) the Site Electrification Delay, and 4) the Infrastructure Construction Delay. Staff is determining how best to implement the ACF's requirements for Metropolitan's medium- and heavy-duty vehicles

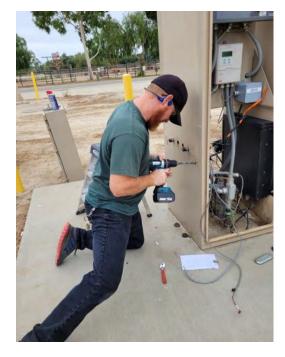
On October 12, Environmental Protection Agency (EPA) withdrew its cybersecurity memorandum that directed Safe Drinking Water Act state primacy agencies to assess cybersecurity resilience of public water systems as part of either the sanitary survey process or other state programs. EPA now asks states to "voluntarily" review public water system cybersecurity programs. Staff worked with American Water Works Association (AWWA) to express its concerns that the Sanitary Survey Program was not the right tool to address cybersecurity issues and that many state primacy agencies have neither the resources nor technical expertise to evaluate and address cybersecurity issues and safeguard the sensitive information.

On October 19, staff presented an update to the Safe Drinking Water Act Committee of the AWWA's California-Nevada Section on the Division of Drinking Water's proposed update of the notification level (NL) and response level (RL) for manganese in treated drinking water. The update will reduce the manganese NL from 500 to 20 micrograms per liter (μ g/L) and the RL from 5,000 to 200 μ g/L and could potentially trigger increased monitoring, reporting, and public notification requirements that would affect public water systems throughout the state, including Metropolitan. The update is expected in Spring 2024.

Staff worked with the Section's Water Utility Council to provide written comments from a coalition of associations (California Water Association, California Municipal Utilities Association, and the Association of California Water Agencies) on the State Water Board's draft Cross-Connection Control Policy Handbook. The revision considered over 1,200 comments from various stakeholders and represents a collaborative approach to developing a technically sound guidance document. The Water Board intends to adopt the updated handbook by the end of 2023.

Ensure Accurate Billing Infrastructure

Skinner plant staff replaced enclosure for remote terminal unit (RTU) SKN023 with a new, larger enclosure to allow easier access to components and improve the layout of the electronics. The RTU provides communication to relay the water flow data that is used for billing the agency's service connection. This improvement will increase accessibility for technicians to troubleshoot issues more easily and ultimately reduce the downtime when the RTU maintenance is performed.



Staff upgrading RTU enclosure used for relaying distribution system flow data

The Water Information System (WINS) 2.0 Project is currently in the development phase. Recent milestones include the completion of software development for the Meter Maintenance Module and Automatic Meter Reading (AMR) Module. Next steps include completion of IT migration work, followed by functional testing by Operations and CFO staff. The purpose of this is to allow end-users to validate functionalities, features, and provide feedback before the development of the remaining software modules.

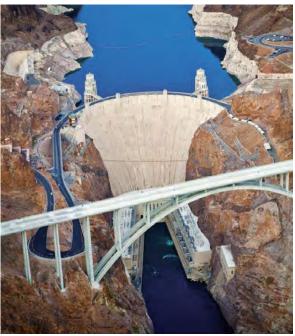
Support and Engage with Member Agencies on Technical Matters

An update on PFAS regulations and ongoing litigation against PFAS manufacturers was provided to Calleguas Municipal Water District and their member purveyors on October 26.

Monthly Update as of:

10/31/2023

<u>Reservoir</u>	Current Storage	Percent of Capacity
Colorado River Basin		
Lake Powell	8,723,925	36%
Lake Mead	8,833,000	34%
DWR		
Lake Oroville	2,421,822	68%
Shasta Lake	3,146,471	69%
San Luis Total	1,323,121	65%
San Luis CDWR	608,431	57%
Castaic Lake	287,879	89%
Silverwood Lake	67,955	91%
Lake Perris	76,808	58%
MWD		
DVL	692,177	85%
Lake Mathews	160,050	88%
Lake Skinner	36,999	84%



Hoover Dam

Information Technology

Project Highlights

Maximo Upgrade

The Maximo 7.6.1.3 Upgrade Project was initiated in June 2022 to maintain IBM support, apply more frequent Maximo upgrades, resolve defects and known issues, and to prepare for the move to Maximo Application Suite 8.

The Maximo 7.6.1.3 Upgrade Project was split into two phases: Maximo User Interface (UI) Upgrade and Maximo Technology Upgrade. This approach provided early exposure and adoption of the new UI and reduced the complexity of the project by implementing application server upgrade tasks after the UI was in place. The phased project approach also mitigated risks associated with performing both UI and application upgrade tasks concurrently.

The Maximo application is now up to date, and IT is on the path to move to Maximo Application Suite 8. In addition, a "win-win" was achieved by including some high-priority Maximo customizations to help streamline system processes and fulfill asset management objectives in accordance with WSO request while fulfilling IT objectives to keep the system updated.

Special thanks to IT infrastructure teams, the IT project manager, WSO stakeholders such as the Maintenance Engineering Team (MET), IT Maximo support staff, and supporting IT management for their diligent efforts and support throughout this challenging project.

Nokia Customer Witness Test – Desert Microwave Upgrade

The Nokia customer witness test was successfully completed for the Desert Microwave Tower project. The factory witness test occurred in Texas, at a designated Nokia factory facility, where all relevant equipment was staged, tested, and witnessed in accordance with preapproved acceptance procedures before acceptance forms were formally signed.

The design of the desert microwave project was completed after extensive review with Nokia, Metropolitan, and the owner's engineer assessing compliance of Nokia Design with the Metropolitan Microwave Technical Specification.

The district's existing microwave radio network includes 55 transmission paths throughout Southern California. The network transports data and communications from our distribution and conveyance systems to various district facilities such as the Operations Control Center in Eagle Rock and Headquarters in Downtown Los Angeles. The desert portion of the network consists of 28 microwave paths, and most are beyond their useful life with new paths planned.



Back side of microwave racks and network equipment

Finance and Administration

Finance



Maintain Strong Financial Position

Provide timely and discerning financial analyses, planning, and management to ensure that forecasted revenues are sufficient to meet planned expenses and provide a prudent level of reserves consistent with board policy.

In September an information report was provided to the Finance, Audit, Insurance, and Real Property Committee on the Mid-cycle Biennial Budget Review.

Manage risk to protect Metropolitan's assets against exposure to loss.

The Risk Management Unit completed 51 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 57 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events, and film permits.

Business Continuity

Facilitate district-wide planning and training to prepare employees and managers to effectively carry out critical roles and recover mission essential functions thus ensuring continuity of operations and resiliency in the event of a disaster.

Manage the Business Continuity Management Program in accordance with Operating Policy A-06.

- Business Continuity Plan updates and management approvals were completed for Administrative Services.
- Conducted the district-wide annual ShakeOut earthquake drill on October 19, 2023. The purpose of this drill was to
 promote earthquake preparedness. Key activities included practicing drop, cover, and hold on, an earthquake
 preparedness presentation facilitated by the American Red Cross, and a display of security and emergency
 equipment and vehicles.
- Continued working with the Fusion software vendor to make updates to the guided workflows.
- In conjunction with the core planning team, continued working on the district-wide Local Hazard Mitigation Plan.

Financial Management

Manage Metropolitan's finances in an ethical and transparent manner and provide consistent, clear, and timely financial reporting. Update Metropolitan's capital financing plans and work with rating agencies and investors to communicate Metropolitan's financial needs, strategies, and capabilities, thus ensuring that Metropolitan has cost effective access to capital markets and the ability to finance ongoing future needs. In addition, actively manage Metropolitan's short-term investment portfolio to meet ongoing liquidity needs and changing economic environments.

Record and report the financial activities of Metropolitan in a timely, accurate, and transparent manner to the Board, executive management, member agencies, and the financial community.

Finance staff presented board information reports on the 2023 Long-Range Finance Plan Needs Assessment at the September 12th FAIRP Committee and September 26 Long-Term Regional Planning Processes and Business Modeling Subcommittee. The presentations focused on explaining the methodology and insights gleaned from Finance's analysis of the rate impacts of scenarios used in the 2020 IRP Needs Assessment. Moreover, Finance staff clarified the range of

Finance

and Administration

(continued)

funding and financing tools available to Metropolitan when addressing the capital investments required to meet the projected resource supply gaps under four primary scenarios.

- Water Transactions for September 2023 (for water delivered in July 2023) totaled 113.4 thousand acre-feet (TAF), which was 34.8 TAF lower than the budget of 148.2 TAF and translates to \$114.7 million in receipts for September 2023, which was \$35.8 million lower than the budget of \$150.5 million.
- Year-to-date water transactions through September 2023 (for water delivered in May 2023 through July 2023) were 296.6 TAF, which 109.0 TAF lower than the budget of 405.6 TAF. Year-to-date water receipts through September 2023 were \$308.8 million, which was \$111.3 million lower than the budget of \$420.1 million.
- In September 2023, Accounts Payable processed approximately 3,600 vendor invoices for payment.

Update capital financing plans and work with rating agencies and investors to communicate financial needs and capabilities, ensure cost-effective access to capital markets, and maintain long-term bond ratings of AA or better.

Debt Management staff released an RFQ for bond underwriters to assist in the execution of bond capital financings in CY 2024.

Prudently manage the investment of Metropolitan's funds in accordance with policy guidelines and liquidity considerations.

As of September 30, 2023, Metropolitan's investment portfolio balance was \$1.1 billion; the total September earnings were \$4.0 million, and the effective rate of return was 4.37 percent.

Treasury staff managed daily cash flow to cover Metropolitan's operational expenditures and to invest excess funds.

In September 2023, Metropolitan's portfolio manager executed six trades. Treasury staff completed the following transactions:

- 29 Dreyfus Cash Management Fund transactions
- 21 CAMP Investment Pool transactions
- \$51.2 million in Metropolitan's bond and SWAP payments
- 1,080 disbursements by check, 21 by Automated Clearing House (ACH), and 107 by wire transfer
- 66 receipts by check, 28 by ACH, and 55 by incoming wires and bank transfers

In addition, Treasury staff processed 18 professional services invoice payment requests totaling \$712,000.

Furthermore, 8,984 P-One Card transactions, totaling \$1.6 million, recorded in the September bank statement were monitored by the P-One Card Administrator.

Finance and Administration

(continued)

Administrative Services

Accomplishments

Professional Services Contracting Team Updates

During the month of October, the Professional Services Contracting Team (PSCT) completed the following transactions in support of Metropolitan's initiatives:

Request for Proposal (RFP) No. 1349—Oracle Enterprise Business Suite Module Implementation Services (Procurement Module)

This solicitation acquired implementation services for the Procurement module compatible with Metropolitan's existing Oracle Enterprise Business Suite (EBS V12.2.6). This module will provide contract management functionality and support best practices in administering construction, public works, and specialized engineering contracts for Metropolitan's entire supply chain.

Request for Proposal (RFP) No. 1355—Mills and Jensen Water Treatment Plants Traveling Bridge Rehabilitation Preliminary Design Services

Metropolitan initiated a project to rehabilitate the traveling bridges' solids removal equipment and controls at the Henry J. Mills Water Treatment Plant ("Mills Plant") and the Joseph Jensen Water Treatment Plant ("Jensen Plant"). These bridges provide solids removal from the sedimentation basins. In support of this project, this solicitation acquired the services of an experienced and qualified consultant to perform preliminary design for the rehabilitation work at Mills Plant Modules 3 and 4 and Jensen Plant Modules 2 and 3. This project will rehabilitate, upgrade, and improve infrastructure reliability.

Request for Proposal (RFP) No. 1344—Window Application and Server Upgrade

Metropolitan required the services of a consultant to provide tools and solutions to move legacy applications running on older operating systems to a newer more current Windows Application Operating System.

Request for Qualification (RFQ) No. 1353—Ventilation System Evaluations & Grade D Breathing Air Services

This solicitation established a list of pre-qualified, on call respondents to provide Industrial Ventilation Systems Evaluations and Grade D Breathing Air Testing to ensure compliance with Cal/OSHA, the American Council of Governmental Industrial Hygienists (ACGIH), American National Standards Institute (ANSI) standards, and other regulatory agencies.

Administrative Services Section Holds All-Hands Luncheon

On October 18, the Administrative Services Section held an All-Hands Luncheon to show appreciation for the hard work of section staff and provide an opportunity for engagement. Katano Kasaine, Assistant GM/CFO offered opening remarks and reiterated the value of coming together to connect, share updates, ask questions, and celebrate successes. Adam Benson, Finance Group Manager, and Mark Brower, HR Director, were also introduced to the team. While everyone welcomed new employees section-wide, employees with over 30 years of service received special applause for their longstanding commitment and dedication to Metropolitan. Cuauhtemoc "Moty" Torres, Administrative Services Section Manager, and staff look forward to offering more opportunities for employee engagement throughout the year.

Finance and Administration

(continued)





Finance and Administration

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Human Resources

HR Priorities

Partner with Metropolitan leadership to support learning, development, and adaptive workforce planning initiatives.

In October, 290 Metropolitan employees attended virtually facilitated classes including Time Management, Customer Service Skills, Visio, and Personal Security Awareness.

LinkedIn Learning, Metropolitan's online e-learning content platform, was accessed for such topics as Excel Analytics, Generative AI, Servant Leadership, Learning to be Promotable, and Interviewing Skills.

The Organizational Development & Training Unit (OD&T) facilitated a team building for the Laboratory Support Team focusing on Communication & Self-Awareness for 15 team members.

Seek diverse, high-quality talent, and establish partnerships to discover additional outreach opportunities that aid in staffing positions.

The Recruitment team successfully filled 23 positions during the month of October and have 35 recruitments in final stages. Recruitment received new staffing requisitions for 41 positions, resulting in 211 positions currently in recruitment.

HR Core Business: Comply with Employment Laws and Regulations

Effectively administer all Human Resources policies, programs, and practices in compliance with applicable federal and state laws and Metropolitan's Administrative Code, Operating Policies, and Memorandum of Understanding.

In October, six new workers' compensation claims were received. Two employees are currently off work because of an industrial injury or illness. This reflects Metropolitan's effort to accommodate injured workers while enabling them to be productive and on the job. Staff continues to address accommodations, coordinate treatment, and work closely with our Workers' Compensation Third-Party Administrator, Tristar Risk Management.

HR Metrics	June 2023	October	Prior Month
		2023	September 2023
Headcount			
Regular Employees	1,779	1,796	1,785
Temporary Employees	25	38	38
Interns	0	1	1
Recurrents	18	18	18
Annuitants	24	25	25

Finance and Administration

(continued)

	October 2023	September 2023
Number of Recruitments in Progress	211	193
(Includes Temps and Intern positions)		
Number of New Staffing Requisitions	41	14
	October 2023	September 2023
Number of Job Audit Requests in Progress	14	13
Number of Completed/Closed Job Audits	2	0
Number of New Job Audit Requests	3	0

Transactions Current Month and Fiscal YTD (includes current month)				
External Hires	FY 22/23 Totals	October 2023	FISCAL YTD	
Regular Employees	116	14	42	
Temporary Employees	36	5	24	
Interns	0	0	1	
Internal Promotions	72	1	24	
Management Requested Promotions	149	12	53	
Retirements/Separations (regular employees)	98	3	24	
Employee-Requested Transfers	19	3	8	

Departures

Last	First Name	Classification	Eff Date	Reason	Group
Castro	David	Team Mgr-Design	9/2/2023	Retirement -	ENGINEERING
		Support		Service	SERVICES GROUP
Thompson	Manon	O&M Tech IV	7/28/2023	Retirement -	CONVEYANCE &
				Service	DISTRIBUTION
					GROUP
Grow	Miranda	Wtr Trtment Plant	8/26/2023	Separation	TREATMENT &
		Operator II			WATER QUALITY
					GROUP

Finance and Administration

(continued)

Diversity, Equity and Inclusion

Tribal Outreach & Engagement

On October 6, 2023, Tribal Outreach and Engagement Staff met with the Pechanga Education Center to discuss and plan the formation of an internship or job shadowing program for tribal members who have completed training certifications or undergraduate degrees that are potentially applicable in the water industry. One degree that was discussed was Construction Management.

On October 19, 2023, Tribal Outreach and Engagement Staff met with Soboba Utility staff to discuss the plans for the Noli School, a K–12 American Indian school under Soboba to have a job review tour at the Diamond Valley Lake. The tour also included faculty and staff. The tour was a workforce development tool to spark career interest in the water industry

Business Outreach & Community Engagement

On October 4, 2023, Business Outreach staff attended the BuildOUT CA's Kick-Off Construction Inclusion Week reception.

On October 4, 2023, Business Outreach attended the SBDC & Emerald Cities E-Contractor Academy: Inland Empire. Staff participated in the E-Contractor Training Program (Seminar 4), which is designed to prepare small business contractors to compete and perform in MWD CIP projects. An academy celebration included the entire cohort.

On October 5, 2023, Business Outreach staff attended Asian American Architects/Engineers Association 45th Annual Awards Banquet in Los Angeles.

On October 10, 2023, Business Outreach staff participated in the virtual LACCD Bootcamp Metropolitan Overview.

On October 13, 2023, Business Outreach staff attended and exhibited at the 3rd Small Business Expo – National APEX at the Escondido Performing Arts Center. In Celebration of APEX Accelerators—The San Diego, Orange, and Imperial APEX Accelerator stands as a beacon of support and expertise for local businesses aspiring to succeed in the realm of government contracting. From new opportunities to funding options, featuring, support and lending, procurement, and networking.

On October 14, 2023, Business Outreach staff attended the Hispanic Coalition of Small Business: Hispanic Heritage Month Latina Awards in San Bernardino, CA.

On October 18, 2023, Business Outreach staff participated in the LA Chamber Procurement Fair at the LA Trade Tech.

On October 19, 2023, Business Outreach staff attended the Asian Business Association—Orange County BizMatch and participated in the Business Matchmaking event where businesses engage in a one-on-one session with procurement "Buyers & Primes."

On October 20, 2023, Business Outreach staff attended the SoCal Business Development 2023 in partnership with the Regional Hispanic Chamber of Commerce in Long Beach, CA. The event included a panel discussion that covered topics on contracting with these government organizations, how small businesses can make themselves more competitive, and a question-and-answer session. The conference also featured a procurement matchmaking session designed to bring together business owners with corporate and government procurement representatives.

Finance and Administration

(continued)

On October 21, 2023, in collaboration with the Office of Diversity, Equity & Inclusion, Business Outreach, and External Affairs, along with employee staff, attended the 2023 Taste of Soul located in the Crenshaw District. Together, Metropolitan advocates the message on conservation, business outreach, and workforce development.















On October 25, 2023, Business Outreach staff attended the National Veterans Chamber of Commerce and participated in the "Pitch to Buyers and Lenders" in Temecula, CA. A new opportunity to connect one-on-one with diverse and qualified small business suppliers in a wide variety of industries.

On October 26, 2023, Business Outreach staff attended the Annual Latina BiZCon and Procurement matchmaking session with the National Latina Business Women Association—Inland Empire (NLBWA-IE). The NLBWA-IE provides the IE Latina and Small Business community an opportunity to meet and engage with supplier diversity.

External Affairs



External Affairs

Highlights

Metropolitan hosted an event with Sustainable Conservation, an organization that advances the stewardship of water and other natural resources. Chair Ortega and California DWR Director Nemeth spoke at the event about some of the actions and steps necessary to successfully adapt to climate change. (October 2)

GM Hagekhalil spoke on building a resilient future at WEFTEC, the Water Environment Federation's Technical Exhibition and Conference. (October 3)

The Voice of San Diego's Politifest event featured GM Hagekhalil on two panels to discuss the history, future challenges, and ongoing partnerships that are essential to address Colorado River issues. (October 7)



DWR Director Nemeth discusses climate change adaptation strategies

GM Hagekhalil spoke on Building Water Resilience in an Era of Climate Change at the Águas do Tejo Atlântico Innovation Pathway 2023 EXPO. (October 10)



QSA 20th Anniversary Celebration with MWD Board

Chair Ortega and board members joined GM Hagekhalil and staff to celebrate the 20th anniversary of the Quantification Settlement Agreement. (October 10)

Chair Ortega spoke and Directors McMillan, Phan, Garza, Faessel, Erdman, and Dick, GM Hagekhalil, AGM Dee Zinke, and staff attended the Orange County Water Summit. (October 13)

Director Morris and GM Hagekhalil attended the National Water Research Institute Clarke Prize Award Ceremony, which honors the best and brightest contributors to water science and technology. (October 21)

Chairman Ortega, Directors Dennstedt, McMillan, Morris, Peterson, and Seckel, GM Hagekhalil, Metropolitan staff, and officials from the Antelope Valley-East Kern Water Agency celebrated the completion of the first phase of the High Desert Water Bank, Metropolitan's largest ever investment in groundwater storage. (October 23)

GM Hagekhalil was a featured speaker at the AMWA Executive Management Conference, sharing insights on issues affecting utility leaders nationally. (October 23)

Chair Ortega spoke and Directors Lefevre, Luna, and McCoy and staff attended the Yolo Bypass Wildlife Area Project Celebration with state and local officials. Metropolitan helped fund the project which provides benefits to wildlife, agriculture, flood protection, biodiversity, and ecosystem restoration. (October 26)







MWD and AVEK Officials at High Desert Water Bank; Chair Ortega at Yolo Bypass Habitat Project; Directors McCoy, Luna, Lefevre with Chair Ortega

GM Hagekhalil provided the keynote address, One People, One Planet, One Water, and SRI Chief Crosson spoke at the World Water Tech conference. (October 25–26)

Staff attended the 100th anniversary celebration of the Palo Verde Irrigation District in Blythe. (October 26)

GM Hagekhalil, COO Upadhyay, Engineering Group Manager Bednarski, and staff attended the Centennial celebration of the Los Angeles County Sanitation District. (October 26)







Metropolitan staff attended separate events to celebrate the Centennials for LA County Sanitation Districts and the Palo Verde Irrigation District

Legislative Services

Federal

Metropolitan staff worked with member agencies to provide comments on Senator Padilla's draft bill to extend the Department of Health and Human Services Low Income Household Water Assistance Program. Staff also continues to advocate for funding for the program as part of the FY 2024 appropriations process.

Director Luna and staff attended and Metropolitan sponsored the Pacoima Beautiful Environmental Justice Awards event, which honored Senator Padilla. (October 12)

State

Governor Newsom signed AB 1572 (D-Friedman), a bill co-sponsored by Metropolitan to prohibit irrigation of non-functional turf on commercial and industrial facilities. Other legislation enacted into law includes SB 389 (D-Allen), which provides the Water Board more authority to investigate water rights, SB 659 (D-Ashby) to develop plans for enhancing groundwater recharge, and SB 706 (D-Caballero) and AB 400 (D-Rubio) that expand authority for the use of progressive design-build.

The State Water Board released its draft report and began a series of public workshops and hearings on proposals to update and implement the Bay-Delta Plan and manage flows in the Delta.

Chair Ortega and Directors Lefevre, Luna, and McCoy, met with Delta Conveyance Design and Construction

Authority Executive Director Bradner and DWR Tribal Policy Advisor Agustinez.

Local

Metropolitan partnered with Western Municipal Water District to host a Community Leaders' Water Briefing with State Senator Roth (D-Riverside,) and Assemblymember Cervantes (D-Corona). Chair Ortega welcomed the audience of approximately 80 community leaders. (October 20).



Community Leader Briefing Participants

External Affairs

Chief of Bay-Delta Resources Hawk provided the keynote at the Three Valleys Municipal Water District Fall Leadership Breakfast and spoke to local government representatives, chambers, and regional water agencies about key projects and programs for the Bay-Delta. (October 26)

Metropolitan staff presented, monitored, and/or participated in 62 webinars, virtual meetings, and events this month with community organizations, trade associations, and local officials on water-specific topics.

Media and Communications

- Organized live-streamed media event for the High Desert Water Bank, which was covered by the Los Angeles Times, Antelope Valley Press, KFI-AM, KNX-AM, KPCC-FM 89.3/LAist, and KABC-TV.
- Arranged an interview between Los Angeles Times editorial board writer Robert Greene and AGM
 Upadhyay on new direct potable reuse regulations and how DPR fits into the district's development
 strategy for the Pure Water Southern California regional recycled water program.
- Produced new videos of Angel City Football Club players Ali Riley and Jasmyne Spencer for social media influencer series. Taped footage of designer Katie Zamprioli and actor Kyle MacLauchlan for next series of influencer posts.

Social Media









- Showcased several Metropolitan employees for Source Water Protection Week.
- Introduced the SoCal Blooms series, highlighting gardens that feature California Friendly and native plants. The first post in the series outperformed all other content across social media platforms.
- Featured four field employees who help Metropolitan protect the district's source waters during AWWA's Source Water Protection Week and highlighted six field employees for California Water Professionals Week.
- Produced a video showcasing student art from the 2023 Water is Life calendar for Imagine A Day Without Water.
- Recognized Clean Air Day with a feature on the district's work in regenerative agriculture.





Website

- Updated content for the district's Climate Adaptation Master Plan for Water (CAMP4 Water) Program; repurposed Climate Action Plan content on website to increase visibility; and produced a new homepage story on the Water Quality Report.
- Generated more than 50,000 visits to mwdh2o.com, with careers, job postings, and Board of Directors the most popular destinations.
- Received 428,000 views on bewaterwise.com with turf replacement, rebates, and California Friendly plant profiles the most visited.

Press Releases

- Statement by GM Hagekhalil on Governor Newsom signing AB 1572
- Joint news release with Save our Water on free Water Use Savings
 Program and a grant to the Garden School Foundation
- Statement on the passing of Senator Dianne Feinstein
- Statement on the passing of San Fernando City Councilmember Cindy Montanez
- Opening of the High Desert Water Bank

ERN CALL

Earlier photo of Chair Ortega and San Fernando City Councilmember Cindy Montanez at MWD Headquarters

Pure Water Southern California

Demonstration Plant tours with representatives of the City of Daegu and the Korea Institute for Water Technology (October 5), general public (October 7), Carson Leadership Group (October 19), Eisenhower Fellow program participants (October 24), and guests of LACSD Centennial Event (October 26)

Presentations to San Gabriel Valley Council of Governments (October 3), Reclamation Operations Team (October 3), and business development delegation representing the Middle East (October 6)

Meetings with Sacred Places Institute (October 10), Long Beach (October 16), East Yard Communities for Environmental Justice (October 17), and Union Pacific (October 25); Member Agency Outreach Workgroup (October 4), WaterStart (October 19), and visit to Groundwater Replenishment System (October 3)

Hosted exhibit booth at West Basin MWD Water Harvest community event (October 14)

Community Partnering and Sponsorship Program





MWD's exhibit at Taste of Soul featured conservation information, educational activities and workforce development outreach

Metropolitan provided the sponsorships to help support the following events and programs in October:

San Diego Coastkeeper Seaside Soiree; LA County Delegation Foundation; CORO Crystal awards; Long Beach Camerata Singers: The Worth of Water event; LA Waterkeeper: Making Waves; Orange County Coastkeeper; Taste of Soul Family Festival; and Mujeres De La Tierra's Día De Los Muertos

Community Partnering Program sponsorships were awarded to Rivers and Lands Conservancy, Boys and Girls Club of Brea-Placentia-Yorba Linda, and City of Walnut's Waterwise Workshops for Seniors.

Other Outreach Activities

- Provided three director inspection trips to the State Water Project and Hoover Dam/Colorado River Aqueduct
- Provided a tour of Weymouth for Cal Poly Pomona Architecture students and a tour of Diamond Valley Lake for the Anaheim Public Utilities Board
- Supported the draft Environmental Impact Report meeting for La Verne Projects
- Notified residents in Los Angeles of flushing activities on the Culver City Feeder
- Notified homes in Orange County of shutdown activities on the Allen McColloch Pipeline
- Notified West Basin and their retail agency LA County Waterworks' customers about connection change to prepare for Sepulveda Feeder Urgent Relining
- Notified residents and businesses of upcoming shutdown activities on the Santa Monica Feeder
- Presented to the Encino Neighborhood Council regarding the Sepulveda Feeder Urgent Repair

Education and Community Relations

Metropolitan staff interacted with more than 1,600 teachers, students, and adults through in-person and online meetings and events this month.

- Launched the 2024 Water Engineering 4 Good online STEAM competition for middle and high school students. Program will continue through the school year with a final competition and awards ceremony in the spring.
- Met with Los Angeles Trade Technology professors and water industry professionals to discuss and plan workforce development programs.
- Director McCoy spoke at the California Association of Black School Educators conference. Metropolitan sponsored the event and co-hosted a table with DWR to share information and resources about water education programs. (October 19–21)
- Attended the California Association of Science Educators conference. (October 20)



Director McCoy spoke at the California Association of Black School Educators conference and MWD staffed an exhibit booth



Sustainability, Resilience, Innovation, Environmental Planning, and Land Management

SRI Core Activities

One Water and Stewardship Committee

The Chief SRI Officer presented the authorization of a \$50k sponsorship for Climate Mayors. The Climate Mayors Colorado River Conservation Working Group aims to work alongside water users in the Basin to advance initiatives such as turf replacement, water reuse, and recycling programs, all geared toward aligning the river's supply and usage. This financial sponsorship of \$50k signifies Metropolitan's commitment as a partner in backing projects that will alleviate pressure on the Colorado River, showcasing the District's leadership in addressing climate change. The Board officially approved the sponsorship for Climate Mayors.

Member Agency CAMP4W Meeting

The Office of SRI, member agencies, Board of Directors—including Chair Ortega gave an update on the CAMP4W Joint Task Force. Chair Ortega outlined the pressing objectives and the intricacies to be addressed, encompassing a thorough examination of climate-related scenario planning. Chair Ortega finalized that the establishment of the decision-making framework should be finalized by the second or third quarter of 2024. Additionally, the staff deliberated on the Cost Recovery Options and Business Model for Pure Water Southern California.

USGBC-LA Thought Leadership Series: The Cost of Water

The Chief SRI Officer participated on a panel at the USGBC-LA Thought Leadership Series: The Cost of Water in Los Angeles. A thorough exploration of the interdependencies between energy, water, and carbon, with a focus on identifying strategies for enhancing their combined efficiency. Additionally, an examination of the complex policy and funding factors related to the energy efficiency of water usage, investigating their impact on critical areas like water recycling, storage, and associated projects.



Equity, Inclusion and Affordability Committee Panel on Affordability

The SRI office coordinated with groups across the district to organize this month's *Panel on Affordability* for the Board Equity, Inclusion and Affordability Committee. The second in a series of four panels was in response to the Board's request for affordability discussions to inform the Climate Adaptation Master Plan for Water (CAMP4W) process.

(continued)

These panels are designed to expand on initial CAMP4W thematic statements on affordability for the development of evaluative criteria that will guide a CAMP4W decision-making framework. This month's panel included representatives from the Los Angeles Department of Water and Power, Eastern Municipal Water District, representatives from small water agencies, and environmental justice organizations who spoke on household affordability as well as providing perspectives on what Metropolitan's role should be in advocating for a state-wide low-income rate assistance (LIRA) program.

Panel Discussion: "Decarbonizing Water: Building Planet-Friendly Water Systems" at World Water Tech

The Chief SRI Officer participated on a panel at the World Water Tech in Los Angeles. The panel deliberated on the substantial advancements in achieving carbon-neutral water systems. Measuring and quantifying carbon reduction within water systems can be accomplished through a range of measurement techniques, and emerging technologies will have a crucial role in this effort. Furthermore, state and federal officials can encourage a stronger focus on carbon neutrality by implementing supportive policies, and we may witness increased emphasis on regulatory changes in the future.

Molten Niguel's H2O for HOAs

The Chief SRI Officer gave the keynote address to over 200 representatives from HOAs and water agencies from south Orange County. Her talk provided background on climate impacts to the region, the need for climate adaptation, and strategies that can be implemented by HOAs.

CAMP4W Executive Retreat

The Chief SRI Officer and staff took part in a full-day executive management retreat. During the retreat, project evaluation and decision support tools were presented to streamline the decision-making process, particularly in the context of adaptive management. The comprehensive tool workflow is designed to collect project data and assess projects, allowing for prioritization based on a defined value set. The tool also considers the comparative analysis of project impacts. Furthermore, the tool has the capability to assess project alignment with budget, schedule, and potential rate implications.



SRI Council Lunch & Learn

This month's SRI Lunch & Learn provided Metropolitan groups with the opportunity to provide updates on progress toward their sustainability, resilience, and/or innovation goals. In the seven months since the staff was first introduced to the SRI Council, a great deal of progress has been made in waste management, Envision sustainable infrastructure training, expanding zero-emission fleet, sustainable procurement, and other initiatives.





(continued)

Sustainability Operating Policy

SRI is developing a new operating policy that governs Metropolitan's commitment to sustainability and resilience. The policy supports the Climate Action Plan and the CAMP4W.

Sustainable Procurement Operating Policy

SRI is entering an agreement with the Responsible Purchasing Network (RPN) to revise Metropolitan's current procurement operating policy (G-05) to include sustainable purchase practices. The consultant will also work with SRI and the Administrative Services Section to revise Metropolitan's procurement manual to support the updated policy.

Sustainability/Rideshare Survey

SRI partnered with Administrative Services to develop a survey and memo that will be sent to employees in November. The survey will collect data on employee commutes and interest in electric vehicles and charging at Metropolitan facilities. The survey will also be used to gather Scope 3 Emissions data in support of the Climate Action Plan implementation phase.

Zero Emissions Vehicle (ZEV) Transition

SRI continues to serve as the liaison in the Metropolitan-wide effort to transition from internal combustion engine vehicles to ZEVs. The ZEV Executive Task Force met on October 25, 2023, to discuss the next steps needed to continue the transition.

Centralized Grants Management Office

The Centralized Grants Management Office (CGMO) continues its efforts to establish updated procedures for grant applications and management of grants, and the development of an up-to-date agency-wide dashboard. During the month of October, the CGMO presented at the group managers meeting and will continue to receive input through upcoming group meetings. In late October, the GCMO supported Bay Delta Initiatives staff with a \$390,000 WaterSmart Applied Sciences grant application.

Two training session were provided to Metropolitan and member agency staff. The training was co-hosted with Metropolitan's consultant Witt O'Brien's to introduce Metropolitan's CGMO and provide a high-level overview of grants management basics along with best practices for vetting, preparing, and applying for funding. General use and application of eCivis grants management software, as it relates to key grant procedures, was also presented. This training is the first of six trainings required of staff interested in being a Grants Coordinator for their respective groups.



(continued)

FY 22/23 Funding Summary

Applying	\$24,339,493
Submitted	\$3,500,000
Awarded	\$187,450,000
Total	\$215,289,493

Innovation

Innovation, Pilots, and Emerging Technologies Updates

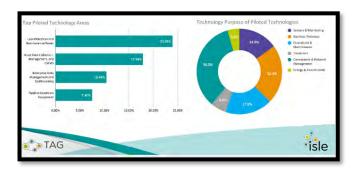
Hybrid Western Water TAG 35 + NorCal TAG 32 + Pacific Northwest TAG 10

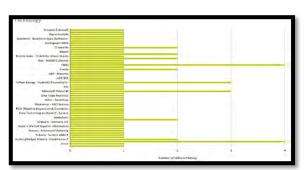
On October 17 and 18, Metropolitan's SRI Innovation, WRM, Engineering, IT, and Operations Teams participated in a **Hybrid Combined Water TAG Meeting** and **Centre for Smart Infrastructure Tour** at



East Bay Municipal Utility District (EBay MUD) with over 60 attendees. Clifford Chan, GM of EBay MUD, welcomed the group. Technology Approval Group (TAG) is an innovation forum of the world's leading end-users. Attendees included Metropolitan staff, Isle Technologies, technology presenters, Northern California Water Agencies, Pacific Northwest Water Agencies, Metropolitan member agencies and sub agencies, Denver Water, LADWP, Albuquerque Water, Tucson Water, City of Santa Barbara, and Southern Nevada Water Authority, etc. The TAG model was first launched in the UK in 2005 and is led by Isle US. TAG accelerates the market uptake of 'step-change' technologies by engaging the industry during the pre-commercial stages of development, and by leveraging external investment from venture capital investors. Isle US currently operates in eight regions across the country. The group shared technology implementation successes and failures and evaluated technology presentations on the following:

- Remote condition monitoring platforms based on wireless sensors powered by energy harvesting
- SPIDERMESH: Failure resistant, low-powered communications protocol for reliable data transmission
- Water quality instruments and treatment process for monitoring and control of corrosion in water networks
- Robust rehabilitation of manholes and pipes using fiberglass liners and a proprietary bonding agent
- Tight-fit Flexible Fabric Reinforced Pipe (FFRP) lining system for rehabilitation of water and wastewater pressure pipes.





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(continued)

Global Peer to Peer Engagement with WaterStart featuring Metropolitan's Pure Water

As a member of WaterStart, Metropolitan's Member Benefits include Peer-to-Peer-facilitated discussions and presentations among members and sharing new technologies or discoveries that can benefit all members and the water industry. WaterStart's partnership with SRI Innovation includes Channels Connect, which featured Metropolitan's Rupam Soni and Matt Hacker giving a presentation on Pure Water: A New Climate Resilient Water Supply. Attendees included WaterStart Global Members from Australia, England, Europe, and across the US with over 77 participants. Many Metropolitan employees attended the presentation as well as invited guests from member agencies and partnering water agencies. Following the presentation, the group engaged in Q & A and discussion, sharing ideas and developing partnerships in innovation.



Environmental Planning Section

Core Business: Environmental Planning and Regulatory Compliance Support

Bay Delta Initiatives

Delta Conveyance Project

- Completed preparation of response to comments for the draft environmental impact report (EIR) for cultural resources and tribal cultural resources impacts on behalf of Public Water Agencies.
- Continued coordination with the California Department of Water Resources for ongoing permitting effort on behalf of Public Water Agencies.

Webb Tract Multi-Benefit Mosaic Landscape Project

- Reviewed draft biological survey reports prepared in support of future California Environmental Quality Act (CEQA) documentation.
- Following authorization by the Board of Directors in October, began working with Contracting Services staff to prepare and execute a professional services agreement for CEQA and regulatory permitting support.

Engineering Services Group

Etiwanda Pipeline Relining Project

 Completed construction monitoring and began preparation of the final Mitigation Monitoring and Reporting Program (MMRP) documentation for CEQA compliance.

(continued)

Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Program

- Continued oversight of project construction monitoring and mitigation compliance for PCCP Second Lower Feeder Reach 3B.
- Continued construction monitoring for Lake Mathews Valve Storage Building.

Perris Valley Pipeline

Conducted bi-weekly construction monitoring.

Pure Water Southern California

- Continued tribal cultural resource consultation and preparation of technical studies in support of draft EIR.
- Prepared for internal review a sample resource section for use as a template for the draft EIR sections.
- Provided research for and input to responses to requests about the EIR from the Board of Directors.
- Reviewed project modifications for incorporation into the draft EIR.

Weymouth Water Treatment Plant and La Verne Site Improvements

 At the request of the City of La Verne, facilitated a public meeting on October 4 to provide information on the Draft Program EIR during the public review period. Environmental Planning staff facilitated the meeting, prepared the presentation and meeting materials, and presented on the CEQA process and EIR.



Staff Presents at the Public Meeting on the Weymouth Water Treatment Plant and La Verne Site Improvements Draft Program EIR

Design Review

Continued design review for the Lake Skinner Outlet Tower Seismic Upgrade, Delta Island Instrumentation
Phase 5, Weymouth Hazardous Waste Storage, Weymouth Asphalt Rehabilitation, and Rialto Feeder
Mortar Lining projects.

Construction Monitoring

Continued construction monitoring for multiple projects along the Colorado River Aqueduct (CRA).

External Affairs Group

Staff participated in California Council for Environmental and Economic Balance (CCEEB) Natural Resources
Task Force (NRTF) monthly meeting.

(continued)

Sustainability, Resilience, and Innovation Office

- Provided environmental planning support for two Zero-Emissions Vehicle (ZEV) projects.
- Continued monitoring for operational noise impacts for the Battery Energy Storage System (BESS) project to comply with the Climate Action Plan (CAP) Program EIR MMRP.
- Continued to assist in Scope 3 Emissions data collection in support of the CAP implementation phase, including developing an electronic system to capture contractor's construction emissions, an employee commute survey, and a data management system to capture utilities data (waste, wastewater, and water use).

Water System Operations Group

- Conducted biological resource surveys in compliance with regulatory permits authorizing annual maintenance activities at Upper Feeder Santa Ana River bridge.
- Prepared permit applications and obtained regulatory agency authorizations for several urgent repair projects resulting from Tropical Storm Hillary storm damage in late August. Projects are located along the CRA, including two projects on the Whitewater River, and the Foothill Feeder.

Surface Mining and Reclamation Act (SMARA) Compliance

- Continued coordination with the State Mining and Geology Board (SMGB) staff for approval of the Financial Assurances Cost Estimate and the first annual inspection of Metropolitan's borrow sites.
- Conducted first annual inspections of Metropolitan's borrow sites with Water System Operations (WSO) and SMGB staff.

Reserve Management

Lake Mathews Multiple Species Reserve

- Installed fencing along the property line of a Lake Mathews Reserve parcel south of Cajalco Road.
- Removed invasive Russian thistle that sprouted following summer rains.
- In coordination with CalFire, conducted a prescribed burn on approximately 200 acres of reserve land along El Sobrante Road. Prescribed burns are a management tool used to maintain habitat for species covered by the Lake Mathews Habitat Conservation Plan. The burns reduce excessive fuels that could be a threat to sensitive habitat within the reserve, Metropolitan infrastructure, and surrounding private properties.
- Conducted security patrols throughout the reserve to prevent trespassing, vandalism, poaching, and theft and to ensure the protection of the reserve's natural and cultural resources, facilities, and equipment.

Southwestern Riverside County Multi-Species Reserve

- Conducted mowing and weed whipping for fire suppression and habitat management.
- Continued seed collection and propagation of native plants for future restoration projects.
- The Alamos Schoolhouse interpretive center was open on Saturdays and the Reserve Interpreter hosted a birding event.
- Conducted security patrols throughout the reserve to prevent trespassing, vandalism, poaching, and theft and to ensure the protection of the Reserve's natural and cultural resources, facilities, and equipment.

(continued)

External Document Reviews

Reviewed and commented on one external project and prepared a comment letter.

Real Property Support

Provided CEQA analysis and determination in support of one real property agreement.

Water Resource Management

Provided CEQA analysis in support of the Las Virgenes Pure Water Project (Local Resources Program).

Land Management

Annexations

Metropolitan has received \$200,612.50 in fees this month for the 112nd Fringe Area Annexation, which had been approved by board resolution 9343, dated April 11, 2023.

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Metropolitan's Mission is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

700 N. Alameda Street, Los Angeles, CA 90012 General Information (213) 217-6000 www.mwdh2o.com www.bewaterwise.com General Manager: Adel Hagekhail Office of the GM (213) 217-6139 OfficeoftheGeneralManager@mwdh2o.com



Office of the General Counsel





Matters Impacting Metropolitan

New Employment Law Changes for 2024

The California Legislature passed a large slate of new employment laws that will become effective in 2024. Some of the highlights include a new cannabis law (passed in 2022) that will prohibit employers from discriminating against employees for off-site marijuana use. Also on the anti-discrimination front, Governor Newsom approved a law creating a presumption of employer retaliation if it takes adverse action against an employee within 90 days of the employee engaging in certain protected activities.

In the workplace violence realm, the Legislature passed a law requiring employers to develop workplace violence prevention plans. The law also imposes new recordkeeping obligations.

Regarding leaves of absence, the State will extend paid sick leave from three days (or 24 hours) to five days (or 40 hours) for employees.

Additionally, a new law will introduce protected leave for a reproductive loss, mandating up to five days of leave for events such as miscarriages or failed adoptions.

On the COVID-19 front, the 2020 workers' compensation presumption (of workplace transmission) terminates at the end of 2023, and the Labor Code provision requiring employers to notify employees of a COVID-19 exposure will also expire. Employers, however, will still be required under Cal-OSHA emergency regulations to notify employees and certain contractors of a workplace exposure.

Matters Concluded and/or Terminated

Minako America Corporation dba Minco Construction Contract Matter

In November 2021, Metropolitan's Board awarded a \$1,477,000 construction contract to Minako America Corporation dba Minco Construction (Minco) for the replacement of ozone power supply units at the Jensen plant. Following the construction contract award, staff received a notification from the State of California's Department of Industrial Relations that Minco Construction had been debarred effective September 27, 2021. Pursuant to the Labor Code and California Code of Regulations, Minco was

disqualified from working on public works projects for a period of one year and was therefore unable to work on the project. Metropolitan submitted a claim for payment of \$147,700 with Minco's surety under the terms of Minco's bidder's bond. Minco disputed the claim and said it would challenge any payment by the surety.

Following informal settlement discussions, in September 2023, Minco made a payment to Metropolitan in the amount of \$100,000. In exchange for this payment, Metropolitan withdrew its claim for payment by Minco's surety in connection with the bidder's bond.

Matters Received

<u>Category</u>	Received	<u>Description</u>
Government Code Claims	3	Claims relating to (1) an accident involving an MWD vehicle, (2) damage to an employee's property from an electrical receptacle at Gene Camp, and (3) damage to a golf course from flooding caused by the release of water into a stream that dissects the golf course
Subpoenas	1	Workers' Compensation subpoena for employee's personnel, wage, and work schedule records

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Requests Pursuant to the Public Records Act

Requestor Documents Requested Laguna Bluebelt Any permits authorizing MWD discharges to Aliso Creek in Orange Coalition County Laquer, Urban, Clifford & ACS Engineering, Inc.'s certified payroll Hodge on behalf of records, payment bond issued in favor of Trustees of the Southern the general contractor Blois California IBEW-NECA Construction, Inc., and Notice of Pension Trust Completion relating to the Sepulveda, West Valley, and East Valley Feeders **Upgrades Project** Maximize Any maps of MWD substructures near Communication Group project on California Oaks Road in Murrieta **Phoenix Contracting** Data on past awards for 1.5 ton truck with 4-wheel drive and chassis with 132inch body with crane Private Citizen (2 Proposals submitted in response to (1) Request for Qualifications for requests from same requester) Professional Services Agreements for Engineering Services and (2) Request for Proposals for Program Management Services to Support the Pure Water Southern California Program

PLEASE NOTE

- ADDITIONS ONLY IN THE FOLLOWING TWO TABLES WILL BE SHOWN IN RED.
- ANY CHANGE TO THE *OUTSIDE COUNSEL AGREEMENTS*TABLE WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).

Bay-Delta and SWP Litigation

Consolidated DCP Revenue Bond Validation Action and CEQA Case

Sierra Club, et al. v. California Department of Water Resources (CEQA, designated as lead case)

DWR v. All Persons Interested (Validation)

Sacramento County Superior Ct. (Judge Kenneth C. Mennemeier)

Validation Action

- Metropolitan, Mojave Water Agency, Coachella Valley Water District, and Santa Clarita Valley Water Agency have filed answers in support
- Kern County Water Agency, Tulare Lake Basin Water Storage District, Oak Flat Water District, County of Kings, Kern Member Units & Dudley Ridge Water District, and City of Yuba City filed answers in opposition
- North Coast Rivers Alliance et al., Howard Jarvis Taxpayers Association, Sierra Club et al., County of Sacramento & Sacramento County Water Agency, CWIN et al., Clarksburg Fire Protection District, Delta Legacy Communities, Inc, and South Delta Water Agency & Central Delta Water Agency have filed answers in opposition
- Case ordered consolidated with the DCP Revenue Bond CEQA Case for pre-trial and trial purposes and assigned to Judge Earl for all purposes
- DWR's motions for summary judgment re CEQA affirmative defenses granted; crossmotions by opponents denied
- Dec. 9, 2022 DWR's motion for summary adjudication of Delta Reform Act and public trust doctrine affirmative defenses granted; NCRA's motion for summary judgment re same denied
- Trial on the merits held May 15-18, 2023
 - Supplemental briefing ordered on three issues with final brief due June 30, 2023
 - Tentative Decision/Proposed Statement of Decision against validity issued Aug. 25
 - DWR's objections filed September 18, 2023
 - Opponents responses to objections filed September 28, 2023
 - Court extended the deadline to issue a judgment to December 18, 2023

CEQA Case

 Sierra Club, Center for Biological Diversity, Planning and Conservation League, Restore the Delta, and Friends of Stone Lakes National Wildlife Refuge filed a

	standalone CEQA lawsuit challenging DWR's adoption of the bond resolutions • Alleges DWR violated CEQA by adopting bond resolutions before certifying a Final EIR for the Delta Conveyance Project • Cases ordered consolidated for all purposes • DWR's motion for summary judgment granted; Sierra Club's motion denied • Tentative Decision/Proposed Statement of Decision rejecting CEQA challenge issued Aug. 25, 2023 • DWR's objections filed September 18, 2023 • Opponents responses to objections filed September 28, 2023
	 Court extended the deadline to issue a judgment to December 18, 2023
Subject	Status
SWP-CVP 2019 BiOp Cases Pacific Coast Fed'n of Fishermen's Ass'ns, et al. v. Raimondo, et al. (PCFFA) Calif. Natural Resources Agency, et al. v. Raimondo, et al. (CNRA) Federal District Court, Eastern Dist. of California, Fresno Division (Judge Thurston)	 SWC intervened in both PCFFA and CNRA cases Federal defendants reinitiated consultation on Oct 1, 2021 February 24, 2023 court approved the 2023 Interim Operations Plan proposed by federal defendants and state plaintiffs, denied all alternative proposed operations and extended the stay until December 31, 2023 Nov. 16, 2023 deadline for parties to file a joint status report
Cesa Incidental Take Permit Cases Coordinated Case Name CDWR Water Operations Cases, JCCP 5117 (Coordination Trial Judge Gevercer) Metropolitan & Mojave Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA/Breach of Contract) State Water Contractors & Kern County Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA) Tehama-Colusa Canal Auth., et al. v. Calif. Dept. of Water Resources (CEQA)	 All 8 cases ordered coordinated in Sacramento County Superior Court Stay on discovery issued until coordination trial judge orders otherwise All four Fresno cases transferred to Sacramento to be heard with the four other coordinated cases Certified administrative records lodged March 4, 2022 State Water Contractors et al. granted leave to intervene in Sierra Club, North Coast Rivers Alliance, Central Delta Water Agency, and San Francisco Baykeeper cases by stipulation SWC, et al. granted leave to intervene as respondents in <i>Tehama-Colusa Canal Auth.</i>,
San Bernardino Valley Municipal Water Dist. v.	et al. v. Calif. Dept. of Water Resources CEQA

case

Date of Report: November 8, 2023

Calif. Dept. of Water Resources, et al.

(CEQA/CESA/ Breach of Contract/Takings)

Sierra Club, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust)

North Coast Rivers Alliance, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust)

Central Delta Water Agency, et. al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust/ Delta Protection Acts/Area of Origin)

San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA)

- SWC's renewed motion to augment the administrative records granted in part; a courtappointed referee will review withheld records to determine if the deliberative process privilege applies
- Sept. 8, 2023 hearing on DWR's and CDFW's motion to modify the referral to exclude certain withheld records
- CDFW's motion denied, DWR's motion subject to the Court's in camera review of records proposed for exclusion
- Referee's recommendation is to grant in part, deny in part SWC parties' motion to augment the administrative records
- Oct. 13, 2023 objections or responses to Referee's recommendation due
- Oct. 27, 2023 court's ruling granting in part, and denying in part, the SWC parties' motion to augment DWR's and CDFW's administrative records became final

CDWR Environmental Impact Cases
Sacramento Superior Ct. Case No. JCCP 4942,
3d DCA Case No. C091771
(20 Coordinated Cases)

Validation Action

DWR v. All Persons Interested

CEQA 17 cases

CESA/Incidental Take Permit 2 cases

(Judge Arguelles)

- Cases dismissed after DWR rescinded project approval, bond resolutions, decertified the EIR, and CDFW rescinded the CESA incidental take permit
- January 10, 2020 Nine motions for attorneys' fees and costs denied in their entirety
- Parties have appealed attorneys' fees and costs rulings
- May 11, 2022, court of appeal reversed the trial court's denial of attorney fees and costs in an unpublished opinion
- Opinion ordered published
- Coordinated cases remitted to trial court for re-hearing of fee motions consistent with the court of appeal's opinion
- Sept.15, 2023 re-hearing on fee motions

COA Addendum/ No-Harm Agreement

North Coast Rivers Alliance v. DWR Sacramento County Superior Ct. (Judge Rockwell)

- Plaintiffs allege violations of CEQA, Delta Reform Act & public trust doctrine
- USBR Statement of Non-Waiver of Sovereign Immunity filed September 2019
- Westlands Water District and North Delta Water Agency granted leave to intervene
- Metropolitan & SWC monitoring
- Deadline to prepare administrative record last extended to Nov. 18, 2022

SWP Contract Extension Validation ActionCourt of Appeal for the Third App. Dist. Case No. C096316

DWR v. All Persons Interested in the Matter, etc.

- DWR seeks a judgment that the Contract Extension amendments to the State Water Contracts are lawful
- Metropolitan and 7 other SWCs filed answers in support of validity to become parties
- Jan. 5-7, 2022 Hearing on the merits held with CEQA cases, below
- Final statement of decision in DWR's favor filed March 9, 2022
- Final judgment entered and served
- C-WIN et al., County of San Joaquin et al. and North Coast Rivers Alliance et al. filed notices of appeal
- Validation and CEQA cases consolidated on appeal
- Briefing completed May 30, 2023
- Oral argument recalendared for November 15, 2023; 30 minutes per side

SWP Contract Extension CEQA Cases

Court of Appeal for the Third App. Dist. Case Nos. C096384 & C096304

North Coast Rivers Alliance, et al. v. DWR
Planning & Conservation League, et al. v. DWR

- Petitions for writ of mandate alleging CEQA and Delta Reform Act violations filed on January 8 & 10, 2019
- Deemed related to DWR's Contract Extension Validation Action and assigned to Judge Culhane
- Administrative Record completed
- DWR filed its answers on September 28, 2020
- Metropolitan, Kern County Water Agency and Coachella Valley Water District have intervened and filed answers in the two CEQA cases
- Final statement of decision in DWR's favor denying the writs of mandate filed March 9, 2022
- Final judgments entered and served
- North Coast Rivers Alliance et al. and PCL et al. filed notices of appeal
- Appeals consolidated with the validation action above

Delta Conveyance Project Soil Exploration Cases

Central Delta Water Agency, et al. v. DWR Sacramento County Superior Ct. (Judge Chang)

Central Delta Water Agency, et al. v. DWR (II), Sacramento County Super. Ct. (Judge Acquisto)

- Original case filed August 10, 2020; new case challenging the second addendum to the CEQA document filed Aug. 1, 2022
- Plaintiffs Central Delta Water Agency, South Delta Water Agency and Local Agencies of the North Delta
- One cause of action alleging that DWR's adoption of an Initial Study/Mitigated Negative Declaration (IS/MND) for soil explorations needed for the Delta Conveyance Project violates CEQA
- March 24, 2021 Second Amended Petition filed to add allegation that DWR's addendum re changes in locations and depths of certain borings violates CEQA
- DWR's petition to add the 2020 CEQA case to the *Department of Water Resources Cases*, JCCP 4594, San Joaquin County Superior Court denied
- Hearing on the merits held Oct.13, 2022
- Dec. 2, 2022 ruling on the merits granting the petition with respect to two mitigation measures and denying on all other grounds
- Dec. 23, 2022 court order directing DWR to address the two mitigation measures within 60 days while declining to order DWR to vacate the IS/MND
- March 27, 2023 court entered judgment and issued a writ after ordering and considering supplemental briefing
- May 5, 2023 court granted DWR's motion to discharge the writ and dismiss the case
- May 18, 2023 Notice of Appeal filed
- Hearing on motion for attorneys' fees continued to February 29, 2024

Water Management Tools Contract Amendment

California Water Impact Network et al. v. DWR Sacramento County Superior Ct. (Judge Aquisto)

North Coast Rivers Alliance, et al. v. DWR Sacramento County Super. Ct. (Judge Aquisto)

- Filed September 28, 2020
- CWIN and Aqualliance allege one cause of action for violation of CEQA
- NCRA et al. allege four causes of action for violations of CEQA, the Delta Reform Act, Public Trust Doctrine and seeking declaratory relief
- SWC motion to intervene in both cases granted
- Dec. 20, 2022 DWR filed notice of certification of the administrative record and filed answers in both cases

	San Diego County Water Authority v. Metropolitan, et al.		
Cases	Date	Status	
2014, 2016	Aug. 28, 2020	SDCWA served first amended (2014) and second amended (2016) petitions/complaints.	
	Sept. 28	Metropolitan filed demurrers and motions to strike portions of the amended petitions/complaints.	
	Sept. 28-29	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the demurrers and motions to strike.	
	Feb. 16, 2021	Court issued order denying Metropolitan's demurrers and motions to strike, allowing SDCWA to retain contested allegations in amended petitions/complaints.	
	March 22	Metropolitan filed answers to the amended petitions/complaints and cross-complaints against SDCWA for declaratory relief and reformation, in the 2014, 2016 cases.	
	March 22-23	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed answers to the amended petitions/complaints in the 2014, 2016 cases.	
	April 23	SDCWA filed answers to Metropolitan's cross-complaints.	
	Sept. 30	Based on the Court of Appeal's Sept. 21 opinion (described above), and the Board's Sept. 28 authorization, Metropolitan paid \$35,871,153.70 to SDCWA for 2015-2017 Water Stewardship Rate charges under the Exchange Agreement and statutory interest.	
2017	July 23, 2020	Dismissal without prejudice entered.	
2018	July 28, 2020	Parties filed a stipulation and application to designate the case complex and related to the 2010-2017 cases, and to assign the case to Judge Massullo's court.	
	Nov. 13	Court ordered case complex and assigned to Judge Massullo's court.	
	April 21, 2021	SDCWA filed second amended petition/complaint.	
	May 25	Metropolitan filed motion to strike portions of the second amended petition/complaint.	

Cases	Date	Status
2018 (cont.)	May 25-26	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the motion to strike.
	July 19	Court issued order denying Metropolitan's motion to strike portions of the second amended petition/complaint.
	July 29	Metropolitan filed answer to the second amended petition/complaint and cross-complaint against SDCWA for declaratory relief and reformation.
	July 29	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed answers to the second amended petition/complaint.
	Aug. 31	SDCWA filed answer to Metropolitan's cross-complaint.
	April 11, 2022	Court entered order of voluntary dismissal of parties' WaterFix claims and cross-claims.
2014, 2016, 2018	June 11, 2021	Deposition of non-party witness.
	Aug. 25	Hearing on Metropolitan's motion for further protective order regarding deposition of non-party witness.
	Aug. 25	Court issued order consolidating the 2014, 2016, and 2018 cases for all purposes, including trial.
	Aug. 30	Court issued order granting Metropolitan's motion for a further protective order regarding deposition of non-party witness.
	Aug. 31	SDCWA filed consolidated answer to Metropolitan's cross-complaints in the 2014, 2016, and 2018 cases.
	Oct. 27	Parties submitted to the court a joint stipulation and proposed order staying discovery through Dec. 8 and resetting pre-trial deadlines.
	Oct. 29	Court issued order staying discovery through Dec. 8 and resetting pretrial deadlines, while the parties discuss the prospect of settling some or all remaining claims and crossclaims.
	Jan. 12, 2022	Case Management Conference. Court ordered a 35-day case stay to allow the parties to focus on settlement negotiations, with weekly written check-ins with the court; and directed the parties to meet and confer regarding discovery and deadlines.

Cases	Date	Status
2014, 2016, 2018 (cont.)	Feb. 22	Court issued order resetting pre-trial deadlines as proposed by the parties.
	Feb. 22	Metropolitan and SDCWA each filed motions for summary adjudication.
	April 13	Hearing on Metropolitan's and SDCWA's motions for summary adjudication.
	April 18	Parties filed supplemental briefs regarding their respective motions for summary adjudication, as directed by the court.
	April 18	Court issued order resetting pre-trial deadlines as proposed by the parties.
	April 29	Parties filed pre-trial briefs.
	April 29	Metropolitan filed motions in limine.
	May 4	Court issued order granting Metropolitan's motion for summary adjudication on cross-claim for declaratory relief that the conveyance facility owner, Metropolitan, determines fair compensation, including any offsetting benefits; and denying its motion on certain other cross-claims and an affirmative defense.
	May 11	Court issued order granting SDCWA's motion for summary adjudication on cross-claim for declaratory relief in the 2018 case regarding lawfulness of the Water Stewardship Rate's inclusion in the wheeling rate and transportation rates in 2019-2020; certain cross-claims and affirmative defenses on the ground that Metropolitan has a duty to charge no more than fair compensation, which includes reasonable credit for any offsetting benefits, with the court also stating that whether that duty arose and whether Metropolitan breached that duty are issues to be resolved at trial; affirmative defenses that SDCWA's claims are untimely and SDCWA has not satisfied claims presentation requirements; affirmative defense in the 2018 case that SDCWA has not satisfied contract dispute resolution requirements; claim, crossclaims, and affirmative defenses regarding applicability of Proposition 26, finding that Proposition 26 applies to Metropolitan's rates and charges, with the court also stating that whether Metropolitan violated Proposition 26 is a separate issue; and cross-claims and affirmative defenses regarding applicability of Government Code section 54999.7, finding that section 54999.7 applies to Metropolitan's rates. Court denied SDCWA's motion on certain other cross-claims and affirmative defenses.
	May 13	Pre-trial conference; court denied Metropolitan's motions in limine.
	May 16	Court issued order setting post-trial brief deadline and closing arguments.
	May 16-27	Trial occurred but did not conclude.

Cases	Date	Status
2014, 2016, 2018 (cont.)	May 23, June 21	SDCWA filed motions in limine.
	May 26, June 24	Court denied SDCWA's motions in limine.
	June 3, June 24, July 1	Trial continued, concluding on July 1.
	June 24	SDCWA filed motion for partial judgment.
	July 15	Metropolitan filed opposition to motion for partial judgment.
	Aug. 19	Post-trial briefs filed.
	Sept. 14	Court issued order granting in part and denying in part SDCWA's motion for partial judgment (granting motion as to Metropolitan's dispute resolution, waiver, and consent defenses; denying motion as to Metropolitan's reformation cross-claims and mistake of fact and law defenses; and deferring ruling on Metropolitan's cost causation cross-claim).
	Sept. 21	Metropolitan filed response to order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	Sept. 22	SDCWA filed objection to Metropolitan's response to order granting in part and denying in part SDCWA's motion for partial judgment.
	Sept. 27	Post-trial closing arguments.
	Oct. 20	Court issued order that it will rule on SDCWA's motion for partial judgment as to Metropolitan's cost causation cross-claim simultaneously with the trial statement of decision.
	Dec. 16	The parties' filed proposed trial statements of decision.
	Dec. 21	SDCWA filed the parties' stipulation and proposed order for judgment on Water Stewardship Rate claims for 2015-2020.
	Dec. 27	Court entered order for judgment on Water Stewardship Rate claims for 2015-2020 as proposed by the parties.
	March 14, 2023	Court issued tentative statement of decision (tentatively ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)
	March 14	Court issued amended order granting in part and denying in part SDCWA's motion for partial judgment (ruling that Metropolitan's claims

		for declaratory relief regarding cost causation are not subject to court review).
	March 29	SDCWA filed objections to tentative statement of decision
	April 3	Metropolitan filed response to amended order granting in part and denying in part SDCWA's motion for partial judgment (requesting deletion of Background section portion relying on pleading allegations).
	April 25	Court issued statement of decision (ruling in Metropolitan's favor on all claims litigated at trial, except for those ruled to be moot based on the rulings in Metropolitan's favor)
All Cases	April 15, 2021	Case Management Conference on 2010-2018 cases. Court set trial in 2014, 2016, and 2018 cases on May 16-27, 2022.
	April 27	SDCWA served notice of deposition of non-party witness.
	May 13-14	Metropolitan filed motions to quash and for protective order regarding deposition of non-party witness.
	June 4	Ruling on motions to quash and for protective order.

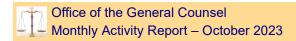
Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Albright, Yee & Schmit, APC	Employment Matter	211923	05/23	\$60,000
Andrade Gonzalez LLP	MWD v. DWR, CDFW and CDNR Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185894	07/20	\$250,000
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Atkinson Andelson	Employee Relations	59302	04/04	\$1,277,187
Loya Ruud & Romo	Delta Conveyance Project Bond Validation-CEQA Litigation	185899	09/21	\$250,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
	AFSCME Local 1902 in Grievance No. 1906G020 (CSU Meal Period)	201883	07/12/21	\$30,000
	AFSCME Local 1902 v. MWD, PERB Case No. LA-CE-1438-M	201889	09/15/21	\$20,000
	MWD MOU Negotiations**	201893	10/05/21	\$100,000
Best, Best & Krieger	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$100,000
	Grant Compliance Issues	211921	05/23	\$75,000
	Pure Water Southern California	207966	11/22	\$100,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Brown White & Osborn	HR Matter	203450	03/22	\$50,000
Buchalter, a Professional Corp.	Union Pacific Industry Track Agreement	193464	12/07/20	\$50,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Burke, Williams & Sorensen, LLP	Real Property – General	180192	01/19	\$100,000
	Labor and Employment Matters	180207	04/19	\$75,000
	General Real Estate Matters	180209	08/19	\$200,000
	Rancho Cucamonga Condemnation Actions (Grade Separation Project)	207970	05/22	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	200468	07/21	N/A
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$100,000
Curls Bartling P.C.*	Bond Counsel	200470	07/21	N/A
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422
Duncan, Weinberg, Genzer & Pembroke	Power Issues	6255	09/95	\$3,175,000
Ellison, Schneider, Harris & Donlan	Colorado River Issues	69374	09/05	\$175,000
	Issues re SWRCB	84457	06/07	\$200,000
Greines, Martin, Stein & Richland LLP	SDCWA v. MWD	207958	10/22	\$100,000
	Colorado River Matters	207965	11/22	\$100,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000
Hanna, Brophy, MacLean, McAleer & Jensen, LLP	Workers' Compensation	211926	06/23	\$100,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Hanson Bridgett LLP	SDCWA v. MWD	124103	03/12	\$1,100,000
	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$500,000
	Tax Issues	180200	04/19	\$50,000
	Alternative Project Delivery (ADP)	207961	10/22	\$250,000
Hausman & Sosa, LLP	MOU Hearing Officer Appeal	201892	09/21	\$95,000
	MOU Hearing Officer Appeal	207949	07/22	\$25,000
Hawkins Delafield & Wood LLP*	Bond Counsel	193469	07/21	N/A
Hemming Morse, LLP	Baker Electric v. MWD	211933	08/23	\$100,000
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$1,250,000
	General Appellate Advice	146616	12/15	\$100,000
	Colorado River	203464	04/22	\$100,000
Innovative Legal Services, P.C.	Employment Matter	211915	01/19/23	\$100,000
Internet Law Center	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$100,000
Amira Jackmon, Attorney at Law*	Bond Counsel	200464	07/21	N/A
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance	137992	02/14	\$45,000
Jones Hall, A Professional Law Corp*	Bond Counsel	200465	07/21	N/A
Kegel, Tobin & Truce	Workers' Compensation	180206	06/19	\$250,000
Kronenberger Rosenfeld, LLP	Systems Integrated, LLC v. MWD	211920	04/23	\$100,000

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Kutak Rock LLP	Delta Islands Land Management	207959	10/22	\$10,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$229,724
	FLSA Audit	180199	02/19	\$50,000
Manatt, Phelps & Phillips	SDCWA v. MWD rate litigation	146627	06/16	\$4,400,000
	Raftelis-Subcontractor of Manatt, Agr. #146627: Per 5/2/22 Engagement Letter between Manatt and Raftelis, MWD paid Raftelis Financial Consultants, Inc.	Invoice No. 23949		\$56,376.64 for expert services & reimbursable expenses in SDCWA v. MWD
Marten Law LLP	PFAS Multi-District Litigation	216034	09/23	\$100,000
Martenson, Hasbrouck & Simon LLP	Employment Matter	211932	08/23	\$50,000
Meyers Nave Riback Silver & Wilson	Pure Water Southern California	207967	11/22	\$100,000
	PFAS Compliance Issues	207968	11/14/22	\$100,000
Miller Barondess, LLP	SDCWA v. MWD	138006	12/14	\$600,000
Morgan, Lewis & Bockius	SDCWA v. MWD	110226	07/10	\$8,750,000
	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$1,700,000 \$2,500,000
	Arvin-Edison v. Dow Chemical	203452	01/22	\$100,000
	Semitropic TCP Litigation	207954	09/22	\$75,000
Nixon Peabody LLP*	Bond Counsel [re-opened]	193473	07/21	\$100,000
	Special Finance Project	207960	10/22	\$50,000
Norton Rose Fulbright US LLP*	Bond Counsel	200466	07/21	N/A

Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Olson Remcho LLP	Government Law	131968	07/14	\$400,000
	Executive Committee/Ad Hoc Committees Advice	207947	08/22	\$60,000
	Public Records Act	207950	08/22	\$45,000
	Advice/Assistance re Proposition 26/Election Issues	211922	05/23	\$100,000
Rains Lucia Stern St. Phalle & Silver, PC	Employment Matter	211919	4/23	\$60,000
Renne Public Law Group, LLP	ACE v. MWD (PERB Case No. LA-CE-1574-M)	203466	05/22	\$100,000
	ACE v. MWD (PERB Case No. LA-CE-1611-M)	207962	10/22	\$50,000
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
	Oswalt v. MWD	211925	05/23	\$100,000
Seyfarth Shaw LLP	Claim (Contract #201897)	201897	11/04/21	\$200,000
	Claim (Contract #203436)	203436	11/15/21	\$350,000
	Claim (Contract #203454)	203454	01/22	\$160,000
	Reese v. MWD	207952	11/22	\$400,000
	General Labor/Employment Advice	211917	3/23	\$100,000
	Civil Rights Department Complaint	211931	07/23	\$100,000
	Crawford v. MWD	<u>216035</u>	09/23	<u>\$100,000</u>
Sheppard Mullin	Rivers v. MWD	207946	07/22	\$250,000
Richter & Hampton	Lorentzen v. MWD	<u>216036</u>	09/23	<u>\$100,000</u>
Stradling Yocca Carlson & Rauth*	Bond Counsel	200471	07/21	N/A
Theodora Oringher PC	Construction Contracts - General Conditions Update	185896	07/20	\$100,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Thompson Coburn LLP	NERC Energy Reliability Standards	193451	08/20	\$300,000
Van Ness Feldman, LLP	General Litigation	170704	07/18	\$50,000
	Colorado River MSHCP	180191	01/19	\$50,000
	Bay-Delta and State Water Project Environmental Compliance	193457	10/15/20	\$50,000
	Colorado River Issues	211924	05/23	\$100,000

^{*}Expenditures paid by Bond Proceeds/Finance **Expenditures paid by another group



General Auditor's Report for October 2023

Summary

This report highlights significant activities of the Office of the General Auditor for the month ended October 31, 2023.

Audit & Advisory Services

Nineteen projects are in progress, including 15 audits, three advisories, and one special project. Work priority is being given to the 13 carry-forward audits. Two projects are in reporting, and three projects are in planning, including one follow-up audit and two advisories.

No final reports were issued during this period.

Other General Auditor Activities

1. Senior Audit Manager Recruitment

Collaboration with Human Resources to fill this position is in progress.

2. External Auditor Support

Assistance to external auditor Macias Gini & O'Connell LLP continues in accordance with their work plan.

3. External Quality Assessment

Professional standards require an external quality assessment of Metropolitan's internal audit function every five years, and the current assessment is underway.

4. On-Demand Advisory Services

Completed two requests, including providing advice on contract content and completing a benchmarking survey.

Subcommittee on Audits

Planned items for the November Subcommittee on Audits meeting include:

- 1. Status report on FY 2023-24 audit plan progress
- 2. External auditor report

Mandated Reporting

Administrative Code Section 2722 requires the General Auditor to inform the Finance, Audit, Insurance, and Real Property Committee whenever the authority granted under Administrative Code Section 6453 to obtain professional services is exercised. On October 17, 2023, the General Auditor entered into an agreement for \$25,974 with the Institute of Internal Auditors to perform an external quality assessment. Additionally, the General Auditor will report the exercise of this authority to the Legal and Claims Committee at its next scheduled meeting, as required by Administrative Code Section 6453.

Date of Report: October 31, 2023



Ethics Office Monthly Report

OCTOBER 2023

EDUCATION

Provided monthly education item at the Ethics, Organization and Personnel Committee meeting on Fair Political Practices Commission advice letter regarding contracts with member agencies.

Provided Ethics Office overview for new employees.

COMPLIANCE

Reviewed proposed new job descriptions to determine applicable financial disclosure requirements under the Conflict-of-Interest Code.

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

Monitored the status of past due Assuming Office and Leaving Office Form 700 filings. Sent notices to four current employees and eight former employees; obtained compliance from four current employees and six former employees.

ADVICE

Addressed 19 advice matters involving: conflicts of interest, financial disclosure, post-employment restrictions, gifts, outside employment, and other ethics-related topics.

COMPLAINTS MAY BE FILED AT:

INVESTIGATIONS

Received seven complaints involving the following allegations:

- Managers retaliated against an employee for reporting public safety concerns
- A Metropolitan official misused their position to obtain a personal benefit
- A Metropolitan official misused their position to cause the unauthorized release of confidential information
- Four instances of unauthorized release of confidential information

ETHICS OFFICER FINDINGS

The Ethics Officer determined that a Metropolitan manager improperly disclosed confidential information. The finding was forwarded to Human Resources and management for consideration of any appropriate corrective or remedial action.

ADVICE AND INVESTIGATIVE DATA

Advice Matters	19
Compliance Assistance	13
Complaints Received	7
Investigations Opened	4
Pending Investigations	12

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

October 10, 2023

53392 The Board of Directors of The Metropolitan Water District of Southern California met in a regular session on Tuesday, October 10, 2023.

Chair Ortega called the meeting to order at 1:13 p.m.

Directors Fong-Sakai and Kurtz are using AB 2449 due to illness.

53393 The Meeting was opened with an invocation by Director Martin Miller, San Diego County Water Authority.

53394 The Pledge of Allegiance was given by Board Vice Chair Michael Camacho, Inland Empire Utilities Agency.

Chair Ortega welcomed Director Peterson, Las Virgenes Municipal Water District, to introduce the guest Member Agency Manager Dave Pedersen, General Manager from Las Virgenes Municipal Water District. Director Peterson also introduced Jay Lewitt, President, Andy Coradeschi, Treasurer from Las Virgenes Municipal Water District, and Jeremy Wolf, City Councilmember City of Agoura Hills. Mr. Peterson and Mr. Garner made remarks.

Chair Ortega acknowledged that it is Water Professionals Appreciation Week and that Metropolitan will highlight field employees who help maintain, operate, and support tours of the Colorado River Aqueduct on our social media channels. October 10th was the 20th Anniversary of the signing of the Quantification Settlement Agreement. Also, Chair Ortega, the General Manager, Director Peterson, Director Cordero, and key staff will travel to Imperial Irrigation District in the afternoon. October 19th is Imagine a Day Without Water Day. Metropolitan will be looking to some of Southern California's youngest water conservation ambassadors to highlight through student artwork that focuses on this theme. In addition, the great shakeout is also on October 19th, which helps us each individually prepare for the earthquakes but also gives us a chance to highlight our good work for seismic safety on Metropolitan's water systems.

53395 Board Executive Secretary Hudson administered the roll call. Those responding present were: Directors Abdo, Ackerman, Alvarez, Bryant, Camacho, Chacon, De Jesus, Dennstedt, Dick, Douglas, Erdman, Faessel, Fellow, Fong-Sakai (AB2449), Goldberg, Jung (teleconference posted location), Kurtz (AB2449), Lefevre, Luna, McCoy, Miller, Morris, Ortega, Peterson, Quinn, Seckel, Smith, and Sutley.

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

Director Fong-Sakai announced during the roll that no one was in the room with them 18 yeas of age or older.

Those not responding were: Directors Armstrong, Cordero, Garza, Gray, Kassakhian, McMillan, Petersen, Phan, Pressman, and Ramos.

Board Executive Secretary Hudson declared a quorum present.

53396 Chair Ortega invited members of the public to address the Board on matters within the Board's jurisdiction (in-person and via teleconference).

	Name	Affiliation	Item
1.	Adam Wilson	San Diego LAFCO	Municipal Service Review
2.	Darcy Burke	Elsinore Water District	Item 9-3
3.	Connor Everts	Southern California Watershed Alliance and the Environmental Justice Coalition for Water	Item 9-3
4.	Maura Monagan	LA Waterkeeper	Item 9-3

Chair Ortega made brief remarks regarding the public speakers' comments.

Chair Ortega addressed the following: Other Matters and Reports.

53397 Chair Ortega asked if there were any corrections to the report of events attended by Directors at Metropolitan's expense during the month of September, as previously posted and distributed to the Board. No corrections were made.

53398 Chair Ortega referred to the Chair's monthly report, which was previously posted and distributed to the Board. In addition, there was a supplemental report relating to the Facilities Naming Committee highlighting the efforts the Committee will take in naming a facility after Senator Feinstein. Chair Ortega asked Directors to inform him if they are interested in serving on the Committee. Lastly, Director Morris' spouse of fifty-two years, Sandy Morris, passed away, and today's meetings will be adjourned in her honor.

53399 General Manager Hagekhalil referred to the General Manager's monthly report, which was previously posted and distributed to the Board. In addition, General Manager Hagekhalil reported on the following:

- 1. Offered his condolences to Director Morris, acknowledged the recent passing of Mark Abramson, Environmentalist, and Senator Feinstein
- 2. Acknowledged Indigenous Peoples Day
- 3. Updated on the incoming Human Resources Group Manager, Mark Brower
- 4. Updated on the centralized grants management office

53400 General Counsel Scully stated she had nothing to add to the written report.

53401 General Auditor Suzuki stated he had nothing to add to the written report.

53402 Ethics Officer Salinas stated he had nothing to add to the written report.

53403 Chair Ortega asked the Directors if there were any comments or discussions on the Approval of the Minutes of the Board of Directors Meeting for September 12, 2023. (Copies have been submitted to each Director, any additions, corrections, or omissions) (Agenda Item 6A). No amendments were made.

53404 Approval of Committee Assignments (Agenda Item 6B). Removing: Director Sutley from the Legal and Claims Committee; Director Petersen from the One Water and Stewardship Committee; and Director Quinn from the Engineering, Operations, and Technology Committee. Appointing Director McMillian to the Finance, Audit, Insurance, and Real Property Committee and the Subcommittee on Long-Term Regional Planning Processes and Business Modeling Committee.

53405 Nomination and Election of Nonofficer Member of the Executive Committee for the remaining two-year term effective October 10, 2023 and ending at the January 2025 Board Meeting (Item 6C).

Directors Camacho and Quinn nominated Director Chacon.

Directors Peterson and Bryant nominated Director Kurtz.

Director Chacon accepted the nomination and made brief remarks.

Director Kurtz accepted the nomination and made brief remarks.

Chair Ortega called for a vote to approve Consent Calendar Item 6C.

The following is a record of the vote:

Record of Vote on Consent Item(s):	6C								
Member Agency	Total Votes	Director	Present	Chacon	Chacon Vote	Kurtz	Kurtz Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel	Х			X	6038		
Beverly Hills	4493	Pressman			1				
Burbank		Ramos							
Calleguas Municipal Water District		McMillan							
Central Basin Municipal Water District		Garza							
		Chacon	Х	Х	19324				
			Subtotal:		19324				
Compton	641	McCoy	Х			Х	641		
Eastern Municipal Water District		Armstrong							
Foothill Municipal Water District		Bryant	Х			Х	2409		
Fullerton		Jung	X			X	2561		
Glendale		Kassakhian					101		
Inland Empire Utilities Agency		Camacho	Х	Х	16030				
Las Virgenes		Peterson	X			Х	3090		
Long Beach		Cordero			1		0000		
Los Angeles		Sutley	Х	х	20043				
	1	Petersen							
		Quinn	Х	х	20043				
	1	Luna	X	X	20043				
		Douglas	X	X	20043				
		2 oug.uo	Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	X		55.1.2	Х	16159		
manierpai tratei Bieti ei erange eeanig	0.001	Seckel	X		1	X	16159		
		Dick	X			X	16159		
	1	Erdman	X		1	X	16159		
			Subtotal:				64634		
Pasadena	3864	Kurtz	X		1	Х	3864		
San Diego County Water Authority		Fong-Sakai	X	х	16926		0001		
Carr Bloge County Water Fautionty	01102	Goldberg	X	X	16926				
		Miller	X	X	16926				
	+	Smith	X	X	16926				
		Officer	Subtotal:	^	67702				
San Fernando	260	Ortega	Х	Х	260				
San Marino		Morris	X		200	х	800		
Santa Ana		Phan	^	-		^	000		-
Santa Monica		Abdo	Х	Х	4861				
Three Valleys Municipal Water District		De Jesus	X	_^	7001	Х	8634		
Torrance		Lefevre	X			X	3590		
Upper San Gabriel Valley Mun. Wat. Dist.		Fellow	X			×	13418		
West Basin Municipal Water District		Alvarez	X	Х	27064	^	10-10		
Tract Bacili Manicipal Water Biotrict	2,004	Gray	^	^	2,004				
		Gray	Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	X X		21004	х	14775		
Total	386141		^		215413	^	124454		
Present and not voting	300141				210413		124404		
Absent	46274								

The motion to approve the Consent Calendar Item 6C (**M.I. No. 53405**)* passed by a vote of 215,413 Chacon; 124,454 Kurtz; 0 abstain; 0 not voting; and 46,274 absent. Directors Fong-Sakai and Kurtz using AB2449 appeared on video and did not have anyone over the age of 18 present during the vote.

Director Chacon made remarks.

Chair Ortega called on Directors who are requesting an item be pulled from the Consent Calendar Action Items. No responses were made.

Director Peterson moved, seconded by Director Camacho that the Board approve the Consent Calendar Items 6A, 6B, 7-1 through 7-5 as follows:

Chair Ortega called for a vote to approve Consent Calendar Items 6A, 6B, 7-1 through 7-5 (M.I. No. 53403 through 53404 and 53406 through 53410). (Items 7-1 through 7-5 as discussed at Committee as shown below).

53406 Amend the Capital Investment Plan for fiscal years 2022/23 and 2023/24 to include development of a multi-benefit landscape project on Webb Tract and authorize professional service agreements with: (1) GEI Consultants Inc. in an amount not to exceed \$1.5 million; and (2) Environmental Science Associates in an amount not to exceed \$980,000, as set forth in Agenda Item 7-1 board letter.

53407 Authorize an agreement with Black & Veatch in an amount not to exceed \$750,000 for design services for access platform improvements to facilitate maintenance activities on the main pumps at the five CRA pumping plants, as set forth in Agenda Item 7-2 board letter.

53408 Award a \$4,400,000 contract to Bosco Constructors Inc. to rehabilitate the San Diego Canal at three locations, as set forth in Agenda Item 7-3 board letter.

53409 Authorize up to \$6 million in additional funding for member agency studies and research under the Future Supply Actions Program, as set forth in Agenda Item 7-4 board letter.

53410 Authorize a 3 percent Cost-of-Living Adjustment for the General Auditor effective June 25, 2023, as set forth in Agenda Item 7-5 board letter.

Director Garza moved, seconded by Director Jung that the Board approve the Consent Calendar Items 6A, 6B, 7-1 through 7-5 as follows:

The following is a record of the vote:

Record of Vote on Consent Item(s):		7-1 through	1 7-5		1.				
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel	Х	Х	6038				
Beverly Hills	4493	Pressman							
Burbank	3175	Ramos							
Calleguas Municipal Water District	13073	McMillan							
Central Basin Municipal Water District	19324	Garza							
		Chacon	Х	Х	19324				
			Subtotal:		19324				
Compton	641	МсСоу	Х	Х	641				
Eastern Municipal Water District	11559	Armstrong							
Foothill Municipal Water District	2409	Bryant	Х	Х	2409				
Fullerton	2561	Jung	Х	Х	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	Х	Х	16030				
Las Virgenes	3090	Peterson	Х	Х	3090				
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	Х	Х	20043				
Ü		Petersen							
		Quinn	Х	Х	20043				
		Luna	Х	Х	20043				
		Douglas	Х	Х	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	Х	Х	16159				
		Seckel	Х	Х	16159				
		Dick	Х	Х	16159				
		Erdman	х	Х	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz			1				
San Diego County Water Authority		Fong-Sakai	Х	Х	16926				
can proge coarry tracer reasons,	01102	Goldberg	X	X	16926				
		Miller	X	X	16926				
		Smith	X	X	16926				
			Subtotal:		67702				
San Fernando	260	Ortega	X	Х	260				
San Marino		Morris	X	X	800				
Santa Ana		Phan							
Santa Monica		Abdo	х	Х	4861				
Three Valleys Municipal Water District		De Jesus	X	X	8634			1	
Torrance		Lefevre	X	X	3590			1	
Upper San Gabriel Valley Mun. Wat. Dist.		Fellow	X	X	13418				
West Basin Municipal Water District		Alvarez	X	X	27064			1	
eet Basii mamoipai matoi Bistilot	27001	Gray	_^_		2,004			1	
		Jidy	Subtotal:		27064		1	1	
Western Municipal Water District	14775	Dennstedt	X	Х	14775			1	
Total	386141			^	336003			1	
Present and not voting	550141				000000			1	
Absent	50138				1		1	1	

The motion to approve the Consent Calendar Items 6A, 6B, 7-1 through 7-5 (M.I. No. 53403 through 53404 and 53406 through 53410)* passed by a vote of 336,003 ayes; 0 noes; 0 abstain; 0 not voting; and 50,138 absent.

Director Fong-Sakai using AB2449 appeared on video and did not have anyone over the age of 18 present during the vote.

*Note: Individual vote tally for Item 7-2

Director Smith recused himself on Item 7-2, involves Black & Veatch, a company in which he currently owns stock. The motion to approve the Consent Calendar Items 7-2 passed by a vote of 336,003 ayes; 0 noes; 0 abstain; 0 not voting; and 50,138 absent.

Chair Ortega called on the Committee Chairs to give a report on Board Items for action and to hear recusals, abstentions, and disclosures before any discussion on the items.

53411 Authorize an increase in the maximum amount payable under two contracts for legal services with Seyfarth Shaw LLP as follows: Agreement No. 201897 by \$150,000 to an amount not to exceed \$350,000, and Agreement No. 203454 by \$50,000 to an amount not to exceed \$210,000, as set forth in Agenda Item 8-1 board letter.

Chair Ortega called for a vote to approve Board Item 8-1 (M.I. No. 53411)

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

The following is a record of the vote:

Record of Vote on Item:	8-1								
		5		.,	Yes		No		Abstain
Member Agency	Total Votes	Director	Present	Yes	Vote	No	Vote	Abstain	Vote
Anaheim		Faessel	Х	Х	6038			-	
Beverly Hills		Pressman							
Burbank		Ramos							
Calleguas Municipal Water District		McMillan							
Central Basin Municipal Water District	19324	Garza			10001				
		Chacon	X	Х	19324				
			Subtotal:		19324				
Compton		McCoy	Х	Х	641				
Eastern Municipal Water District		Armstrong							
Foothill Municipal Water District		Bryant	Х	Х	2409				
Fullerton		Jung	Х	Х	2561				
Glendale		Kassakhian					ļ		
Inland Empire Utilities Agency		Camacho	Х	Х	16030				
Las Virgenes		Peterson	Х	Х	3090		ļ		
Long Beach		Cordero							
Los Angeles	80172	Sutley	Х	Х	20043				
		Petersen							
		Quinn	Х	Х	20043				
		Luna	Х	Х	20043				
		Douglas	Х	Х	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	х	Х	16159				
		Seckel	Х	Х	16159				
		Dick	Х	Х	16159				
		Erdman	Х	Х	16159				
			Subtotal:		64634				
Pasadena	3864	Kurtz							
San Diego County Water Authority	67702	Fong-Sakai	Х	Х	16926				
		Goldberg	Х	Х	16926				
		Miller	Х	Х	16926				
		Smith	Х	Х	16926				
			Subtotal:		67702				
San Fernando	260	Ortega	Х	Х	260				
San Marino	800	Morris	Х	Х	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	Х	Х	4861				
Three Valleys Municipal Water District	8634	De Jesus	Х	Х	8634				
Torrance		Lefevre	Х	Х	3590				
Upper San Gabriel Valley Mun. Wat. Dist.		Fellow	Х	Х	13418				
West Basin Municipal Water District		Alvarez	Х	Х	27064				
		Gray							
		,	Subtotal:		27064		1		
Western Municipal Water District	14775	Dennstedt	Х	Х	14775				
Total	386141				336003				
Present and not voting	1								
Absent	50138				1		1	1	

The motion to approve the Board Item 8-1 (**M.I. No. 53411**) by a vote of 336,003 ayes; 0 noes; 0 abstain; 0 not voting; and 50,138 absent.

Director Fong-Sakai using AB2449 appeared on video and did not have anyone over the age of 18 present during the vote.

53412 Authorize an increase in the maximum amount payable under contract for legal services with Seyfarth Shaw LLP in the Reese v. Metropolitan lawsuit in the amount of \$350,000 for a total amount not to exceed \$750,000, as set forth in Agenda Item 8-2 board letter.

Chair Ortega called for a vote to approve Board Item 8-2 (M.I. No. 53412)

Director Luna moved, seconded by Director De Jesus that the Board approve the Board Item 8-2 as follows:

The following is a record of the vote:

Record of Vote on Item:	8-2								
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	6038	Faessel	Х	Х	6038				
Beverly Hills	4493	Pressman							
Burbank	3175	Ramos							
Calleguas Municipal Water District	13073	McMillan							
Central Basin Municipal Water District	19324	Garza							
		Chacon	Х	Х	19324				
			Subtotal:		19324				
Compton		McCoy	Х	Х	641				
Eastern Municipal Water District	11559	Armstrong							
Foothill Municipal Water District	2409	Bryant	Х	Х	2409				
Fullerton	2561	Jung	х	Х	2561				
Glendale	3985	Kassakhian							
Inland Empire Utilities Agency	16030	Camacho	Х	Х	16030				
Las Virgenes	3090	Peterson	Х					Х	3090
Long Beach	6558	Cordero							
Los Angeles	80172	Sutley	х	Х	20043				
		Petersen							
		Quinn	х	Х	20043				
		Luna	Х	Х	20043				
		Douglas	Х	Х	20043				
			Subtotal:		80172				
Municipal Water Dist. of Orange County	64634	Ackerman	Х	х	16159				
-		Seckel	Х	Х	16159				
		Dick	Х					Х	16159
		Erdman	Х	Х	16159				
			Subtotal:		48476				16159
Pasadena	3864	Kurtz	Х	Х	3864				
San Diego County Water Authority	67702	Fong-Sakai	Х	Х	16926				
		Goldberg	Х	х	16926				
		Miller	Х	х	16926				
		Smith	х	Х	16926				
			Subtotal:		67702				
San Fernando	260	Ortega	х	Х	260				
San Marino	800	Morris	Х	Х	800				
Santa Ana	3431	Phan							
Santa Monica	4861	Abdo	Х	Х	4861				
Three Valleys Municipal Water District	8634	De Jesus	Х	Х	8634				
Torrance		Lefevre	Х	Х	3590				
Upper San Gabriel Valley Mun. Wat. Dist.		Fellow	Х	Х	13418				
West Basin Municipal Water District	27064	Alvarez	Х	Х	27064				
		Gray							
			Subtotal:		27064				
Western Municipal Water District	14775	Dennstedt	Х	х	14775				
Total	386141				320619				19249
Present and not voting									
Absent	46274								

The motion to approve the Board Item 8-2 (**M.I. No. 53412**) by a vote of 320,619 ayes; 0 noes; 19,249 abstain; 0 not voting; and 46,274 absent.

Directors Fong-Sakai and Kurtz using AB2449 appeared on video and did not have anyone over the age of 18 present during the vote.

Director Ortega recused himself on Item 8-3, as it involves Honeywell, a company that is a source of income.

Director Miller recused himself on Item 8-3, as it involves 3M, a company in which he currently own stock.

Director Dick recused himself on Item 8-3, as it involves Bayer, 3M, and Corteva a company in which he currently owns stock.

Director Erdman recused himself on Item 8-3, as it involves Raytheon and 3M, a company in which he currently own stock.

53413 Regarding Item 8-3, the committee discussed and conferred with its legal counsel and no action was taken in closed session. No action is necessary for the Board at this time. There will be a follow-up item in November.

53414 Express support for the goals of the Climate Mayors Colorado River Conservation Working Group and, by two-thirds vote, approve a financial sponsorship of \$50,000, as set forth in Agenda Item 8-4 board letter.

Chair Ortega called for a vote to approve Board Item 8-4 (M.I. No. 53414)

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

The following is a record of the vote:

Record of Vote on Item:	8-4								
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim		Faessel	X	X	6038	-110	1010	Abotum	1010
Beverly Hills		Pressman			0000				
Burbank		Ramos							
Calleguas Municipal Water District		McMillan							
Central Basin Municipal Water District		Garza							
Contrar Bacin Maniolpai Water Biotriet	10021	Chacon	х	Х	19324				
		Gridoon	Subtotal:		19324				
Compton	641	McCoy	Х	х	641				
Eastern Municipal Water District		Armstrong	^		0-7.1				
Foothill Municipal Water District		Bryant	х	х	2409				
Fullerton		Jung	X	X	2561				
Glendale		Kassakhian			2001				
Inland Empire Utilities Agency		Camacho	х	x	16030		1		
Las Virgenes	_	Peterson	X		3090		1		
Long Beach		Cordero	^		3030		1	1	
Los Angeles		Sutley	х	x	20043				
Los Aligoios	00172	Petersen	^		20040				
		Quinn	х	Х	20043				
		Luna	X	X	20043				
		Douglas	X		20043				
		Douglas	Subtotal:	Х	80172				
Municipal Water Dist. of Orange County	64624	Ackerman			16159		<u> </u>		-
Municipal Water Dist. of Orange County	04034	Seckel	X	X	16159		<u> </u>		
		Dick			16159				
		Erdman	X	X	16159				
		Eruman	Subtotal:	Х	64634				-
Danadana	2064	Kurtz			3864				
Pasadena San Diaga County Water Authority			X	X	16926				
San Diego County Water Authority	67702	Fong-Sakai	X	X					
		Goldberg	X	X	16926				
		Miller	Х	Х	16926				
		Smith	X	Х	16926		<u> </u>		
0 -	000	0.1	Subtotal:		67702				
San Fernando		Ortega	Х	Х	260		ļ		
San Marino		Morris	Х	Х	800		ļ	1	
Santa Ana		Phan			4004		1		
Santa Monica		Abdo	Х	Х	4861				
Three Valleys Municipal Water District		De Jesus	Х	Х	8634		1		
Torrance		Lefevre	Х	Х	3590		ļ		
Upper San Gabriel Valley Mun. Wat. Dist.		Fellow	Х	Х	13418		ļ		
West Basin Municipal Water District	27064	Alvarez Gray	Х	Х	27064			1	
	1	Jiay	Subtotal:		27064		1		
Western Municipal Water District	1/775	Dennstedt		~	14775		1	1	-
Total	386141		Х	Х	339867		1	1	-
Present and not voting	300141		 		33300/		}		-
Absent	46274								

The motion to approve the Board Item 8-4 (**M.I. No. 53414**) passed by a vote of 339,867 ayes; 0 noes; 0 abstain; 0 not voting; and 46,274 absent.

Directors Fong-Sakai and Kurtz using AB2449 appeared on video and did not have anyone over the age of 18 present during the vote.

53415 Chair Ortega asked if there were questions or need for discussion for Board Information Item 9-1, 9-2, or 9-3. No requests were made.

53416 Chair Ortega asked if there were any Other Matters Items. There were none.

53417 Chair Ortega asked if there were any Follow-Up Items. There were none.

53418 Chair Ortega asked if there were any Future Agenda Items. There were none.

53419 There being no objection, the meeting was adjourned in memory and honor of the late Mrs. Sandy Morris and in support of Director John Morris at 2:12 p.m.

LOIS FONG-SAKAI SECRETARY OF THE BOARD

Lois Forg-Soul

ADÁN ORTEGA CHAIR OF THE BOARD



Board of Directors Engineering, Operations, and Technology Committee

11/13/2023 Board Meeting

7-1

Subject

Authorize professional services agreements with: (1) AECOM Technical Services Inc. in an amount not to exceed \$660,000; and (2) CDM Smith Inc. in an amount not to exceed \$475,000, to perform water desalination studies in Metropolitan's service area; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The proposed desalination studies represent one of several efforts to help inform Metropolitan's Climate Adaptation Master Plan for Water (CAMP4W). The selected studies would inventory potential project sites in Metropolitan's service area, identify partnership opportunities, evaluate new technologies including offshore desalination, and develop estimates of supply potential for both resources. In July 2023, the California Seawater Interagency Group released a Draft Seawater Desalination Siting and Streamlining Report (Draft Siting Report) with recommendations for siting seawater desalination projects. Staff developed revised scopes for the desalination studies to better align with the Draft Siting Report and the CAMP4W process, and to respond to comments received from the Board.

Staff proposes to enter into the following two agreements: (1) AECOM Technical Services Inc., not to exceed \$660,000, for a brackish groundwater siting study, and (2) CDM Smith Inc., not to exceed \$475,000, for a seawater desalination study.

Timing and Urgency

The two desalination studies are needed to inform the CAMP4W process by providing supply potential and cost information in the development of climate-resilient resource portfolios.

Details

Background

The CAMP4W process has established that Metropolitan may need up to 300 TAF of new conservation and core supplies by 2032. These projections have been reinforced by the Board's recent adoption of the Intergovernmental Panel on Climate Change's Representative Concentration Pathway (RCP) 8.5 as a basis for planning purposes in CAMP4W. To address long-term reliability concerns and water supply resiliency within the region, staff have initiated efforts to assess the supply potential of brackish groundwater desalination and seawater desalination.

Request for Proposals (RFP) No. 1327 solicited proposals for services to implement desalination studies in Metropolitan's service area. Findings from the proposed studies will contribute to Metropolitan's current overall assessment of potential water supplies for the region and will help inform the CAMP4W planning process.

In June 2023, an action item requesting funding for a brackish desalination study and a seawater desalination study was deferred and placed on hold to allow for the release of the Draft Siting Report. Deferring the studies provided an opportunity to incorporate recommendations from the Draft Siting Report in the studies' scopes of work. In October 2023, staff received additional Board input on the proposed studies.

Draft Seawater Desalination Siting and Streamlining Report to Expedite Permitting

The Governor's 2022 Water Supply Strategy: Adapting to a Hotter, Drier Future mandated the state to help streamline permitting to provide better clarity and certainty to further desalination projects. On July 12, 2023, the California Seawater Interagency Group released the Draft Siting Report in response to the Governor's mandate. The California Seawater Interagency Group was formed in 2020 by the signing of a Memorandum of Agreement (MOA) of the State agencies responsible for permitting seawater desalination projects. The MOA's goal is to facilitate timely and effective coordination during the permitting process for proposed seawater desalination projects.

The Draft Siting Report provides an overview of each agency's role in permitting seawater desalination projects. It also creates a new streamlined permitting path for projects meeting the following requirements:

- Concurrent application reviews
- Subsurface intakes
- Comingled discharge
- No impact on coastal protected areas

- Coastal hazard prevention
- Mitigation by project completion
- Identified need
- Environmental justice

In addition to the Draft Siting Report, the State Water Resources Control Board (SWRCB) established a science advisory panel to develop a methodology for assessing the feasibility of subsurface intakes for proposed seawater desalination projects. Recommendations on methodology are expected to be released in January 2024. The SWRCB also plans to release recommendations on mitigation siting for seawater desalination projects in June 2024.

Water Desalination Opportunities & Technology Assessment: Scope Adjustments

The proposed scope in RFP-1327 included four elements: (1) brackish groundwater desalination opportunities, (2) seawater desalination opportunities, (3) project implementation, and (4) a technology scan. The studies would provide an inventory of potential sites, identify regulatory requirements, estimate conceptual development costs, explore partnership opportunities, and evaluate new technologies. In response to the Draft Siting Report, Board input, and stakeholder comments, staff have made the following scope adjustments shown in Table 1.

Table 1. Changes to study scopes

Brackish Groundwater Desalination	Seawater Desalination
Review existing groundwater studies.	Review existing site and subsurface intake studies.
• Ensure consistency with RPC 8.5 where applicable.	Prioritize sites conforming to the State's streamlined permitting track (subsurface intakes).
Emphasize potential partnerships.Develop conceptual cost estimates.	• Include offshore desalination in the site inventory and technology scan.
• Expand technology scan to include brine	• Evaluate locations with climate change resilience.
harvesting technologies.	Emphasize potential partnerships.
	Develop conceptual cost estimates.

The seawater desalination study scope will be adjusted to prioritize the Draft Siting Report's streamlined track requirements. Coastal hazards such as sea level rise will also be evaluated and considered for the siting study using RCP 8.5. This standard will ensure consistency with the CAMP4W planning processes.

Existing Studies

Metropolitan staff collected previously conducted desalination studies to be reviewed by the consultants. This effort will ensure the proposed studies build upon previous site investigations and related analyses. Staff collected member agency project reports, government agency studies, offshore desalination technical information, journal articles, and internal Metropolitan reports. **Attachment 1** contains a list of the collected studies.

Budget Impact

In accordance with provisions of the Governmental Accounting Standards Board, Metropolitan's work on feasibility studies not associated with a specific asset must be conducted with Operations and Maintenance (O&M) funds instead of a capital appropriation. The studies are expected to launch in early 2024 and take nine to twelve months to complete. Funding for the studies will come from the unspent Future Supply Actions Funding Program (FSA) budget in FY 2024 and \$400,000 requested in the FSA budget for FY 2025.

Engineering Services (AECOM Technical Services Inc. and CDM Smith Inc.) – New Agreements

AECOM Technical Services Inc. (AECOM) and CDM Smith Inc. (CDM) are recommended to provide engineering services for the water desalination studies. Both AECOM and CDM were selected through a competitive process via RFP No. 1327. Staff received proposals from seven firms and evaluated each firm based on qualifications and experience, expertise of each firm's staff, technical approach and proposed methodology, and capability to deliver the planned work. For these agreements, Metropolitan established a Small Business Enterprise participation level of 25 percent. Both AECOM and CDM have agreed to meet this level of participation. Each firm's scope of work highlighting the changes made in response to stakeholder feedback can be found in **Attachment 2**.

Summary

This action authorizes professional services agreements with AECOM and CDM to provide engineering services for water desalination studies in Metropolitan's service area.

Deliverables

Study deliverables include GIS data and maps, final reports, and presentations to Metropolitan's management.

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

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

By Minute Item 53381, dated October 10, 2023, Board adoption of RCP 8.5 as Metropolitan's planning standard for Climate Change impacts.

California Environmental Quality Act (CEQA)

CEOA determination for Option #1:

The proposed action is exempt from CEQA because it involves only feasibility or planning studies for possible future actions which the Board has not approved, adopted, or funded. (Public Resources Code Section 21080.21; State CEQA Guidelines Section 15262.) Furthermore, the overall activity involves carrying out studies that consist of basic data collection, which do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action also qualifies for exemption under Class 6 (Section 15306) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize professional services agreements with (1) AECOM Technical Services Inc. in an amount not to exceed \$660,000 and (2) CDM Smith Inc. in an amount not to exceed \$475,000 to perform water desalination studies in Metropolitan's service area.

Fiscal Impact: Expenditure of up to \$1,135,000 million in O&M funds. Unspent funds from the Future Supply Actions Funding Program (FSA) budget will be used for FY 2023/24 expenditures, with the remainder added to the proposed FY 2024/25 FSA budget.

Business Analysis: This option will enhance Metropolitan's knowledge of potential brackish and seawater supply options and will help inform the CAMP4W process.

Option #2

Authorize a professional services agreement with AECOM Technical Services Inc. only, in an amount not to exceed \$660,000, to perform a brackish water desalination study in Metropolitan's service area.

Fiscal Impact: Expenditure of up to \$660,000 in O&M funds. Unspent funds from the FSA budget will be used for FY 2023/24 expenditures, with the remainder added to the proposed FY 2024/25 FSA budget. **Business Analysis:** This option will enhance Metropolitan's knowledge of potential brackish desalination supply options and will help inform the CAMP4W process. Metropolitan would miss an opportunity to

evaluate seawater desalination opportunities and investigate new environmentally sustainable technologies.

Option #3

Authorize a professional services agreement with CDM Smith Inc. only, in an amount not to exceed \$475,000, to perform a seawater desalination study in Metropolitan's service area.

Fiscal Impact: Expenditure of up to \$475,000 in O&M funds. Unspent funds from the FSA budget will be used for FY 2023/24 expenditures, with the remainder added to the proposed FY 2024/25 FSA budget. **Business Analysis:** This option will enhance Metropolitan's knowledge of potential seawater desalination supply options and will help inform the CAMP4W process. Metropolitan would miss an opportunity to evaluate brackish desalination opportunities and investigate new environmentally sustainable technologies.

Option #4

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option may forego or delay the opportunity to enhance Metropolitan's knowledge of brackish and seawater supply options in its service area, potentially limiting the breadth of the CAMP4W process.

Staff Recommendation

Option #1

Brad Coffey

11/1/2023 Date

Manager

Water Resource Management

Adel Hagekhalil

11/3/2023 Date

General Manager

Attachment 1 – Existing Reports on Desalination Siting and Technology

Attachment 2 - Updated Study Scopes with Bulleted Adjustments

Ref# wrm12699245

Existing Reports on Desalination Siting and Technology

Metropolitan, the member agencies, and other stakeholders have performed siting studies and related investigations to advance brackish groundwater desalination and seawater desalination projects in Southern California. Table 1 contains a list of studies collected by staff related to the siting of brackish groundwater resources. Table 2 contains a similar list for seawater desalination. AECOM and CDM will leverage these studies to inform the desalination studies.

Table 1. Brackish Groundwater Reports

Report	Source	Year	Relevance
Regional Brackish Water Reclamation Program Feasibility Study	Jacobs	2021	Water Replenishment District of Southern California Service Area
Brackish Groundwater and its Potential as a Resource in the Southwestern United States	USGS	2018	Broad survey of brackish groundwater supplies
Desalination	DWR	2016	Resource management strategy
Brine Management Study	USBR	2012	Brine disposalTechnology scan
Groundwater Assessment Study	Metropolitan	2008	Water quality

Table 2. Seawater Desalination Reports

Report	Source	Year	Relevance
Draft Siting Criteria	Coastal Commission	2023	- Site analysis
Offshore Siting Guidelines: Requested	Offshore technology companies	2023	- Offshore desalination
Seabed infiltration gallery Construction and life-cycle Costs	West Basin MWD	2017	Site analysisSubsurface intakes
Seawater Desalination Technical Memorandum	Calleguas MWD	2016	Site analysisSubsurface intakes
Subsurface Feasibility Screening Framework	West Basin MWD	2015	- Subsurface intakes
Technical Feasibility of Subsurface Intake Designs: Huntington Beach, California	Coastal Commission	2014	Subsurface intakesSite analysis
Final Pilot Study Report: Requested	Long Beach	201X	- Subsurface intakes
Subsurface intakes for seawater reverse osmosis facilities	Desalination Journal	2013	- Subsurface intakes
Final Summary Report Doheny Ocean Desalination Project Phase 3 investigation	MWDOC	2013	Slant well developmentSite analysis
Camp Pendleton Seawater Desalination Project Feasibility Study	SDCWA	2013	Site analysisSubsurface intakes
Desalination System Integration Study	Metropolitan	1993	- Integration

Updated Study Scopes with Bulleted Adjustments

	AECOM	CDM Smith
Task 1	Opportunities in Brackish Groundwater Desalination Review of previous studies Supply potential and conceptual costs for CAMP4W Use of RCP 8.5	Opportunities for Seawater Desalination Review of previous studies Prioritize State siting criteria and sub-surface intakes Supply potential and conceptual costs for CAMP4W Include offshore
Task 2	Project Implementation OptionsEmphasize partnerships	Project Implementation OptionsEmphasize partnerships
Task 3	Brackish Groundwater Desalination Technology Evolution	Emerging Technologies for Seawater Desalination Include offshore
Task 4	Project Management and Communications	Project Management and Communication
NTE Totals	\$660,000	\$475,000



Engineering, Operations, and Technology Committee

Authorize Professional Services Agreement(s) for Desalination Technologies for Potential Water Supply Augmentation

Item 7-1 November 13, 2023

Item # 7-1 Professional Services Agreement(s) for Desalination **Technologies** for Potential Water Supply Augmentation

Subject

Authorize professional services agreements with: (1) AECOM Technical Services Inc. in an amount not to exceed \$660,000; and (2) CDM Smith Inc. in an amount not to exceed \$475,000, to perform water desalination studies in Metropolitan's service area.

Purpose

Increase Metropolitan's knowledge and inform CAMP4W

Recommendation and Fiscal Impact

Recommendation – Authorize professional services agreements with (1) AECOM Technical Services Inc. in an amount not to exceed \$660,000 and (2) CDM Smith Inc. in an amount not to exceed \$475,000, to perform water desalination studies in Metropolitan's service area.

Fiscal Impact – Expenditure of \$1,135,000 in budgeted funds

Budgeted





Climate Adaptation Master Plan for Water



Stakeholder Feedback



What has already been done?



Study Scopes with Adjustments



Schedule

The Region Needs More Climate-Resilient Supplies

Climate Adaptation Master Plan for Water (CAMP4W)

Under rapid climate change scenarios, Southern California would need up to 300 TAF of new core supplies by 2032

Core Supply Needs in 2032 (TAF)									
IRP Scenario	No Storage	182 TAF Storage	364 TAF Storage						
А	0	0	0						
В	50	30	30						
С	15	15	15						
D	300	200	200						

Source: CAMP4W Working Memorandum #4

Example Core Supplies

Conservation

Stormwater

Recycling

Desalination

Groundwater

IID-MWD Agreement

Stakeholder Feedback

Background

Competitively selected proposals through RFP 1327

- June EOT Action Item Deferred
 - SWRCB Draft Siting Criteria Report
 - Environmental NGO input
- October EOT Information Item
 - Collect previous studies

Draft Seawater
Desalination Siting and
Streamlining Report to
Expedite Permitting

California Seawater Desalination Interagency Group

Draft Siting Criteria

Timing:

- Released July 2023
- Final expected 2023 Q4



Slant Well Construction

Streamlined Track



Doheny Ocean Desalination Project

Concurrent review

Subsurface intakes

Comingled discharge

No impact on MPAs or SWQPAs

Coastal hazard prevention

Mitigation by project completion

Loading order

Environmental justice

What has already been done?

Brackish desalination

- Metropolitan
- USBR

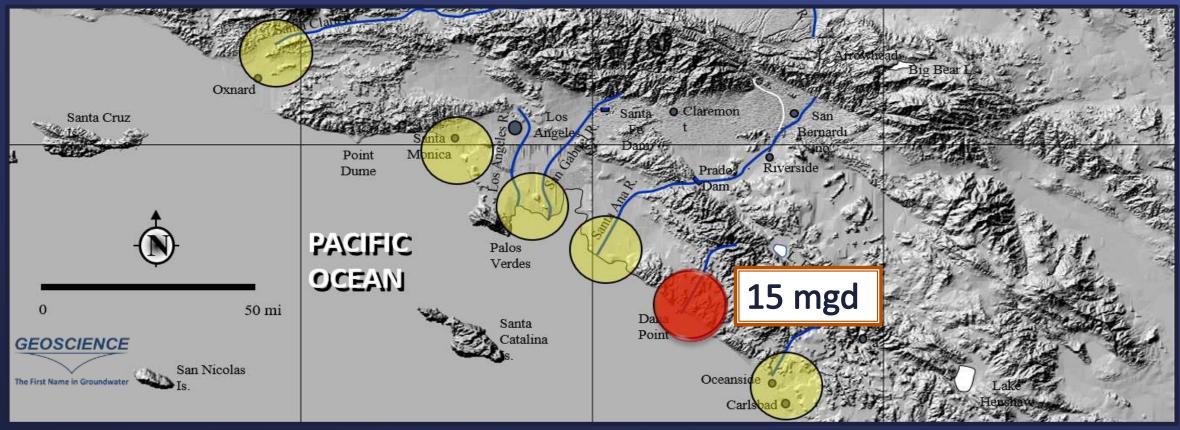
Seawater desalination

- Member agency
- State agency
- Metropolitan
- Offshore companies



Knowledge Gaps within Metropolitan's Service Area

Paleochannel locations suited for slant well technology

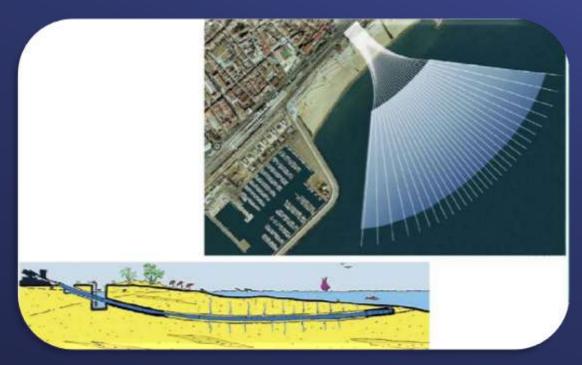


Source: Geoscience Presentation to CalDesal in 2020

Opportunity to Explore New Approaches



- Singapore
- Keppel Marina East Desalination Project
- 30 MGD
- Brackish and seawater



- Horizontal Directionally Drilled Wells
- 34 MGD San Pedro Del Pinatar: Murcia Spain



- Las Virgenes MWD pilot study
- Subsea Seawater Desalination

New Agreement

- Competitively selected under RFP 1327
- SBE participation
 level 25%
- NTE amount –
 \$660,000

AECOM Technical Services Inc.

Scope of work

- Task 1: Opportunities in Brackish Groundwater Desalination
 - Review of previous studies
 - Supply potential and conceptual costs for CAMP4W
 - Use of RCP 8.5
- Task 2: Project Implementation Options
 - Emphasize partnerships
- Task 3: Brackish Groundwater Desalination Technology Evolution
- * Adjustments based on input received are in orange

New Agreement

- Competitively selected under RFP 1327
- SBE participation level – 25%
- NTE amount –
 \$475,000

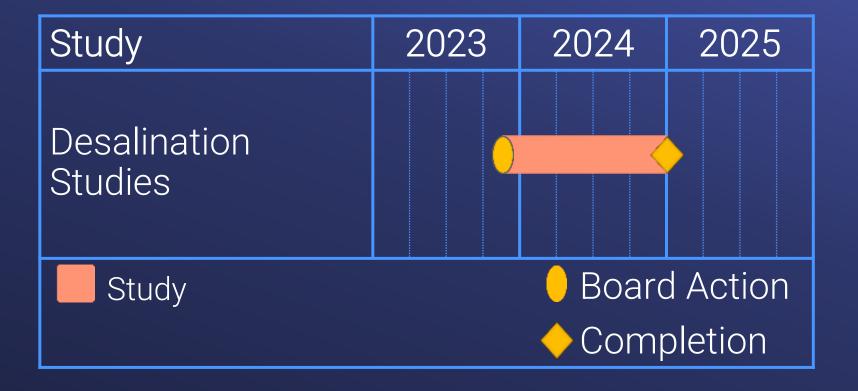
CDM Smith Inc.

Scope of work

- Task 1: Opportunities for Seawater Desalination
 - Review of previous studies
 - Prioritize State siting criteria and sub-surface intakes
 - Supply potential and conceptual costs for CAMP4W
 - Include offshore
- Task 2: Project Implementation Options
 - Emphasize partnerships
- Task 3: Emerging Technologies for Seawater Desalination
 - Include offshore

*Adjustments based on input received are in orange

Study Schedule



Board Options

Option #1

Authorize professional services agreements with (1) AECOM Technical Services Inc. in an amount not to exceed \$660,000 and (2) CDM Smith Inc. in an amount not to exceed \$475,000, to perform water desalination studies in Metropolitan's service area.

Board Options

Option #2

Authorize a professional services agreement with AECOM Technical Services Inc. only, in an amount not to exceed \$660,000, to perform a brackish water desalination study in Metropolitan's service area.

Option #3

Authorize a professional services agreement with CDM Smith Inc. only, in an amount not to exceed \$475,000, to perform a seawater desalination study in Metropolitan's service area.

Option #4
 Do not proceed with either study at this time.

Staff Recommendation

• Option #1





Board of Directors Engineering, Operations, and Technology Committee

11/14/2023 Board Meeting

7-2

Subject

Authorize an agreement with General Networks Corporation in an amount not to exceed \$6,609,900 for the implementation of a cloud-based Enterprise Content Management System; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the implementation of an Enterprise Content Management (ECM) system (ECM Phase II) for Metropolitan. The ECM system will organize, manage, and provide easy, anytime, anywhere access to Metropolitan's digital assets and other media to promote operational efficiency and introduce automation to the review and disposition process of digital information pursuant to Metropolitan's record retention schedule.

Timing and Urgency

Currently, Metropolitan uses the Electronic Document Management System (EDMS) as its primary repository for storing and managing digital assets. EDMS was implemented in 1997, has lost vendor support, and the software and system design are outdated. A new ECM system will allow Metropolitan to more effectively and efficiently manage its digital assets to optimize operational efficiency, locate historical records, respond to requests under the California Public Records Act, significantly improve search results, and automate compliance with data classification and records retention policies. ECM Phase II has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the Cost Efficiency and Productivity Program. ECM is also included as an Outcome of the General Manager's Strategic Priorities. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2023/24.

Details

Background

Effective management of digital assets is critical to optimizing Metropolitan's operational efficiency. Digital assets are electronic files, typically generated from (but not limited to) Microsoft Word, Excel, PowerPoint, photographs, or any other type of digital media or content created at Metropolitan. Currently, the storage of this content is scattered across various Metropolitan business applications and network storage devices. Some of this content is stored in the EDMS, which was implemented in 1997 and has lost vendor support. For reference purposes, the cost to implement the system in 1997 would cost \$14 million in today's dollars. Metropolitan has a responsibility to manage content for business needs and to optimize workforce and operational efficiency. A 2015 records management study conducted by a consultant specializing in industry best practices found Metropolitan's records management capabilities to be substandard. Action must be taken to upgrade Metropolitan's digital information management in line with industry best practices. Current industry practice and recommendations from the Phase I consultant propose using software packages known as ECM applications to manage digital information.

The Board-approved first phase of the ECM Program involved a district-wide effort to remediate redundant, obsolete, and trivial (R.O.T.) digital files, scan paper records to digital form, and reorganize and migrate content (now tagged with metadata). This effort was done in accordance with a newly developed classification protocol and within a newly optimized network folder structure. For reference, total costs for ECM Phase I were \$6.2 million, including the Backfile Conversion Project. Completing ECM Phase I was a necessary prerequisite

and established the foundation and progression for Phase II, the acquisition and deployment of a new ECM system.

RFP-DH-1335 was issued for ECM system implementation on January 10, 2023, to provide staff the capability to effectively manage and search records, administer workflows, and optimize enforcement of retention policies. This includes any required software licenses, implementation, and support services. Metropolitan received a total of seven (7) responsive proposals from the competitive process on March 6, 2023. The business outreach participation goal designated for this solicitation was 25 percent.

Proposals were reviewed by a team consisting of representatives from the Administrative Services Section, Information Technology Group, Engineering Services Group, External Affairs Group, and Water System Operations Group. The evaluation team scored and ranked the responsive proposals on the following criteria: firm qualifications, a record of past performance, key personnel and staff, technical approach and methodology, cost proposal, and business outreach program incentives for Small Business Enterprise (SBE) and Regional Business Enterprise (RBE). Based on initial scoring, three firms were short-listed and invited for interviews and to provide a demonstration of their proposed solution. After careful deliberation and thorough consideration, the evaluation team chose General Networks Corporation to perform the work. General Networks Corporation has 15 years of experience in delivering these types of services and is qualified as both an SBE and an RBE. This vendor has worked with other organizations, including Las Vegas Valley Water District and Southern California Edison. Based on their proposal, references, and experience, the RFP evaluation panel recommended this vendor be awarded all components of the work.

Scope of Work

The planned work includes the implementation of a cloud-based ECM system to provide anytime, anywhere access to files and information from any device across key business information systems. The ECM Solution will leverage (and integrate with) the functionality and security of Microsoft 365. This board letter is requesting authorization to perform the next steps in the implementation.

ECM goals include, but are not limited to, the following:

- Implement a cloud-based ECM system.
- Migrate and consolidate siloed information repositories.
- Significantly improve search capabilities by providing "Google" style querying.
- Integrate with key business information systems to provide federated searching capabilities and in-place management functionality.
- Design and deploy controls to achieve compliance with records and information governance policies and procedures.
- Streamline key informational processes using automated workflows and Business Process Management capabilities.

Deliverables

- Cloud-based Enterprise Content Management Solution with the following components/features:
 - Portal
 - User Interface
 - Document / Library Management
 - o Information Governance and Records Management
 - Web Content Management
 - o Digital Asset Management and Digital Preservation
 - Workflow and Business Process Management
 - Imaging and Document Capture
 - o Integration
 - Security
- Data Migration
- Systems Integration
- Project Management and Communications
- Testing Strategy

- Training Program
- Maintenance and Support Services

Summary

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2023/24 capital expenditure plan. See **Attachment 1** for the Financial Statement.

The total project budget for ECM Phase II is \$10.325 million. It includes funds for awarding a new contract with General Networks Corporation for \$6,609,900, with \$3,658,120 for professional and technical services and \$2,951,780 for materials and supplies cost (software). Other costs included are \$2,877,000 for labor costs by Metropolitan staff, including owner costs and project management, and \$838,100 for the remaining budget.

Following implementation, Operations and Maintenance (O&M) expenses related to software maintenance/subscriptions are expected to be \$719,980 annually. With an implementation of this scope, the Information Technology Group will require an additional full-time equivalent position to perform technical support to maintain quality of service with the new system going forward. The annual cost of this new position is estimated to be \$256,855 fully burdened. It should also be expected that staff from the Administrative Services Section will be performing ongoing maintenance tasks related to the functional support that will be required. Upgraded Microsoft 365 (M365) licensing (G5) would also be beneficial since this implementation will complement other I.T. strategic initiatives. It is estimated that there would be a change in M365 licensing fees of approximately \$222,084 per year for this upgrade. Once implementation is completed, there is an expectation that O&M expenses related to Metropolitan's existing network file shares will be significantly reduced. These future ongoing O&M expenses will be included in the next budget cycle.

Project Milestones

March 2024 - Design Phase

March 2025 – Develop Phase

October 2026 – Deploy Phase

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because it involves continuing administrative activities which will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment (Section 15378(b)(2) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an agreement with General Networks Corporation in an amount not to exceed \$6,609,900 for the implementation of a cloud-based Enterprise Content Management System.

Fiscal Impact: Expenditure of \$6,609,900 in capital funds.

Business Analysis: This option would implement a cloud-based Enterprise Content Management System to provide anytime, anywhere access to files and information from any device across key business information systems.

Option #2

Do not proceed with Enterprise Content Management Phase II at this time.

Fiscal Impact: None

Business Analysis: This option would not implement a cloud-based Enterprise Content Management System to provide anytime, anywhere access to files and information from any device across key business information systems.

Staff Recommendation

Option #1

10/25/2023

Tie Eckstrom Date

Charlie Eckstrom

Group Manager, Information Technology

hnology

Group Manager, Information Technology

Hagekhalil Date

Adel Hagekhalil General Manager

Attachment 1 - Financial Statement

Ref# it12692977

Allocated Funds for Enterprise Content Management (ECM) Phase II

	Current Board Action (November 2023)	
Labor		
Studies & Investigations	\$	-
Final Design		2,877,000
Owner Costs (Program mgmt.)		-
Submittals Review & Record Drwgs		-
Construction Inspection & Support		-
Metropolitan Force Construction		-
Materials & Supplies		2,951,780
Incidental Expenses		
Professional/Technical Services		3,658,120
Equipment Use		-
Contracts		-
Remaining Budget		838,100
Total	\$	10,325,000



Engineering, Operations, & Technology Committee

Enterprise Content Management (ECM) Phase II

Item 7-2 November 13, 2023

Item 7-2 ECM Phase II

Subject

 Authorize an agreement with General Networks Corporation, in an amount not to exceed \$6,609,900 to implement a cloudbased Enterprise Content Management (ECM) system.

Purpose

 To provide anytime, anywhere access to files and information from any device across key business information systems.

Recommendation and Fiscal Impact

 Staff recommends authorizing an agreement with General Networks Corporation, in an amount not to exceed \$6,609,900 in capital funds to implement a cloud-based Enterprise Content Management (ECM) system.

Budgeted

"ECM is the foundational

component in an organization for the management and use of content."

"Access information anytime, anywhere, from any device"

"Effectiveness, efficiency, compliance, and continuity"

"The content management crisis is accelerating – on average, 57% of the information that must be managed is unstructured."

"On average, the volume of incoming information will grow from X to 4.5X in the next two years."





Background

- Digital assets are essential to Metropolitan
- Electronic files
 - Microsoft PowerPoint files
 - Microsoft Word files
 - Microsoft Excel files
 - PDFs

 - Etc.
- Approximately 50TB of unstructured information currently stored in siloed environments





ECM Phase II



Background (cont.)

- Program Assessment
 - Findings
 - Substandard Rating
 - E.D.M.S.
 - Obsolete, non-supported technology
 - Strategic Plan
 - Information Governance (IG) and Enterprise Content Management (ECM)
 - Capital Investment Plan (CIP)
 - GM Strategic Priority Outcome
 - Multi-Phase Program Objective

ECM Phases

ECM Phase II

Phase I (Completed)

- Classification scheme
- R.O.T. analysis
- Optimized network folder structure
- Metadata extraction
- Sensitivity classification
- Records Retention Schedule
- Backfile Conversion project

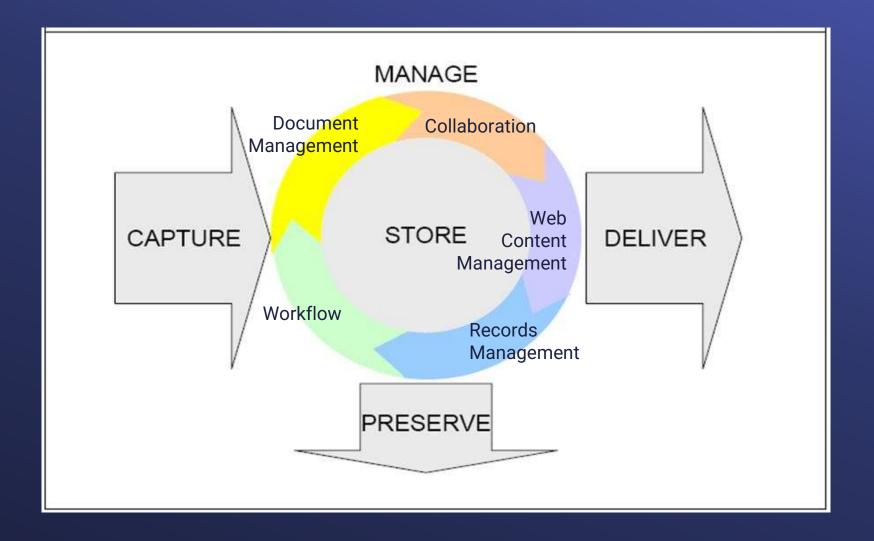
Phase II (Current Action)

- Acquisition and implementation of a comprehensive, cloudbased ECM solution
- Migrate siloed unstructured information from legacy systems
- Federated Search
- Deploy Records
 Management controls
- Information Protection

Phase III (Future)

- Enhance core ECM deployment
- Implement additional federated search connectors
- Structured information systems integration
- Automate records retention disposition
- Additional platform features

ECM Concept



Scope of Work

- Procurement of an ECM system and related implementation services
- Key desired features/goals:
 - Cloud-Based
 - Migrate and consolidate siloed information
 - Significantly improve search capabilities
 - Records Management efficiency and compliance
 - Business Process Management (B.P.M.)



ECM Phase II

Deliverables

- Comprehensive Solution
 - Portal, User Interface, Document/Library Mgmt., Information
 Governance and Records Management, Web Content Management,
 Digital Asset Management and Digital Preservation, Workflow, Imaging
 and Document Capture, Integration, and Security
- Data Migration
 - Shared drives, E.D.M.S., Cumulus (MWD Image Collection), scanned documents (Backfile Conversion), Exchange Public Folders
- Systems Integration
 - Key MWD Business Information Systems (unstructured)
- Project Management and Communications
- Testing and Execution Strategy
- Training Program
- Maintenance and Support Services

Scope of Work / Deliverables (cont.)

E.D.M.S.

Network
Shared
Drives

Cumulus
Exchange
Public Folders

New Enterprise Content Management (ECM) System



Selection Process

- Phase II RFP (No. 1335) development
- Solicitation response
- Evaluation Team
 - 5 Evaluators
 - 5 Subject Matter Experts (SMEs) / Technical Advisors (TAs)
- Evaluation Criteria
 - Business Outreach Participation Goal 25%
- Evaluation Process and Results

Recommended Vendor



- Selected under Request for Proposals No. 1335
- General Networks Corporation
 - Based in Glendale, CA
 - Small Business Enterprise (SBE) and Regional Business Enterprise (RBE)
 - 36 years overall experience
 - Microsoft Gold Partner
 - Over 100 clients related to Microsoft and Enterprise Content Management

Allocation of Funds

Enterprise Content Management (ECM) Phase II

Vendor Costs (current action)

ECM Solution \$2,951,780

Data Migration \$1,943,200

Systems Integration \$335,000

Project Mgmt., Testing, Training \$858,480

Proofs of Concept/Deployment \$521,440

\$6,609,900 \$6,609,900

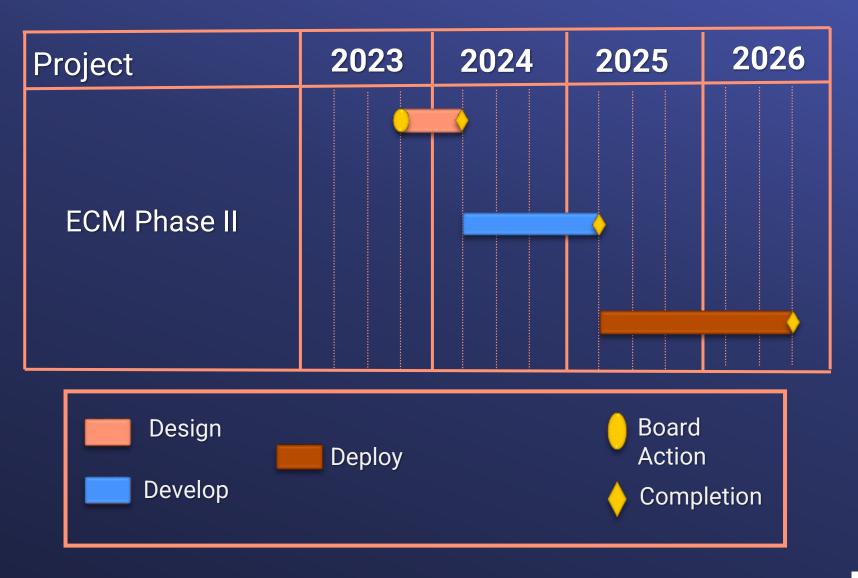
CIP Costs (Appropriation 15500 - approved)

Metropolitan Labor \$2,877,000

Contingency/Remaining Budget \$838,100

TOTAL \$10,325,000

Estimated Schedule



Board Options

- Option #1
 - Authorize an agreement with General Networks
 Corporation in an amount not to exceed \$6,609,900
 for the implementation of a cloud-based Enterprise
 Content Management System
- Option #2
 - Do not proceed with Enterprise Content Management Phase II at this time.

Staff Recommendation

Option #1





Board of Directors Engineering, Operations, and Technology Committee

11/14/2023 Board Meeting

7-3

Subject

Authorize an increase of \$3,100,000 in change order authority for the contract to replace the overhead bridge cranes at the five Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan's construction contracts are typically completed with final change order amounts falling well within the General Manager's Administrative Code authority, which is the greater of \$250,000 or five percent of the initial contract amount. This action authorizes increasing the General Manager's change order authority for the Colorado River Aqueduct (CRA) Overhead Crane replacement. The increase in change authority will address the abatement of lead-containing material encountered in the construction area, the presence of which was not identified during the original design development for this contract. Based on current and anticipated field conditions, the extent of required extra work under the subject contract is projected to exceed the General Manager's existing change order authority of \$1,170,950. Staff recommends that the General Manager's change order authority for this construction contract be increased by \$3,100,000 at this time so the contractor can complete the remaining work without delay and at the lowest overall cost.

Details

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.

Each of Metropolitan's five pumping plants has one overhead bridge crane on the pump room's main floor. The existing cranes were installed during the original CRA construction. Each crane spans the width of the entire floor, running along tracks that are anchored to the building at a height of 45 feet above the ground floor. These cranes have performed well over the last 80 years; however, they show signs of deterioration and require frequent repair, and staff must custom fabricate many of the replacement parts since original or substitute off-the-shelf parts are no longer available.

In September 2020, Metropolitan's Board awarded a \$13,419,000 contract to J.F. Shea Construction Inc. to perform the overhead crane replacement work at all five CRA pumping plants. The contractor has currently completed the fabrication of four cranes and completed the installation of the cranes at Iron Mountain and Gene pumping plants. Construction is approximately 60 percent complete and scheduled to be finished by summer 2024.

Metropolitan's Administrative Code authorizes the General Manager to execute change orders on construction contracts in an aggregate amount not to exceed five percent of the initial amount of the contract or \$250,000, whichever is greater. Change orders to construction contracts can be issued for a variety of reasons, including (1) to address design errors and/or omissions after construction began; (2) to address field conditions that differ from those shown on the contract drawings and specifications; (3) owner-initiated changes because they increase the overall project quality and efficiency; and (4) changes needed to benefit other related construction projects.

Metropolitan staff carefully considers the need to issue contract change orders and negotiates the cost and schedule impacts of all change orders before they are formally authorized.

Metropolitan's construction contracts are typically completed with final change order amounts falling well within the General Manager's Administrative Code authority. Since the beginning of 2018, Metropolitan has completed 115 public works contracts with a total awarded amount of approximately \$542 million and total earnings after net extra work of \$557 million. The average change order authority utilized over this period is 2.8 percent. All but five of the 115 contracts have stayed within their original awarded change order authority amount.

If changes occur on a construction contract that exceeds the General Manager's authority, additional authorization from the Board is required. For this contract, the original change order authority based on the construction contract amount was \$670,950. The change order authority was increased in March 2023 by \$500,000 to provide modifications to the original design of the cranes to optimize the operational functionality of the crane systems. These enhancements will improve staff's ability to efficiently conduct maintenance activities and minimize downtime during equipment installation. At this time, the subject contract has experienced differing site conditions that were not expected related to the discovery of lead-containing material in the construction area that was not previously identified during the design phase of this project. Staff anticipates that resolving these issues will exceed the General Manager's Administrative Code authority.

CRA Overhead Crane Replacement – Increase in Change Order Authority (Contract No. 1946)

In the early and mid-1900s, lead-based coatings were in high demand because they were affordable, durable, and washable. Lead-based coatings were later found to be of public health concern, primarily in housing and schools, due to childhood lead poisoning. In 1993, Cal/OSHA established the Lead in Construction Standard to address lead hazards in the workplace. Since the inception of this standard, Metropolitan has been eliminating the purchase of products and coating materials that contain lead.

Moreover, Metropolitan established a robust Lead Management Program (<u>HSE 127 Lead Program</u>) that has multiple layers of prevention controls, including assessing work exposures; establishing safe work practices; providing routine employee lead training; pre-authorizing lead work; overseeing remediation; and providing employee medical surveillance. As specified in the Lead Management Program, Metropolitan routinely conducts exposure assessments and program reviews to validate negative lead exposures, confirm that prevention controls continue to be effective, and update the program to improve its effectiveness as necessary.

As most Metropolitan facilities were built in the early and mid-1900s, staff has developed a lead remediation strategy when a project requires modifications to lead-containing materials. Under Metropolitan's lead remediation strategy, staff tests materials that may be disturbed during the project's construction and then develops contract documents to safely remove and remediate the equipment.

For the CRA Overhead Crane Replacement, the specifications directed the contractor to assume that all painted surfaces, including the crane runway support beams, contain lead-based paint above the regulatory limit and to abate consistent with applicable regulations. During the abatement process, the contractor inadvertently breached the containment system at Iron Mountain Pumping Plant, releasing blast media into the pumphouse. The contractor immediately started a cleanup process, including additional lead testing throughout the pumphouse, and enhanced the containment system. During this testing, the contractor discovered accumulated and settled sticky dust containing lead (settled dust) in the uppermost parts of the building, such as roof trusses, windowsills, and on top of the light fixtures.

The three pumping plants (Eagle, Hinds, and Intake pumping plants) with an upcoming crane installation were then tested for the presence of the settled dust before the start of construction at these plants. This testing has determined that settled dust exists in rarely accessed areas in the uppermost parts of these pump houses. This has led to the conclusion that the settled dust did not result from the crane replacement project. It is important to note that air monitoring samples collected at the Eagle Plant in early October 2023 with all the plant fans in operation were below the laboratory detection limit for lead.

Metropolitan plans a two-stage strategy for managing lead in CRA facilities. Under Stage 1, this work will focus on abating the settled dust in the vicinity of the crane replacement project work areas. With the increased change order authority, Metropolitan will direct the contractor to remediate each remaining pump house so that construction can continue. This includes cleaning all surfaces that may be disturbed or are near the construction

area, including the entire length of the walls, horizontal roof trusses, windowsills, and the top of light fixtures at all five pumping plants. This plan was reached in concurrence with the contractor in an overabundance of caution and despite negative exposure air monitoring results.

Under Stage 2, staff will contract with an industrial hygiene firm for a lead assessment of the pump houses and to develop a programmatic approach for CRA facilities. This more comprehensive assessment will be conducted in light of the extensive nature of the planned work to rehabilitate the pump house main motors and electrical facilities under the current Capital Investment Plan. Lessons learned from the assessment will be incorporated into Metropolitan's Lead Management Program.

The changes to on-site conditions described above, and other less significant changes to the contract, have utilized most of the existing change order authority. Several months of work are required to perform the lead-containing material cleanup before the construction, start-up, and commissioning at the remaining three CRA pumping plants. Staff recommends that this cleanup work be conducted as additional changes to the original construction contract to minimize delays to the contractor's work. Therefore, it is recommended that the change order authority be increased to address the recently discovered change in site conditions described above, as well as any potential future issues that may arise during the final stages of this contract.

As authorized in March 2003, the General Manager has the authority to execute change orders for this contract up to a maximum of \$1,170,950. To date, approximately \$970,000 in change orders have been executed. To fully resolve these issues and complete the construction, testing, and commissioning of the overhead bridge cranes at the remaining three CRA pumping plants, staff recommends that the change order authority be increased by \$3,100,000 for a new maximum amount of \$4,270,950. This increase will enable all remaining work to be performed expeditiously without delaying the contract completion.

This action authorizes an increase in the General Manager's authority to execute change orders from \$1,170,950 to an aggregate amount not to exceed \$4,270,950 for the overhead bridge crane replacement at all five CRA pumping plants. In accordance with Governmental Accounting Standards Board provisions, the lead abatement work will be conducted with Metropolitan's operations and maintenance funds for fiscal year 2023/24 instead of a capital appropriation.

Alternative Considered

Staff considered soliciting a separate hazardous materials abatement contractor to abate and clean up the lead-containing material at the remaining three CRA pump houses. With this approach, Metropolitan would direct the construction contractor to pause work until the pumping plants are fully abated. Due to the estimated cost of the cleanup, a request for competitive bids will need to be developed, and a separate board action to award the contract would be required. This would delay the crane installation contract, as well as the remediation, by several months. Using the current contractor to complete the lead abatement will allow the work to be completed in a timely and cost-effective manner while proactively providing a safe working environment for all personnel during construction and future plant operations.

Summary

This action authorizes an increase of \$3,100,000 in the General Manager's authority to execute change orders for Contract No. 1946 with J.F. Shea Construction Inc. for unforeseen conditions during construction. See **Attachment 1** for the Financial Statement and **Attachment 2** for the Location Map.

Project Milestone

June 2024 – Construction completion

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 52113, dated September 15, 2020, the Board awarded a \$13,419,000 construction contract to J.F. Shea Construction Inc. to replace the overhead bridge cranes at all five CRA pumping plants.

By Minute Item 53178, dated March 14, 2023, the Board authorized an increase of \$500,000 in the General Manager's authority to execute change orders for Contract No. 1946 with J.F. Shea Construction Inc.

By Minute Item 21997, dated April 11, 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.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves the operation, repair, maintenance, or minor alteration of existing public structures, facilities, mechanical equipment, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301.)

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an increase of \$3,100,000 in change order authority for the contract to replace the overhead bridge cranes at the five Colorado River Aqueduct pumping plants.

Fiscal Impact: Expenditure of up to \$3,100,000 in O&M funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This option will allow the timely completion of remaining work for the replacement of the overhead bridge cranes at all five CRA pumping plants.

Option #2

Do not authorize an increase in change order authority.

Fiscal Impact: Additional costs would likely be incurred in the future as an additional contract(s) will need to be authorized to perform the lead cleanup or complete the work that was planned in the original contract.

Business Analysis: This option is unlikely to result in lower costs for the extra work performed and would delay the project's completion.

Staff Recommendation

Option #1

n V. Bednarski

10/26/2023

Manager/Chief Engineer

Engineering Services

Adel Hagekhalil General Manager 10/30/2023

Date

Attachment 1 - Allocation of Funds

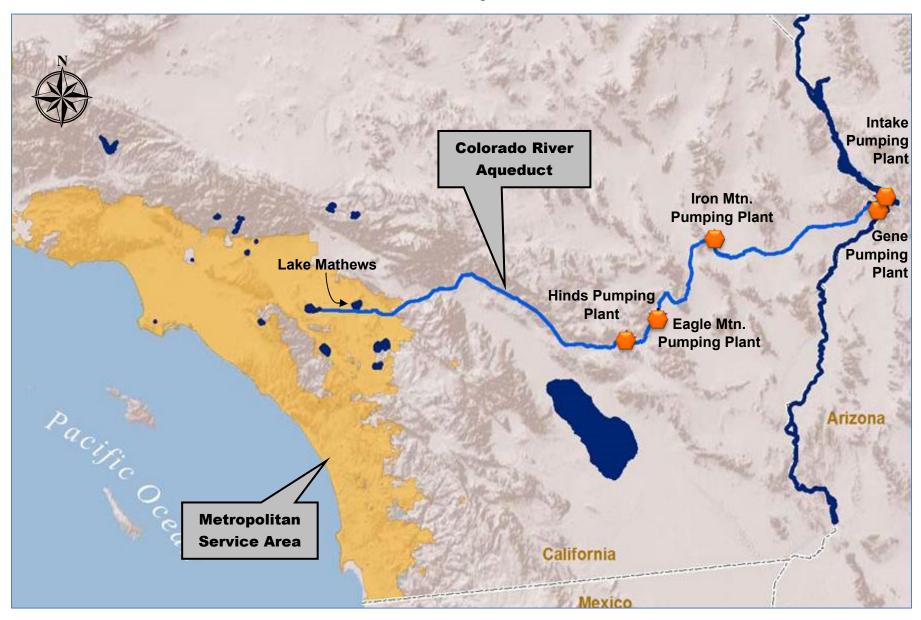
Attachment 2 – Location Map

Allocation of Funds for CRA Overhead Cranes Replacement Project

	Current Board Action (Nov. 2023)	
Labor		
Studies & Investigations	\$	-
Final Design		-
Owner Costs (Program mgmt.,		-
envir. monitoring)		
Submittals Review & Record Drwgs.		-
Construction Inspection & Support		-
Metropolitan Force Construction		-
Materials & Supplies		-
Incidental Expenses		-
Professional/Technical Services		-
Right-of-Way		-
Equipment Use		-
Contracts		
J. F. Shea Construction Inc		3,100,000
Remaining Budget		-
Total	\$	3,100,000

The CRA Overhead Cranes lead abatement will be completed with O&M funding.

Location Map





Engineering, Operations, & Technology Committee

Change Order Authority Increase for CRA Overhead Bridge Cranes Project

Item 7-3 November 13, 2023

Item 7-3 Change Order **Authority** Increase for CRA Overhead Bridge Cranes **Project**

Subject

Authorizes an increase in change order authority for the contract to replace the overhead bridge cranes at five Colorado River Aqueduct pumping plants

Purpose

Perform lead remediation

Recommendation and Fiscal Impact

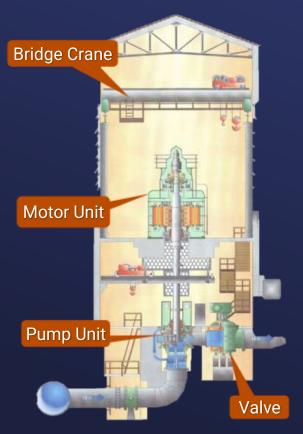
Authorize a \$3.1 million increase in change order authority for the contract to replace the overhead bridge cranes. Expenditure of \$3.1 million in budgeted O&M funds

Budgeted

Location Map



Change Order Authority Increase for CRA Overhead Bridge Cranes Project



Background

- Installed in the 1930s
- Single overhead bridge crane per plant
- Spans entire width of the plant
- Primary means to perform maintenance
- Cranes are deteriorated & require replacement
- Important precursor project to support CRA pump rehabilitation program

Change Order Authority Increase for CRA Overhead Bridge Cranes Project

Contractor Scope

- Sept. 2020 Contract awarded to J.F. Shea Const. Inc.
- Contract amount \$13,419,000
- Contract scope
 - Remove & replace overhead bridge cranes at all five CRA pumping plants
 - Upgrade bridge crane electrical system
 - Structural retrofit of crane supports
 - 6-week outage period per pumping plant
 - Work completed at Gene & Iron Mtn. Pumping Plants
- Construction is approx. 60% complete

Change Order Authority Increase for CRA Overhead Bridge Cranes Project

Change Order Authority Limits

- Change order authority determined by Admin. Code (Section 8123)
 - GM authority to execute change orders is the greater of:
 - 5% of the original contract amount
 - \$250,000
- Since 2018 115 contracts have been completed
 - 110 of the 115 contracts have stayed within their original change order authority amount
 - Average change order authority is 2.8%

Change Order Authority Increase

Contract No. 1946	
Original contract value:	\$13,419,000
Original change order authority:	\$670,950
March 2023 Change Order Increase	
Upgrade crane & pendant controllers:	\$500,000
Revised change order authority:	\$1,170,950
Requested Action	
 Proposed increase for lead remediation: 	\$3,100,000*
New change order authority:	\$4,270,950



Iron Mtn. Pumping Plant

^{*} Per Governmental Accounting Standards Board (GASB) provisions lead remediation is conducted with O&M funds

Lead Remediation at Five Pumping Plants

- Contractor discovered undisturbed sticky lead dust in uppermost parts of the Iron Mtn. pumping plant
 - Metropolitan directed abatement of the pump house motor room floor
- Additional testing identified similar lead dust at Eagle Mtn., Hinds, & Intake Pumping Plants
 - Lead dust did not result from crane project work
- Air monitoring sample results below detection limit



Two Stage Lead Remediation

- Stage 1
 - Remediate all five pump houses
 - Includes walls, roof trusses, windowsills & light fixtures
 - Covered under requested change order increase



Two Stage Lead Remediation

- Metropolitan's Lead Management Program includes
 - Assessing work exposures
 - Establishing safe work practices
 - Overseeing remediation
 - Providing employee medical surveillance
- Stage 2
 - Perform comprehensive programmatic lead assessment of pump houses
 - Includes future rehabilitation of main motors & electrical facilities
 - Incorporate lessons learned into the program



Change Order Authority CRA Overhead Bridge Cranes Replacement

Alternatives

- Complete hazardous material abatement under a separate stand-alone contract
 - Increases project costs, delays project & remediation schedule
- Selected Alternative
 - Use current contractor to complete change order work
 - All work completed in a timely & costeffective manner

Project Schedule



Board Options

- Option #1
 Authorize an increase of \$3,100,000 in change order authority for the contract to replace the overhead bridge cranes at the five Colorado River Aqueduct pumping plants.
- Option #2
 Do not authorize an increase in change order authority.

Staff Recommendation

Option #1





Board of Directors Engineering, Operations, and Technology Committee

11/14/2023 Board Meeting

7-4

Subject

Award a \$1,244,935 contract to HP Communications Inc. to construct a new fiber optic cable line from Parker Dam to the Gene Pumping Plant; and authorize an increase of \$176,000 to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$451,000 for technical support during construction; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

The Colorado River Aqueduct (CRA) facilities rely on Metropolitan's wireless Wide Area Network (WAN) to provide data transmission and communications data across the desert region. Recent commercial and residential developments in the desert region have included the expansion of fiber optic communication connections to locations near Parker Dam. The opportunity now exists to bring high-speed, high-quality fiber optic communications capabilities to some of Metropolitan's desert facilities. A new pole-mounted fiber optic communication line will provide an alternative path to transmit critical communications to and from the Gene Pumping Plant. This action awards a construction contract for the installation of approximately two miles of fiber optic communication line from Parker Dam to the Gene Pumping Plant administration building.

Details

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, siphons, and reservoirs; 63 miles of canals; and 55 miles of conduits. The aqueduct was constructed in the late 1930s and was placed into service in 1941. Given the remoteness and isolation of many of the facilities along the CRA, Metropolitan's wireless WAN provides the primary data transmission and communications path across the desert region.

The Gene Pumping Plant is located two miles southeast of Lake Havasu City, Arizona. Recent commercial and residential developments nearby have included the expansion of fiber optic communication connections to locations near Parker Dam. The opportunity now exists to bring high-speed, high-quality fiber optic communications capabilities to some of Metropolitan's desert facilities, thereby improving a variety of technological challenges. Extending a new fiber optic connection from Parker Dam to the Gene Pumping Plant will: (1) provide critical redundancy to the existing desert microwave communications systems; (2) improve the speed and resolution of video surveillance at the Gene Pumping Plant; (3) allow desert facilities to access more innovative cloud-based computing applications; and (4) improve the communication system's overall speed, reliability, and resiliency. As a future project(s), staff is currently evaluating the potential to bring high-speed fiber optic communications to the other four pumping plants.

In July 2021, the Board authorized a consultant agreement to perform final design to install approximately two miles of fiber optic cable from Parker Dam to the Gene Pumping Plant administration building. The new line is predominantly located within Metropolitan fee property on new power poles with a small underground portion of the alignment within the Bureau of Reclamation's property. Final design for the Gene Communication System Upgrades is complete, and staff recommends award of a construction contract at this time.

Budget Impact

In accordance with the April 2022 action on the biennial budget for fiscal years 2022/23 and 2023/24, the General Manager authorized staff to proceed with construction of the Gene Communication System Upgrade, pending board award of the construction contract described below. Based on the current Capital Investment Plan expenditure forecast, funds for the work to be performed pursuant to this action during the current biennium are available within the Capital Investment Plan Appropriation for Fiscal Years 2022/23 and 2023/24 (Appropriation No. 15525). This project anticipates an expenditure of \$2.28 million in capital funds. Approximately \$1.2 million will be incurred in the current biennium and has been previously authorized. This project has been reviewed in accordance with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and was approved by Metropolitan's CIP evaluation team to be included in the System Reliability Program.

Gene Communication System Upgrade – Construction

The scope of the contract includes: (1) installation of a two-mile long fiber optic line from Parker Dam to Gene Pumping Plant; (2) installation of twenty-two new wooden poles to support the overhead fiber line; (3) demolition of four existing poles; and (4) installation of 1,400 linear feet of buried electrical duct bank of which 600 feet will be directionally bored to minimize traffic impacts as the alignment crosses a public street. Staff worked closely with the Bureau to meet their requirements and obtain the necessary easement rights to facilitate access and future maintenance activities.

A total of \$2,280,000 is allocated for this work. In addition to the amount of the contract described below, other funds to be allocated include: \$184,000 for Metropolitan forces to install the server router and associated equipment; \$210,000 for construction management and inspection; \$176,000 for technical support during construction and preparation of record drawings by HDR Engineering Inc., as discussed below; \$38,000 for review of consulting work and submittal coordination; \$204,000 for contract administration, environmental monitoring, and project management; and \$223,065 for remaining budget. **Attachment 1** provides the allocation of the required funds. The total estimated cost for the Gene Communication System Upgrade project, including the amount appropriated to date and funds allocated for the work described in this action, is \$2.89 million.

Award of Construction Contract (HP Communications Inc.)

Specifications No. 1976 for the construction of the Gene Communication System Upgrade was advertised on August 1, 2023. As shown in **Attachment 2**, two bids were received and opened on September 21, 2023. The low bid from HP Communications Inc. in the amount of \$1,244,935 complies with the requirements of the specifications. The other bid was for \$1,788,294, while the engineer's estimate for this project was \$1.318 million. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the bid amount. HP Communications Inc. has committed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

As described above, Metropolitan staff will perform construction management and inspection. The total cost of construction for this project is \$1,428,935, which includes the amount of the contract (\$1,244,935), and Metropolitan force activities (\$184,000). Engineering Services' performance metric goal for inspection of projects with construction less than \$3 million is 9 to 15 percent. For this project, the performance metric for inspection is 14.7 percent of the total construction cost.

Technical Support During Construction (HDR Engineering Inc.) – Amendment to Existing Agreement

HDR Engineering Inc. (HDR) performed final design for the Gene Communication System Upgrades under an existing board-authorized professional services agreement. As the engineer of record, HDR 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 \$176,000.

This action authorizes an increase of \$176,000 to the existing agreement with HDR for a new not-to-exceed amount of \$451,000 to provide technical support during construction. For this agreement, Metropolitan has established a Small Business Enterprise participation level of 25 percent. HDR has agreed to provide this level of

participation. The subconsultants planned for this agreement are DRP Engineering Inc. and TJC and Associates Inc.

Alternative Considered

Staff considered multiple alternatives to improve the reliability and resiliency of the communication system at the Gene Pumping Plant. One alternative included adding a third microwave path between Parker Dam and Gene Pumping Plant, which would include a microwave tower at Metropolitan's Black Metal Mountain Communication site. This alternative continues reliance on microwave towers for desert communications and would not allow Metropolitan to take advantage of the technology improvements that are offered by fiber optic communication pathways. The selected option to install fiber optic cable will provide critical redundancy to the desert communications and will improve speed, reliability, and resiliency without negatively impacting Metropolitan's other communications facilities.

Summary

This action awards a \$1,244,935 construction contract to HP Communications Inc. for installation of new wooden poles and two miles of fiber optic cable from Parker Dam to the Gene Pumping Plant administration building. It also authorizes a \$176,000 increase to an existing agreement with HDR Engineering Inc. to provide technical support during construction. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the Listing of Subcontractors for the Low Bidder, and **Attachment 4** for the Location Map.

Project Milestone

September 2024 – Completion of construction

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

By Minute Item 52438, dated July 13, 2021, the Board authorized final design for the Gene Communication Upgrades.

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 Year 2022/2023 and 2023/2024.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

As previously determined in the July 13, 2021, board meeting, the proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. Furthermore, the proposed action consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. Finally, the proposed action consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies under Class 1, 2, 4, and 6 Categorical Exemptions (Sections 15301, 15302, 15304 and 15306 of the State CEQA Guidelines).

10/24/2023 Date

CEQA determination for Option #2:

None required

Board Options

Option #1

- a. Award a \$1,244,935 contract to HP Communications Inc. to construct a new fiber optic cable line from Parker Dam to the Gene Pumping Plant and
- b. Authorize an increase of \$176,000 to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$451,000 for technical support during construction.

Fiscal Impact: Expenditure of \$2.28 million in capital funds. Approximately \$1.2 million will be incurred in the current biennium and has been previously authorized. The remaining funds will be accounted for in subsequent biennium budgets.

Business Analysis: This option will enhance the reliability of the communication networks at Gene Pumping Plant.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option will not provide critical redundancy to the existing desert microwave communications systems at the Gene Pumping Plant.

Staff Recommendation

Option #1

John V. Bednarski

Manager/Chief Engineer

Engineering Services

Adel Hagekhalil Date

General Manager

Attachment 1 – Allocation of Budgeted Funds

Attachment 2 - Abstract of Bids

Attachment 3 - Subcontractors for Low Bidders

Attachment 4 - Location Map

Ref# es12686942

Allocation of Funds for Gene Communication System Upgrade

	Current Board Action (Nov. 2023)	
Labor		
Studies & Investigations	\$ -	
Final Design	-	
Owner Costs (Program mgmt.,	199,000	
envir. monitoring)		
Submittals Review & Record Drwgs.	38,000	
Construction Inspection & Support	210,000	
Metropolitan Force Construction	64,000	
Materials & Supplies	120,000	
Incidental Expenses	5,000	
Professional/Technical Services		
HDR Engineering Inc.	176,000	
Right-of-Way	-	
Equipment Use	-	
Contracts		
HP Communications Inc.	1,244,935	
Remaining Budget	 223,065	
Total	\$ 2,280,000	

The total amount expended to date is approximately \$610,000. The total estimated cost to complete the Gene Communication System Upgrade, including the amount appropriated to date and funds allocated for the work described in this action, is \$2.89 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on September 21, 2023, at 2:00 P.M.

Specifications No. 1976 Gene Communication System Upgrade

The work consists of installing a two-mile-long fiber optic line from Lumen's Parker Dam facility to Gene pumping plant, using existing poles and installing approximately 22 new poles, 600 linear feet of directional boring, and 1,400 linear feet of electrical duct bank.

Engineer's estimate: \$1,318,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE ¹
HP Communications Inc. Corona, CA	\$1,244,935	\$325,000	26.13%	Yes
HHS Construction LLC Ontario, CA	\$1,788,294	-	-	-

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

The Metropolitan Water District of Southern California

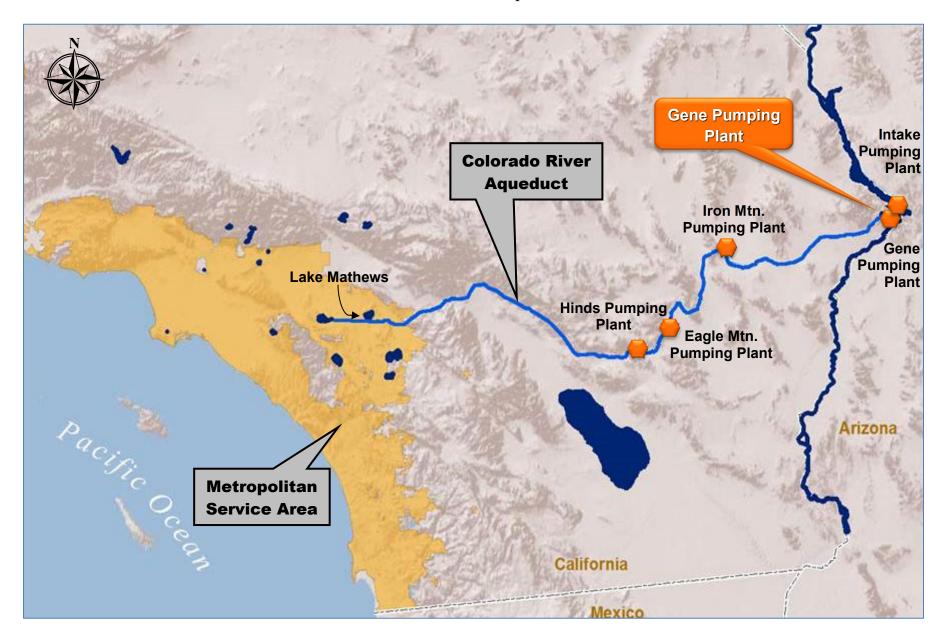
Subcontractors for Low Bidder

Specifications No. 1976 Gene Communication System Upgrade

Low bidder: HP Communications Inc.

Subcontractor	Service Category; Specialty	
S&B Construction Services Yorba Linda, CA	Underground Construction	

Location Map





Engineering, Operations, & Technology Committee

Gene Communication System Upgrade

Item 7-4 November 13, 2023

Item 7-4 Gene Communication System Upgrade

Subject

Award a contract to construct a new fiber optic cable line from Parker Dam to Gene Pumping Plant & amend an agreement for technical support during construction

Purpose

Improve data transmission speed, reliability, & resiliency

Recommendation and Fiscal Impact

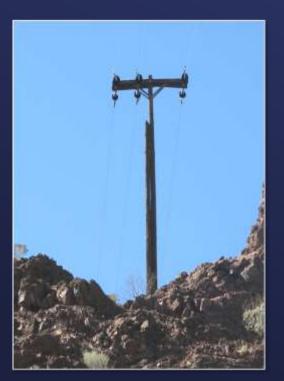
Recommendation – Award a \$1,244,935 contract to HP Communications Inc. to construct a new fiber optic cable line & authorize an increase of \$176,000 to an existing agreement with HDR Engineering Inc. Expenditure of \$2.28 million in budgeted capital funds

Budgeted

Location Map



Gene Plant Communication System Upgrade



Background

- Desert microwave radio WAN system constructed in the 1990s
 - Transmits data, voice, video, & command signals to operate its distribution & business systems
- New fiber optic connection will
 - Improve speed & video surveillance resolution
 - Allow access to more innovative cloud apps
 - Improve communication system speed, reliability & resiliency
 - Provides critical redundancy to the existing desert WAN system
- Final design complete

Gene Plant Communication System Upgrade

Alternative Considered

- Add third WAN path between Parker Dam & Gene Plant
 - Does not take advantage of technology improvements
- Selected Alternative
 - Install fiber optic cable to provide critical redundancy at Gene Plant
 - Improves internet service for desert employees at Gene Plant

Fiber Optic Alignment



Gene Plant Communication System Upgrade

Scope of Work

- Contractor
 - Install two miles of fiber optic line from Parker Dam to Gene Pumping Plant
 - Install 22 new overhead poles
 - Demolish four existing poles
 - Install 1,400' of buried electrical duct bank
- Metropolitan
 - Install server router & associated equipment
 - Construction management & inspection
 - Project management & contract administration

Gene Plant Communication System Upgrade

HDR Engineering Inc. – Agreement Amendment

- Engineer of record
 - Respond to request for information
 - Review submittals
 - Advise staff on technical issues
 - Prepare record drawings
- New NTE amount: \$451,000
 - \$176,000 increase to existing agreement

Bid Results

Specifications No. 1976

Bids Received September 21, 2023

No. of Bidders 2

Lowest Responsible Bidder HP Communications Inc.

Low Bid \$1,244,935

Other Bid \$1,788,294

Engineer's Estimate \$1,318,000

SBE Participation* 26%

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

Allocation of Funds

Gene Plant Communication System Upgrade

Metropolitan Labor		
Owner Costs (Proj. Mgmt., Contract Admin., Envir. Supp	ort)	\$ 199,000
Construction Inspection & Support		210,000
Force Construction		64,000
Submittals Review, Tech. Support, Record Dwgs.		38,000
Materials & Incidentals (Server Equipment)		125,000
Professional/Technical Services (HDR Engineering Inc.)		176,000
Contract		
HP Communications Inc.		1,244,935
Remaining Budget		223,065
	Total	\$ 2.280.000

Project Schedule

Project	2023	2024
Gene Plant Communication System Upgrade		
Construction	\(\chi Com	pletion
Board Action		

Board Options

- Option #1
 - a. Award a \$1,244,935 contract to HP Communications Inc. to construct a new fiber optic cable line from Parker Dam to the Gene Pumping Plant and
 - b. Authorize an increase of \$176,000 to an existing agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$451,000.
- Option #2
 Do not proceed with the project at this time.

Board Options

Option #1





Board of Directors One Water and Stewardship Committee

11/14/2023 Board Meeting

7-5

Subject

Authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000 in 2024 and escalated annually through 2026; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEOA

Executive Summary

Extending the Quechan Tribe Seasonal Fallowing Pilot Program (Pilot) will provide Metropolitan and the Quechan Tribe of the Fort Yuma Indian Reservation (Quechan Tribe) with additional time needed to collect more information and better evaluate the estimated water savings of the Program. Although participation increased in the second year of the Pilot, it comprised about 9 percent of the program size and is not a sufficient sample size to provide a representative water savings estimation. The Pilot is anticipated to reduce water consumption in the Quechan tribal land and augment Metropolitan's Colorado River supplies. The Pilot will continue to incentivize farmers to fallow land irrigated with Colorado River water for the spring and summer months at \$530.61 per irrigable acre in 2024, escalated annually. Metropolitan estimates a water savings of approximately 2 acre-feet (AF) per irrigable acre. Farmers typically grow high-value crops in the winter (vegetable crops), followed by a lower-value, water-intensive field crop (such as Sudan grass) in the spring and summer. Participating farmers will reduce their water consumption through land fallowing of collectively up to 1,600 acres annually between the months of April and July of each fallowing season. Metropolitan will enter into agreements with the Quechan Tribe and qualifying farmers within the Quechan tribal land. Since the Quechan Tribe's water supplies have a higher priority than Metropolitan's, the saved water will remain in the Colorado River and be made available for diversion, benefitting Metropolitan. Extending the Pilot will allow Metropolitan and the Quechan Tribe the opportunity to grow participation rates above what was seen in the Pilot's first two years.

Details

Background

The Quechan tribal lands of the Fort Yuma Indian Reservation reside along the Colorado River in southeast California and southwest Arizona. The Quechan tribal lands receive water from either the All-American Canal and Yuma Main Canal, groundwater wells, or directly from the Colorado River. **Attachment 1** contains a map of the Quechan tribal land in California that will be eligible to participate in the Program. Colorado River supplies for the Quechan tribal lands are accounted for under the unquantified priorities within California. As such, any savings from fallowing will move through California's priority system to benefit Metropolitan. Metropolitan will pursue any needed forbearance.

Quechan Water Rights Settlement Agreement

In 2005, Metropolitan reached a settlement with the Quechan Tribe, the Quechan Settlement Agreement, which incentivizes the Quechan Tribe to neither develop nor divert an additional 13,000 AF each year from the Colorado River from 2006-2034 and an additional 20,000 AF each year beginning 2035. As part of the Quechan Settlement Agreement, Metropolitan provides annual incentive payments to the Quechan Tribe to limit water use, resulting in stable supplies to Metropolitan. Since 2006, the Quechan Tribe has forborne diversion of nearly all of the

13,000 AF each year. Water savings from the Pilot were not included in the Quechan Settlement Agreement payments made in years 2022 and 2023. If extended, water savings from the Pilot will continue to be excluded from Quechan Settlement Agreement payments made in years 2024 to 2026.

Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program

In December 2021, Metropolitan's Board authorized a two-year Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program. Metropolitan incentivized farmers to fallow lands in the spring and summer months. The purpose of the Pilot was to evaluate farmer interest in fallowing and the amount of water saved from fallowing in the Quechan tribal land. Metropolitan entered into an agreement with the Quechan Tribe for fallowing of up to 1,600 acres within Quechan tribal land per season in years 2022 and 2023. Participation and interest in the Pilot varied between the two years. Farmers fallowed about 118 acres with a water savings of 225 AF in 2022 and about 148 acres with a water savings of 281 AF in 2023. Metropolitan provided about \$160,000 to the Quechan Tribe and the farmers for participation in the Pilot. Participation was low in 2022, likely due to global wheat prices increasing at a higher-than-expected rate due to Ukraine's inability to export wheat.

Three-Year Extension of the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program

Metropolitan staff proposes to extend the Pilot term by an additional three years to allow extra time to increase the sample size from the results in the first two years. Fallowing participation ramped up slowly, but participation increased as more farmers became familiar with the Bard program. Metropolitan staff anticipates a similar pattern of behavior for this Pilot. The extension will also provide the Quechan Tribe additional time to consider opening the Pilot to parcels in the Indian Unit, which are allotments owned by individual allottees. Allotments, or allotted lands, are reservation lands allocated to individual owners or allottees.

Under the proposed extension, Metropolitan will continue to provide incentives to fallow land from April 1 through July 31 from 2024 to 2026. Based on the savings seen during the Pilot thus far, Metropolitan estimates a water savings of approximately two AF per irrigable acre. However, increasing the sample size will improve the water savings estimates. Metropolitan will amend the existing agreement with the Quechan Tribe to extend the Pilot term, hold the water delivery to the fallowed acres in years 2024 to 2026, and enter into agreements with each participating farmer.

To qualify for the Pilot, irrigable land submitted for consideration must have been actively farmed or enrolled in a previous fallowing program during three of the past five years and must exclude areas used for roads, ditches, canals, and buildings. The eligible lands will also need access to a canal, direct-from-river pumping, or a groundwater well (the U.S. Bureau of Reclamation considers wells within the Pilot as diversions of Colorado River water). The agreement will also require the farmers to take appropriate actions to ensure the fallowed lands do not degrade or cause dust. Additionally, farmers must allow representatives from Metropolitan to inspect the fallowed lands.

In 2024, Metropolitan will provide an annual incentive of approximately \$531 per acre of irrigable land fallowed. The incentive will escalate yearly using the Consumer Price Index for Southern California. Of the total fallowing payments made each year per acre, Metropolitan will pay 75 percent of the incentive rate to the participating farmers and 25 percent to the Quechan Tribe. The Quechan Tribe will receive an additional payment of \$15,000 each fallowing season. Payments made to the Quechan Tribe will cover direct and indirect costs related to its administration of the Program and community investments. Upon verification of fallowing, Metropolitan will make payments to the farmers in two installments, the first half at the beginning of the fallowing period and the second half at the end of the fallowing period. Metropolitan will make a payment to the Quechan Tribe in one installment at the end of the fallowing period.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 42820, dated February 10, 1998, the Board approved the Colorado River Resources policy principle supporting Metropolitan's interests in increasing its dependable entitlements to Colorado River water, while collaborating with other California Colorado River agencies.

By Minute Item 51833, dated December 10, 2019, the Board authorized the General Manager to enter into a Program agreement with Bard Water District and seasonal fallowing agreements with farmers within the Bard Unit, and approve payment of up to \$1.4 million per year, escalated annually through 2026.

By Minute Item 52585, dated November 9, 2021, the Board authorized the General Manager to enter into agreements with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land to provide incentives for land fallowing related to the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program, for up to \$1.6 million in 2022 and 2023.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed project involves minor modifications in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees. These activities would result in negligible or no expansion of use of public or private facilities or features and no possibility of significantly impacting the physical environment. In addition, the proposed project will consist of basic data collection and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. Accordingly, the proposed action qualifies for Class 1, Class 4 and Class 6 Categorical Exemptions (Sections 15301, 15304, and 15306 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000 in 2024 and escalated annually through 2026.

Fiscal Impact: \$864,000 of budgeted funds for Fiscal Year 2023/24 and escalated annually and included in the Supply Program budget for Fiscal Years 2024/25 and 2025/26.

Business Analysis: The Program increases Metropolitan's Colorado River supplies in a cost-effective manner.

Option #2

Do not authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe and farmers within the Quechan tribal land, to provide incentives for land fallowing.

Fiscal Impact: None

Business Analysis: No increase in Colorado River supplies from seasonal land fallowing in the Quechan tribal land.

Staff Recommendation

Option #1

Brad Coffey Date

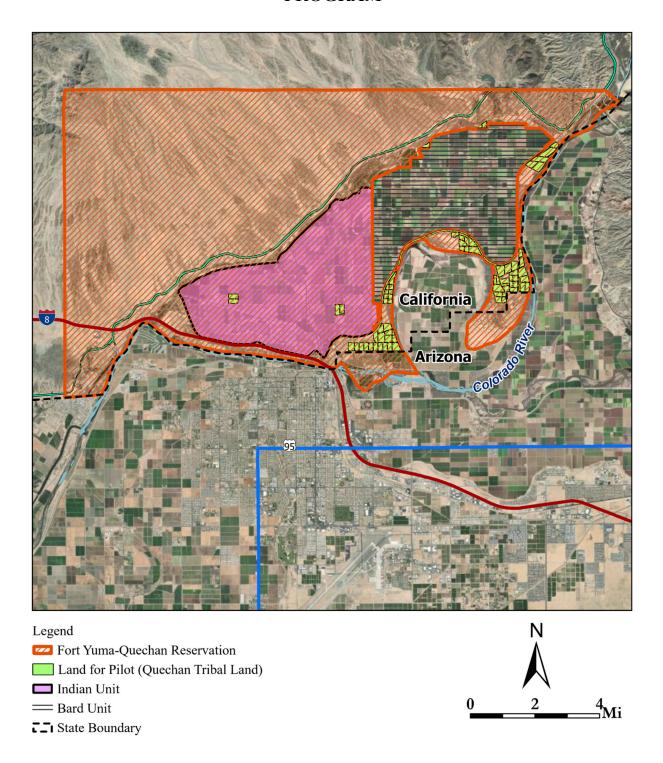
Manager, Water Resource Management

Adel Hagekhalil Date General Manager

Attachment 1 – Map of Proposed Tribal Land for the Metropolitan/Quechan Seasonal Fallowing Pilot Program

Ref# wrm12692882

MAP OF PROPOSED EXTENSION OF THE METROPOLITAN WATER DISTRICT/QUECHAN TRIBE SEASONAL FALLOWING PILOT PROGRAM



Map Disclaimer: Boundaries shown are for illustrative purposes.



One Water and Stewardship Committee

Authorize Three-Year Extension of the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program for Years 2024 to 2026

Item 7-5 November 13, 2023

Item #7-5 Metropolitan/ Quechan Tribe Seasonal Fallowing Pilot Program

Subject

Authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000 in 2024 and escalated annually through 2026.

Purpose

Reduce water consumption in the Quechan tribal land and augment Metropolitan's Colorado River supplies.

Recommendation & Fiscal Impact

Authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000 in 2024 and escalated annually through 2026. \$864,000 of budgeted funds for Fiscal Year 2023/2024 and escalated annually and included in the Supply Program budget for Fiscal Years 2024/2025 and

Budgeted

2025/2026.

Background

Quechan (Kwatsáan) Tribe of the Fort Yuma Indian Reservation

- Located along the Colorado River and within the Reservation
- Parcels irrigated through the All-American Canal, Yuma Main Canal, groundwater wells, or directly from the Colorado River
- Crops grown:

Winter: high-value vegetables

Spring/Summer: lower-value, water-intensive grasses



Forbearance Background

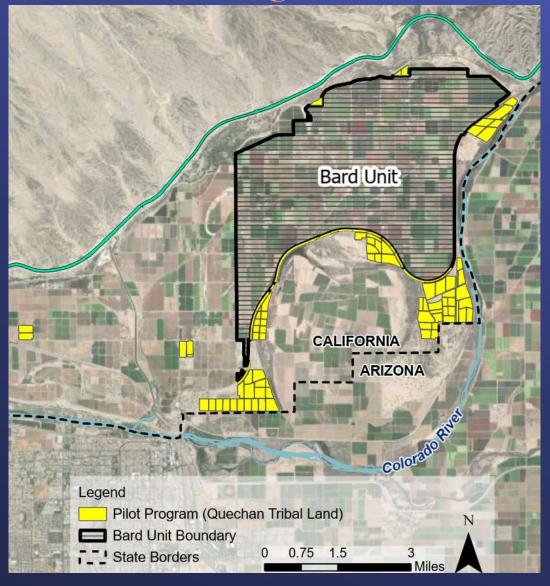
Quechan Water Rights Settlement Agreement

- Settlement reached between Metropolitan and Quechan in 2005
- Metropolitan provides incentives to the Tribe to limit water use from the Colorado River
 - Provides stable supplies to Metropolitan
- Incentivizes Tribe to not develop and divert an additional:
 - 13,000 AF each year from 2006-2034
 - Since inception, Tribe has forborne diversion of nearly all 13,000 AF each year
 - 20,000 AF each year beginning 2035

- Authorized by Board in November 2021
- Program agreement with Tribe executed December 2021
 - Individual fallowing agreements with farmers executed prior to start of each season



- Fallowing occurred 2 seasons
 - April to July, 2022-2023
- Eligible enrollment up to 1,600 irrigable acres each year
 - Participation on first-come, first-served basis
- Eligible parcels must have:
 - Recent history of farming or participation in fallowing program
 - Access to a canal, direct-from-river pumping, or groundwater well
- Similar to the Metropolitan/Bard Seasonal Fallowing Program



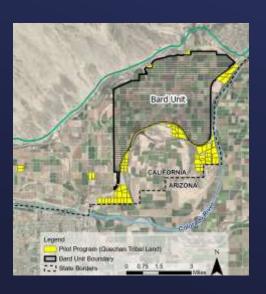
First Two Years

Expanded partnership between Metropolitan and Tribe



- Completed fallowing seasons:
 - 2022: ll8 acres
 - Estimated water savings: 225 AF
 - Payment of \$472.40 per acre
 - 2023: 148 acres
 - Estimated water savings: 281 AF
 - Payment of \$503.29 per acre
- Metropolitan payments
 - \$160,200 total
- Average water savings of 1.9 AF/acre
 - Water savings from fallowing were excluded from forborne diversions

Three-Year Extension



- \$530.29 per acre per year of fallowed irrigable land, escalated annually
 - 75% paid to farmer
 - 25% paid to Tribe
- Tribe payment of \$15,000 per year fallowed
- Payments to Tribe are for direct and indirect costs related to its administration of the Program and community investments
- Payments to farmers made in two installments following verification of fallowing
- Maximum annual payment costs for proposed program: \$864,000 escalated annually

Program Benefits

- Continues partnership between Metropolitan and Tribe
- Allows time for participation to increase, resulting in a larger sample size
- Metropolitan Water District:
 - Greater sample size will allow for better water savings estimates
- Quechan Tribe
 - Payments to farmers
 - Payment to Tribe for administrative costs and community investments

Metropolitan/ Quechan Tribe Seasonal Fallowing Pilot Program

Board Options

• Option #1

Authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to \$864,000 in 2024 and escalated annually through 2026.

• Option #2

Do not authorize the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe and farmers within the Quechan tribal land, to provide incentives for land fallowing.

Metropolitan/ Quechan Tribe Seasonal Fallowing Pilot Program

Staff Recommendation

Option #1





Board of Directors One Water and Stewardship Committee

11/14/2023 Board Meeting

7-6

Subject

Express support for the 2023 California Resilience Challenge and approve a financial sponsorship of \$50,000 to continue as a Resilience Leader; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The California Resilience Challenge (Challenge) builds resilience against increasing climate change threats through state-wide collaboration. Metropolitan helped launch the Challenge in 2019 with a \$200,000 sponsorship, and supported the Challenge in 2021 with a second \$200,000 sponsorship. The 2021 sponsorship co-funded 13 climate resiliency projects and gave Metropolitan a position on the Challenge's Steering Committee. Metropolitan has another opportunity to support the Challenge with a third sponsorship this year for \$50,000. The sponsorship would co-fund another round of climate resiliency projects targeting under-resourced communities and give Metropolitan a position on the Challenge's Advisory Committee. These actions all support the Climate Adaptation Master Plan for Water.

Timing and Urgency

Staff requests approval now to enable Metropolitan to co-fund the Challenge's current Request for Proposals (RFP) for new projects and to participate in the project advisory process.

Details

Background

Climate change is intensifying California's already volatile climate to greater extremes—with increasingly severe droughts, floods, heat waves, and wildfires. The extremes witnessed over just the past few years show California is experiencing climate change in real time. Many under-resourced communities in California do not have the technical, managerial, or financial resources to adapt. While California leads the country in climate change mitigation, it lacks consistent funding for climate change adaptation.

The Bay Area Council Foundation founded the Challenge with diverse stakeholders in 2019 to address climate adaptation funding gaps. The Challenge aims to accelerate adaptation by funding projects for other communities as case studies. Metropolitan's \$200,000 sponsorship helped launch the organization, co-funded 12 projects, and gave Metropolitan a leadership position with a seat on the Challenge's Steering Committee.

The Challenge initiated a second RFP for climate resiliency projects in 2021 (2021 RFP) and requested Metropolitan's participation. Projects funded under the 2021 RFP were required to benefit underrepresented communities while also addressing one or more of the following climate change risks:

- Drought
- Flood
- Fire
- Extreme heat

The 2022 RFP was open to public agencies, non-governmental/community-based organizations, and tribal entities. Project awards ranged from \$100,000 up to a maximum of \$200,000, with \$5 million awarded since 2020. The seven 2022 winners were selected from a group of 30 proposals, and all represent innovative climate change adaptation projects. **Attachment 1** contains a list of 2022 projects funded by the Challenge.

Staff seeks Board authorization to sponsor the Challenge with a \$50,000 contribution. If approved, the sponsorship would co-fund the 2023 RFP and Metropolitan's position on the Advisory Committee. Metropolitan's sponsorship would include speaking opportunities at Challenge events along with visibility on communication materials.

If approved, the sponsorship would support Metropolitan's role as a leader in climate resiliency. Metropolitan co-founded the Water Utility Climate Alliance, an organization of 12 of the largest water utilities in the nation collaborating on climate change adaptation challenges. As an innovator in planning under uncertainty, Metropolitan has been considering climate change in its Integrated Resources Plan (IRP) since the early 2000s. The 2020 IRP confronts climate change resiliency directly, as does Metropolitan's Climate Action Plan and Climate Adaptation Master Plan for Water. Participation in the Challenge gives Metropolitan a seat at the table with other climate resiliency leaders, creating opportunities for staff to collaborate with peer organizations. **Attachment 1** lists the Challenge sponsors along with descriptions of the 2022 climate resiliency projects.

Projects funded by the Challenge benefit Southern California by serving as road maps for communities contending with similar challenges. By strengthening individual communities, these projects increase the overall climate resiliency of California's interconnected water and power infrastructure.

Project Milestone

If approved, Metropolitan would provide the Challenge a \$50,000 sponsorship and participate in the Challenges Advisory Committee, which reviews proposals and makes funding recommendations.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

Board Options

Option #1

Express support for the 2023 California Resilience Challenge and approve a financial sponsorship of \$50,000 to continue as a Resilience Leader; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

Fiscal Impact: \$50,000. This item is budgeted in the FY 2023/24. The sponsorship for the Challenge was reduced to conform with the FY 2023/24 budget requirements.

Business Analysis: Allows Metropolitan to continue participating in the California Resiliency Challenge by co-funding climate adaptation projects. It also allows Metropolitan to sit on the Advisory Committee and recommend projects for funding consideration. Participation in the Challenge enhances Metropolitan's status as a leader in climate resiliency planning while creating opportunities to collaborate with peer organizations.

Option #2

Take no action.

Fiscal Impact: None

Business Analysis: Metropolitan would miss an opportunity to co-fund beneficial climate resiliency projects while reducing its role as a national leader in water utility climate change adaptation.

Staff Recommendation

Option #1

Manager, Water Resdyrge Management

11/1/2023

Date

Adel Hagekhalil General Manager 11/3/2023

Date

Attachment 1 - Challenge Sponsors and 2022 Climate Resiliency Projects

Ref# wrm12699762

Challenge Sponsors and 2022 Climate Resiliency Projects

Table 1. List of Sponsors:

2022 Sponsors	2023 Sponsors
 JPMorgan Chase PG&E Southern California Edison Valley Water Pillsbury Winthrop Shaw Pittman LLP AECOM Greenlining Institute Environmental Defense Fund San José/Silicon Valley National Association for the Advancement of Colored People (NAACP) Climate Resolve The Nature Conservancy The Solutions Project Urban Habitat CSAA Insurance Group 	 Edison International PG&E Valley Water JPMorgan Chase Wareham Development Bank of America

Table 2. 2022 Climate Resiliency Funded Projects

Applicant	Description	Stressor	Area
Alliance for a Better Community	Alliance for a Better Community is mitigating the effects of extreme heat by identifying opportunities and resources needed to increase green spaces and climate resilience projects on school campuses	Heat	LA County
CA Interfaith Power & Light	California Interfaith Power & Light, Watts Clean Air and Energy Committee, and Wattskanda, will create a community resiliency hub at Watts Willowbrook Church of Christ in Compton.	Heat	LA County
Student Conservation Association	The Student Conservation Association (SCA) proposes recruiting and hiring a Bay Area Climate Resilience Corps to conduct a climate vulnerability assessment to support the Greater East Bay Area's historically disadvantaged communities adapt to climate challenges of extreme drought, flooding, heat, and wildfire.	Drought, Heat, Urban Flooding	SF Bay Area - Greater East Bay
Mycelium Youth Network	Mycelium Youth Network is creating scalable conditions for what youth-led resilience can look like at a school site across several areas of climate resilience.	Drought, Heat, Urban Flooding	SF Bay Area - San Francisco
Greenbelt Alliance	Greenbelt Alliance is leading the development of an equitable wildfire resilience planning pilot to identify a priority greenbelt buffer to provide long-lasting wildfire risk reduction to vulnerable Sonoma Counts communities.	Wildfire	SF Bay Area - Sonoma County
City of San Leandro	The City of San Leandro is developing a Shoreline Master Plan to identify vulnerabilities and needed infrastructure improvements along its shoreline.	Coastal Resilience	SF Bay Area - San Leandro
Santa Ynez Band of Chumash Indians	The Santa Ynez Band of Chumash Indians is leading a collaborative planning effort to conduct a comprehensive assessment of vulnerabilities from the threats posed by sea level rise.	Coastal Resilience	Central Coast



One Water and Stewardship Committee

2023 California Resilience Challenge and approve a financial sponsorship of \$50,000 to continue as a Resilience Leader

Item 7-6 November 13, 2023

Item #7-6

Approve a financial sponsorship of \$50,000 for the 2023 California Resilience Challenge

Subject

Express support for the 2023 California Resilience Challenge and approve a financial sponsorship of \$50,000 to continue as a Resilience Leader

Purpose

Approve a financial sponsorship of \$50,000 to continue as a Resilience Leader

Recommendation and Fiscal Impact

Recommendation - Authorize the General Manager to sponsor the California Resiliency Challenge with a \$50,000 contribution and renew Metropolitan's seat on the Challenges Advisory Committee.

Fiscal Impact - \$50,000. This item was budgeted in FY23/24

Budgeted

Climate Change Threatens Our Communities









California Resilience Challenge

- Initiated by the Bay Area Council Foundation
- Sponsors include peer organizations

Established in 2019

Addressing funding gaps

- Showcase innovative approaches
- Invests in local communities

- Founding sponsorship
- Advisory Committee Representation

Metropolitan' s Role

Current 2023 Sponsors

Bank of America.













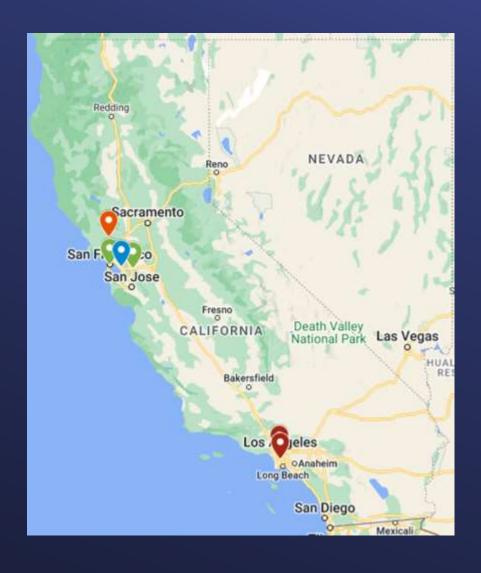








2022 California Resiliency Projects



Multi-benefit (drought, heat, urban flooding)

- Mycelium Youth Network
- Student Conservation Association

Wildfire

Greenbelt Alliance

Coastal Resilience

- City of San Leandro
- Santa Ynez Band of Chumash Indians

Heat

- Alliance for a Better Community
- California Interfaith Power and Light

Southern California Projects





Supports CAMP4W

Increase climate resiliency through no-regrets projects



Increases resiliency of water and power grids



Opportunities to collaborate with peer organizations



The California
Resilience Challenge is
leading the way

2023 Request for Proposals

Funding

- \$2.0 million
- Awards up to \$200,000
- MWD \$50,000 sponsorship for Advisory Committee participation

Eligibility

- Public entities and NGOs
- Address one or more risks
- Benefit under-resourced communities

Sponsorship |

Summary

- One-time sponsorship of \$50,000
- Participate in the 2023 RFP
- Seat on the Advisory Committee
- Visibility of outreach materials
- Event speaking opportunities

Board Options

- Option #1
 - Express support for the 2023 California
 Resilience Challenge and approve a
 financial sponsorship of \$50,000 to continue
 as a Resilience Leader
- Option #2
 - Take no action

Staff Recommendation

• Option #1





Board of Directors One Water and Stewardship Committee

11/14/2023 Board Meeting

7-7

Subject

Authorize a \$200,000/year increase to the existing agreement with WaterWise Consulting Inc., currently set at \$200,000/year, for the Large Landscape and Residential Survey Program, for a total agreement not to exceed \$400,000/year; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEOA

Executive Summary

The large-landscape survey program has provided in-person outdoor efficiency audits to commercial and residential landscapes over one acre since 2013. In 2022, Metropolitan added an indoor/outdoor residential survey option, providing leak detection and efficiency recommendations to all residents throughout the service area. Since adding the residential surveys, program activity increased, necessitating an increase in the yearly annual expenditures for this agreement. This change will not increase the overall Conservation Program budget.

Details

Background

In 2013, Metropolitan launched a large-landscape survey program for commercial and residential properties with over an acre of irrigated landscape. These in-person surveys include an irrigation audit and recommendations for water use efficiency improvements. Metropolitan provides these surveys free of charge to property owners to improve irrigation efficiency on large landscapes with high water usage. The report provided to the customer includes an overview of any leaks or needed repairs of the irrigation system as well as recommendations for changes to improve efficiency. These recommendations include turf replacement, irrigation changes, controller upgrades, and landscaping best management practices. The report also includes a cost-benefit analysis, rebate availability, and a payback timeline for the recommendations.

In 2021, WaterWise Consulting Inc. was competitively selected as the survey program contractor through a Request for Proposal process. In 2022, Metropolitan added a residential survey option to the program, which can be performed virtually or in person. The residential survey does not have a minimum size and includes indoor and outdoor home audits. Survey consultants provide a leak detection review inside and outside the home and prepare a report of recommendations to improve water use efficiency. These recommendations include turf replacement, irrigation repair and upgrades, appliance upgrades, and conservation tips for indoor water use. The report also provides rebate and other program information available to the customer.

The costs associated with this work are listed in the following table. The average size of a large-landscape survey is 16 acres.

Description	Cost
Pre-inspection	\$475.00
All work necessary for Indoor/Outdoor Virtual Survey	\$225.00
All work necessary for Commercial Large Landscape Survey (> 1 acre)	\$2,000.00
Customer Follow-up Services	\$225.00

Proposed Action

The current program is in year two of a three-year agreement and limits expenditures to \$200,000/year. Since adding the residential survey option, activity in this program has increased by 30 percent. Residential survey activity alone has increased by 210 percent between 2022 and 2023. In addition, the large-landscape survey activity has also increased by 40 percent over the last three years. Though the recent severe drought undoubtedly increased interest in these surveys, accelerated activity may continue at these levels, and additional funds may be required. Based on current activity, staff estimates that an additional \$200,000/agreement year will be needed to fund this program through February 28, 2025.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an increase of \$200,000/year to a new amount not to exceed \$400,000/year for an existing agreement with WaterWise Consulting Inc. for the Large Landscape and Residential Survey Program.

Fiscal Impact: The proposed \$400,000 program increase will be funded from the Conservation Program budget. This request will not increase the Conservation Program budget.

Business Analysis: The proposed changes will allow the program to continue uninterrupted through 2025.

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting Inc. If not authorized, the program will be suspended until the next agreement year.

Fiscal Impact: None

Business Analysis: Large landscape and residential surveys would be interrupted if the authorized contract limit is met.

Staff Recommendation

Option #1

Brad Coffey Date

Manager, Water Resource Management

General Manager

Adel Hagekhalil Date

Ref# wrm12694318



One Water & Stewardship Committee

Increase to WaterWise Consulting, Inc. Contracts

Items 7-7 and 7-8 November 13, 2023

Authorization Requests to Increase Contract Values for Two Metropolitan Conservation Programs

Subject

Authorize an increase to two Metropolitan contracts with WaterWise Consulting, Inc., \$350,000/year for inspection and verifications services and \$200,000/year for large landscape and residential surveys

Purpose

An increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post-inspections on current and future conservation activities and will allow the large landscape and residential surveys to continue uninterrupted through 2025

Recommendation & Fiscal Impact

Staff recommends Option #1 for both requests. Expenditures will remain within the board-authorized budget

Budgeted

Item #7-7 Metropolitan's Inspection and Survey Vendor

WaterWise Consulting, Inc. was competitively selected as Metropolitan's inspection in 2021

- Can support Metropolitan's entire service area
- Meet the demand of Metropolitan's high volume of inspections and surveys across our various programs
- Experience performing conservation program activities for other agencies



Metropolitan's Survey Program



Overview of Metropolitan's Survey Program

Large Landscape Survey Program

- Irrigation audit
- Review of historical use and comparison to recommended irrigation schedule
- Recommendations on efficiency improvements with cost/benefit analysis

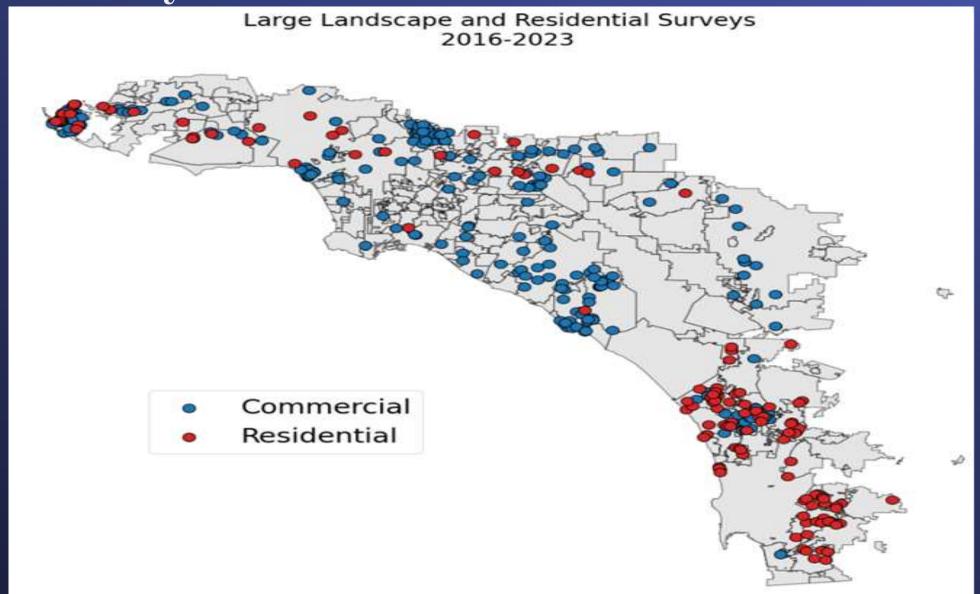
Residential Indoor/Outdoor Survey Program

- Irrigation audit
- Indoor leak detection
- Recommendations on efficiency improvements

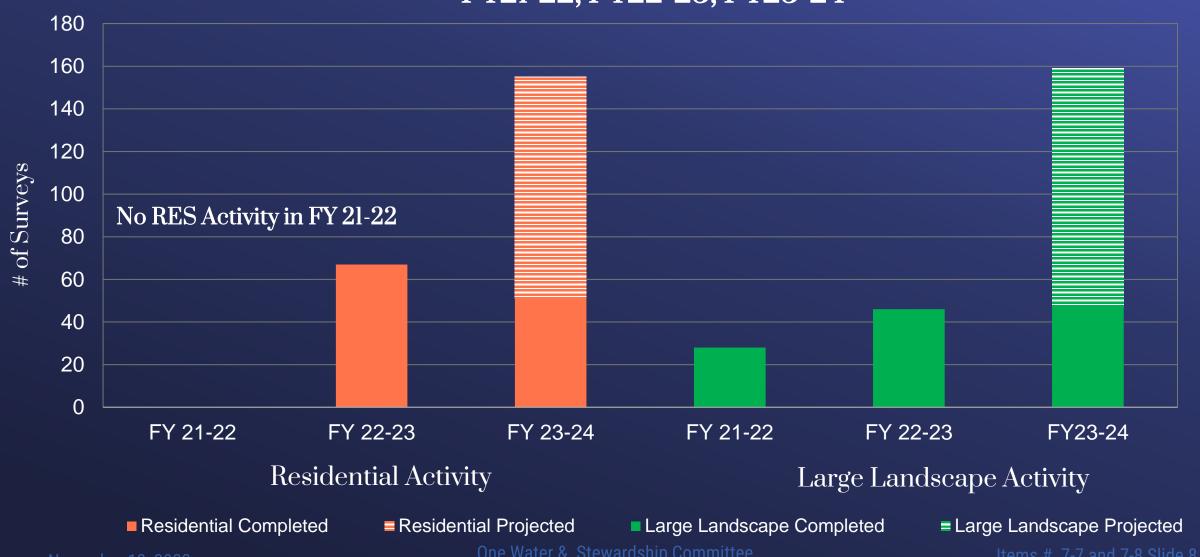
Surveys In Action



Map of Survey Sites



WaterWise Consulting Residential and Large Landscape Surveys FY21-22, FY22-23, FY23-24



Why is an increase to contract value necessary?

Value to Metropolitan

An increase to the existing agreement will provide Metropolitan the ability to continue performing surveys that support and promote water savings through turf and device rebate program participation



Summary

- Current program in year two of a three-year agreement limited to \$200,000 per year
- Large-landscape survey activity has increased by 40 percent
- Residential survey activity has increased by 210 percent between 2022 and 2023
- The recent severe drought increased interest in these surveys and accelerated activity may continue
- Staff estimates additional funding will be needed to fund the program through February 2025

Metropolitan's Inspection Program

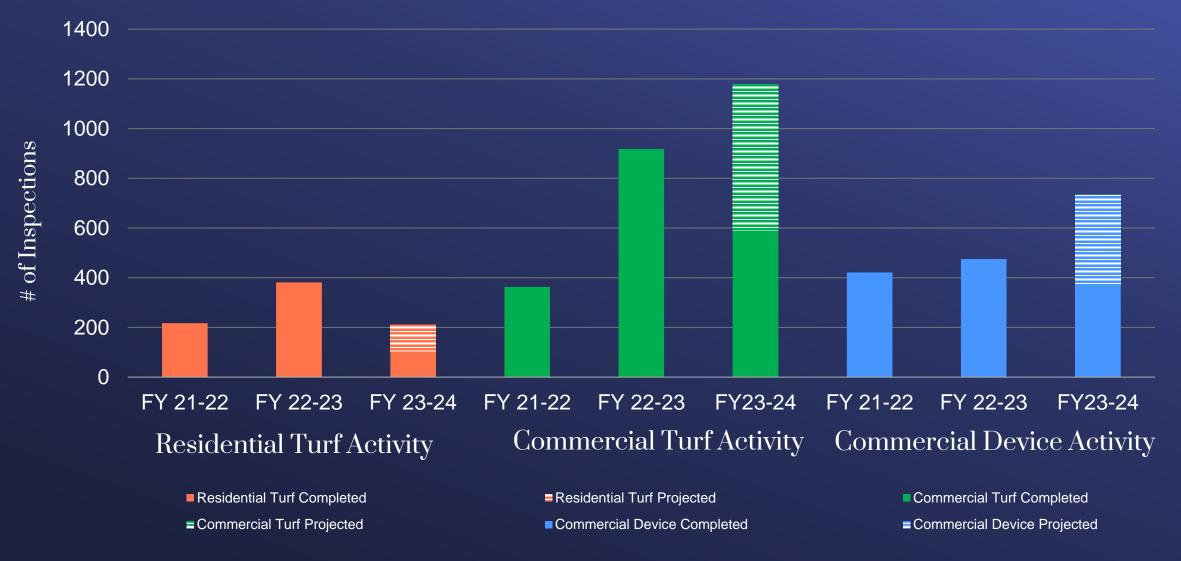


Overview of Metropolitan's Inspection Program

WaterWise Consulting, Inc. currently supports the following Metropolitan Conservation Programs:

- . The "SoCal Water\$mart" regional rebate programs,
- The Water Savings Incentive Program,
- The Member Agency Administered Program,
- The Regional Pre-1994 Toilet Replacement Program, and
- Pre- and post-inspections for member agency-administered commercial turf replacement programs.

Inspection Program Activity



Item #7-8 Changes to Inspection Activity

Metropolitan is providing more inspection services than originally anticipated during the procurement process due to new efforts, such as:

- Increased incentives on residential, commercial, and public agency turf replacement
- Member agencies and their retail agencies providing additional co-funding on Metropolitan's turf replacement rebate
- Increased partnerships with member agencies on droughtrelated projects and programs

Value to Metropolitan

Why is an increase to contract value necessary?

An increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post-inspections on current and future conservation activities



Item #7-8 Summary

- Second year of 3-year contract through April 2025
- Activity in Metropolitan's Turf Replacement Program has nearly doubled from the previous fiscal year
- In preparing for \$38 million in recently awarded grants from USBR and DWR, staff anticipates an increasing need for inspections
- Additional funding for this agreement will ensure Metropolitan's inspection program will seamlessly continue to provide inspection and verification services as activity increases.

Board Options for Metropolitan's Survey Program

Option #1

Authorize an increase of \$200,000/year to a new amount not to exceed \$400,000/year for an existing agreement with WaterWise Consulting, Inc. for the Large Landscape and Residential Survey Program

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting, Inc. If not authorized, the program will be suspended until the next agreement year

Option #1

Item #7-7 Staff Recommends Board Options for Metropolitan's Inspections Program

Option #1

Authorize an increase of \$350,000/year, to a new amount not to exceed \$850,000/year, for an existing agreement with WaterWise Consulting, Inc. to provide inspection services for turf removal, regional device rebates, and water savings incentive program projects for Metropolitan's conservation rebate programs.

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting, Inc. If not authorized, the amount of inspection services will be limited.

Option #1

Item #7-8 Staff Recommends





Board of Directors One Water and Stewardship Committee

11/14/2023 Board Meeting

7-8

Subject

Authorize a \$350,000/year increase to the existing agreement with WaterWise Consulting Inc., currently set at \$500,000/year, to provide inspection services for turf removal, regional device rebates, and water savings incentive program projects for Metropolitan's conservation rebate programs, for a total agreement not to exceed \$850,000/year; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action requests authorization to increase the existing professional services agreement with WaterWise Consulting, Inc. by \$350,000 for a total contract amount not to exceed \$850,000. The agreement, which was awarded to WaterWise Consulting, Inc. following a competitive bid process, provides inspection and verification services for Metropolitan's conservation rebate programs. As activity in Metropolitan's conservation programs increases, the demand for inspection and verification services likewise increases. Inspection service needs are greater than originally anticipated due to increased rebates from funding provided by the state, co-funding of programs by member agencies, and increased partnerships with member agencies on drought-related programs. Activity in Metropolitan's Turf Replacement Program has significantly increased and is expected to continue to increase as newly awarded grant monies are implemented. Staff anticipates an increase in demands for inspections to support the Residential, Commercial, and Public Agency Turf Replacement Programs and the Water Savings Incentive Program.

Timing and Urgency

An increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post-inspections on current and future conservation activities.

Details

Background

Metropolitan administers various incentive programs to help commercial and residential consumers conserve water. Metropolitan uses vendors to perform on-site inspections, substantiate the accuracy of rebates, and perform other related services as required.

In 2021, Metropolitan issued a competitive request for proposals seeking consultant services to perform inspection and verification services for turf removal and device installations for Metropolitan's conservation programs. An evaluation committee reviewed and scored each respondent's respective proposal relative to the evaluation criteria and recommended WaterWise Consulting Inc. Metropolitan entered into an agreement with terms in effect from April 1, 2022, to March 31, 2023, with the option to exercise two additional one-year extensions. We are currently in the second year of the contract, which is in effect until March 31, 2024, with plans to extend the contract until March 31, 2025. The maximum amount payable per agreement year is \$500,000.

WaterWise Consulting Inc. currently supports the following Metropolitan conservation programs:

• The "SoCal Water\$mart" regional rebate program which provides turf replacement and device-based rebates for residential and commercial consumers.

- The Water Savings Incentive Program which provides financial incentives for customized water efficiency projects.
- The Member Agency Administered Program which funds member agency-tailored indoor and outdoor conservation incentives.
- The Regional Pre-1994 Toilet Replacement Program which provides enhanced incentives for toilet replacement in older, multi-family residential properties.
- Pre- and post-inspections for member agency-administered commercial turf replacement programs.

Metropolitan is providing more inspection services than originally anticipated during the procurement process due to new efforts, such as:

- Increased incentives on residential, commercial, and public agency turf replacement. Metropolitan was awarded \$6.5 million in state funding that became available in November 2022, increasing Metropolitan's base rebate from \$2 to \$3 per square foot.
- Member agencies and their retail agencies providing additional co-funding on Metropolitan's turf replacement rebate to leverage available grant funding to drive more participation.
- Increased partnerships with member agencies on drought-related projects and programs.

Activity in Metropolitan's Turf Replacement Program has nearly doubled from the previous fiscal year. In preparing for \$38 million in recently awarded grants from the United States Bureau of Reclamation (USBR) and the Department of Water Resources, staff anticipates an increasing need for inspections to support our Residential, Commercial, and Public Agency Turf Replacement Programs and the Water Savings Incentive Program. The additional \$350,000 for this agreement will ensure Metropolitan's inspection program will seamlessly continue to provide inspection and verification services as activity increases with additional grant funding.

Staff is requesting authorization to increase the maximum amount payable under this contract from \$500,000 to an amount not to exceed \$850,000 per agreement year. This increase is anticipated to be sufficient to continue preand post-inspections for Metropolitan's ongoing conservation programs.

Funding of Inspection Services for Grants

Over the past two years, Metropolitan successfully pursued external funding for conservation programs. Both state and federal grants have been awarded. For these recent grants, staff did not request reimbursement for inspection services and considered the expenses as in-kind services. On average, turf inspection services (one element of the services provided) costs about \$0.04 per square foot. In a more recent grant proposal to USBR, staff requested a 20 percent administrative fee for these types of internal costs. Moving forward staff will continue to request reimbursement of administrative fees where practicable.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Administrative Code Section 3107: Water Use Efficiency Guidelines

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines Section 15378). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an increase of \$350,000/year, to a new amount not to exceed \$850,000/year, for an existing agreement with WaterWise Consulting, Inc. to provide inspection services for turf removal, regional device rebates, and water savings incentive program projects for Metropolitan's conservation rebate programs.

Fiscal Impact: Payments are anticipated to increase up to \$350,000 under this agreement. Expenditures will remain within the board-authorized budget.

Business Analysis: An increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post- inspections on current and future conservation activities.

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting, Inc. If not authorized, the amount of inspection services will be limited.

Fiscal Impact: No known fiscal impact.

Business Analysis: Metropolitan would issue a new request for proposal with a higher contract value, which may cause an interruption in inspections.

Staff Recommendation

Option #1

10/24/2023

Manager, Water Resource Management

10/30/2023 Date

Date

Adel Hagekhalil

General Manager

Ref# wrm12694080



One Water & Stewardship Committee

Increase to WaterWise Consulting, Inc. Contracts

Items 7-7 and 7-8 November 13, 2023

Authorization Requests to Increase Contract Values for Two Metropolitan Conservation Programs

Subject

Authorize an increase to two Metropolitan contracts with WaterWise Consulting, Inc., \$350,000/year for inspection and verifications services and \$200,000/year for large landscape and residential surveys

Purpose

An increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post-inspections on current and future conservation activities and will allow the large landscape and residential surveys to continue uninterrupted through 2025

Recommendation & Fiscal Impact

Staff recommends Option #1 for both requests. Expenditures will remain within the board-authorized budget

Budgeted

Metropolitan's Inspection and Survey Vendor

WaterWise Consulting, Inc. was competitively selected as Metropolitan's inspection in 2021

- Can support Metropolitan's entire service area
- Meet the demand of Metropolitan's high volume of inspections and surveys across our various programs
- Experience performing conservation program activities for other agencies



Metropolitan's Survey Program



Overview of Metropolitan's Survey Program

Large Landscape Survey Program

- Irrigation audit
- Review of historical use and comparison to recommended irrigation schedule
- Recommendations on efficiency improvements with cost/benefit analysis

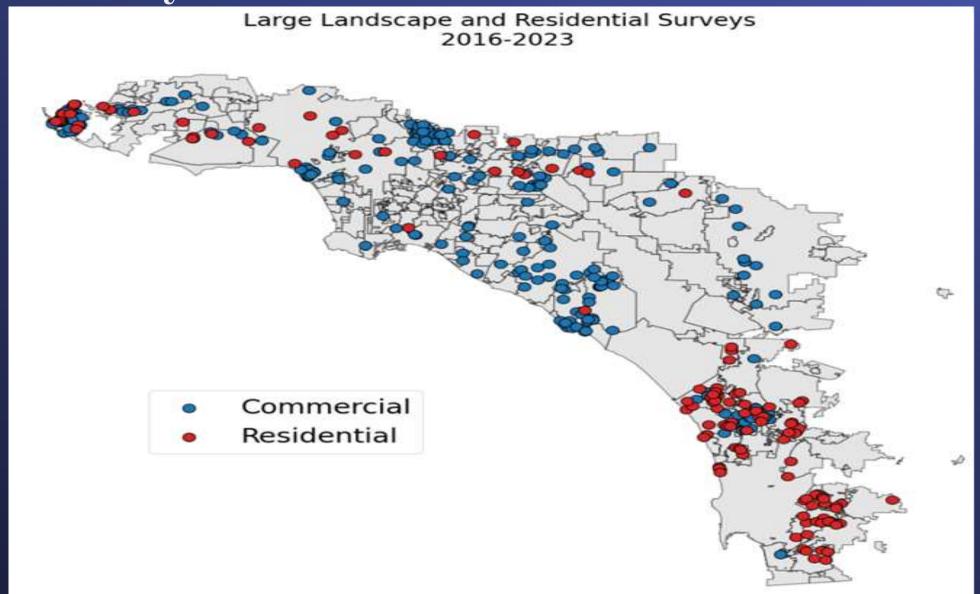
Residential Indoor/Outdoor Survey Program

- Irrigation audit
- Indoor leak detection
- Recommendations on efficiency improvements

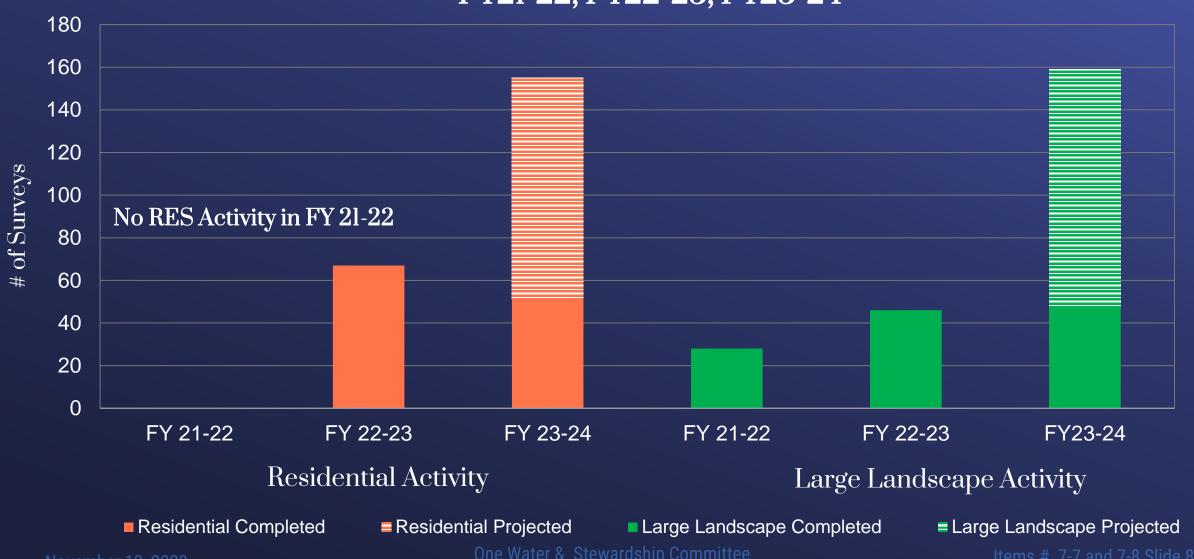
Surveys In Action



Map of Survey Sites



WaterWise Consulting Residential and Large Landscape Surveys FY21-22, FY22-23, FY23-24



Why is an increase to contract value necessary?

Value to Metropolitan

An increase to the existing agreement will provide Metropolitan the ability to continue performing surveys that support and promote water savings through turf and device rebate program participation



Summary

- Current program in year two of a three-year agreement limited to \$200,000 per year
- Large-landscape survey activity has increased by 40 percent
- Residential survey activity has increased by 210 percent between 2022 and 2023
- The recent severe drought increased interest in these surveys and accelerated activity may continue
- Staff estimates additional funding will be needed to fund the program through February 2025

Metropolitan's Inspection Program

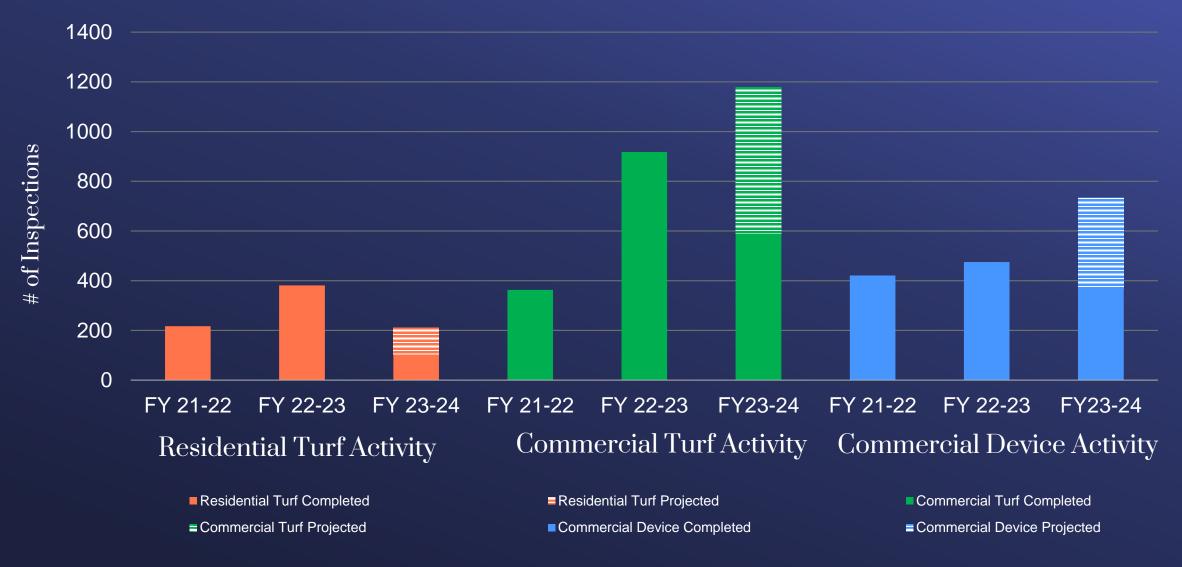


Overview of Metropolitan's Inspection Program

WaterWise Consulting, Inc. currently supports the following Metropolitan Conservation Programs:

- . The "SoCal Water\$mart" regional rebate programs,
- The Water Savings Incentive Program,
- The Member Agency Administered Program,
- The Regional Pre-1994 Toilet Replacement Program, and
- Pre- and post-inspections for member agency-administered commercial turf replacement programs.

Inspection Program Activity



Item #7-8 Changes to Inspection Activity

Metropolitan is providing more inspection services than originally anticipated during the procurement process due to new efforts, such as:

- Increased incentives on residential, commercial, and public agency turf replacement
- Member agencies and their retail agencies providing additional co-funding on Metropolitan's turf replacement rebate
- Increased partnerships with member agencies on droughtrelated projects and programs

Value to Metropolitan

Why is an increase to contract value necessary?

An increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post-inspections on current and future conservation activities



Item #7-8 Summary

- Second year of 3-year contract through April 2025
- Activity in Metropolitan's Turf Replacement Program has nearly doubled from the previous fiscal year
- In preparing for \$38 million in recently awarded grants from USBR and DWR, staff anticipates an increasing need for inspections
- Additional funding for this agreement will ensure Metropolitan's inspection program will seamlessly continue to provide inspection and verification services as activity increases.

Board Options for Metropolitan's Survey Program

Option #1

Authorize an increase of \$200,000/year to a new amount not to exceed \$400,000/year for an existing agreement with WaterWise Consulting, Inc. for the Large Landscape and Residential Survey Program

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting, Inc. If not authorized, the program will be suspended until the next agreement year

Option #1

Item #7-7 Staff Recommends Board Options for Metropolitan's Inspections Program

Option #1

Authorize an increase of \$350,000/year, to a new amount not to exceed \$850,000/year, for an existing agreement with WaterWise Consulting, Inc. to provide inspection services for turf removal, regional device rebates, and water savings incentive program projects for Metropolitan's conservation rebate programs.

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting, Inc. If not authorized, the amount of inspection services will be limited.

Option #1

Item #7-8 Staff Recommends







Board of Directors Ethics, Organization, and Personnel Committee

11/14/2023 Board Meeting

7-9

Subject

Authorize an extension to June 30, 2024, on 13 supplemental labor contracts for professional services; and authorize an increase of \$200,000 in funding for four of the contracts not to exceed \$449,000 each; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Details

Background

Metropolitan has 13 contracts for professional services with various supplemental labor firms expiring December 31, 2023.

Agency Name	Contract #
HARVEST TECHNICAL SERVICES INC.	184188-04
ICON INFORMATION CONSULTANTS LP	184220-04
HB STAFFING	184596-04
JOHNSON SERVICE GROUP INC.	184454-04
PARTNERS IN DIVERSITY INC.	184470-04
APPLE ONE EMPLOYMENT SERVICES	184538-04
ZEBRA-NET INC.	184359-04
TRUCAPITAL PARTNERS	184893-04
MANTEK SOLUTIONS INC.	184754-04
SOFTHQ INC.	184852-04
RESOURCEXPERTS	184810-04
STAFFMARK INVESTMENT LLC	184836-04
APOLLO PROFESSIONAL SOLUTIONS INC.	184751-04

Each contract was established with an amount not to exceed \$249,000. The services from these contracts provide coverage for critical vacancies during long-term absences of regular employees and support for various projects or business needs. Requests to use these services are requested by staff in the various groups through Human Resources staff who administer the contracts to ensure Metropolitan complies with common law employee rules

and California Public Employee Retirement System (CalPERS) requirements. Specifically, Human Resources ensures individuals brought on as temporary workers through outside supplemental labor contracts do not qualify for CalPERS benefits. Individuals utilized under supplemental labor contracts have not qualified for additional benefits based on established Human Resources processes and procedures.

Metropolitan is finalizing a Request for Proposals to establish a new contract for supplemental labor of professional services. However, the current contracts expire on December 31, 2023, and there are four that have already exceeded the current contract amount of \$249,000 each.

The four contracts are:

- Apollo contract 1845751-04
- Johnson Services Group contract 184454-04
- Partners in Diversity contract 184470-04
- Zebra-Net contract 184359-04

Services provided through these four contracts have exceeded the \$249,000 due to operational and overtime needs. The supplemental labor services from these four agencies and the other agencies are currently supporting the areas of Finance, Human Resources, Information Technology, Diversity, Equity, and Inclusion, Board Support, and Operations. These areas have funds budgeted to provide for the temporary services needed to cover vacancies. Staff recommends authorizing an extension of the 13 contracts to June 30, 2024, and an increase of \$200,000 to each of the four contracts (1845751-04, 184454-04, 184470-04, and 184359-04) to cover billable amounts for each that exceed the \$249,000 and future costs within these contracts. This would establish an amount not to exceed \$449,000 for these four contracts.

Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to authorize an extension of the 13 contracts to June 30, 2024. Authorize the General Manager to increase the contract amounts to \$449,000 for contracts 184359-04, 184454-02, 184470-04, and 184751-04.

Fiscal Impact: None; expenditures are budgeted and approved under the individual projects or from existing O&M funds

Business Analysis: These supplemental labor agreements allow Metropolitan to increase staff during peak workloads and to cover vacancies. These increases will allow Metropolitan to pay for professional services provided by Johnson Service Group through contract 184454-02, Partners in Diversity through contract 184470-04, and Zebra-Net through contract 184359-04. In addition, the extension of the contracts will ensure we are able to meet our need for supplemental labor without interruption in the contracts.

Option #2

Do not authorize the General Manager to increase the amount payable.

Fiscal Impact: Unknown fiscal impact

Business Analysis: Metropolitan would need to address and determine how to resolve unpaid invoices and services provided through the supplemental labor agreements.

Staff Recommendation

Option #1

Katano Kasaine

10/24/2023

Date

Assistant General Manager/

Chief Financial Officer

10/25/2023

Adel Hagekhalil General Manager

Date

Ref# hr12690313



Ethics, Organization, and Personnel Committee

Authorize an Extension and Increase to Supplement Labor Contracts

Item 7-9 November 13, 2023

Item # 7-9

Authorize an
Extension and
Increase to
Supplement
Labor Contracts

Subject

Authorize an extension to June 30, 2024, on 13 supplemental labor contracts for professional services; and authorize an increase of \$200,000 in funding for four of the contracts not to exceed \$449,000 each

Purpose

Authorize the General Manager to authorize an extension of the 13 contracts to June 30, 2024. Authorize the General Manager to increase the contract amounts to \$449,000

Recommendation and Fiscal Impact

None

Unbudgeted

Background

Supplemental Labor Contracts

- Metropolitan has thirteen contracts with various labor firms expiring December 31, 2023.
- Provides professional services coverage for critical vacancies and project support.

Contract Details

Professional Services Supplemental Labor Contracts

• Expire December 31, 2023 with an amount not to exceed \$249,000.

Agency Name	Contract #
APOLLO PROFESSIONAL SOLUTIONS, INC.	184751-04
APPLE ONE EMPLOYMENT SERVICES	184538-04
HARVEST TECHNICAL SERVICES, INC	184188-04
HB STAFFING	184596-04
ICON INFORMATION CONSULTANTS, LP	184220-04
JOHNSON SERVICE GROUP, INC.	184454-04
MANTEK SOLUTIONS, INC.	184754-04
PARTNERS IN DIVERSITY, INC.	184470-04
RESOURCEXPERTS	184810-04
SOFTHQ INC	184852-04
STAFFMARK INVESTMENT LLC	184836-04
TRUCAPITAL PARTNERS	184893-04
ZEBRA-NET, INC.	184359-04

Contract Details Continued

Four Contracts Require Additional Funds

Agency Name	Contract #
APOLLO PROFESSIONAL SOLUTIONS, INC.	184751-04
JOHNSON SERVICE GROUP, INC.	184454-04
PARTNERS IN DIVERSITY, INC.	184470-04
ZEBRA-NET, INC.	184359-04

- These contracts have or will exceed the total amount of \$249,000 before December 31, 2023.
- Payment is required to be applied to the contract of the service date and not invoice date.

Options

- Option #l: Authorize the General Manager to authorize an extension of the l3 contracts to June 30, 2024. Authorize the General Manager to increase the contract amounts to \$449,000 for contracts 184359-04, 184454-02, 184470-04, and 184751-04.
- Option #2: Do not authorize the General Manager to increase the amount payable.

Option #1:

Staff Recommendation





Board of Directors Ethics, Organization, and Personnel Committee

11/14/2023 Board Meeting

7-10

Subject

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

Executive Summary

Pursuant to the California Code of Regulations, Section 570.5, Metropolitan's Board of Directors is required to approve an annual Salary Schedule, meeting specific requirements as outlined in the Code.

Details

Background

Pursuant to CalPERS regulations, California Code of Regulations, Section 570.5, employee salaries must be delineated in a salary schedule that meets the following requirements:

- 1. Approved and adopted by the employer's governing body according to the requirements of applicable public meeting laws.
- 2. Identifies the position title for every employee position.
- 3. Shows pay rate for each identified position, which may be stated as a single amount or amounts within a range.
- 4. Indicates the time base.
- 5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website.
- 6. Indicates an effective date and date of any revisions.
- 7. Is retained by the employer and available for public inspection for not less than five years.
- 8. Does not reference another document in lieu of disclosing the pay rate.

To comply with these requirements, The Metropolitan Water District of Southern California's Salary Schedules for the following dates are attached for the Board's approval.

Effective date:

- Metropolitan Water District of Southern California Salary Schedule effective June 25, 2023 (Attachment 1)
- Metropolitan Water District of Southern California Salary Schedule effective June 26, 2022 (Attachment 2)

The approval of this salary schedule will ensure Metropolitan's compliance with CalPERS regulations, the negotiated MOUs, and our Administrative Code. This will also ensure CalPERS' retirement calculations will be based on the appropriate rate of pay.

Policy

Metropolitan Water District Administrative Code Section 6207: Positions Authorized.

Metropolitan Water District Administrative Code Section 6208: Pay Rate Administration.

Metropolitan Water District Administrative Code Section 6500: Hourly Pay Rate Schedule.

Metropolitan Water District Administrative Code Section 11104: Delegations of Responsibilities.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Approve the attached salary schedules.

Fiscal Impact: There is no fiscal impact associated with this board action.

Business Analysis: If approved, Metropolitan will be in compliance with California Code of Regulations, Section 570.5 and the negotiated MOUs.

Option #2

Do not approve the salary schedules.

Fiscal Impact: None

Business Analysis: If not approved, Metropolitan will not be in compliance with California Code of Regulations, Section 570.5, and the negotiated MOUs.

Staff Recommendation

Option #1

Katano Kasaine

11/6/2023

Date

Assistant General Manager/

Chief Financial Officer

Adel Hagekhalil

11/6/2023 Date

General Manager

Attachment 1 – Metropolitan Water District of Southern California Salary Schedule effective June 25, 2023

Attachment 2 – Metropolitan Water District of Southern California Salary Schedule effective June 26, 2022

Ref# hr12695323

Attachment 1, Page 1 of 11

 $\begin{tabular}{ll} {\tt Metropolitan} & {\tt Water District of Southern California} \\ & {\tt SALARY SCHEDULE} \\ \end{tabular}$

7-10

Report ID: MHR828

Effective Date: 06/25/2023

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Code	Title	Salary Grade	Hourly Range	Monthly Range	Annual Range	Unit Code
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YA01	Accountant	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
VA01	Accounting Tech I	029	\$ 28.81- 37.93	\$ 4,994- 6,575	\$ 59,925- 78,894	02
VA02	Accounting Tech II Admin Analyst	034	\$ 33.08- 43.50	\$ 5,734- 7,540 \$ 7,540- 9,930	\$ 68,806- 90,480	02
YA04	-	044 039	\$ 43.50- 57.29 \$ 37.93- 49.88		\$ 90,480-119,163	02 05
YC01 YC02	Admin Analyst I (C)	042	\$ 41.17- 54.24	\$ 6,575- 8,646	\$ 78,894-103,750	05
YC03	Admin Analyst II (C) * Admin Analyst III (C)	045	\$ 44.72- 58.91	\$ 7,136- 9,402 \$ 7,751-10,211	\$ 85,634-112,819 \$ 93,018-122,533	05
VA04	Admin Assistant I	031	\$ 30.43- 40.05	\$ 5,275- 6,942	\$ 63,294- 83,304	02
VC01	Admin Assistant I (C)	031	\$ 30.43 - 40.05	\$ 5,275 - 6,942	\$ 63,294-83,304	05
VA05	Admin Assistant II	035	\$ 34.04- 44.72	\$ 5,900- 7,751	\$ 70,803- 93,018	02
VC02	Admin Assistant II (C)	035	\$ 34.04- 44.72	\$ 5,900 7,751	\$ 70,803 - 93,018	05
VA06	Admin Assistant III	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	02
VC03	Admin Assistant III (C)	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	05
UA04	Admin Secretary	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
PM034	* Agricultural Liaison	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
937	Aircraft Pilot	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	03
TA12	Aqueduct & Power Dispatcher	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	02
T11	Aqueduct Pump Specialist	046	\$ 45.94- 60.51	\$ 7,963-10,488	\$ 95,555-125,861	02
YC62	* Assistant Ethics Officer	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	05
YA08	Assoc Biologist	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YA16	Assoc Chemist	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YC18	* Assoc Dpty General Counsel (C)	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	05
YA26	Assoc Engineer	050	\$ 51.32- 67.38	\$ 8,895-11,679	\$106,746-140,150	02
YA30	Assoc Environmental Specialist	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
YA51	Assoc IT Proj Contr Specialist	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	02
YA71	Assoc Limnologist	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YA76	Assoc Microbiologist	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YA84	Assoc Proj Controls Specialist	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
YA97	Assoc Resource Specialist	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	02
WC02	Assoc Security Specialist (C)	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	05
YA100	Assoc Water Quality Specialist	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YA07	Asst Biologist	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
YC63	* Asst Board Administrator	056	\$ 60.51- 79.16	\$10,488-13,721	\$125,861-164,653	05
YA15	Asst Chemist	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
YA24	Asst Engineer I	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YA25 YA28	Asst Engineer II Asst Env Specialist I	046 038	\$ 45.94- 60.51	\$ 7,963-10,488	\$ 95,555-125,861	02 02
YA29	Asst Env Specialist I	043	\$ 36.90- 48.54 \$ 42.34- 55.74	\$ 6,396- 8,414 \$ 7,339- 9,662	\$ 76,752-100,963 \$ 88,067-115,939	02
Z12	* Asst GM Strategic Wtr Initiaty	093	\$126.71-173.11	\$21,963-30,006	\$263,557-360,069	01
985	* Asst General Auditor	081	\$ 91.51-125.03	\$15,862-21,672	\$190,341-260,062	01
032	* Asst General Counsel	086	\$104.78-143.14	\$18,162-24,811	\$217,942-297,731	01
Z55	* Asst General Counsel (C)	078	\$109.16-143.14	\$18,921-24,811	\$227,053-297,731	05
024	* Asst General Manager/CAO	093	\$126.71-173.11	\$21,963-30,006	\$263,557-360,069	01
Z14	* Asst General Manager/CEAO	093	\$126.71-173.11	\$21,963-30,006	\$263,557-360,069	01
006	* Asst General Manager/CFO	093	\$126.71-173.11	\$21,963-30,006	\$263,557-360,069	01
002	* Asst General Manager/COO	094	\$130.15-177.89	\$22,559-30,834	\$270,712-370,011	01
Z02	* Asst Group Manager	085	\$101.98-139.31	\$17,677-24,147	\$212,118-289,765	01
YA50	Asst IT Proj Contrl Specialist	033	\$ 32.15- 42.34	\$ 5,573- 7,339	\$ 66,872- 88,067	02
YC66	* Asst LegislativeRepresentative	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	05
YA70	Asst Limnologist	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
YA75	Asst Microbiologist	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
YA83	Asst Proj Controls Specialist	033	\$ 32.15- 42.34	\$ 5,573- 7,339	\$ 66,872- 88,067	02
YA95	Asst Resource Specialist I	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA96	Asst Resource Specialist II	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	02
Z04C	* Asst Section Manager II (C)	067	\$ 81.26-106.23	\$14,085-18,413	\$169,021-220,958	05
TA15	Asst System Operator	041	\$ 40.05- 52.69	\$ 6,942- 9,133	\$ 83,304-109,595	02
295	* Asst Treasurer	057	\$ 62.17- 81.26	\$10,776-14,085	\$129,314-169,021	04
Z52	* Asst Unit Mgr-Conveyance&Distr	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
YA99	Asst Water Quality Specialist	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
UM001	* AsstContrl/Unit Mgr-Accounting	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
UM039	* AsstContrl/Unit Mgr-FinclRptng	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
Z68	* Bay-Delta InitiativesPolicyMgr	085	\$101.98-139.31	\$17,677-24,147	\$212,118-289,765	01
YA09	Biologist	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
Z64	* Board Administrator	072	\$ 71.73- 98.01	\$12,433-16,988	\$149,198-203,861	01
Z78	* Board Executive Officer	088	\$110.62-151.13	\$19,174-26,196	\$230,090-314,350	01
U04	* Board Executive Secretary	066	\$ 61.18- 83.42	\$10,605-14,459	\$127,254-173,514	01
	* Decod Coesislist (C)	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	05
YC06	* Board Specialist (C)					
Z65	* Budget and Treasury Manager	081	\$ 91.51-125.03	\$15,862-21,672	\$190,341-260,062	01
	-					

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 $\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

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Report ID: MHR828

Effective Date: 06/25/2023

Page No. 2 Run Date 10/25/2023 Run Time 10:50:52

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lassification			Salary	Hourly	Monthly	Annual	Unit
Code		Title	Grade	Range	Range	Range	Code
YA13		Buyer II	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YA17		Chemist	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
SA06		Chief Cook	024	\$ 25.06- 33.08	\$ 4,344- 5,734	\$ 52,125- 68,806	02
YC65	*	Chief EEO Investigator	069	\$ 85.70-112.16	\$14,855-19,441	\$178,256-233,293	05
Z71	*	Chief EEO Officer	085	\$101.98-139.31	\$17,677-24,147	\$212,118-289,765	01
XA47		Chief Photographer	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
XA65		Chief Videographer	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
122	*	Chief of Party	054	\$ 57.29- 74.96	\$ 9,930-12,993	\$119,163-155,917	03
Z80	*	Chief of Staff	099	\$149.09-203.73	\$25,842-35,313	\$310,107-423,758	01
Z73	*	ChiefDvrstyEqty&InclsnOfficer	085	\$101.98-139.31	\$17,677-24,147	\$212,118-289,765	01
Z84	*	ChiefSafetySecurity&ProOfficer	085	\$101.98-139.31	\$17,677-24,147	\$212,118-289,765	01
Z72	*	ChiefSustRslncy&InnovOfficer	085	\$101.98-139.31	\$17,677-24,147	\$212,118-289,765	01
Z42	*	Class & Comp Manager	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	05
SA04		Commercial Truck Driver A	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
SA05A		Commercial Truck Driver B	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
XA01A		Construction Inspector I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA02A		Construction Inspector II	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
XA03A		Construction Inspector III	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
XA04A		Construction Inspector IV	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
XA05A		Construction Inspector V	056	\$ 60.51- 79.16	\$10,488-13,721	\$125,861-164,653	02
Z36	*	Controller	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	05
T04		Conveyance&Distrbtn Specialist	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
XA06		Crane Certification Tech I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA07		Crane Certification Tech II	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
XA09		Cross Connection Technician	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
PM030	Ŷ	Debt Management Specialist	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
YA20		Deputy Auditor I Deputy Auditor II	031 036	\$ 30.43- 40.05 \$ 34.99- 45.94	\$ 5,275- 6,942	\$ 63,294- 83,304	02 02
YA21 YA22		Deputy Auditor III	036	\$ 44.72- 58.91	\$ 6,065- 7,963 \$ 7,751-10,211	\$ 72,779- 95,555 \$ 93,018-122,533	02
Z77	*	Deputy Chief DE&I Officer	080	\$ 89.01-121.67	\$15,428-21,089	\$185,141-253,074	02
Z75		Deputy Chief EEO Officer	080	\$ 89.01-121.67	\$15,428-21,089	\$185,141-253,074	01
Z57		Deputy General Auditor	077	\$ 82.07-112.16	\$14,225-19,441	\$170,706-233,293	01
YC19		Deputy General Counsel (C)	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	05
VA07		Deputy Treasurer	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
XA11		Designer I	032	\$ 31.31- 41.17	\$ 5,427- 7,136	\$ 65,125- 85,634	02
XA12		Designer II	035	\$ 34.04- 44.72	\$ 5,900- 7,751	\$ 70,803- 93,018	02
XA13		Designer III	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	02
Z41	*	Director of Info Tech Services	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
T14		Diver-Inland Commercial	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
YC61	*	DptyEthicsOfcr Adv,Comp&Policy	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	05
YC60		DptyEthicsOfcr Inv,Outrch&Educ	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	05
PM036		DvrstyEqty&InclsnOut&EngageMgr	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
Z25		EEO Manager	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	05
YC25		EHS Field Specialist I (C)	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	05
YC26		EHS Field Specialist II (C)	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	05
YC27		EHS Field Specialist III (C)	050	\$ 51.32- 67.38	\$ 8,895-11,679	\$106,746-140,150	05
T12		Electrical Specialist	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
168	*	Electronic Tech Supervisor	055	\$ 58.91- 76.96	\$10,211-13,340	\$122,533-160,077	03
YC42	*	Employee Relations Specialist	051	\$ 52.69- 69.23	\$ 9,133-12,000	\$109,595-143,998	05
YA27		Engineer	056	\$ 60.51- 79.16	\$10,488-13,721	\$125,861-164,653	02
XA20A		Engineering Tech I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA21A		Engineering Tech II	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
XA22A		Engineering Tech III	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
YA31		Environmental Specialist	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
Z59	*	Equal Emp Compliance&Policy Co	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	05
Z16		Ethics Officer	FR			\$290,014	00
YC35		Ethics Policy Analyst	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	05
Z81		Exec Advisor: WtrRes&CapImprvs	086	\$104.78-143.14	\$18,162-24,811	\$217,942-297,731	01
002A	*	ExecOff&AsstGM/Wtr&TechResrcs	097	\$141.25-192.98	\$24,483-33,450	\$293,800-401,398	01
VC04		Executive Assistant I (C)	044	\$ 43.50- 57.29	\$ 7,540- 9,930	\$ 90,480-119,163	05
VC05		Executive Assistant II (C)	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	05
VC13		Executive Assistant to the GC	051	\$ 52.69- 69.23	\$ 9,133-12,000	\$109,595-143,998	05
VC14		Executive Assistant to the GM	051	\$ 52.69- 69.23	\$ 9,133-12,000	\$109,595-143,998	05
021		Executive Legislative Rep	081	\$ 91.51-125.03	\$15,862-21,672	\$190,341-260,062	01
Z56		Executive Legislative Rep (C)	073	\$ 95.46-125.03	\$16,546-21,672	\$198,557-260,062	05
Z74	*		067	\$ 62.75- 85.70	\$10,877-14,855	\$130,520-178,256	01
061		Executive Secretary	051	\$ 52.69- 69.23	\$ 9,133-12,000	\$109,595-143,998	04
017	^	Executive Strategist Facilities Maint Assistant	073	\$ 95.46-125.03	\$16,546-21,672	\$198,557-260,062	05 02
SA07			029 037	\$ 28.81- 37.93	\$ 4,994- 6,575	\$ 59,925 - 78,894	02
TA14		Facilities Maint Mechanic	03/	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	UΖ

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 $\begin{tabular}{ll} {\tt Metropolitan} & {\tt Water District of Southern California} \\ & {\tt SALARY SCHEDULE} \\ \end{tabular}$

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lassification	min l	Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
YA32	Fleet Coordinator	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
VA17	Fleet Dispatch Coordinator	035	\$ 34.04- 44.72	\$ 5,900- 7,751	\$ 70,803- 93,018	02
VA16	Fleet Dispatcher	031	\$ 30.43- 40.05	\$ 5,275- 6,942	\$ 63,294- 83,304	02
041	* General Auditor	FR			\$280,010	00
031	* General Counsel	FR	å 02 10 20 42	å 4 004 E 07E	\$369,117	00
706	General Maintenance Asst	021	\$ 23.10- 30.43	\$ 4,004- 5,275	\$ 48,048- 63,294	02
001 YC22	<pre>* General Manager * Government&Regional Aff Rep(C)</pre>	FR 052	\$ 54.24- 71.06	\$ 9,402-12,317	\$465,962 \$112,819-147,805	00 05
YA37	Graphic Arts Designer	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
XA24	Graphic Technician I	034	\$ 33.08- 43.50	\$ 5,734- 7,540	\$ 68,806- 90,480	02
XA25	Graphic Technician II	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA26	Graphic Technician III	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
SA08	Grounds Maintenance Worker	029	\$ 28.81- 37.93	\$ 4,994- 6,575	\$ 59,925- 78,894	02
Z01	* Group Manager	086	\$104.78-143.14	\$18,162-24,811	\$217,942-297,731	01
Z29	* Group Manager-Bay Delta Intivs	086	\$104.78-143.14	\$18,162-24,811	\$217,942-297,731	01
Z60	* Group Manager-Engineering Svcs	089	\$113.62-155.33	\$19,694-26,924	\$236,330-323,086	01
Z58 Z76	* Group Manager-External Affairs * Group Manager-Finance	086 086	\$104.78-143.14 \$104.78-143.14	\$18,162-24,811 \$18,162-24,811	\$217,942-297,731 \$217,942-297,731	01 01
Z54	* Group Manager-Human Resources	086	\$104.78-143.14	\$18,162-24,811	\$217,942-297,731	01
Z66	* Group Manager-Info Technology	088	\$110.62-151.13	\$19,174-26,196	\$230,090-314,350	01
Z61	* Group Manager-Real Property	086	\$104.78-143.14	\$18,162-24,811	\$217,942-297,731	01
Z62	* Group Manager-Water Resrc Mgmt	088	\$110.62-151.13	\$19,174-26,196	\$230,090-314,350	01
Z63	* Group Manager-Water System Ops	089	\$113.62-155.33	\$19,694-26,924	\$236,330-323,086	01
Z82	* Group Mgr-Conveyance&Distrbtn	088	\$110.62-151.13	\$19,174-26,196	\$230,090-314,350	01
Z83	* Group Mgr-Integrated Supp Svcs	089	\$113.62-155.33	\$19,694-26,924	\$236,330-323,086	01
Z85	* Group Mgr-Treatment&Water Qlty	088	\$110.62-151.13	\$19,174-26,196	\$230,090-314,350	01
VC06 VC07	HR Assistant I (C)	031 035	\$ 30.43- 40.05 \$ 34.04- 44.72	\$ 5,275- 6,942 \$ 5,900- 7,751	\$ 63,294- 83,304 \$ 70,803- 93,018	05 05
VC07	HR Assistant II (C) HR Assistant III (C)	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	05
UMA03	* HR Strategic Partner	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	05
Z40	* HRIS Manager	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	05
YC30	Human Resources Analyst I (C)	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	05
YC31	Human Resources Analyst II (C)	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	05
YC32	* Human Resources Analyst III(C)	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	05
VC09	Human Resources Coordinator	041	\$ 40.05- 52.69	\$ 6,942- 9,133	\$ 83,304-109,595	05
Z22	* Human Resources Manager I	075	\$ 77.72-106.23	\$13,471-18,413	\$161,658-220,958	01
Z23 Z24	* Human Resources Manager II * Human Resources Manager III	078	\$ 84.31-115.21	\$14,614-19,970	\$175,365-239,637	01
Z03D	* Human Resources Section Mgr	081 080	\$ 91.51-125.03 \$ 89.01-121.67	\$15,862-21,672 \$15,428-21,089	\$190,341-260,062 \$185,141-253,074	01 01
T08	Hydroelectric Specialist I	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
T05	Hydroelectric Specialist II	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
530	* Hydroelectric Supervisor	058	\$ 63.85- 83.42	\$11,067-14,459	\$132,808-173,514	03
Y12	* IT Architect-Enterprs Software	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
YA106	IT Business Analyst I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA107	IT Business Analyst II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA108	IT Business Analyst III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
XA27A	IT Communication Tech I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA28A XA29A	IT Communication Tech II IT Communication Tech III	043 047	\$ 42.34- 55.74	\$ 7,339- 9,662 \$ 8,192-10,776	\$ 88,067-115,939 \$ 98,301-129,314	02 02
YA38	IT Enterprise App Analyst I	037	\$ 47.26- 62.17 \$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA39	IT Enterprise App Analyst II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA40	IT Enterprise App Analyst III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
YA33	IT GIS Analyst I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA34	IT GIS Analyst II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA35	IT GIS Analyst III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
YA42	IT Infrastructure Adminstr I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA43	IT Infrastructure Adminstr II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA44	IT Infrastructure Adminstr III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
YA46 YA47	IT Network Engineer I IT Network Engineer II	037	\$ 35.91- 47.26	\$ 6,224- 8,192 \$ 7,136- 9,402	\$ 74,693- 98,301 \$ 85,634-112,819	02
YA48	IT Network Engineer II IT Network Engineer III	042 047	\$ 41.17- 54.24 \$ 47.26- 62.17	\$ 7,136- 9,402	\$ 98,301-129,314	02 02
YA52	IT Project Controls Specialist	044	\$ 43.50- 57.29	\$ 7,540- 9,930	\$ 90,480-119,163	02
YA54	IT Quality Analyst I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA55	IT Quality Analyst II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA56	IT Quality Analyst III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
PM032	* IT Service Manager	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
	IT Software Developer I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA58						
YA59	IT Software Developer II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02

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 $\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

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Run Date 10/25/2023
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lassification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
XA31A	IT Support Analyst I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
XA32A	IT Support Analyst II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
XA33A	IT Support Analyst III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
YA62	IT System Administrator I	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA63	IT System Administrator II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA64	IT System Administrator III	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
Y18 YC11	* Info Gov&Ent Content Mgmt Spec Info Tech Analyst I (C)	059 037	\$ 65.62- 85.70 \$ 35.91- 47.26	\$11,374-14,855 \$ 6,224- 8,192	\$136,490-178,256 \$ 74,693- 98,301	04 05
YC12	Info Tech Analyst II (C)	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	05
YC13	* Info Tech Analyst III (C)	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	05
Y14	* Info Technology Architect	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
Y06	* Inland Feeder Projects Admintr	058	\$ 63.85- 83.42	\$11,067-14,459	\$132,808-173,514	04
Y10	* Inspection Trip Manager	061	\$ 69.23- 90.42	\$12,000-15,673	\$143,998-188,074	04
Y17	* Inspection Trip Specialist	058	\$ 63.85- 83.42	\$11,067-14,459	\$132,808-173,514	04
184 XA16	Inspector IV Instrumnt&Cntrl Tech I	050 035	\$ 51.32- 67.38 \$ 34.04- 44.72	\$ 8,895-11,679 \$ 5,900- 7,751	\$106,746-140,150 \$ 70,803- 93,018	03 02
XA17	Instrumnt&Cntrl Tech II	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	02
XA18	Instrumnt&Cntrl Tech III	044	\$ 43.50- 57.29	\$ 7,540- 9,930	\$ 90,480-119,163	02
XA19	Instrumnt&Cntrl Tech Specialst	047	\$ 47.26- 62.17	\$ 8,192-10,776	\$ 98,301-129,314	02
716	Inventory Coordinator	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	03
PM033	* Investment Mgmt Specialist	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
XA35A	Lab Info Systems Specialist I	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
XA36A UA16	Lab Info Systems Specialist II Laboratory Assistant I	048 025	\$ 48.54- 63.85 \$ 25.83- 34.04	\$ 8,414-11,067 \$ 4,477- 5,900	\$100,963-132,808 \$ 53,726- 70,803	02 02
UA17	Laboratory Assistant II	029	\$ 28.81- 37.93	\$ 4,994- 6,575	\$ 59,925- 78,894	02
XA40	Laboratory Technologist I	034	\$ 33.08- 43.50	\$ 5,734- 7,540	\$ 68,806- 90,480	02
XA41	Laboratory Technologist II	036	\$ 34.99- 45.94	\$ 6,065- 7,963	\$ 72,779- 95,555	02
YA110	Land Surveyor	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
705	Landscape Maint Coordinator	044	\$ 43.50- 57.29	\$ 7,540- 9,930	\$ 90,480-119,163	03
XA42A	Landscape Maintenance Tech I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA43A VA08	Landscape Maintenance Tech II Law Clerk	043 029	\$ 42.34- 55.74 \$ 28.81- 37.93	\$ 7,339- 9,662 \$ 4,994- 6,575	\$ 88,067-115,939 \$ 59,925- 78,894	02 02
Z30	* Law Office Administrator (C)	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	05
YA67	Legal Analyst	044	\$ 43.50- 57.29	\$ 7,540- 9,930	\$ 90,480-119,163	02
VA09	Legal Assistant I	033	\$ 32.15- 42.34	\$ 5,573- 7,339	\$ 66,872- 88,067	02
VA10	Legal Assistant II	037	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
VA11	Legal Assistant III	041	\$ 40.05- 52.69	\$ 6,942- 9,133	\$ 83,304-109,595	02
UC01	Legal Secretary I (C)	028	\$ 27.97- 36.90	\$ 4,848- 6,396	\$ 58,178- 76,752	05
UC02 YA104	Legal Secretary II (C) Legal Technology Specialist	035 047	\$ 34.04- 44.72 \$ 47.26- 62.17	\$ 5,900- 7,751 \$ 8,192-10,776	\$ 70,803- 93,018 \$ 98,301-129,314	05 02
Y09	* Legislative Representative	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	05
YA72	Limnologist	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
SA09	Lodging Assistant I	029	\$ 28.81- 37.93	\$ 4,994- 6,575	\$ 59,925- 78,894	02
SA10	Lodging Assistant II	033	\$ 32.15- 42.34	\$ 5,573- 7,339	\$ 66,872- 88,067	02
UA08	Mailroom Assistant I	016	\$ 20.16- 26.52	\$ 3,494- 4,597	\$ 41,933- 55,162	02
UA09	Mailroom Assistant II	021	\$ 23.10- 30.43	\$ 4,004- 5,275 \$ 4,597- 6,065	\$ 48,048- 63,294 \$ 55,162- 72,779	02
UA10 620	Mailroom Assistant III Maintenance Mechanic I	026 037	\$ 26.52- 34.99 \$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02 02
612	Maintenance Worker I	025	\$ 25.83- 34.04	\$ 4,477- 5,900	\$ 53,726- 70,803	02
613	Maintenance Worker II	029	\$ 28.81- 37.93	\$ 4,994- 6,575	\$ 59,925- 78,894	02
614	Maintenance Worker III	033	\$ 32.15- 42.34	\$ 5,573- 7,339	\$ 66,872- 88,067	02
Z39	* Manager of Admin Services	070	\$ 88.05-115.21	\$15,262-19,970	\$183,144-239,637	05
Z70	* Manager of Bay-Delta Programs	082	\$ 93.96-128.42	\$16,286-22,259	\$195,437-267,114	01
Z33 Z35	* Manager of Colo RiverResources * Manager of Financial Services	086 072	\$104.78-143.14 \$ 92.91-121.67	\$18,162-24,811 \$16,104-21,089	\$217,942-297,731 \$193,253-253,074	01 05
SM020	* Manager of Treasury&Debt Mgmt	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
Z79	* MgrBay-Delta Science&RegStrtgy	082	\$ 93.96-128.42	\$16,286-22,259	\$195,437-267,114	01
M81	* Mgt Pr Admin Analyst	055	\$ 58.91- 76.96	\$10,211-13,340	\$122,533-160,077	04
YA77	Microbiologist	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
186	* Microcomputer Technology Supv	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	03
636 503a	* O & M Supervisor + O&M Tech I	056 027	\$ 60.51- 79.16	\$10,488-13,721 \$ 4 720- 6 224	\$125,861-164,653	03 02
S03A S03P	+ O&M Tech I + O&M Tech I	027	\$ 27.23- 35.91 \$ 27.97- 36.90	\$ 4,720- 6,224 \$ 4,848- 6,396	\$ 56,638- 74,693 \$ 58,178- 76,752	02 02
S03F	+ O&M Tech I	028	\$ 27.97- 36.90	\$ 4,848- 6,396	\$ 58,178 - 76,752	02
S02	+ O&M Tech II	032	\$ 31.31- 41.17	\$ 5,427- 7,136	\$ 65,125- 85,634	02
S02A	+ O&M Tech II	031	\$ 30.43- 40.05	\$ 5,275- 6,942	\$ 63,294- 83,304	02
S02P	+ O&M Tech II	032	\$ 31.31- 41.17	\$ 5,427- 7,136	\$ 65,125- 85,634	02
T10A	+ O&M Tech III	035	\$ 34.04- 44.72	\$ 5,900- 7,751	\$ 70,803- 93,018	02
T10P T10	+ O&M Tech III + O&M Tech III	036 036	\$ 34.99- 45.94 \$ 34.99- 45.94	\$ 6,065- 7,963 \$ 6,065- 7,963	\$ 72,779- 95,555 \$ 72,779- 95,555	02 02
110	. July 100H 111	0.50	~ J1.JJ 4J.J4	A 0,000 1,202	פפנונע נווןבו א	υ <u>Δ</u>

Metropolitan Water District of Southern California

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Unit

Code

Report ID: MHR828 SALARY SCHEDULE Page No. 5 Effective Date: 06/25/2023 Classification Salary Monthly Annual Hourly Title Grade Range Code Range Range \$ 41.17- 54.24 + O&M Tech IV 042 \$ 7,136- 9,402 \$ 6,942- 9,133 + O&M Tech IV \$ 40 05- 52 69 TOSA 041 T03FS + O&M Tech IV 042 \$ 41.17- 54.24 \$ 7,136- 9,402 031 \$ 30.43- 40.05 \$ 5,275- 6,942 YA80 Oc Health Safety Specialist I YA81 Oc Health Safety Specialist II 038 \$ 36.90- 48.54 \$ 6,396- 8,414

 $\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

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ilective Date:	06/25/2023				Run Time 10:	50:52
lassification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
PM005	* Prgrm Mgr-Dam Safety Initiatvs	071	\$ 90.42-118.43	\$15,673-20,528	\$188,074-246,334	04
PM006	* Prgrm Mgr-Emergency Management	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
PM026	* Prgrm Mgr-Engineering	067	\$ 81.26-106.23	\$14,085-18,413	\$169,021-220,958	04
PM001	* Prgrm Mgr-Finance	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
PM007	* Prgrm Mgr-Fleet	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
PM009	* Prgrm Mgr-Info Technology	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
PM035	* Prgrm Mgr-Innovation	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
PM013	* Prgrm Mgr-Power Sched&Trading	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
PM014	* Prgrm Mgr-Press Office	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
PM015	* Prgrm Mgr-Pure Wtr So Califor	071	\$ 90.42-118.43	\$15,673-20,528	\$188,074-246,334	04
PM022	* Prgrm Mgr-Real Property	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
PM023	* Prgrm Mgr-Safety&RegCompliance	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
PM017	* Prgrm Mgr-Water Resource	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
PM019	* Prgrm Mgr-Web	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
XA50	Production Planner	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
Z13D	* Program Manager I	068	\$ 64.47- 88.05	\$11,175-15,262	\$134,098-183,144	01
Z13E	* Program Manager II	071	\$ 69.83- 95.46	\$12,104-16,546	\$145,246-198,557	01
Z13F	* Program Manager III	074	\$ 75.74-103.33	\$13,128-17,911	\$157,539-214,926	01
YA85	Project Controls Specialist	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	02
TA23	Property Maintenance Tech	041	\$ 40.05- 52.69	\$ 6,942- 9,133	\$ 83,304-109,595	02
YA87	Public Affairs Rep I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
YA88	Public Affairs Rep II Pump Plant Maint Operator I	043	\$ 42.34- 55.74 \$ 31.31- 41.17	\$ 7,339- 9,662	\$ 88,067-115,939	02
TA21	÷	032	•	\$ 5,427- 7,136	\$ 65,125- 85,634 \$ 72,779- 95,555	02
TA22 T01	Pump Plant Maint Operator II Pump Plant Specialist	036 048	\$ 34.99- 45.94 \$ 48.54- 63.85	\$ 6,065- 7,963 \$ 8,414-11,067	\$100,963-132,808	02 02
YA90	Quality Assurance Officer	056	\$ 60.51- 79.16	\$10,488-13,721	\$125,861-164,653	02
YA91	Real Estate Representative I	030	\$ 35.91- 47.26	\$ 6,224- 8,192	\$ 74,693- 98,301	02
YA92	Real Estate Representative II	042	\$ 41.17- 54.24	\$ 7,136- 9,402	\$ 85,634-112,819	02
YA93	Real Estate Representative III	046	\$ 45.94- 60.51	\$ 7,963-10,488	\$ 95,555-125,861	02
UA12	Reprographics Technician I	023	\$ 24.42- 32.15	\$ 4,233- 5,573	\$ 50,794- 66,872	02
UA13	Reprographics Technician II	028	\$ 27.97- 36.90	\$ 4,848- 6,396	\$ 58,178- 76,752	02
UA14	Reprographics Technician III	031	\$ 30.43- 40.05	\$ 5,275- 6,942	\$ 63,294-83,304	02
YA98	Resource Specialist	055	\$ 58.91- 76.96	\$10,211-13,340	\$122,533-160,077	02
Z03B	* Section Manager I (C)	067	\$ 81.26-106.23	\$14,085-18,413	\$169,021-220,958	05
Z03C	* Section Manager II (C)	069	\$ 85.70-112.16	\$14,855-19,441	\$178,256-233,293	05
SM005	* Section Mgr-Business Outreach	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
SM014	* Section Mgr-Conveyance&Distrbn	073	\$ 95.46-125.03	\$16,546-21,672	\$198,557-260,062	04
SM002	* Section Mgr-Customer&Comm Svcs	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
SM015	* Section Mgr-Engineering Svcs	073	\$ 95.46-125.03	\$16,546-21,672	\$198,557-260,062	04
SM009	* Section Mgr-Environ Planning	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM003	* Section Mgr-Legislative Svcs	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
SM004	* Section Mgr-Media Services	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
SM006	* Section Mgr-MembrSvc&PubOutrch	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
SM010	* Section Mgr-Ops Safety&Reg Srv	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM011	* Section Mgr-Ops Support Svcs	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM012	* Section Mgr-Power Ops&Planning	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM018	* Section Mgr-Real Property	071	\$ 90.42-118.43	\$15,673-20,528	\$188,074-246,334	04
SM007	* Section Mgr-Rev, Rates &Budget	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
SM019	* Section Mgr-Revenue & Budget	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM021	* Section Mgr-Sustain&Resilience	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM013	* Section Mgr-Water Ops&Planning	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM016	* Section Mgr-Water Quality	073	\$ 95.46-125.03	\$16,546-21,672	\$198,557-260,062	04
SM008	* Section Mgr-Water Resource Mgt	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	04
SM017	* Section Mgr-Water Treatment	073	\$ 95.46-125.03	\$16,546-21,672	\$198,557-260,062	04
WC01	Security Specialist (C)	051	\$ 52.69- 69.23	\$ 9,133-12,000	\$109,595-143,998	05
Z32	* Senior Audit Manager	073	\$ 73.70-100.65	\$12,775-17,446	\$153,296-209,352	01
V02	* Special Asst to the GM	072	\$ 71.73- 98.01	\$12,433-16,988	\$149,198-203,861	01
Z16A	* Special Projects Manager	072	\$ 92.91-121.67	\$16,104-21,089	\$193,253-253,074	05
YA02	Sr Accountant	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	02
VA03	Sr Accounting Tech	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	02
YA05	Sr Admin Analyst	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	02
YC04 Y01	* Sr Admin Analyst (C) * Sr Architect	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	05 04
YC43	* Sr Architect * Sr Benefits Analyst (C)	059 049	\$ 65.62- 85.70 \$ 49.88- 65.62	\$11,374-14,855 \$ 8,646-11,374	\$136,490-178,256 \$103,750-136,490	04
YA10	Sr Biologist	049	\$ 55.74- 73.02		\$103,750-136,490	05 02
YC07	* Sr Board Specialist (C)	053	\$ 51.32- 67.38	\$ 9,662-12,657 \$ 8,895-11,679	\$115,939-151,882	05
YA14	Sr Buyer	048	\$ 48.54- 63.85	\$ 8,895-11,679	\$100,746-140,150	02
YA18	Sr Chemist	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$100,903-132,808	02
YC49	* Sr Class & Comp Analyst (C)	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	05
XA08	Sr Crane Certification Tech	049	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
21200	SI CIAMO COICILICACION 160N	0.40	~ 10.JI UJ.UJ	A 0'111 11'00'	VIOO, 202 IZZ, 000	02

Attachment 1, Page 7 of 11

 $\begin{tabular}{ll} {\tt Metropolitan} & {\tt Water District of Southern California} \\ & {\tt SALARY SCHEDULE} \\ \end{tabular}$

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lassification Code	Title	Salary Grade	Hourly Range	Monthly Range	Annual Range	Unit Code
XA10	Sr Cross Connection Tech	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
Z11	* Sr Dep Gen Counsel Lbr Reltns	079	\$ 86.64-118.43	\$15,018-20,528	\$180,211-246,334	01
YA23	Sr Deputy Auditor	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
XA14	Sr Designer	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
YC20	* Sr Dpty General Counsel (C)	071	\$ 90.42-118.43	\$15,673-20,528	\$188,074-246,334	05
YC47	* Sr EEO Analyst (C)	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	05
YC28	* Sr EHS Field Specialist (C)	055	\$ 58.91- 76.96	\$10,211-13,340	\$122,533-160,077	05
YC41	* Sr Emp Relations Specialist	054	\$ 57.29- 74.96	\$ 9,930-12,993	\$119,163-155,917	05
114	* Sr Engineer	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
XA23A	Sr Engineering Technician	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
924	* Sr Environmental Specialist	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	03
YC04A	* Sr Financial Analyst (C)	051	\$ 52.69- 69.23	\$ 9,133-12,000	\$109,595-143,998	05
YC23	* Sr Government&Region AffRep(C)	057	\$ 62.17- 81.26	\$10,776-14,085	\$129,314-169,021	05
YC51	* Sr HR Training Specialist (C)	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	05
YC45	* Sr HRIS Analyst (C)	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	05
YA109	Sr IT Business Analyst	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
XA30A	Sr IT Communication Technician	050	\$ 51.32- 67.38	\$ 8,895-11,679	\$106,746-140,150	02
YA41	Sr IT Enterprise App Analyst	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
YA36	Sr IT GIS Analyst	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
YA45	Sr IT Infrastructure Adminstr	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
YA49	Sr IT Network Engineer	053	\$ 55.74- 73.02 \$ 49.88- 65.62	\$ 9,662-12,657	\$115,939-151,882	02
YA53	Sr IT Proj Controls Specialist Sr IT Quality Analyst	049 052	\$ 54.24- 71.06	\$ 8,646-11,374 \$ 9,402-12,317	\$103,750-136,490	02 02
YA57 YA61	Sr II Quality Analyst Sr IT Software Developer	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
XA34A	Sr IT Support Analyst	052	\$ 52.69- 69.23	\$ 9,402-12,317	\$112,819-147,805 \$109,595-143,998	02
YA65	Sr IT Support Analyst Sr IT System Administrator	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	02
201	* Sr Info Systems Auditor	055	\$ 58.91- 76.96	\$10,211-13,340	\$122,533-160,077	04
YC14	* Sr Info Tech Analyst (C)	052	\$ 54.24- 71.06	\$ 9,402-12,317	\$112,819-147,805	05
XA37A	Sr Lab Info Systems Specialist	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
YA66	Sr Land Surveyor	056	\$ 60.51- 79.16	\$10,488-13,721	\$125,861-164,653	02
XA44A	Sr Landscape Maintenance Tech	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
YA68	Sr Legal Analyst	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	02
UC03	Sr Legal Secretary (C)	040	\$ 38.98- 51.32	\$ 6,757- 8,895	\$ 81,078-106,746	05
YC67	* Sr Legislative Representative	058	\$ 63.85- 83.42	\$11,067-14,459	\$132,808-173,514	05
YA73	Sr Limnologist	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
YA78	Sr Microbiologist	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
928	* Sr Occup Safety & Health Spec	058	\$ 63.85- 83.42	\$11,067-14,459	\$132,808-173,514	04
XA49	Sr Planner Scheduler	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
YA86	Sr Project Controls Specialist	050	\$ 51.32- 67.38	\$ 8,895-11,679	\$106,746-140,150	02
YA89	Sr Public Affairs Rep	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
YA94	Sr Real Estate Representative	050	\$ 51.32- 67.38	\$ 8,895-11,679	\$106,746-140,150	02
YC53	* Sr Recruitment Specialist (C)	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	05
UA15	Sr Reprographic Technician	034	\$ 33.08- 43.50	\$ 5,734- 7,540	\$ 68,806- 90,480	02
155	* Sr Research Chemist	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	03
932	* Sr Resource Specialist	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	03
WC03	Sr Security Specialist	054	\$ 57.29- 74.96	\$ 9,930-12,993	\$119,163-155,917	05
XA56	Sr System Operations Tech	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
TA17	Sr System Operator	048	\$ 48.54- 63.85 \$ 55.74- 73.02	\$ 8,414-11,067	\$100,963-132,808	02
XA62A YC16	Sr Technical Writer * Sr Training Administrator (C)	053 051	\$ 52.69- 69.23	\$ 9,662-12,657 \$ 9,133-12,000	\$115,939-151,882 \$109,595-143,998	02 05
YC09	* Sr Training Specialist (C)	050	\$ 51.32- 67.38	\$ 8,895-11,679	\$106,746-140,150	05
YA102	Sr Water Quality Specialist	053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
XA69	Sr Water Quality Technician	048	\$ 48.54- 63.85	\$ 8,414-11,067	\$100,963-132,808	02
V01	* Staff Assistant to the GM	072	\$ 71.73- 98.01	\$12,433-16,988	\$149,198-203,861	01
Z43	* Staffing Manager	062	\$ 71.06- 92.91	\$12,317-16,104	\$147,805-193,253	05
VA12	Storekeeper I	026	\$ 26.52- 34.99	\$ 4,597- 6,065	\$ 55,162- 72,779	02
VA13	Storekeeper II	031	\$ 30.43- 40.05	\$ 5,275- 6,942	\$ 63,294-83,304	02
VA14	Storekeeper III	035	\$ 34.04- 44.72	\$ 5,900- 7,751	\$ 70,803- 93,018	02
Y19	* Strategic Comm&Policy Advisor	081	\$ 91.51-125.03	\$15,862-21,672	\$190,341-260,062	01
PMA01	* Strategic Program Mgr, HR	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	05
Y13	Student Intern	022	\$ 18.43- 25.06	\$ 3,195- 4,344	\$ 38,334- 52,125	01
S04	Student Intern Desert	010	\$ 17.10- 22.47	\$ 2,964- 3,895	\$ 35,568- 46,738	02
UA18	Student Youth Intern	014	\$ 14.77- 20.16	\$ 2,560- 3,494	\$ 30,722- 41,933	01
260	* Supervising Admin Analyst	049	\$ 49.88- 65.62	\$ 8,646-11,374	\$103,750-136,490	03
XA51A	Survey and Mapping Tech I	036	\$ 34.99- 45.94	\$ 6,065- 7,963	\$ 72,779- 95,555	02
	Survey and Mapping Tech II	040	\$ 38.98- 51.32	\$ 6,757- 8,895	\$ 81,078-106,746	02
XA52A				\$ 8,414-11,067	6100 062 122 000	02
XA52A XA53A	Survey and Mapping Tech III	048	\$ 48.54- 63.85	\$ 0,414 11,007	\$100,963-132,808	
	Survey and Mapping Tech IV	048 053	\$ 55.74- 73.02	\$ 9,662-12,657	\$115,939-151,882	02
XA53A						

 $\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

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Run Time 10:50:52

lassification Code		Title	e	Salary Grade	Hourly Range	Monthly Range	Annual Range	Unit Code
Z06A			Manager I	056	60.51- 79.16	\$10,488-13,721	\$125,861-164,653	03
Z06B			Manager II	057	62.17- 81.26	\$10,776-14,085	\$129,314-169,021	03
Z06C			Manager III	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	03
Z06D			Manager IV	060	67.38- 88.05	\$11,679-15,262	\$140,150-183,144	03
Z06R			Manager IV (C)	058	63.85- 83.42	\$11,067-14,459	\$132,808-173,514	05
Z06E			Manager V Manager V (C)	061 060	69.23- 90.42 67.38- 88.05	\$12,000-15,673	\$143,998-188,074	03 05
Z06S Z06F			Manager VI	065	76.96-100.65	\$11,679-15,262 \$13,340-17,446	\$140,150-183,144 \$160,077-209,352	03
Z06G			Manager VII	065	76.96-100.65	\$13,340-17,446	\$160,077-209,352	03
TM085			Mgr-Accounts Payable	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM086			Mgr-Accounts Receivable	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM001			Mgr-Admin Svcs Bus Mgmt	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM080			Mgr-Budget	062	71.06- 92.91	\$12,317-16,104	\$147,805-193,253	04
TM002			Mgr-Business Applications	063	73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM061			Mgr-Business Intel System	063	73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM084			Mgr-Capital Invstmnt Plan	066	79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM003			Mgr-Chemistry	064	74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM079	*	Team	Mgr-Community Relations	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM005	*	Team	Mgr-Construction Mgmt I	060	67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
TM004	*	Team	Mgr-Construction Mgmt II	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM064	*	Team	Mgr-ConstructionContracts	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM006	*	Team	Mgr-Control Systems Apps	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM007	*	Team	Mgr-Corrosion Control	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM078	*	Team	Mgr-Creative Design	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM008	*	Team	Mgr-Database	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM009	*	Team	Mgr-Design	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM073	*	Team	Mgr-Design Support	057	\$ 62.17- 81.26	\$10,776-14,085	\$129,314-169,021	04
TM072			Mgr-Design Technology	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM081			Mgr-Education	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM013			Mgr-Eng Compliance	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM012			Mgr-Engineering Administr	064	74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM014			Mgr-Enterprise Apps	064	74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM022			Mgr-Enterprise GIS & CAD	063	73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM015			Mgr-EnterprsWaterSysPrgrm	065	76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
TM065			Mgr-Environ Planning	065	76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
TM016			Mgr-Environ Prgrm Support	066	79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM011			Mgr-Ext Affairs Bus Mgmt	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM019			Mgr-Facility Operations	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM018			Mgr-Facility Planning	066	79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM020			Mgr-Field Survey	065	76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
TM033			Mgr-FinanceRpt&PlantAsset	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM021			Mgr-Geodetics and Mapping	065	76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
TM023			Mgr-Graphic Design Mgr-HR Business Support	058 058	63.85-83.42	\$11,067-14,459	\$132,808-173,514	04 05
TMA01 TM024			Mgr-Health&SafetyPrgrmSup	064	63.85- 83.42 74.96- 98.01	\$11,067-14,459	\$132,808-173,514	04
TM024			Mgr-Hydraulics&SysMdlng	066	79.16-103.33	\$12,993-16,988 \$13,721-17,911	\$155,917-203,861	04
TM025			Mgr-Hydroelectric	066	79.16-103.33	\$13,721-17,911	\$164,653-214,926 \$164,653-214,926	04
TM027			Mgr-IT Administration	062	71.06- 92.91	\$12,317-16,104	\$147,805-193,253	04
TM074			Mgr-IT Business Analysis	061	69.23- 90.42	\$12,000-15,673	\$143,998-188,074	04
TM077			Mgr-IT Client Systems Spt	060	67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
TM082			Mgr-IT Network Systems	063	73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM066			Mgr-IT Prgrm Project Sppt	065	76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
TM028			Mgr-IT Quality Assurance	061	69.23- 90.42	\$12,000-15,673	\$143,998-188,074	04
TM010			Mgr-IT Service Desk	060	67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
TM055			Mgr-IT Telecommunication	063	73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM067			Mgr-Info Security	061	69.23- 90.42	\$12,000-15,673	\$143,998-188,074	04
TM046			Mgr-InternalCntr&WaterInv	059	65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM029			Mgr-Inventory Control	056	60.51- 79.16	\$10,488-13,721	\$125,861-164,653	04
TM075	*	Team	Mgr-Laboratory Support	057	62.17- 81.26	\$10,776-14,085	\$129,314-169,021	03
TM068			Mgr-LandPlanning&Managemt	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM031	*	Team	Mgr-Maint Engineering	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM032	*	Team	Mgr-Materials&Metallurgy	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
TM034	*	Team	Mgr-Microbiology	064	74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM035	*	Team	Mgr-Operations App Svcs	063	73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM036	*	Team	Mgr-Operations Compliance	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM076			Mgr-Operations Planning	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM037	*	Team	Mgr-Ops Control Center	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM087	*	Team	Mgr-Payroll	062	\$ 71.06- 92.91	\$12,317-16,104	\$147,805-193,253	04
TM060	*	Team	Mgr-Power Ops& Scheduling	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM038	*	Team	Mgr-Procurement	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04

Page No. 9 Run Date 10/25/2023

Run Time 10:50:52

 $\begin{tabular}{ll} {\tt Metropolitan} & {\tt Water District of Southern California} \\ & {\tt SALARY SCHEDULE} \\ \end{tabular}$

Effective Date: 06/25/2023

Report ID: MHR828

SALARY SCHEDULE

7-10

iicccive bacc.	00/25/2025				Ruii IIIIC 10.	30.32
lassification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
TM039	* Team Mgr-Prof Contracting Svcs	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM040	* Team Mgr-Program Management	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM041	* Team Mgr-Project Support	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	04
TM063	* Team Mgr-Property Management	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM042	* Team Mgr-Pump Plant	061	\$ 69.23- 90.42	\$12,000-15,673	\$143,998-188,074	04
TM043	* Team Mgr-QltyAsrn&CompSampling	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM044	* Team Mgr-Real Prop Bus Mgmt	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM045	* Team Mgr-RecordsMgt&ImagingSvc	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM030 TM069	* Team Mgr-Reservoir Management * Team Mgr-Resource Development	064 064	\$ 74.96- 98.01 \$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04 04
TM070	* Team Mgr-Resource Planning	064	\$ 74.96- 98.01	\$12,993-16,988 \$12,993-16,988	\$155,917-203,861 \$155,917-203,861	04
TM062	* Team Mgr-Right of Way Acquistn	063	\$ 73.02- 95.46	\$12,657-16,546	\$151,882-198,557	04
TM047	* Team Mgr-Safety of Dams&Geotch	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM017	* Team Mgr-Safety&RegSvcSiteSupt	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TMA02	* Team Mgr-SafetyRegTechTraining	060	\$ 67.38- 88.05	\$11,679-15,262	\$140,150-183,144	05
TM048	* Team Mgr-Security Management	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM049	* Team Mgr-Server Administration	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM050	* Team Mgr-Substructures	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM051	* Team Mgr-Supply Acquisition	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
TM053 TM054	* Team Mgr-Technical Control	065	\$ 76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
TM071	* Team Mgr-Technical Writing * Team Mgr-Treasury Operations	058 059	\$ 63.85- 83.42 \$ 65.62- 85.70	\$11,067-14,459 \$11,374-14,855	\$132,808-173,514 \$136,490-178,256	04 04
TM058	* Team Mgr-WRM Business Mgmt	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM059	* Team Mgr-WSO Business Mgmt	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	04
TM056	* Team Mgr-Warehouse	056	\$ 60.51- 79.16	\$10,488-13,721	\$125,861-164,653	04
TM057	* Team Mgr-Water Efficiency	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
TM083	* Team Mgr-WaterReuse&ProcessDev	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
XA57	Technical Illustrator I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA58	Technical Illustrator II	043	\$ 42.34- 55.74	\$ 7,339- 9,662	\$ 88,067-115,939	02
XA59A	Technical Writer I	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	02
XA60A	Technical Writer II Technical Writer III	043 048	\$ 42.34- 55.74	\$ 7,339- 9,662 \$ 8,414-11,067	\$ 88,067-115,939 \$100,963-132,808	02 02
XA61A YC55	* Training Administrator	045	\$ 48.54- 63.85 \$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	05
VC10	Training Assistant I	030	\$ 29.63- 38.98	\$ 5,136- 6,757	\$ 61,630- 81,078	05
VC11	Training Assistant II	034	\$ 33.08- 43.50	\$ 5,734- 7,540	\$ 68,806- 90,480	05
VC12	Training Assistant III	038	\$ 36.90- 48.54	\$ 6,396- 8,414	\$ 76,752-100,963	05
Y15	* Training Logistics Specialist	059	\$ 65.62- 85.70	\$11,374-14,855	\$136,490-178,256	03
YC08	* Training Specialist (C)	045	\$ 44.72- 58.91	\$ 7,751-10,211	\$ 93,018-122,533	05
ASM01	* Treasurer	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
VA15	Treasury Administrator	039	\$ 37.93- 49.88	\$ 6,575- 8,646	\$ 78,894-103,750	02
Z05E	* Unit Manager V	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
Z05J UM002	* Unit Manager V (C)	066	\$ 79.16-103.33 \$ 81.26-106.23	\$13,721-17,911	\$164,653-214,926 \$169,021-220,958	05 04
UM003	<pre>* Unit Mgr-Application Services * Unit Mgr-Apprentice&TechTrain</pre>	067 064	\$ 74.96- 98.01	\$14,085-18,413 \$12,993-16,988	\$155,917-203,861	04
UM004	* Unit Mgr-Audit	065	\$ 76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
UMA01	* Unit Mgr-Benefits Services	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	05
UM031	* Unit Mgr-Budget	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
UM030	* Unit Mgr-Chemistry	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
UMA02	* Unit Mgr-ClassComp&Recruitment	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	05
UM005	* Unit Mgr-Construction Services	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
UM006	* Unit Mgr-Contracting Services	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
UM007	* Unit Mgr-Conveyance&Distribtn	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
UM008 UM042	* Unit Mgr-Document Services* Unit Mgr-DvrstyEqty&IncWkfcDev	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861 \$173,514-227,053	04 04
UM009	* Unit Mgr-Education	068 066	\$ 83.42-109.16 \$ 79.16-103.33	\$14,459-18,921 \$13,721-17,911	\$173,514-227,033	04
UM010	* Unit Mgr-Engineering Services	069	\$ 85.70-112.16	\$14,855-19,441	\$178,256-233,293	04
UM038	* Unit Mgr-Environmental Plng	069	\$ 85.70-112.16	\$14,855-19,441	\$178,256-233,293	04
UM011	* Unit Mgr-Facility Management	067	\$ 81.26-106.23	\$14,085-18,413	\$169,021-220,958	04
UM012	* Unit Mgr-Fleet Services	065	\$ 76.96-100.65	\$13,340-17,446	\$160,077-209,352	04
UM043	* Unit Mgr-Grants & Research	064	\$ 74.96- 98.01	\$12,993-16,988	\$155,917-203,861	04
UM016	* Unit Mgr-IT Infrastructure	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
UM033	* Unit Mgr-IT Program Mgt Office	069	\$ 85.70-112.16	\$14,855-19,441	\$178,256-233,293	04
UM017	* Unit Mgr-IT Project Planning	066	\$ 79.16-103.33	\$13,721-17,911	\$164,653-214,926	04
UM032	* Unit Mgr-IT Security	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
UM013	* Unit Mgr-Implemnt Proj&Studies * Unit Mgr-Imported Supply	068 068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
UM014 UM015	* Unit Mgr-Imported Supply * Unit Mgr-Info Security Svcs	068 066	\$ 83.42-109.16 \$ 79.16-103.33	\$14,459-18,921 \$13,721-17,911	\$173,514-227,053 \$164,653-214,926	04 04
UM015	* Unit Mgr-Inio Security Svcs * Unit Mgr-Laboratory Services	068	\$ 83.42-109.16	\$13,721-17,911	\$173,514-227,053	04
UM023	* Unit Mgr-Land Management	067	\$ 81.26-106.23	\$14,085-18,413	\$169,021-220,958	04
UM018	* Unit Mgr-Manufacturing Svcs	068	\$ 83.42-109.16	\$14,459-18,921	\$173,514-227,053	04
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Wtr Trtment Plant Operator II

Wtr Trtment Plant Operator III

Report ID: MHR828

TA19

TA20

Effective Date: 06/25/2023

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Attachment 1, Page 10 of 11

Metropolitan Water District of Southern California SALARY SCHEDULE

SALARY SCHEDULE Page No. 10
Run Date 10/25/2023
Run Time 10:50:52

Classification Salary Hourly Monthly Annual Unit Title Grade Range Code Code Range Range \$14,459-18,921 \$173,514-227,053 UM029 * Unit Mgr-Microbiology 068 \$ 83.42-109.16 * Unit Mgr-Ops Planning&Program \$173,514-227,053 TTM019 068 \$ 83 42-109 16 \$14.459-18.921 UM036 * Unit Mgr-Ops Proj & Asset Mgmt 069 \$ 85.70-112.16 \$14,855-19,441 \$178,256-233,293 UM021 * Unit Mgr-Planning and Acquistn 067 \$ 81.26-106.23 \$14,085-18,413 \$169,021-220,958 04 TIM020 * Unit Mgr-Power&EquipReliabilty 068 \$ 83.42-109.16 \$14,459-18,921 \$173,514-227,053 04 * Unit Mgr-PowerCompl&Programs UM040 068 \$ 83.42-109.16 \$14,459-18,921 \$173,514-227,053 * Unit Mgr-Rates, Charges&FinPlan TIM035 066 \$ 79.16-103.33 \$13,721-17,911 \$164,653-214,926 0.4 UM024 * Unit Mgr-Risk Management 065 \$ 76.96-100.65 \$13,340-17,446 \$160,077-209,352 04 * Unit Mgr-Safety&Environ Svcs \$14,459-18,921 UM041 068 \$ 83.42-109.16 \$173,514-227,053 04 UM034 * Unit Mgr-Security 068 \$ 83.42-109.16 \$14,459-18,921 \$173,514-227,053 04 UM025 * Unit Mgr-System Analysis 069 \$ 85.70-112.16 \$14,855-19,441 \$178,256-233,293 04 * Unit Mgr-System Operations TIM026 068 \$ 83.42-109.16 \$14,459-18,921 \$173,514-227,053 0.4 * Unit Mgr-Water Purification \$ 83.42-109.16 \$14,459-18,921 \$173,514-227,053 UM027 068 UM028 * Unit Mgr-Water Treatment Plant 068 \$ 83.42-109.16 \$14,459-18,921 \$173,514-227,053 04 XA63 Videographer I 035 \$ 34.04- 44.72 \$ 5,900- 7,751 \$ 70,803- 93,018 02 XA64 Videographer II 041 \$ 40.05- 52.69 \$ 6,942- 9,133 \$ 83,304-109,595 0.2 YA101 Water Quality Specialist 048 \$ 48.54- 63.85 \$ 8,414-11,067 \$100,963-132,808 0.2 Water Quality Technician I \$ 32.15- 42.34 \$ 5,573- 7,339 \$ 66,872- 88,067 XA66 033 Water Quality Technician II \$ 6,396- 8,414 \$ 36.90- 48.54 \$ 76,752-100,963 XA67 038 0.2 XA68 Water Quality Technician III 043 \$ 42.34- 55.74 \$ 7,339- 9,662 \$ 88,067-115,939 XA70A Water Sampling Field Tech 033 \$ 32.15- 42.34 \$ 5,573- 7,339 \$ 66,872-88,067 02 Z38 * Workers Compensation Manager 066 \$ 79.16-103.33 \$13,721-17,911 \$164,653-214,926 05 T13 Wtr Treatment Plant Specialist 048 \$ 48.54- 63.85 \$ 8,414-11,067 \$100,963-132,808 035 \$ 34.04- 44.72 \$ 5,900- 7,751 TA18 Wtr Trtment Plant Operator I \$ 70,803- 93,018 0.2

040

045

\$ 38.98- 51.32

\$ 44.72- 58.91

\$ 6,757- 8,895

\$ 7,751-10,211

\$ 81,078-106,746

\$ 93,018-122,533

02

02

7-10

Attachment 1, Page 11 of 11

 $\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

Report ID: MHR828

Effective Date: 06/25/2023

Code Title

Salary Hourly Monthly Grade Range Range Run Time 10:50:52

Annual Unit
Range Code

Page No. 11 Run Date 10/25/2023

```
Unit Code
```

00 - Executive

Classification

01 - Unrepresented

02 - AFSCME Local 1902

03 - Supervisors Association

04 - Management&Professional Assoc

05 - Assoc of Conf Employees

 $\mbox{*}$ Not Eligible for Overtime

O&M Tech Titles

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+ O&M Tech I
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S03A (Grade 27): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator S03 (Grade 28): Electrical, HVAC, Machinist, Mechanical S03P (Grade 28 - Apprentice): Electrical, Mechanical + O&M Tech II S02A (Grade 31): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator S02 (Grade 32): Electrical, HVAC, Machinist, Mechanical S02P (Grade 32 - Apprentice): Electrical, Mechanical
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+ O&M Tech III

T10A (Grade 35): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator

T10 (Grade 36): Electrical, HVAC, Machinist, Mechanical

T10P (Grade 36 - Apprentice): Electrical, Mechanical

+ O&M Tech IV

T03A (Grade 41): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator

T03 (Grade 42): Electrical, HVAC, Machinist, Mechanical

T03FS (Grade 42): Welder-Fabricator/Field Services

$\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

Effective Date: 06/26/2022

Report ID: MHR828

Page No. 1 Run Date 10/30/2023 Run Time 15:13:59

Effective Date:	06/26/2022				Run Time 15:	13:59
Classification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
YA01	Accountant	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
VA01	Accounting Tech I	029	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02
VA02	Accounting Tech II	034	\$ 32.12- 42.23	\$ 5,567- 7,320	\$ 66,810- 87,838	02
Z27	* Accounts Payable Administrator	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	04
Z69	* Accounts Receivable Adminstr	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	04
YA04	Admin Analyst	044	\$ 42.23- 55.62	\$ 7,320- 9,641	\$ 87,838-115,690	02
YC01	Admin Analyst I (C)	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	05
YC02	Admin Analyst II (C)	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	05
YC03	* Admin Analyst III (C)	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955 \$ 61,443-80,870	05
VA04 VC01	Admin Assistant I Admin Assistant I (C)	031 031	\$ 29.54- 38.88 \$ 29.54- 38.88	\$ 5,120- 6,739 \$ 5,120- 6,739	\$ 61,443- 80,870	02 05
VA05	Admin Assistant II	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02
VC02	Admin Assistant II (C)	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	05
VA06	Admin Assistant III	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	02
VC03	Admin Assistant III (C)	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	05
UA04	Admin Secretary	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
PM034	* Agricultural Liaison	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
937	Aircraft Pilot	046	\$ 44.60- 58.75	\$ 7,731-10,183	\$ 92,768-122,200	03
TA12	Aqueduct & Power Dispatcher	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	02
T11	Aqueduct Pump Specialist	046	\$ 44.60- 58.75	\$ 7,731-10,183	\$ 92,768-122,200	02
YC62	* Assistant Ethics Officer	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	05
YA08	Assoc Biologist	043 043	\$ 41.11- 54.12 \$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02 02
YA16 YC18	Assoc Chemist * Assoc Dpty General Counsel (C)	043	\$ 65.42- 85.49	\$ 7,126- 9,381 \$11,339-14,818	\$ 85,509-112,570 \$136,074-177,819	02
YA26	Assoc Engineer	050	\$ 49.83- 65.42	\$ 8,637-11,339	\$103,646-136,074	02
YA30	Assoc Environmental Specialist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
YA51	Assoc IT Proj Contr Specialist	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	02
YA71	Assoc Limnologist	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
YA76	Assoc Microbiologist	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
YA84	Assoc Proj Controls Specialist	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
YA97	Assoc Resource Specialist	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	02
WC02	Assoc Security Specialist (C)	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	05
YA100	Assoc Water Quality Specialist	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
YA07	Asst Biologist	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
YC63	* Asst Board Administrator Asst Chemist	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
YA15 YA24	Asst Engineer I	038 043	\$ 35.83- 47.13 \$ 41.11- 54.12	\$ 6,211- 8,169 \$ 7,126- 9,381	\$ 74,526- 98,030 \$ 85,509-112,570	02 02
YA25	Asst Engineer II	045	\$ 44.60- 58.75	\$ 7,731-10,183	\$ 92,768-122,200	02
YA28	Asst Env Specialist I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
YA29	Asst Env Specialist II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
Z12	* Asst GM Strategic Wtr Initiatv	093	\$123.02-168.07	\$21,323-29,132	\$255,882-349,586	01
985	* Asst General Auditor	081	\$ 88.84-121.39	\$15,399-21,041	\$184,787-252,491	01
032	* Asst General Counsel	086	\$101.73-138.97	\$17,633-24,088	\$211,598-289,058	01
Z55	* Asst General Counsel (C)	078	\$105.98-138.97	\$18,370-24,088	\$220,438-289,058	05
024	* Asst General Manager/CAO	093	\$123.02-168.07	\$21,323-29,132	\$255,882-349,586	01
Z14	* Asst General Manager/CEAO	093	\$123.02-168.07	\$21,323-29,132	\$255,882-349,586	01
006	* Asst General Manager/CFO	093	\$123.02-168.07	\$21,323-29,132	\$255,882-349,586	01
002 Z02	* Asst General Manager/COO * Asst Group Manager	094 085	\$126.36-172.71	\$21,902-29,936 \$17,162-23,443	\$262,829-359,237 \$205,941-281,320	01
YA50	Asst IT Proj Contrl Specialist	033	\$ 99.01-135.25 \$ 31.21- 41.11	\$ 5,410- 7,126	\$ 64,917- 85,509	01 02
YC66	* Asst LegislativeRepresentative	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	05
YA70	Asst Limnologist	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
YA75	Asst Microbiologist	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
YA83	Asst Proj Controls Specialist	033	\$ 31.21- 41.11	\$ 5,410- 7,126	\$ 64,917- 85,509	02
YA95	Asst Resource Specialist I	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA96	Asst Resource Specialist II	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	02
Z04C	* Asst Section Manager II (C)	067	\$ 78.89-103.14	\$13,674-17,878	\$164,091-214,531	05
TA15	Asst System Operator	041	\$ 38.88- 51.16	\$ 6,739- 8,868	\$ 80,870-106,413	02
295	* Asst Treasurer	057	\$ 60.36- 78.89	\$10,462-13,674	\$125,549-164,091	04
Z52 YA99	* Asst Unit Mgr-Conveyance&Distr Asst Water Quality Specialist	064 038	\$ 72.78- 95.16	\$12,615-16,494 \$ 6,211- 8,169	\$151,382-197,933	04
UM001	* AsstContrl/Unit Mgr-Accounting	038	\$ 35.83- 47.13 \$ 76.85-100.32	\$13,321-17,389	\$ 74,526- 98,030 \$159,848-208,666	02 04
UM039	* AsstContrl/Unit Mgr-FinclRptng	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
Z32	* Audit Administrator	073	\$ 71.55- 97.72	\$12,402-16,938	\$148,824-203,258	01
Z68	* Bay-Delta InitiativesPolicyMgr	085	\$ 99.01-135.25	\$17,162-23,443	\$205,941-281,320	01
YA09	Biologist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
Z64	* Board Administrator	072	\$ 69.64- 95.16	\$12,071-16,494	\$144,851-197,933	01
Z78	* Board Executive Officer	088	\$107.40-146.73	\$18,616-25,433	\$223,392-305,198	01
U04	* Board Executive Secretary	066	\$ 59.40- 80.99	\$10,296-14,038	\$123,552-168,459	01
YC06	* Board Specialist (C)	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	05

 $\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

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Classification Code	Title	Salary Grade	Hourly Range	Monthly Range	Annual Range	Unit Code	
Z65	* Budget and Treasury Manager	081	\$ 88.84-121.39	\$15,399-21,041	\$184,787-252,491	01	
Z09	* Business Outreach Manager	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04	
YA12	Buyer I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02	
YA13	Buyer II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02	
YA17 SA06	Chemist Chief Cook	048 024	\$ 47.13- 61.99 \$ 24.33- 32.12	\$ 8,169-10,745	\$ 98,030-128,939	02 02	
Y08	* Chief Deputy General Counsel	024	\$ 99.01-135.25	\$ 4,217- 5,567 \$17,162-23,443	\$ 50,606- 66,810 \$205,941-281,320	02	
YC21	* Chief Dpty General Counsel (C)	074	\$ 95.16-124.68	\$16,494-21,611	\$197,933-259,334	05	
YC65	* Chief EEO Investigator	077	\$ 79.68-108.89	\$13,811-18,874	\$165,734-226,491	01	
Z71	* Chief EEO Officer	085	\$ 99.01-135.25	\$17,162-23,443	\$205,941-281,320	01	
XA47	Chief Photographer	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02	
XA65	Chief Videographer	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02	
122	Chief of Party	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	03	
Z73	* ChiefDvrstyEqty&InclsnOfficer	085	\$ 99.01-135.25	\$17,162-23,443	\$205,941-281,320	01	
Z72 Z42	* ChiefSustRslncy&InnovOfficer	085	\$ 99.01-135.25	\$17,162-23,443	\$205,941-281,320	01 05	
SA04	* Class & Comp Manager Commercial Truck Driver A	064 037	\$ 72.78- 95.16 \$ 34.86- 45.88	\$12,615-16,494 \$ 6,042- 7,953	\$151,382-197,933 \$ 72,509- 95,430	02	
SA05A	Commercial Truck Driver B	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02	
XA01A	Construction Inspector I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02	
XA02A	Construction Inspector II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02	
XA03A	Construction Inspector III	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02	
XA04A	Construction Inspector IV	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	02	
XA05A	Construction Inspector V	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	02	
Z36	* Controller	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	05	
T04	Conveyance&Distrbtn Specialist	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02	
XA06	Crane Certification Tech I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02	
XA07	Crane Certification Tech II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02	
XA09	Cross Connection Technician	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02 04	
PM030 YA20	* Debt Management Specialist Deputy Auditor I	060 031	\$ 65.42- 85.49 \$ 29.54- 38.88	\$11,339-14,818 \$ 5,120- 6,739	\$136,074-177,819 \$ 61,443- 80,870	02	
YA21	Deputy Auditor II	031	\$ 33.97- 44.60	\$ 5,888- 7,731	\$ 70,658- 92,768	02	
YA22	Deputy Auditor III	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	02	
Z77	* Deputy Chief DE&I Officer	080	\$ 86.42-118.13	\$14,979-20,476	\$179,754-245,710	01	
Z75	* Deputy Chief EEO Officer	080	\$ 86.42-118.13	\$14,979-20,476	\$179,754-245,710	01	
Z57	* Deputy General Auditor	077	\$ 79.68-108.89	\$13,811-18,874	\$165,734-226,491	01	
YC19	* Deputy General Counsel (C)	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05	
VA07	Deputy Treasurer	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02	
XA11	Designer I	032	\$ 30.40- 39.97	\$ 5,269- 6,928	\$ 63,232- 83,138	02	
XA12	Designer II	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02	
XA13 Z41	Designer III * Director of Info Tech Services	039 072	\$ 36.83- 48.43 \$ 90.20-118.13	\$ 6,384- 8,395 \$15,635-20,476	\$ 76,606-100,734	02 04	
T14	Diver-Inland Commercial	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$187,616-245,710 \$ 95,430-125,549	02	
YC61	* DptyEthicsOfcr Adv,Comp&Policy	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05	
YC60	* DptyEthicsOfcr Inv,Outrch&Educ	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05	
Z25	* EEO Manager	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	05	
YC25	EHS Field Specialist I (C)	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	05	
YC26	EHS Field Specialist II (C)	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	05	
YC27	EHS Field Specialist III (C)	050	\$ 49.83- 65.42	\$ 8,637-11,339	\$103,646-136,074	05	
T12	Electrical Specialist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02	
168	* Electronic Tech Supervisor	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	03	
YC42	* Employee Relations Specialist	051	\$ 51.16- 67.21	\$ 8,868-11,650	\$106,413-139,797	05	
YA27 XA20A	Engineer Engineering Tech I	056 038	\$ 58.75- 76.85	\$10,183-13,321 \$ 6,211- 8,169	\$122,200-159,848	02 02	
XA21A	Engineering Tech II	043	\$ 35.83- 47.13 \$ 41.11- 54.12	\$ 7,126- 9,381	\$ 74,526- 98,030 \$ 85,509-112,570	02	
XA22A	Engineering Tech III	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02	
YA31	Environmental Specialist	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	02	
Z59	* Equal Emp Compliance&Policy Co	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05	
Z16	* Ethics Officer	FR			\$290,014	00	
YC35	* Ethics Policy Analyst	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05	
002A	* ExecOff&AsstGM/WaterResources	094	\$126.36-172.71	\$21,902-29,936	\$262,829-359,237	01	
VC04	Executive Assistant I (C)	044	\$ 42.23- 55.62	\$ 7,320- 9,641	\$ 87,838-115,690	05	
VC05	Executive Assistant II (C)	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	05	
VC13	* Executive Assistant to the GC	051	\$ 51.16- 67.21	\$ 8,868-11,650	\$106,413-139,797	05	
VC14	* Executive Assistant to the GM * Executive Legislative Rep	051	\$ 51.16- 67.21	\$ 8,868-11,650	\$106,413-139,797	05 01	
021 Z56	* Executive Legislative Rep * Executive Legislative Rep (C)	081 073	\$ 88.84-121.39 \$ 92.68-121.39	\$15,399-21,041 \$16,065-21,041	\$184,787-252,491 \$192,774-252,491	01 05	
Z74	* Executive Degistative Rep (C) * Executive Office Manager	073	\$ 60.92- 83.20	\$10,005-21,041	\$192,774-232,491	01	
061	* Executive Office Manager	051	\$ 51.16- 67.21	\$ 8,868-11,650	\$106,413-139,797	04	
017	* Executive Strategist	073	\$ 92.68-121.39	\$16,065-21,041	\$192,774-252,491	05	
SA07	Facilities Maint Assistant	029	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02	

$\label{eq:metropolitan} \mbox{Mater District of Southern California} \\ \mbox{SALARY SCHEDULE}$

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Classification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
TA14	Facilities Maint Mechanic	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA32	Fleet Coordinator	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
VA17 VA16	Fleet Dispatch Coordinator Fleet Dispatcher	035 031	\$ 33.05- 43.42 \$ 29.54- 38.88	\$ 5,729- 7,526 \$ 5,120- 6,739	\$ 68,744- 90,314 \$ 61,443- 80,870	02 02
041	* General Auditor	FR	\$ 29.54= 30.00	\$ 5,120= 0,739	\$265,013	00
031	* General Counsel	FR			\$369,117	00
706	General Maintenance Asst	021	\$ 22.43- 29.54	\$ 3,888- 5,120	\$ 46,654- 61,443	02
001	* General Manager	FR			\$465,962	00
YC22	* Government&Regional Aff Rep(C)	052	\$ 52.66- 68.99	\$ 9,128-11,958	\$109,533-143,499	05
YA37	Graphic Arts Designer	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
XA24	Graphic Technician I	034	\$ 32.12- 42.23	\$ 5,567- 7,320	\$ 66,810- 87,838	02
XA25	Graphic Technician II	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
XA26	Graphic Technician III	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
SA08 Z01	Grounds Maintenance Worker	029 086	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02 01
Z29	* Group Manager * Group Manager-Bay Delta Intivs	086	\$101.73-138.97 \$101.73-138.97	\$17,633-24,088 \$17,633-24,088	\$211,598-289,058 \$211,598-289,058	01
Z60	* Group Manager-Engineering Svcs	089	\$110.31-150.81	\$19,120-26,140	\$229,445-313,685	01
Z58	* Group Manager-External Affairs	086	\$101.73-138.97	\$17,633-24,088	\$211,598-289,058	01
Z76	* Group Manager-Finance	086	\$101.73-138.97	\$17,633-24,088	\$211,598-289,058	01
Z54	* Group Manager-Human Resources	086	\$101.73-138.97	\$17,633-24,088	\$211,598-289,058	01
Z66	* Group Manager-Info Technology	088	\$107.40-146.73	\$18,616-25,433	\$223,392-305,198	01
Z61	* Group Manager-Real Property	086	\$101.73-138.97	\$17,633-24,088	\$211,598-289,058	01
Z62	* Group Manager-Water Resrc Mgmt	088	\$107.40-146.73	\$18,616-25,433	\$223,392-305,198	01
Z63	* Group Manager-Water System Ops	089	\$110.31-150.81	\$19,120-26,140	\$229,445-313,685	01
VC06	HR Assistant I (C)	031	\$ 29.54- 38.88	\$ 5,120- 6,739	\$ 61,443- 80,870	05
VC07	HR Assistant II (C)	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	05
VC08	HR Assistant III (C)	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	05
UMA03	* HR Strategic Partner	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05
Z40 YC30	* HRIS Manager Human Resources Analyst I (C)	063 039	\$ 70.89- 92.68 \$ 36.83- 48.43	\$12,288-16,065 \$ 6,384- 8,395	\$147,451-192,774 \$ 76,606-100,734	05 05
YC31	Human Resources Analyst II (C)	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	05
YC32	* Human Resources Analyst III(C)	042	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	05
VC09	Human Resources Coordinator	041	\$ 38.88- 51.16	\$ 6,739- 8,868	\$ 80,870-106,413	05
Z22	* Human Resources Manager I	075	\$ 75.46-103.14	\$13,080-17,878	\$156,957-214,531	01
Z23	* Human Resources Manager II	078	\$ 81.85-111.85	\$14,187-19,387	\$170,248-232,648	01
Z24	* Human Resources Manager III	081	\$ 88.84-121.39	\$15,399-21,041	\$184,787-252,491	01
Z03D	* Human Resources Section Mgr	080	\$ 86.42-118.13	\$14,979-20,476	\$179,754-245,710	01
T08	Hydroelectric Specialist I	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
T05	Hydroelectric Specialist II	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
530	* Hydroelectric Supervisor	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	03
Y12 YA106	* IT Architect-Enterprs Software IT Business Analyst I	063 037	\$ 70.89- 92.68 \$ 34.86- 45.88	\$12,288-16,065 \$ 6,042- 7,953	\$147,451-192,774	04 02
YA107	IT Business Analyst II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 72,509- 95,430 \$ 83,138-109,533	02
YA108	IT Business Analyst III	042	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
XA27A	IT Communication Tech I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
XA28A	IT Communication Tech II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
XA29A	IT Communication Tech III	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
YA38	IT Enterprise App Analyst I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA39	IT Enterprise App Analyst II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA40	IT Enterprise App Analyst III	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
YA33	IT GIS Analyst I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA34	IT GIS Analyst II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA35	IT GIS Analyst III	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
YA42 YA43	IT Infrastructure Adminstr I IT Infrastructure Adminstr II	037 042	\$ 34.86- 45.88 \$ 39.97- 52.66	\$ 6,042- 7,953 \$ 6,928- 9,128	\$ 72,509- 95,430 \$ 83,138-109,533	02 02
YA44	IT Infrastructure Adminstr III	042	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
YA46	IT Network Engineer I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA47	IT Network Engineer II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA48	IT Network Engineer III	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
YA52	IT Project Controls Specialist	044	\$ 42.23- 55.62	\$ 7,320- 9,641	\$ 87,838-115,690	02
YA54	IT Quality Analyst I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA55	IT Quality Analyst II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA56	IT Quality Analyst III	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
PM032	* IT Service Manager	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
YA58	IT Software Developer I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA59	IT Software Developer II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA60	IT Software Developer III * IT Specialist -Disaster Recvry	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
Y05 XA31A	' IT Specialist -Disaster Recvry IT Support Analyst I	058 037	\$ 61.99- 80.99 \$ 34.86- 45.88	\$10,745-14,038 \$ 6,042- 7,953	\$128,939-168,459 \$ 72,509- 95,430	04 02
XA31A XA32A	IT Support Analyst II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
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$\begin{tabular}{ll} {\tt Metropolitan Water District of Southern California} \\ {\tt SALARY SCHEDULE} \end{tabular}$

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Classification Code	Title	Salary Grade	Hourly Range	Monthly Range	Annual Range	Unit Code
code	11010	Grade	Range	Range	Range	code
XA33A	IT Support Analyst III	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
YA62	IT System Administrator I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA63	IT System Administrator II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA64 Y18	IT System Administrator III * Info Gov&Ent Content Mgmt Spec	047 059	\$ 45.88- 60.36 \$ 63.71- 83.20	\$ 7,953-10,462 \$11,043-14,421	\$ 95,430-125,549 \$132,517-173,056	02 04
YC11	Info Tech Analyst I (C)	039	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	05
YC12	Info Tech Analyst II (C)	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	05
YC13	* Info Tech Analyst III (C)	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	05
Y14	* Info Technology Architect	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
Y06	* Inland Feeder Projects Admintr	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
Y10	* Inspection Trip Manager	061	\$ 67.21- 87.79	\$11,650-15,217	\$139,797-182,603	04
Y17	* Inspection Trip Specialist	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
184	Inspector IV	050	\$ 49.83- 65.42	\$ 8,637-11,339	\$103,646-136,074	03
XA16	Instrumnt&Cntrl Tech I	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02
XA17	Instrumnt&Cntrl Tech II	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	02
XA18 XA19	Instrumnt&Cntrl Tech III Instrumnt&Cntrl Tech Specialst	044 047	\$ 42.23- 55.62 \$ 45.88- 60.36	\$ 7,320- 9,641 \$ 7,953-10,462	\$ 87,838-115,690 \$ 95,430-125,549	02 02
716	Instrumnt&cntr1 Tech Specialst Inventory Coordinator	047	\$ 42.23- 55.62	\$ 7,953-10,462	\$ 95,430-125,549	02
PM033	* Investment Mgmt Specialist	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
XA35A	Lab Info Systems Specialist I	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
XA36A	Lab Info Systems Specialist II	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
UA16	Laboratory Assistant I	025	\$ 25.08- 33.05	\$ 4,347- 5,729	\$ 52,166- 68,744	02
UA17	Laboratory Assistant II	029	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02
XA40	Laboratory Technologist I	034	\$ 32.12- 42.23	\$ 5,567- 7,320	\$ 66,810- 87,838	02
XA41	Laboratory Technologist II	036	\$ 33.97- 44.60	\$ 5,888- 7,731	\$ 70,658- 92,768	02
YA110	Land Surveyor	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	02
705	Landscape Maint Coordinator	044	\$ 42.23- 55.62	\$ 7,320- 9,641	\$ 87,838-115,690	03
XA42A	Landscape Maintenance Tech I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
XA43A	Landscape Maintenance Tech II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
VA08	Law Clerk	029	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02
Z30	* Law Office Administrator (C)	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05
YA67	Legal Analyst	044 033	\$ 42.23- 55.62	\$ 7,320- 9,641	\$ 87,838-115,690	02 02
VA09 VA10	Legal Assistant I Legal Assistant II	033	\$ 31.21- 41.11 \$ 34.86- 45.88	\$ 5,410- 7,126 \$ 6,042- 7,953	\$ 64,917- 85,509 \$ 72,509- 95,430	02
VA10 VA11	Legal Assistant III	041	\$ 38.88- 51.16	\$ 6,739- 8,868	\$ 80,870-106,413	02
UC01	Legal Secretary I (C)	028	\$ 27.16- 35.83	\$ 4,708- 6,211	\$ 56,493- 74,526	05
UC02	Legal Secretary II (C)	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	05
YA104	Legal Technology Specialist	047	\$ 45.88- 60.36	\$ 7,953-10,462	\$ 95,430-125,549	02
Y09	* Legislative Representative	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	05
YA72	Limnologist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
T06	Lineman	046	\$ 44.60- 58.75	\$ 7,731-10,183	\$ 92,768-122,200	02
SA09	Lodging Assistant I	029	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02
SA10	Lodging Assistant II	033	\$ 31.21- 41.11	\$ 5,410- 7,126	\$ 64,917- 85,509	02
0.0 AU	Mailroom Assistant I	016	\$ 19.57- 25.75	\$ 3,392- 4,463	\$ 40,706- 53,560	02
UA09	Mailroom Assistant II	021	\$ 22.43- 29.54	\$ 3,888- 5,120	\$ 46,654- 61,443	02
UA10	Mailroom Assistant III Maintenance Mechanic I	026	\$ 25.75- 33.97 \$ 34.86- 45.88	\$ 4,463- 5,888 \$ 6,042- 7,953	\$ 53,560- 70,658	02
620 612	Maintenance Worker I	037 025	\$ 25.08- 33.05	\$ 4,347- 5,729	\$ 72,509- 95,430 \$ 52,166- 68,744	02 02
613	Maintenance Worker II	029	\$ 27.97- 36.83	\$ 4,848- 6,384	\$ 58,178- 76,606	02
614	Maintenance Worker III	033	\$ 31.21- 41.11	\$ 5,410- 7,126	\$ 64,917- 85,509	02
Z39	* Manager of Admin Services	070	\$ 85.49-111.85	\$14,818-19,387	\$177,819-232,648	05
Z70	* Manager of Bay-Delta Programs	082	\$ 91.22-124.68	\$15,811-21,611	\$189,738-259,334	01
Z33	* Manager of Colo RiverResources	086	\$101.73-138.97	\$17,633-24,088	\$211,598-289,058	01
Z35	* Manager of Financial Services	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	05
SM020	* Manager of Treasury&Debt Mgmt	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	04
M81	* Mgt Pr Admin Analyst	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	04
YA77	Microbiologist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
186	* Microcomputer Technology Supv	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	03
636	* O & M Supervisor	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	03
S03 S03A	+ O&M Tech I + O&M Tech I	028 027	\$ 27.16- 35.83	\$ 4,708- 6,211	\$ 56,493- 74,526	02
S03A S03P	+ O&M Tech I	027	\$ 26.44- 34.86 \$ 27.16- 35.83	\$ 4,583- 6,042 \$ 4,708- 6,211	\$ 54,995- 72,509 \$ 56,493- 74,526	02 02
S03P S02	+ O&M Tech II	032	\$ 30.40- 39.97	\$ 5,269- 6,928	\$ 63,232- 83,138	02
S02A	+ O&M Tech II	031	\$ 29.54- 38.88	\$ 5,120- 6,739	\$ 61,443- 80,870	02
S02P	+ O&M Tech II	032	\$ 30.40- 39.97	\$ 5,269- 6,928	\$ 63,232- 83,138	02
T10	+ O&M Tech III	036	\$ 33.97- 44.60	\$ 5,888- 7,731	\$ 70,658- 92,768	02
T10A	+ O&M Tech III	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02
T10P	+ O&M Tech III	036	\$ 33.97- 44.60	\$ 5,888- 7,731	\$ 70,658- 92,768	02
т03	+ O&M Tech IV	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
T03A	+ O&M Tech IV	041	\$ 38.88- 51.16	\$ 6,739- 8,868	\$ 80,870-106,413	02

$\label{eq:metropolitan} \mbox{Mater District of Southern California} \\ \mbox{SALARY SCHEDULE}$

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Classification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
T03FS	+ O&M Tech IV	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA80	Oc Health Safety Specialist I	031	\$ 29.54- 38.88	\$ 5,120- 6,739	\$ 61,443-80,870	02
YA81	Oc Health Safety Specialist II	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
YA82	Oc Health Safety Specialst III	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
927	* Occ Safety & Health Spec	054	\$ 55.62- 72.78	\$ 9,641-12,615	\$115,690-151,382	04
UA11	Office Assistant	026	\$ 25.75- 33.97	\$ 4,463- 5,888	\$ 53,560- 70,658	02
Z53	* Operations Program Manager	067	\$ 78.89-103.14	\$13,674-17,878	\$164,091-214,531	04
SA11	Ops and Maintenance Assistant	021	\$ 22.43- 29.54	\$ 3,888- 5,120	\$ 46,654- 61,443	02
Z44	* Org Develop & Training Manager	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	05
Z28	* Payroll Administrator	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	04
XA45	Photographer I	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02
XA46 XA48	Photographer II Planner Scheduler	041 043	\$ 38.88- 51.16 \$ 41.11- 54.12	\$ 6,739- 8,868 \$ 7,126- 9,381	\$ 80,870-106,413 \$ 85,509-112,570	02 02
139	* Plant Laboratory Supervisor	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	03
519	* Plant Operations Supervisor	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	03
Y20	* Postdoctoral Research Assoc	046	\$ 44.60- 58.75	\$ 7,731-10,183	\$ 92,768-122,200	04
PM028	* Power Planning Specialist	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
YA03	Pr Accountant	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	02
YA06	Pr Admin Analyst	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	02
YC56	* Pr Admin Analyst	066	\$ 59.40- 80.99	\$10,296-14,038	\$123,552-168,459	01
YC05	* Pr Admin Analyst (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
Y16	* Pr Architect	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
216	* Pr Auditor	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
YC44	* Pr Benefits Analyst (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
YA11	Pr Biologist	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	02
245	* Pr Buyer	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	04
YA19 YC50	Pr Chemist * Pr Class & Comp Analyst (C)	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459 \$122,200-159,848	02 05
XA15	Pr Designer	056 048	\$ 58.75- 76.85 \$ 47.13- 61.99	\$10,183-13,321 \$ 8,169-10,745	\$ 98,030-128,939	02
YC48	* Pr EEO Analyst (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
YC40	* Pr Emp Relations Specialist	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05
115	* Pr Engineer	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
165	* Pr Engineering Technician	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
925	* Pr Environmental Spec	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
YC24	* Pr Government&Region AffRep(C)	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05
YC52	* Pr HR Training Specialist (C)	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	05
YC46	* Pr HRIS Analyst (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
231	* Pr Info Tech Analyst	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	04
YC15	* Pr Info Tech Analyst (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
YC64	* Pr Info Tech Network Engineer	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
Y07 YA69	* Pr Land Surveyor Pr Legal Analyst	059 055	\$ 63.71- 83.20 \$ 57.19- 74.72	\$11,043-14,421 \$ 9,913-12,951	\$132,517-173,056	04 02
022	* Pr Legislative Representative	062	\$ 68.99- 90.20	\$11,958-15,635	\$118,955-155,418 \$143,499-187,616	05
YA74	Pr Limnologist	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	02
YA79	Pr Microbiologist	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	02
YA105	Pr Project Controls Specialist	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	02
289	* Pr Public Affairs Rep	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
275	* Pr Real Estate Rep	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	04
YC54	* Pr Recruitment Specialist (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
933	* Pr Resource Specialist	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
223	* Pr Systems Analyst	054	\$ 55.62- 72.78	\$ 9,641-12,615	\$115,690-151,382	04
YC17	* Pr Training Administrator (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
YC10	* Pr Training Specialist (C)	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	05
YA103	Pr Water Quality Specialist Pre-Apprentice	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	02
S01 PM031	* Prgrm Mgr-Audit	017 065	\$ 20.14- 26.44 \$ 74.72- 97.72	\$ 3,491- 4,583 \$12,951-16,938	\$ 41,891- 54,995 \$155,418-203,258	02
PM031 PM021	* Prgrm Mgr-Bay-Delta Initiative	066	\$ 76.85-100.32	\$12,951-10,938	\$159,848-208,666	04 04
PM002	* Prgrm Mgr-Business Continuity	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
PM027	* Prgrm Mgr-Business Outreach	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
PMA02	* Prgrm Mgr-Community Relations	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05
PM004	* Prgrm Mgr-Corporate Resources	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
PM029	* Prgrm Mgr-Creative Design	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
PM005	* Prgrm Mgr-Dam Safety Initiatvs	071	\$ 87.79-114.98	\$15,217-19,930	\$182,603-239,158	04
PM006	* Prgrm Mgr-Emergency Management	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
PM026	* Prgrm Mgr-Engineering	067	\$ 78.89-103.14	\$13,674-17,878	\$164,091-214,531	04
PM001	* Prgrm Mgr-Finance	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
PM007	* Prgrm Mgr-Fleet	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
PM009	* Prgrm Mgr-Info Technology	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
PM035	* Prgrm Mgr-Innovation * Prgrm Mgr-Power Sched&Trading	063 060	\$ 70.89- 92.68 \$ 65.42- 85.49	\$12,288-16,065	\$147,451-192,774	04 04
PM013	rigim rigi rower benedattading	000	y 05.42- 05.49	\$11,339-14,818	\$136,074-177,819	04

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Classification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
PM014	* Prgrm Mgr-Press Office	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
PM015	* Prgrm Mgr-Pure Wtr So Califor	071	\$ 87.79-114.98	\$15,217-19,930	\$182,603-239,158	04
PM022	* Prgrm Mgr-Real Property	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
PM023	* Prgrm Mgr-Safety&RegCompliance	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
PM017	* Prgrm Mgr-Water Resource	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
PM019	* Prgrm Mgr-Web	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
XA50 Z13D	Production Planner * Program Manager I	048 068	\$ 47.13- 61.99 \$ 62.59- 85.49	\$ 8,169-10,745 \$10,849-14,818	\$ 98,030-128,939 \$130,187-177,819	02 01
Z13D Z13E	* Program Manager I * Program Manager II	071	\$ 67.80- 92.68	\$10,849-14,818	\$130,187-177,819	01
Z13E Z13F	* Program Manager III	074	\$ 73.53-100.32	\$12,745-17,389	\$152,942-208,666	01
YA85	Project Controls Specialist	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	02
TA23	Property Maintenance Tech	041	\$ 38.88- 51.16	\$ 6,739- 8,868	\$ 80,870-106,413	02
YA87	Public Affairs Rep I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
88AY	Public Affairs Rep II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
TA21	Pump Plant Maint Operator I	032	\$ 30.40- 39.97	\$ 5,269- 6,928	\$ 63,232- 83,138	02
TA22 T01	Pump Plant Maint Operator II Pump Plant Specialist	036 048	\$ 33.97- 44.60	\$ 5,888- 7,731	\$ 70,658- 92,768	02 02
YA90	Quality Assurance Officer	056	\$ 47.13- 61.99 \$ 58.75- 76.85	\$ 8,169-10,745 \$10,183-13,321	\$ 98,030-128,939 \$122,200-159,848	02
YA91	Real Estate Representative I	037	\$ 34.86- 45.88	\$ 6,042- 7,953	\$ 72,509- 95,430	02
YA92	Real Estate Representative II	042	\$ 39.97- 52.66	\$ 6,928- 9,128	\$ 83,138-109,533	02
YA93	Real Estate Representative III	046	\$ 44.60- 58.75	\$ 7,731-10,183	\$ 92,768-122,200	02
UA12	Reprographics Technician I	023	\$ 23.71- 31.21	\$ 4,110- 5,410	\$ 49,317- 64,917	02
UA13	Reprographics Technician II	028	\$ 27.16- 35.83	\$ 4,708- 6,211	\$ 56,493- 74,526	02
UA14	Reprographics Technician III	031	\$ 29.54- 38.88	\$ 5,120- 6,739	\$ 61,443-80,870	02
YA98	Resource Specialist	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	02
Z03B	* Section Manager I (C) * Section Manager II (C)	067 069	\$ 78.89-103.14 \$ 83.20-108.89	\$13,674-17,878	\$164,091-214,531 \$173,056-226,491	05 05
Z03C SM005	* Section Manager II (C) * Section Mgr-Business Outreach	069	\$ 80.99-105.98	\$14,421-18,874 \$14,038-18,370	\$173,056-226,491	04
SM014	* Section Mgr-Conveyance&Distrbn	073	\$ 92.68-121.39	\$16,065-21,041	\$192,774-252,491	04
SM002	* Section Mgr-Customer&Comm Svcs	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
SM015	* Section Mgr-Engineering Svcs	073	\$ 92.68-121.39	\$16,065-21,041	\$192,774-252,491	04
SM009	* Section Mgr-Environ Planning	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	04
SM003	* Section Mgr-Legislative Svcs	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
SM004	* Section Mgr-Media Services	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
SM006	* Section Mgr-MembrSvc&PubOutrch	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
SM010 SM011	* Section Mgr-Ops Safety&Reg Srv * Section Mgr-Ops Support Svcs	072 072	\$ 90.20-118.13 \$ 90.20-118.13	\$15,635-20,476 \$15,635-20,476	\$187,616-245,710 \$187,616-245,710	04 04
SM012	* Section Mgr-Power Ops&Planning	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	04
SM018	* Section Mgr-Real Property	071	\$ 87.79-114.98	\$15,217-19,930	\$182,603-239,158	04
SM007	* Section Mgr-Rev, Rates &Budget	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
SM019	* Section Mgr-Revenue & Budget	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	04
SM013	* Section Mgr-Water Ops&Planning	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	04
SM016	* Section Mgr-Water Quality	073	\$ 92.68-121.39	\$16,065-21,041	\$192,774-252,491	04
SM008	* Section Mgr-Water Resource Mgt	072	\$ 90.20-118.13 \$ 92.68-121.39	\$15,635-20,476	\$187,616-245,710	04 04
SM017 WC01	* Section Mgr-Water Treatment Security Specialist (C)	073 051	\$ 51.16- 67.21	\$16,065-21,041 \$ 8,868-11,650	\$192,774-252,491 \$106,413-139,797	05
V02	* Special Asst to the GM	072	\$ 69.64- 95.16	\$12,071-16,494	\$144,851-197,933	01
Z16A	* Special Projects Manager	072	\$ 90.20-118.13	\$15,635-20,476	\$187,616-245,710	05
YA02	Sr Accountant	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	02
VA03	Sr Accounting Tech	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	02
YA05	Sr Admin Analyst	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	02
YC04	* Sr Admin Analyst (C)	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	05
Y01	* Sr Architect	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	04
YC43 YA10	* Sr Benefits Analyst (C) Sr Biologist	049 053	\$ 48.43- 63.71 \$ 54.12- 70.89	\$ 8,395-11,043 \$ 9,381-12,288	\$100,734-132,517 \$112,570-147,451	05 02
YC07	* Sr Board Specialist (C)	050	\$ 49.83- 65.42	\$ 8,637-11,339	\$103,646-136,074	05
YA14	Sr Buyer	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
YA18	Sr Chemist	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	02
YC49	* Sr Class & Comp Analyst (C)	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	05
80AX	Sr Crane Certification Tech	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
XA10	Sr Cross Connection Tech	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
Z11	* Sr Dep Gen Counsel Lbr Reltns	079	\$ 84.12-114.98	\$14,581-19,930	\$174,970-239,158	01
YA23	Sr Deputy Auditor Sr Designer	052	\$ 52.66- 68.99	\$ 9,128-11,958	\$109,533-143,499	02
XA14 YC20	* Sr Designer * Sr Dpty General Counsel (C)	043 071	\$ 41.11- 54.12 \$ 87.79-114.98	\$ 7,126- 9,381 \$15,217-19,930	\$ 85,509-112,570 \$182,603-239,158	02 05
YC47	* Sr EEO Analyst (C)	049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	05
YC28	* Sr EHS Field Specialist (C)	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	05
YC41	* Sr Emp Relations Specialist	054	\$ 55.62- 72.78	\$ 9,641-12,615	\$115,690-151,382	05
114	* Sr Engineer	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
XA23A	Sr Engineering Technician	053	\$ 54.12- 70.89	\$ 9,381-12,288	\$112,570-147,451	02

$\begin{tabular}{ll} {\tt Metropolitan} & {\tt Water \ District \ of \ Southern \ California} \\ & {\tt SALARY \ SCHEDULE} \end{tabular}$

Effective Date: 06/26/2022

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Code	Eliccive Dace.	00/20/2022				Ruii IIIIC 15.	13.37
924 * Sr Frivironmental Specialist	Classification		Salary	Hourly	Monthly	Annual	Unit
YOURAN	Code	Title	Grade	Range	Range	Range	Code
YOURAN	924	* Sr Environmental Specialist	059	\$ 63.71- 83.20	\$11,043-14,421	\$132.517-173.056	03
YCS1		_					05
Ye45	YC23	* Sr Government&Region AffRep(C)	057	\$ 60.36- 78.89	\$10,462-13,674	\$125,549-164,091	05
YA109 Se IT Rusiness Analyse S2 \$ 2.66 68.99 \$ 9,120-11,989 \$109,533-143,499 \$124 \$2.77 \$1.07 \$1	YC51	* Sr HR Training Specialist (C)	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	05
XAJABA SF IT Communication Technicism 950 849.83-65.42 8.8,637-11,339 9103,068-136,074 VAA6 SF IT INTERPRISE App Analyst 952 852.66-68.99 8.9,128-11,368 3109,133-141,469 VAA6 SF IT INTERNATIVE Administr 952 852.66-68.99 8.9,128-11,368 3109,133-141,469 VAA6 SF IT INTERNATIVE Administr 952 852.66-68.99 8.9,128-11,368 3109,133-141,469 VAA6 SF IT INTERNATIVE Administr 952 852.66-68.99 8.9,128-11,368 3112,703-141,469 VAA6 SF IT INTERNATIVE ADMINISTRATION 952 852.66-68.99 8.9,128-11,368 3112,703-141,469 VAA6 SF IT INTERNATIVE ADMINISTRATION 952 852.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATIVE ADMINISTRATION 952 852.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATION 952 852.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATION 953 852.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATION 953 852.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATION 953 952.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATION 953 952.66-68.99 8.9,128-11,369 3109,133-141,469 VAA6 SF IT INTERNATION 953 952.66-68.99 8.9,128-11,969 952.66-11,969 VAA6 SF IT INTERNATION 953							05
VA10 Sr IT Shterprine App Analyst		-					02
YA36 Sr IT GIS Analyse							02
YA45							02 02
YA49 Sr IT Notwork Engineer		=					02
YA53				•			02
YAST St IT Quality Analyst OS2 \$ 2.66 - 68.99 \$ 9, 128-11,958 \$109,533-143,499 XAJ4A St IT Support Analyst OS1 \$ 51.66 - 68.99 \$ 9, 128-11,958 \$109,533-143,499 XAJ4A St IT Support Analyst OS1 \$ 51.66 - 68.99 \$ 9, 128-11,500 \$106,613-139,797 YAS5 St IT System Administrator OS2 \$ 2.66 - 68.99 9, 128-11,501 \$118,955-155,418 YC14 St Info Systems Auditor OS5 \$ 77.19 - 74.72 \$ 9, 91.1-12,951 \$118,955-155,418 XAJ7A St Lab Info Systems Specialist OS3 \$ 54.12 - 70.89 \$ 9, 128-11,288 \$112,570-147,551 \$134,449 YAS6 St Land Surveyor OS5 \$ 8.75.76 - 78.87 \$ 9, 91.2-11,288 \$112,570-147,551,418 \$100,933-144,44 St Landcape Maintenance Tech OS6 \$ 8.75.76 \$ 8.85.76 \$ 8.85 \$ 8.05.12		=					02
XA34A Sr IT Support Analyst OS1 S. 51.16 - 67.21 S. 8,86-11,50 S106,433-139,797 YA65 Sr IT System Administrator OS2 S. 52.66 - 68.99 9,128-11,958 S109,533-131,399 201 *Sr Info Systems Auditor OS5 S. 77.19 - 74.72 S. 9,13-12,951 S118,955-155,418 YC14 *Sr Info Toch Analyst (C) OS2 S. 25.66 - 68.99 9,128-11,958 S118,533-131,399 XA37A Sr Lab Info Systems Specialist OS3 S. 54.12 - 70.89 S. 9,128-11,288 S109,533-131,349 XA66 Sr Land Surveyor OS6 S. 88.75 - 76.85 S10,183-13,288 S112,570-147,451 YA68 Sr Landsagpe Maintenance Tech O48 S. 47.13 - 61.99 S. 16,169-10,745 S. 98,001-128,939 YA68 Sr Lagal Analyst C1 O40 S. 48.43 - 63.73 S. 10,183-13,288 S100,734-14,931 YA78 Sr Microbiologist O53 S. 54.12 - 70.89 S. 10,183-13,288 S112,570-147,451 YA78 Sr Microbiologist O53 S. 54.12 - 70.89 S. 9,381-12,288 S112,570-147,451 YA78 Sr Microbiologist O53 S. 54.12 - 70.89 S. 9,381-12,288 S112,570-147,451 YA78 Sr Planner Scheduler O48 S. 47.13 - 61.99 S. 9,381-12,288 S112,570-147,451 YA79 Sr Planner Scheduler O48 S. 47.13 - 61.99 S. 8,637-13,89 XA49 Sr Planner Scheduler O48 S. 47.13 - 61.99 S. 8,637-13,89 YA64 Sr Respectative O50 S. 9,83 - 8,837-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialist O50 S. 49,83 - 64.89 S. 8,637-13,89 YA79 Sr Mccruitment Specialis				\$ 52.66- 68.99			02
YASS Sr IT System Administrator OS2 \$2.66 68.99 \$3 129-11,958 \$109,533-143,499 \$10,141 \$10 \$12 \$10 \$	YA61	Sr IT Software Developer	052	\$ 52.66- 68.99	\$ 9,128-11,958	\$109,533-143,499	02
201	XA34A	Sr IT Support Analyst	051	\$ 51.16- 67.21	\$ 8,868-11,650	\$106,413-139,797	02
XA37A Sr Lafo Tech Analyst (C)	YA65		052	\$ 52.66- 68.99	\$ 9,128-11,958	\$109,533-143,499	02
XA37A St Lab Info Systems Specialist VA66 Sr LandSurveyor 056 S 58.75.75.65 \$30,183.12.288 \$112.570-147.451 XA44A St Landscape Maintenance Tech 048 S 47.13. 61.99 \$8,169-10.745 9.80,030-128.939 YA68 Sr Legal Analyst 049 \$48.436 63.11 8.83.95-10.43 \$100.934-132.517 UC03 Sr Legal Secretary (C) 040 \$3.78.44 49.83 \$6.559-8.637 \$78.707-103.646 YC67 *Sr Legislative Representative 058 \$61.99-80.99 \$10.745-10.38 \$112.570-147.451 YA78 Sr Limnologiat 053 \$54.12-70.89 \$9.381-12.288 \$112.570-147.451 YA78 Sr Microbiologist 053 \$49.83-65.42 \$8.637-11.339 \$103.646-136.074 YA89 Sr Planner Scheduler 048 \$47.13-61.99 \$8.169-10.745 \$98.030-128.939 YA86 Sr Project Controls Specialist 050 \$49.83-65.42 \$8.637-11.339 \$103.646-136.074 YA89 Sr Planner Scheduler 048 \$47.13-61.99 \$8.169-10.745 \$98.030-128.939 YA94 Sr Real Estate Representative 050 \$49.83-65.42 \$8.637-11.339 \$103.646-136.074 YC53 \$8.78 excrutiment Specialist (C) 049 \$48.43-63.11 \$8.3395-11.043-11.043-11.043-11.074-132.517 UA15 Sr Reprographic Technician 034 \$32.12-42.23 \$5.567-7.3.20 \$66.810-87.838 \$155 \$87.89 exercit hemist 058 \$61.99-80.99 \$10.745-10.38 \$132.570-173.056 WC03 Sr Security Specialist (C) 049 \$8.71-81.09 \$11.043-14.421 \$132.517-173.056 WC03 Sr Security Specialist (C) 050 \$8.49.83-65.42 \$8.637-11.339 \$112.570-147.451 YC16 \$87.750-147.451 YC16 \$87.750-147.		=					04
YA66 Sr Land Surveyor		-					05
XA44A Sr Landscape Maintenance Tech 048 \$47.13-61.99 \$8,169-10.745 \$9.8,030-128,939 \$10.003 \$r Legal Analyst 049 \$48.43-6.91.745 \$6.559-8.637 \$7.8,707-103.646 \$7.675 \$r Legal Secretary (C) 040 \$37.84-49.83 \$6.559-8.637 \$7.8,707-103.646 \$7.675 \$r Legal Secretary (C) 040 \$37.84-49.83 \$6.559-8.637 \$7.8,707-103.646 \$7.675				•			02
YASS Sr Legal Analyst 0.49 \$4.43.63.71 \$8.3,95-11.043 \$100,734-132,517 \$10.00 \$7.66		<u> </u>					02
UCO3 Sr Legal Secretary (C) 040 \$ 37.84 49.83 \$ 6.559 8.637 \$ 78.707-103.646 YC67 * Sr Legilative Representative 058 \$ 61.99 80.99 \$10,745-14,038 \$128,839-168,459 YA73 Sr Limmologiat 053 \$ 54.12 70.89 \$ 9.381-12,288 \$112,570-147,451 928 * Sr Occup Safety & Health Spec 058 \$ 61.99 80.99 \$10,745-14,038 \$128,839-168,459 XA93 Sr Planner Scheduler 048 \$ 71.31 61.99 \$ 81.0745-14,038 \$128,839-168,459 YA96 Sr Project Controls Specialist 050 \$ 98.83 65.42 \$ 8.637-11,339 \$103,646-136,074 YA86 Sr Project Controls Specialist 050 \$ 98.83 65.42 \$ 8.637-11,339 \$103,646-136,074 YA87 Sr Real State Representative 050 \$ 99.83 65.42 \$ 8.637-11,339 \$103,646-136,074 YA97 Sr Real State Representative 050 \$ 99.83 65.42 \$ 8.637-11,339 \$103,646-136,074 YA97 Sr Real State Representative 050 \$ 99.83 65.42 \$ 8.637-11,339 \$103,646-136,074 YA98 Sr Research Chemist 059 \$ 99.83 65.42 \$ 8.637-11,339 \$103,646-136,074 YA98 Sr Research Chemist 059 \$ 91.0745 7 8 8 9.95-11,043 \$100,734-132,517 YA91 Sr Reportagnin Crechmician 034 \$ 32.12 24.23 \$ 5.677 ,320 \$ 66,810 87.838 155 * Sr Research Chemist 059 \$ 61.71 8.31 20 \$11,044.421 \$132,517-173,056 YA93 Sr Security Specialist 059 \$ 56.71 8.31 20 \$11,044.421 \$132,517-173,056 YA94 Sr Stemincal Writer 053 \$ 54.12 70.99 \$ 9.81-12,288 \$112,570-147,451 YA17 Sr System Operations Tech 053 \$ 54.12 70.99 \$ 9.81-12,288 \$112,570-147,451 YA102 Sr Technical Writer 053 \$ 54.12 70.99 \$ 9.81-12,288 \$112,570-147,451 YA103 Sr Water Quality Specialist 059 \$ 54.08 66.49 9.09 \$ 8.1743-13.39 \$103,646-136,074 YA104 Storekeeper I 058 \$ 54.12 70.89 \$ 9.81-12,288 \$112,570-147,451 YA105 Sr Water Quality Specialist 059 \$ 59.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851 \$ 99.80 9.00 9.00 \$11,944,851		<u> -</u>		•			02 02
YC67 * Sr Legislative Representative 058 \$ 61.99* 80.99 \$10.745-14,038 \$128,939-168,459 YA78 Sr Microbiologist 053 \$ 54.12* 70.89 \$9.381-12,288 \$112,570-147,451 YA78 Sr Microbiologist 053 \$ 54.12* 70.89 \$9.381-12,288 \$112,570-147,451 YA88 Sr Planner Scheduler 048 \$ 47.13* 61.99 \$ 9.381-12,288 \$112,570-147,451 YA88 Sr Project Controls Specialist 050 \$ 49.83* 65.42 \$ 8.169*10,745 \$ 99.030-128,939 YA94 Sr Recal Batata Expresentative 050 \$ 49.83* 65.42 \$ 8.169*10,745 \$ 99.030-128,939 YA94 Sr Recal Batata Expresentative 050 \$ 49.83* 65.42 \$ 8.36*11,138 \$ 90.301-128,939 YA94 Sr Recarch Chemiat 050 \$ 49.83* 65.42 \$ 8.36*11,138 \$ 90.301-128,939 Ya57 Sr Research Chemiat 058 \$ 61.97* 80 \$ 91.0745-14,038 \$ 120,573-173,056 Ya58 Sr Security Specialist 059 \$ 61.79* 80 \$ 9.641-12,615 \$ 112,570-1747,451 YA50							05
YA73 Sr Limologist 053 \$ 54.12-70.89 \$ 9.381-12.288 \$112.570-147.451 928 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		=					05
928 Sr Occup Safety & Health Spec 058 \$ 61.99 = 80.99 \$1310,757-147,451 \$28,331-12,288 \$122,970-147,451 XA49 Sr Planner Scheduler 048 \$ 47.13-61.99 \$310,745-14,038 \$128,939-166,459 XA49 Sr Poject Controls 050 \$ 49.83-65.42 \$ 8,163-10,745 \$ 98,030-128,939 YA89 Sr Public Affairs Rep 048 \$ 47,13-61.99 \$ 8,163-10,745 \$ 98,030-128,939 YA94 Sr Recal Estate Representative 050 \$ 49.83-65.42 \$ 8,637-11,339 \$103,646-136,074 YC53 Sr Recaurbench Specialist 059 \$ 48.43-63.71 \$ 8,335-11,043 \$100,734-122,517 W015 Sr Resourch Specialist 059 \$ 63.71-83.20 \$ 51,567-7,320 \$ 66,810-87,838 932 Sr Resource Specialist 059 \$ 63.71-83.20 \$ 31,043-14,421 \$ 3122,571-73,505 W003 Sr System Operations Tech 053 \$ 51,22-70.89 \$ 9,381-12,288 \$ 112,570-147,451 TA17 Sr System Operation 048 \$ 47.13-61.99 \$ 9,361-12,288 \$ 312,570-147,451		2					02
928		=					02
YAM9		-		•			04
YA89 Sr Public Affairs Rep O48 \$ 47.13-61.99 \$ 8.169-10,745 \$ 98.030-128,939 Ya94 Sr Real Estate Representative O50 \$ 49.83-65.42 \$ 8.637-11.339 \$103,646-136,074 YC53 *Sr Recruitment Specialist (C) 049 \$ 48.43-63.71 \$ 8.395-11,043 \$100,734-132,517 UA15 Sr Reprographic Technician O34 \$ 32.12-42.23 \$ 5.567-7,320 \$ 66.810-87,838 155 *Sr Research Chemist O58 \$ 61.99-80.99 \$10.745-14,038 \$122,939-168,459 932 *Sr Resource Specialist O59 \$ 63.71-83.20 \$11,043-14.421 \$132,517-173,056 WC03 Sr Security Specialist O59 \$ 63.71-83.20 \$11,043-14.421 \$132,517-173,056 WC03 Sr Security Specialist O59 \$ 63.71-70.89 \$ 9.381-12,288 \$112,570-147,451 YA56 Sr System Operator O48 \$ 47.13-61.99 \$ 9.9 \$ 9.81-12,288 \$112,570-147,451 YC16 *Sr Training Administrator (C) O51 \$ 54.12-70.89 \$ 9.381-12,288 \$112,570-147,451 YC16 *Sr Training Specialist (C) O51 \$ 54.12-70.89 \$ 9.381-12,288 \$112,570-147,451 YC19 *Sr Training Specialist (C) O51 \$ 54.12-70.89 \$ 9.381-12,288 \$112,570-147,451 YC10 *Sr Water Quality Specialist (C) O51 \$ 54.12-70.89 \$ 9.381-12,288 \$112,570-147,451 YA102 Sr Water Quality Technician O48 \$ 47.13-61.99 \$ 9.381-12,288 \$112,570-147,451 YA103 Storekeeper I O26 \$ 25.75-33.97 \$ 9.381-12,288 \$112,570-147,451 YA12 Storekeeper I O26 \$ 25.75-33.97 \$ 9.464-3.588 \$ 53,500-70,658 YA13 Storekeeper II O31 \$ 29.54-38.88 \$ 5.120-6.79 \$ 69.744-90,314 Y19 *Strategic Comm&Policy Advisor O81 \$ 8.88-4-121.39 \$13,321-17,389 \$159,848-208,666 Y13 Student Intern Desert O10 \$ 16.60-21.82 \$ 13.33-17,389 \$159,848-208,666 Y13 Student Intern O22 \$ 17.89-24.33 \$ 3.101-4.217 \$ 37.211-50,606 YA14 Student Youth Intern O14 \$ 14.34-19.57 \$ 2.466-3.392 \$ 29.827-40,706 XA55A Survey and Mapping Tech II O48 \$ 34.713-61.99 \$ 9.816-10,745 \$ 9.80,00-128,939 YA55A Survey and Mapping Tech II O48 \$ 47.13-61.99 \$ 9.816-10,745 \$ 9.80,00-128,939 YA55A Survey and Mapping Tech II O56 \$ 58.75-76.85 \$ 10.183-13,321-17,389 \$ 159,848-208,666 Y1-22 Man Manager I O56 \$ 58.75-76.85 \$ 10.183-13,321 \$ 122,200-159,848 YA55A Survey and Mapping Tech II O58 \$ 61.99-80.99 \$ 9.30,074-19,		Sr Planner Scheduler					02
YA94 Sr Real Emate Representative 050 \$ 49.83-65.42 \$ 8.637-11,339 \$103,646-136,074 YC53 * Sr Recruitment Specialist (C) 049 \$ 48.3-63.71 \$ 8.395-11.043 \$100,734-132,517 UA15 Sr Reprographic Technician 034 \$ 32.12-42.23 \$ 5,567-7,320 \$ 66,810-87,838 155 * Sr Research Chemist 058 \$ 61.99-80.99 \$10,745-14,038 \$122,939-168,459 \$932 * Sr Research Specialist 059 \$ 63.71-83.20 \$11,043-14,421 \$132,517-173,056 WC03 \$r Security Specialist 054 \$ 55.62-72.78 \$ 9,641-12,615 \$115,690-151,382 XA56 \$r System Operations Tech 053 \$ 54.12-70.89 \$ 9,381-12,288 \$112,570-147,451 \$717.74 \$7 System Operator 048 \$ 47.13-61.99 \$ 8.169-10,745 \$ 98.030-128,939 \$146.22 \$ \$ 5.72-72.78 \$ 9.381-12,288 \$112,570-147,451 \$17.74 \$17.7	YA86	Sr Project Controls Specialist	050	\$ 49.83- 65.42	\$ 8,637-11,339	\$103,646-136,074	02
VC53 * Sr Recruitment Specialist (C) 049 \$ 48.43 - 63.71 \$ 8.395-11.043 \$100.734-132.517 UAL5 Sr Reprographic Technician 034 \$ 32.12-42.23 \$ 5.567-7.320 \$ 66.810-87.838 155 * Sr Research Chemist 058 \$ 61.99-80.99 \$10.745-14.038 \$128.939-168.459 932 * Sr Resource Specialist 059 \$ 63.71-83.20 \$11.043-14.421 \$132.517-173.056 WC03 Sr Security Specialist 059 \$ 63.71-83.20 \$11.043-14.421 \$132.517-173.056 \$12.245 \$12.	YA89	Sr Public Affairs Rep	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
UAl5 ST Reprographic Technician 034 \$ 32.12 42.23 \$ 5.567-7.320 \$ 66.810-87.838 155 * Sr Research Chemist 058 \$ 61.99-80.99 \$10.745-14,038 \$12.8939-168.459 932 * Sr Research Chemist 059 \$ 63.71-83.20 \$11.043-14,421 \$132.517-173.056 WC03 Sr Security Specialist 054 \$ 55.62-72.78 \$ 9.641-12.615 \$115.690-151.382 XA56 Sr System Operations Tech 053 \$ 54.12-70.8 \$ 9.381-12.288 \$112.570-147.451 TA17 Sr System Operator 048 \$ 47.13-61.99 \$ 8.169-10.745 \$ 98.030-128.939 XA62A Sr Technical Writer 053 \$ 54.12-70.8 \$ 9.9381-12.288 \$112.570-147.451 YC16 * Sr Training Administrator (C) 051 \$ 51.16-67.21 \$ 8.866-11.650 \$106.413-139.797 YC09 * Sr Training Specialist (C) 050 \$ 49.83-65.42 \$ 8.637-11.339 \$103.646-136.074 YA102 Sr Water Quality Specialist 053 \$ 54.12-70.89 \$ 9.381-12.288 \$112.570-147.451 XA69 Sr Water Quality Technician 048 \$ 47.13-61.99 \$ 8.169-10.745 \$ 98.030-128.939 Y01 * Staff Assistant to the GM 072 \$ 69.64-951.695 \$12.071-16.494 \$144.851-197.933 Z43 * Staffing Manager 062 \$ 68.99-90.20 \$11.958-15.635 \$143.499-187.616 YA12 Storekeeper I 026 \$ 25.75-33.9 \$ 4.463-5.888 \$ 53.560-70.658 YA13 Storekeeper II 031 \$ 29.54-38.88 \$ 5.120-6.739 \$ 61.443-80.870 YA14 Storekeeper II 035 \$ 33.05-43.42 \$ 5.729-7.526 \$ 68.744-90.314 Y19 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.93 \$15.399-21.041 \$184.787-252.491 PMA01 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.33 \$13.321-17.389 \$15.9848-208.666 Y13 Student Intern Desert 010 \$ 16.60-21.82 \$ 2.877-3.782 \$ 34.528-45.386 UA18 Student Intern 048 \$ 47.13-61.99 \$ 8.169-10.745 \$ 98.030-128.939 YA551 \$ 50.60-21.82 \$ 2.877-3.792 \$ 3.982-2.987-40.706 \$ 50.49 \$	YA94	Sr Real Estate Representative	050	\$ 49.83- 65.42	\$ 8,637-11,339	\$103,646-136,074	02
155 * Sr Research Chemist 058 \$61.99 80.99 \$10.745-14,038 \$128,939-168,459 932 * Sr Resource Specialist 059 \$63.71 83.20 \$11.043-14,421 \$132,517-173,056 WCO3 Sr Security Specialist 054 \$55.62 72.78 \$9.641-12,615 \$115,690-151,382 XA56 Sr System Operations Tech 053 \$54.12 70.89 \$9.381-12,288 \$112,570-147,451 XA52A Sr Technical Writer 053 \$54.12 70.89 \$9.381-12,288 \$112,570-147,451 YC16 * Sr Training Administrator (C) 051 \$51.16 67.21 \$8.868-11,650 \$106,413-139,797 YC09 * Sr Training Specialist (C) 050 \$49.83 65.42 \$8.868-11,650 \$106,413-139,797 YC09 * Sr Water Quality Specialist 053 \$54.12 70.89 \$9.381-12,288 \$112,570-147,451 YA102 Sr Water Quality Specialist 053 \$54.12 70.89 \$9.381-12,288 \$112,570-147,451 YA102 Sr Water Quality Technician 048 \$47.13 61.99 \$8.169-10,745 \$98,030-128,939 Y01 * Staff Assistant to the GM 072 \$69.64 95.16 \$12,071-16,494 \$144,851-197,933 Y43 \$Staffing Manager 062 \$68.99 0.20 \$11,958-15,635 \$143,499-187,616 YA12 Storekeeper I 026 \$25.75 33.97 \$4,463 5,888 \$53,560 70,658 YA13 Storekeeper II 031 \$29.54 38.88 \$5,120 6,739 \$61,443 80,870 YA14 Storekeeper II 035 \$33.05 43.42 \$5,729 7,526 \$68,744 90,314 Y19 * Strategic CommiPolicy Advisor 081 \$88.84 212.39 \$15,399 21,041 \$184,787-252,491 PMA01 * Strategic Program Mgr, HR 066 \$76.85 60.32 \$13,321-17,389 \$159,848-28,666 Y13 Student Intern 022 \$17.89 24.33 \$3,101 4,217 \$37,211 50,606 Y13 Student Intern 044 \$14.34 19,57 \$2,466 3,392 \$44,639 \$19,848-28,666 Y13 Student Intern 045 \$48,43 63.71 \$8,395 1,043 \$100,734 132,517 \$39,934 \$100,734 132,517 \$39,934 \$100,734 132,517 \$30,666 \$30,97 44.60 \$33,97 44.60 \$5,888 7,731 \$70,658 \$9,830 \$12,893 \$10,444 \$10,444 \$10,444 \$10,444 \$10,444 \$10,444 \$10,444 \$10,44	YC53		049	\$ 48.43- 63.71	\$ 8,395-11,043	\$100,734-132,517	05
932 * Sr Resource Specialist							02
WC03							03
XA55 Sr System Operations Tech XA562A Sr Technical Writer XA62A Sr Training Administrator (C) XA62A Sr Training Specialist (C) XA62A Sr Training Specialist (C) XA62A Sr Training Specialist (C) XA63A Sr Water Quality Specialist XA63 Sr Water Quality Specialist XA64 Sr Water Quality Technician XA65 Sr Water Quality Technician XA66 Sr Water Quality Technician XA67 Sr Water Quality Technician XA68 Sr Water Quality Technician XA69 Staffing Manager XA64 Student Intern XA69 Staffing Manager XA64 Student Intern XA69 Sr Water Quality Technician XA69 Student Intern XA69 Student Intern XA60 Student Intern XA60 Student Intern XA61 Student Intern XA61 Student Intern XA62 Student Intern XA63 Survey and Mapping Tech II XA64 Survey and Mapping Tech II XA65 Survey and Mapping Tech II XA66 Survey and Mapping Tech II XA67 Student Intern XA68 Survey and Mapping Tech II XA69 Survey and Mapping Tech II XA69 Survey and Mapping Tech II XA60 Student Intern XA61 Survey and Mapping Tech II XA61 Survey and Mapping Tech II XA62 Survey and Mapping Tech II XA64 Survey Admanager II XA66 Stafe Stafe Stafe Stafe Stafe Stafe Stafe Stafe		=					03
TA17 Sr System Operator							05
XA62A ST Technical Writer YC16 * Sr Training Administrator (C)							02 02
YC16 * Sr Training Administrator (C) 051 \$ 51.16- 67.21 \$ 8,868-11,650 \$106,413-139,797 YC09 * Sr Training Specialist (C) 050 \$ 49.83- 65.42 \$ 8,637-11,339 \$103,646-136,074 YA102 Sr Water Quality Specialist 053 \$ 54.12- 70.89 \$ 9,381-12,288 \$112,570-147,451 XA69 Sr Water Quality Technician 048 \$ 47.13- 61.99 \$ 8,169-10,745 \$ 98,030-128,939 V01 * Staff Assistant to the GM 072 \$ 69.64- 95.16 \$12,071-16,494 \$144,851-197,933 Z43 * Staffing Manager 062 \$ 68.99- 90.20 \$11,958-15,635 \$143,499-187,616 VA12 Storekeeper I 026 \$ 25.75- 33.97 \$ 4,463- 5,888 \$ 53,560- 70,658 VA13 Storekeeper II 031 \$ 29.54- 38.88 \$ 5,120- 6,739 \$ 61,443- 80,870 VA14 Storekeeper III 031 \$ 29.54- 38.88 \$ 5,120- 6,739 \$ 61,443- 80,870 VA14 Storekeeper III 035 \$ 33.05- 43.42 \$ 5,729- 7,526 \$ 68,744- 90,314 Y19 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.39 \$15,399-21,041 \$184,787-252,491 PMA01 * Strategic Program Mgr, HR 066 \$ 76.8-100.32 \$13,321-17,389 \$159,848-208.666 Y13 Student Intern 022 \$ 17.89- 24.33 \$ 3,101- 4,217 \$ 37,211- 50,606 S04 Student Intern 022 \$ 17.89- 24.33 \$ 3,101- 4,217 \$ 37,211- 50,606 S04 Student Intern 014 \$ 14.34- 19.57 \$ 2,486- 3.992 \$ 29,827- 40,706 260 * Supervising Admin Analyst 049 \$ 48.43- 63.71 \$ 8,395-11.043 \$100,734-132,517 XA51A Survey and Mapping Tech II 046 \$ 37.84- 49.83 \$ 6,559- 8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech III 048 \$ 47.13- 61.99 \$ 8,169-10,745 \$ 98,030-128,939 XA54A Survey and Mapping Tech III 048 \$ 47.13- 61.99 \$ 8,169-10,745 \$ 98,030-128,939 XA54A Survey and Mapping Tech IV 053 \$ 54.12- 70.89 \$ 9,381-12,288 \$112,570-147,451 XA552 System Operations Technician 045 \$ 43.42- 57.19 \$ 7,526- 9,913 \$ 90,314-118,955 Z06A * Team Manager II 056 \$ 55.75- 76.85 \$ 10,183-13,321 \$12,200-159,848 Z06C * Team Manager II 056 \$ 55.75- 76.85 \$ 10,183-13,321 \$12,200-159,848 Z06C * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$122,909-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$ 136,074-177,819 Z065 * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$ 136,074-177,819							02
YC09 * Sr Training Specialist (C) 050 \$ 49.83-65.42 \$ 8,637-11,339 \$103,646-136,074 YA102 Sr Water Quality Specialist 053 \$ 54.12-70.89 \$ 9,381-12,288 \$112,570-147,451 XA69 Sr Water Quality Technician 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 VO1 * Staff Assistant to the GM 072 \$ 69.64-95.16 \$12,071-16,494 \$144,851-197,933 Z43 * Staffing Manager 062 \$ 68.99-90.20 \$11,958-15,635 \$143,499-187,616 VA12 Storekeeper I 026 \$ 25.75-33.97 \$ 4,463-5,888 \$ 53,550-70,658 VA13 Storekeeper II 031 \$ 29.54-38.88 \$ 5,120-6,739 \$ 61,443-80,870 VA14 Storekeeper II 035 \$ 33.05-43.42 \$ 5,729-7,526 \$ 68,744-90,314 Y19 * Strategic CommaPolicy Advisor 081 \$ 88.84-121.39 \$15,399-21,041 \$184,787-252,491 PMA01 * Strategic Program Mgr, HR 066 \$ 76.85-100.32 \$13,321-17,389 \$159,848-208,666 Y13 Student Intern 022 \$ 17.89-24.33 \$ 3,101-4,217 \$ 37,211-50,606 S04 Student Intern 022 \$ 17.89-24.33 \$ 3,101-4,217 \$ 37,211-50,606 S04 Student Intern 014 \$ 14.34-19.57 \$ 2,486-3,392 \$ 29,827-40,706 260 * Supervising Admin Analyst 049 \$ 48.43-63.71 \$ 8,395-11,043 \$100,734-132,517 XA51A Survey and Mapping Tech II 040 \$ 37.84-49.83 \$ 6,559-8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech II 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 XA54A Survey and Mapping Tech II 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 TA16 System Operations Technician 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 TA16 System Operations Technician 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 TA16 Survey and Mapping Tech II 056 \$ 58.75-76.85 \$10,183-13,321 \$12,200-159,848 Z06C * Team Manager II 056 \$ 58.75-76.85 \$10,183-13,321 \$12,200-159,848 Z06C * Team Manager II 058 \$ 61.99-80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager IV 059 \$ 63.71-83.29 \$11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V 060 \$ 65.42-85.49 \$11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V 060 \$ 65.42-85.49 \$11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V 060 \$ 66.42-85.49 \$11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V 060 \$ 66.42-85.49 \$11,339							05
YA102 Sr Water Quality Specialist 053 \$ 54.12- 70.89 \$ 9,381-12,288 \$112,570-147,451 XA69 Sr Water Quality Technician 048 \$ 47.13- 61.99 \$ 8,169-10,745 \$ 98,030-128,939 YO1 * Staff Assistant to the GM 072 \$ 6,64- 95.16 \$12,071-16,494 \$144,851-197,933 Z43 * Staffing Manager 062 \$ 68.99- 90.20 \$11,958-15,635 \$143,499-187,616 YA12 Storekeeper I 026 \$ 25.75- 33.97 \$ 4,463- 5,888 \$ 53,560- 70,658 YA13 Storekeeper II 031 \$ 29.54- 38.88 \$ 5,120- 6,739 \$ 61,443- 80,870 YA14 Storekeeper III 035 \$ 33.05- 43.42 \$ 5,729- 7,526 \$ 68,744- 90,314 Y19 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.39 \$15,399-21,041 \$184,787-252.491 YA13 Student Intern 022 \$ 17.89- 24.33 \$ 3,101- 4,217 \$ 37,211- 50,606 Y13 Student Intern 022 \$ 17.89- 24.33 \$ 3,101- 4,217 \$ 37,211- 50,606 Y13 Student Intern 022 \$ 17.89- 24.33 \$ 3,101- 4,217 \$ 37,211- 50,606 Y13 Student Intern 04 \$ 14.34- 19.57 \$ 2,486- 3,392 \$ 29,827- 40,706 Y14 Student Intern 04 \$ 14.34- 19.57 \$ 2,486- 3,392 \$ 29,827- 40,706 Y14 Student Intern 04 \$ 14.34- 19.57 \$ 2,486- 3,392 \$ 29,827- 40,706 Y15							05
XA69 Sr Water Quality Technician 048 \$ 47.13-61.99 \$ 8.169-10,745 \$ 98,030-128,939 V01 * Staff Assistant to the GM 072 \$ 69.64-95.16 \$ 12,071-16,494 \$ 144,851-197,933 243 * Staffing Manager 062 \$ 68.99-90.20 \$ 11,958-15,655 \$ 143,499-187,616 VA12 Storekeeper I 026 \$ 25.75-33.97 \$ 4,463-5,888 \$ 53,560-70,658 VA13 Storekeeper II 031 \$ 29.54-38.88 \$ 5,120-6,739 \$ 61,443-80,870 VA14 Storekeeper III 031 \$ 29.54-38.88 \$ 5,120-6,739 \$ 61,443-80,870 VA14 Storekeeper III 035 \$ 33.05-43.42 \$ 5,729-7,526 \$ 68,744-90,314 V19 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.39 \$ 15,399-21.041 \$ 184,787-252,491 PMA01 * Strategic Program Mgr, HR 066 \$ 76.85-100.32 \$ 13,321-17,389 \$ 159,848-208,666 V13 Student Intern Desert 010 \$ 16.60-21.82 \$ 2,877-3,782 \$ 34,528-45,386 UA18 Student Intern Desert 010 \$ 16.60-21.82 \$ 2,877-3,782 \$ 34,528-45,386 UA18 Student Youth Intern 014 \$ 14,34-19.57 \$ 2,486-3,392 \$ 29,827-40,706 260 * Supervising Admin Analyst 049 \$ 48.43-63.71 \$ 8,395-11.043 \$ 100,734-132,517 XA51A Survey and Mapping Tech II 040 \$ 37,84-49.83 \$ 6,559-8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech II 040 \$ 37,84-49.83 \$ 6,559-8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech II 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 XA54A Survey and Mapping Tech IV 053 \$ 54.12-70.89 \$ 9,381-12,288 \$ 112,570-147,451 XA55 System Operations Technician 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 TA16 System Operator 045 \$ 43.42-57.19 \$ 7,526-9,913 \$ 90,314-118,955 206A * Team Manager II 056 \$ 58.75-76.85 \$ 10,183-13,321 \$ 122,200-159,848 206C * Team Manager II 056 \$ 58.75-76.85 \$ 10,183-13,321 \$ 122,200-159,848 206C * Team Manager II 056 \$ 561.99-80.99 \$ 10,745-14,038 \$ 128,939-168,459 206E * Team Manager V 060 \$ 65.42-85.49 \$ 11,339-14,818 \$ 136,074-177,819 206F * Team Manager V 060 \$ 65.42-85.49 \$ 11,339-14,818 \$ 136,074-177,819 206F * Team Manager V 060 \$ 65.42-85.49 \$ 11,339-14,818 \$ 136,074-177,819 206F * Team Manager V 060 \$ 66.42-85.49 \$ 11,339-14,818 \$ 136,074-177,819 206F * Team Manager V 060 \$ 66.42-85.49 \$							02
V01 * Staff Assistant to the GM 072 \$ 69.64-95.16 \$12,071-16,494 \$144,851-197,933 Z43 * Staffing Manager 062 \$ 68.99-90.20 \$11,958-15,635 \$143,499-187,616 VA12 Storekeeper I 026 \$ 25.75-33.97 \$ 4.463-5,888 \$ 53,560-70,658 VA13 Storekeeper II 031 \$ 29.54-38.88 \$ 5,120-6,739 \$ 61,443-80,870 VA14 Storekeeper III 035 \$ 33.05-43.42 \$ 5,729-7,526 \$ 68,744-90,314 Y19 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.39 \$15,399-21,041 \$184,787-252,491 PMA01 * Strategic Program Mgr, HR 066 \$ 76.85-100.32 \$13,321-17,389 \$159,848-208,666 Y13 Student Intern Desert 010 \$ 16.60-21.82 \$ 2,877-3,782 \$ 34,528-45,386 UA18 Student Youth Intern 014 \$ 14.34-19.57 \$ 2,486-3,392 \$ 29.827-40,706 260 * Supervising Admin Analyst 049 \$ 48.43-63.71 \$ 8,395-11,043 \$100,734-132,517 XA51A Survey and Mapping Tech II 040 \$ 37.84-49.83 \$ 6,559-8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech II 040 \$ 37.84-49.83 \$ 6,559-8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech II 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 XA54A Survey and Mapping Tech IV 053 \$ 54.12-70.89 \$ 9,381-12,288 \$ 112,570-147,451 XA55 System Operations Technician 048 \$ 47.13-61.99 \$ 8,169-10,745 \$ 98,030-128,939 TA16 System Operator 045 \$ 43.42-57.19 \$ 7,526-9,913 \$ 90,314-118,955 206A * Team Manager II 056 \$ 58.75-76.85 \$ 10,183-13,321 \$122,200-159,848 206C * Team Manager II 056 \$ 58.75-76.85 \$ 10,183-13,321 \$ 122,200-159,848 206C * Team Manager IV 059 \$ 63.71-83.20 \$ 11,043-14,421 \$ 132,517-173,056 206R * Team Manager IV 059 \$ 63.71-83.20 \$ 11,043-14,421 \$ 132,517-173,056 206R * Team Manager IV 069 \$ 65.42-85.49 \$ 11,339-14,888 \$ 136,074-177,819 206F * Team Manager V 060 \$ 65.42-85.49 \$ 11,339-14,888 \$ 136,074-177,819 206F * Team Manager V 060 \$ 65.42-85.49 \$ 11,339-14,888 \$ 136,074-177,819 206F * Team Manager V 1064 \$ 72.78-95.16 \$ 12,615-16,494 \$ 151,382-197,933				\$ 47.13- 61.99			02
VA12 Storekeeper I	V01	* Staff Assistant to the GM	072	\$ 69.64- 95.16	\$12,071-16,494	\$144,851-197,933	01
VA13 Storekeeper II 031 \$ 29.54- 38.88 \$ 5,120- 6,739 \$ 61,443- 80,870 VA14 Storekeeper III 035 \$ 33.05- 43.42 \$ 5,729- 7,526 \$ 68,744- 90,314 Y19 * Strategic Comm&Policy Advisor 081 \$ 88.84-121.39 \$ 15,399-21,041 \$ 184,787-252,491 PMA01 * Strategic Program Mgr, HR 066 \$ 76.85-100.32 \$ 13,321-17,389 \$ 159,848-208,666 Y13 Student Intern 022 \$ 17.89- 24.33 \$ 3,101- 4,217 \$ 37,211- 50,606 S04 Student Intern 012 \$ 16.60- 21.82 \$ 2,877- 3,782 \$ 34,528- 45,386 UA18 Student Youth Intern 014 \$ 14.34- 19.57 \$ 2,486- 3,392 \$ 29,827- 40,706 260 * Supervising Admin Analyst 049 \$ 48.43- 63.71 \$ 8,395-11,043 \$ 100,734-132,517 XA51A Survey and Mapping Tech I 036 \$ 33.97- 44.60 \$ 5,888- 7,731 \$ 70,658- 92,768 XA52A Survey and Mapping Tech III 040 \$ 37.84- 49.83 \$ 6,559- 8,637 \$ 78,707-103,646 XA53A Survey and Mapping Tech III 040 \$ 37.84- 49.83 \$ 6,559- 8,637 \$ 78,707-103,646 XA54A Survey and Mapping Tech IV 053 \$ 54.12- 70.89 \$ 9,381-12,288 \$ 112,570-147,451 XA55 System Operations Technician 048 \$ 47.13- 61.99 \$ 8,169-10,745 \$ 98,030-128,939 XA54A Survey and Mapping Tech IV 053 \$ 54.12- 70.89 \$ 9,381-12,288 \$ 112,570-147,451 XA55 System Operator 045 \$ 43.42- 57.19 \$ 7,526- 9,913 \$ 90,314-118,955 Z06A * Team Manager I 056 \$ 58.75- 76.85 \$ 10,183-13,321 \$ 122,200-159,848 Z06C * Team Manager II 056 \$ 58.75- 76.85 \$ 10,183-13,321 \$ 122,201-159,848 Z06C * Team Manager IV (C) 058 \$ 61.99- 80.99 \$ 10,745-14,038 \$ 128,939-168,459 Z06B * Team Manager IV (C) 058 \$ 61.99- 80.99 \$ 10,745-14,038 \$ 128,939-168,459 Z06B * Team Manager IV (C) 058 \$ 61.99- 80.99 \$ 10,745-14,038 \$ 128,939-168,459 Z06B * Team Manager V (C) 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V (C) 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V (C) 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V (C) 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager V (C) 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06F * Tea	Z43	* Staffing Manager	062	\$ 68.99- 90.20	\$11,958-15,635	\$143,499-187,616	05
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XA54A Survey and Mapping Tech IV 053 \$ 54.12- 70.89 \$ 9,381-12,288 \$112,570-147,451 XA55 System Operations Technician 048 \$ 47.13- 61.99 \$ 8,169-10,745 \$ 98,030-128,939 TA16 System Operator 045 \$ 43.42- 57.19 \$ 7,526- 9,913 \$ 90,314-118,955 Z06A * Team Manager I 055 \$ 57.19- 74.72 \$ 9,913-12,951 \$118,955-155,418 Z06B * Team Manager II 056 \$ 58.75- 76.85 \$10,183-13,321 \$122,200-159,848 Z06C * Team Manager III 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06D * Team Manager IV 059 \$ 63.71- 83.20 \$11,043-14,421 \$132,517-173,056 Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager V 1064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933							02
TA16 System Operator 045 \$ 43.42- 57.19 \$ 7,526- 9,913 \$ 90,314-118,955 Z06A * Team Manager I 055 \$ 57.19- 74.72 \$ 9,913-12,951 \$ 118,955-155,418 Z06B * Team Manager II 056 \$ 58.75- 76.85 \$ 10,183-13,321 \$ 122,200-159,848 Z06C * Team Manager III 058 \$ 61.99- 80.99 \$ 10,745-14,038 \$ 128,939-168,459 Z06D * Team Manager IV 059 \$ 63.71- 83.20 \$ 11,043-14,421 \$ 132,517-173,056 Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$ 10,745-14,038 \$ 128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06S * Team Manager V 060 \$ 65.42- 85.49 \$ 11,339-14,818 \$ 136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$ 12,615-16,494 \$ 151,382-197,933							02
Z06A * Team Manager I 055 \$ 57.19- 74.72 \$ 9,913-12,951 \$118,955-155,418 Z06B * Team Manager II 056 \$ 58.75- 76.85 \$10,183-13,321 \$122,200-159,848 Z06C * Team Manager III 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06D * Team Manager IV 059 \$ 63.71- 83.20 \$11,043-14,421 \$132,517-173,056 Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager VI 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933	XA55	System Operations Technician	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
Z06B * Team Manager II 056 \$ 58.75- 76.85 \$10,183-13,321 \$122,200-159,848 Z06C * Team Manager III 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06D * Team Manager IV 059 \$ 63.71- 83.20 \$11,043-14,421 \$132,517-173,056 Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager VI 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933	TA16	System Operator	045		\$ 7,526- 9,913	\$ 90,314-118,955	02
Z06C * Team Manager III 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06D * Team Manager IV 059 \$ 63.71- 83.20 \$11,043-14,421 \$132,517-173,056 Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager V (C) 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933	Z06A	* Team Manager I	055	\$ 57.19- 74.72	\$ 9,913-12,951	\$118,955-155,418	03
Z06D * Team Manager IV 059 \$ 63.71- 83.20 \$11,043-14,421 \$132,517-173,056 Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager V (C) 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933							03
Z06R * Team Manager IV (C) 058 \$ 61.99- 80.99 \$10,745-14,038 \$128,939-168,459 Z06E * Team Manager V 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager V (C) 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933							03
Z06E * Team Manager V 060 \$ 65.42-85.49 \$11,339-14,818 \$136,074-177,819 Z06S * Team Manager V (C) 060 \$ 65.42-85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78-95.16 \$12,615-16,494 \$151,382-197,933							03
Z06S * Team Manager V (C) 060 \$ 65.42- 85.49 \$11,339-14,818 \$136,074-177,819 Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933							05
Z06F * Team Manager VI 064 \$ 72.78- 95.16 \$12,615-16,494 \$151,382-197,933		-					03
							05
2000 ream manager vii 000 \$ /4./2- 3/./2 \$12,351-10,350 \$155,418-203,258		-					03 03
TM001 * Team Mgr-Admin Svcs Bus Mgmt 059 \$ 63.71- 83.20 \$11,043-14,421 \$132,517-173,056		-					03

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Classification Code	Title	Salary Grade	Hourly Range	Monthly Range	Annual Range	Unit Code
TM080	* Team Mgr-Budget	062	\$ 68.99- 90.20	\$11,958-15,635	\$143,499-187,616	04
TM002	* Team Mgr-Business Applications	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM061	* Team Mgr-Business Intel System	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM084	* Team Mgr-Capital Invstmnt Plan	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM003	* Team Mgr-Chemistry	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM079	* Team Mgr-Community Relations	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM005	* Team Mgr-Construction Mgmt I	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
TM004	* Team Mgr-Construction Mgmt II	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM064	* Team Mgr-ConstructionContracts	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM006	* Team Mgr-Control Systems Apps	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM007	* Team Mgr-Corrosion Control	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM078	* Team Mgr-Creative Design	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM008	* Team Mgr-Database	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM009	* Team Mgr-Design	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM073	* Team Mgr-Design Support * Team Mgr-Design Technology	057 059	\$ 60.36- 78.89 \$ 63.71- 83.20	\$10,462-13,674	\$125,549-164,091	04 04
TM072 TM081	* Team Mgr-Education	063	\$ 70.89- 92.68	\$11,043-14,421 \$12,288-16,065	\$132,517-173,056 \$147,451-192,774	04
TM081	* Team Mgr-Eng Compliance	066	\$ 76.85-100.32	\$12,288-10,005	\$159,848-208,666	04
TM013	* Team Mgr-Engineering Administr	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM012	* Team Mgr-Enterprise Apps	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM022	* Team Mgr-Enterprise GIS & CAD	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM015	* Team Mgr-EnterprsWaterSysPrgrm	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
TM065	* Team Mgr-Environ Planning	065	\$ 74.72 - 97.72	\$12,951-16,938	\$155,418-203,258	04
TM016	* Team Mgr-Environ Prgrm Support	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM011	* Team Mgr-Ext Affairs Bus Mgmt	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	04
TM019	* Team Mgr-Facility Operations	059	\$ 63.71-83.20	\$11,043-14,421	\$132,517-173,056	04
TM018	* Team Mgr-Facility Planning	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM020	* Team Mgr-Field Survey	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
TM033	* Team Mgr-FinanceRpt&PlantAsset	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	04
TM021	* Team Mgr-Geodetics and Mapping	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
TM023	* Team Mgr-Graphic Design	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
TMA01	* Team Mgr-HR Business Support	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	05
TM024	* Team Mgr-Health&SafetyPrgrmSup	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM025	* Team Mgr-Hydraulics&SysMdlng	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM026	* Team Mgr-Hydroelectric	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM027	* Team Mgr-IT Administration	062	\$ 68.99- 90.20	\$11,958-15,635	\$143,499-187,616	04
TM074	* Team Mgr-IT Business Analysis	061	\$ 67.21- 87.79	\$11,650-15,217	\$139,797-182,603	04
TM077	* Team Mgr-IT Client Systems Spt	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
TM082	* Team Mgr-IT Network Systems	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM066	* Team Mgr-IT Prgrm Project Sppt	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
TM028	* Team Mgr-IT Quality Assurance	061	\$ 67.21- 87.79	\$11,650-15,217	\$139,797-182,603	04
TM010	* Team Mgr-IT Service Desk	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
TM055	* Team Mgr-IT Telecommunication	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM067	* Team Mgr-Info Security	061	\$ 67.21- 87.79	\$11,650-15,217	\$139,797-182,603	04
TM046	* Team Mgr-InternalCntr&WaterInv	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	04
TM029	* Team Mgr-Inventory Control	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	04
TM075	* Team Mgr-Laboratory Support	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	03
TM068	* Team Mgr-LandPlanning&Managemt	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM031	* Team Mgr-Maint Engineering	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM032	* Team Mgr-Materials&Metallurgy	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	04
TM034	* Team Mgr-Microbiology	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM035	* Team Mgr-Operations App Svcs	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM036	* Team Mgr-Operations Compliance	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM076	* Team Mgr-Operations Planning	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM037	* Team Mgr-Ops Control Center * Team Mgr-Payroll	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933 \$143,499-187,616	04
TM087		062	\$ 68.99- 90.20	\$11,958-15,635		04
TM060 TM038	* Team Mgr-Power Ops& Scheduling * Team Mgr-Procurement	064 059	\$ 72.78- 95.16	\$12,615-16,494 \$11,043-14,421	\$151,382-197,933	04 04
TM038	* Team Mgr-Prof Contracting Svcs	059	\$ 63.71- 83.20 \$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056 \$132,517-173,056	04
TM040	* Team Mgr-Program Management	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM040	* Team Mgr-Project Support	060	\$ 65.42- 85.49	\$13,321-17,389	\$136,074-177,819	04
TM041	* Team Mgr-Project Support * Team Mgr-Property Management	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
TM042	* Team Mgr-Property Management * Team Mgr-Pump Plant	061	\$ 67.21- 87.79	\$12,288-10,005	\$139,797-182,603	04
TM042	* Team Mgr-QltyAsrn&CompSampling	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM043	* Team Mgr-Real Prop Bus Mgmt	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	04
TM045	* Team Mgr-RecordsMgt&ImagingSvc	059	\$ 63.71-83.20	\$11,043-14,421	\$132,517-173,056	04
TM030	* Team Mgr-Reservoir Management	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM069	* Team Mgr-Resource Development	064	\$ 72.78 - 95.16	\$12,615-16,494	\$151,382-197,933	04
TM070	* Team Mgr-Resource Planning	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM062	* Team Mgr-Right of Way Acquistn	063	\$ 70.89- 92.68	\$12,288-16,065	\$147,451-192,774	04
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Classification		Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
mrs 47	t Mary Mary Cafatas of Dawas Castal	0.66	# 76 OF 100 20	412 201 17 200	\$150 040 000 CCC	0.4
TM047 TM017	* Team Mgr-Safety of Dams&Geotch * Team Mgr-Safety&RegSvcSiteSupt	066 064	\$ 76.85-100.32 \$ 72.78- 95.16	\$13,321-17,389 \$12,615-16,494	\$159,848-208,666 \$151,382-197,933	04 04
TMA02	* Team Mgr-SafetyRegTechTraining	060	\$ 65.42- 85.49	\$11,339-14,818	\$136,074-177,819	05
TM048	* Team Mgr-Security Management	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM049	* Team Mgr-Server Administration	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM050	* Team Mgr-Substructures	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM051	* Team Mgr-Supply Acquisition	064	\$ 72.78- 95.16	\$12,615-16,494	\$151,382-197,933	04
TM053	* Team Mgr-Technical Control	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
TM054	* Team Mgr-Technical Writing * Team Mgr-Treasury Operations	058	\$ 61.99- 80.99	\$10,745-14,038	\$128,939-168,459	04
TM071 TM058	* Team Mgr-Treasury Operations * Team Mgr-WRM Business Mgmt	059 059	\$ 63.71- 83.20 \$ 63.71- 83.20	\$11,043-14,421 \$11,043-14,421	\$132,517-173,056 \$132,517-173,056	04 04
TM058	* Team Mgr-WSO Business Mgmt	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	04
TM056	* Team Mgr-Warehouse	056	\$ 58.75- 76.85	\$10,183-13,321	\$122,200-159,848	04
TM057	* Team Mgr-Water Efficiency	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
TM083	* Team Mgr-WaterReuse&ProcessDev	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
XA57	Technical Illustrator I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
XA58	Technical Illustrator II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
XA59A	Technical Writer I	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
XA60A	Technical Writer II	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
XA61A YC55	Technical Writer III * Training Administrator	048 045	\$ 47.13- 61.99 \$ 43.42- 57.19	\$ 8,169-10,745 \$ 7,526- 9,913	\$ 98,030-128,939 \$ 90,314-118,955	02 05
VC10	Training Assistant I	030	\$ 28.77- 37.84	\$ 4,987- 6,559	\$ 59,842- 78,707	05
VC11	Training Assistant II	034	\$ 32.12- 42.23	\$ 5,567- 7,320	\$ 66,810- 87,838	05
VC12	Training Assistant III	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	05
Y15	* Training Logistics Specialist	059	\$ 63.71- 83.20	\$11,043-14,421	\$132,517-173,056	03
YC08	* Training Specialist (C)	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	05
ASM01	* Treasurer	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
VA15	Treasury Administrator	039	\$ 36.83- 48.43	\$ 6,384- 8,395	\$ 76,606-100,734	02
Z05E	* Unit Manager V	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
Z05J	* Unit Manager V (C) * Unit Mgr-Application Services	066 067	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05 04
UM002 UM003	* Unit Mgr-Apprication Services * Unit Mgr-Apprentice&TechTrain	064	\$ 78.89-103.14 \$ 72.78- 95.16	\$13,674-17,878 \$12,615-16,494	\$164,091-214,531 \$151,382-197,933	04
UM004	* Unit Mgr-Audit	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
UMA01	* Unit Mgr-Benefits Services	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05
UM031	* Unit Mgr-Budget	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
UM030	* Unit Mgr-Chemistry	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UMA02	* Unit Mgr-ClassComp&Recruitment	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05
UM005	* Unit Mgr-Construction Services	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM006	* Unit Mgr-Contracting Services	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
UM007 UM008	* Unit Mgr-Conveyance&Distribtn * Unit Mgr-Document Services	068 064	\$ 80.99-105.98 \$ 72.78- 95.16	\$14,038-18,370 \$12,615-16,494	\$168,459-220,438 \$151,382-197,933	04 04
UM008	* Unit Mgr-Education	066	\$ 76.85-100.32	\$13,321-17,389	\$151,382-197,933	04
UM010	* Unit Mgr-Engineering Services	069	\$ 83.20-108.89	\$14,421-18,874	\$173,056-226,491	04
UM038	* Unit Mgr-Environmental Plng	069	\$ 83.20-108.89	\$14,421-18,874	\$173,056-226,491	04
UM011	* Unit Mgr-Facility Management	067	\$ 78.89-103.14	\$13,674-17,878	\$164,091-214,531	04
UM012	* Unit Mgr-Fleet Services	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
UM016	* Unit Mgr-IT Infrastructure	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM033	* Unit Mgr-IT Program Mgt Office	069	\$ 83.20-108.89	\$14,421-18,874	\$173,056-226,491	04
UM017	* Unit Mgr-IT Project Planning	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
UM032	* Unit Mgr-IT Security * Unit Mgr-Implemnt Proj&Studies	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM013 UM014	* Unit Mgr-Imprement Projestuales * Unit Mgr-Imported Supply	068 068	\$ 80.99-105.98 \$ 80.99-105.98	\$14,038-18,370 \$14,038-18,370	\$168,459-220,438 \$168,459-220,438	04 04
UM015	* Unit Mgr-Info Security Svcs	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	04
UM037	* Unit Mgr-Laboratory Services	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM023	* Unit Mgr-Land Management	067	\$ 78.89-103.14	\$13,674-17,878	\$164,091-214,531	04
UM018	* Unit Mgr-Manufacturing Svcs	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM029	* Unit Mgr-Microbiology	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM019	* Unit Mgr-Ops Planning&Program	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM036	* Unit Mgr-Ops Proj & Asset Mgmt	069	\$ 83.20-108.89	\$14,421-18,874	\$173,056-226,491	04
UM021	* Unit Mgr-Planning and Acquistn* Unit Mgr-Power&EquipReliabilty	067	\$ 78.89-103.14	\$13,674-17,878	\$164,091-214,531	04
UM020 UM040	* Unit Mgr-Power&EquipReliability * Unit Mgr-PowerCompl&Programs	068 068	\$ 80.99-105.98 \$ 80.99-105.98	\$14,038-18,370 \$14,038-18,370	\$168,459-220,438 \$168,459-220,438	04 04
UM035	* Unit Mgr-PowerCompl&Programs * Unit Mgr-Rates, Charges&FinPlan	066	\$ 76.85-100.32	\$14,038-18,370	\$159,848-208,666	04
UM024	* Unit Mgr-Risk Management	065	\$ 74.72- 97.72	\$12,951-16,938	\$155,418-203,258	04
UM041	* Unit Mgr-Safety&Environ Svcs	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM034	* Unit Mgr-Security	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM025	* Unit Mgr-System Analysis	069	\$ 83.20-108.89	\$14,421-18,874	\$173,056-226,491	04
UM026	* Unit Mgr-System Operations	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM027	* Unit Mgr-Water Purification	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04
UM028	* Unit Mgr-Water Treatment Plant	068	\$ 80.99-105.98	\$14,038-18,370	\$168,459-220,438	04

Metropolitan Water District of Southern California

SALARY SCHEDULE

Effective Date: 06/26/2022

Report ID: MHR828

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Classific	ation	Salary	Hourly	Monthly	Annual	Unit
Code	Title	Grade	Range	Range	Range	Code
XA63	Videographer I	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02
XA64	Videographer II	041	\$ 38.88- 51.16	\$ 6,739- 8,868	\$ 80,870-106,413	02
YA10	1 Water Quality Specialist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
XA66	Water Quality Technician I	033	\$ 31.21- 41.11	\$ 5,410- 7,126	\$ 64,917- 85,509	02
XA67	Water Quality Technician II	038	\$ 35.83- 47.13	\$ 6,211- 8,169	\$ 74,526- 98,030	02
XA68	Water Quality Technician III	043	\$ 41.11- 54.12	\$ 7,126- 9,381	\$ 85,509-112,570	02
XA70	A Water Sampling Field Tech	033	\$ 31.21- 41.11	\$ 5,410- 7,126	\$ 64,917- 85,509	02
Z38	* Workers Compensation Manager	066	\$ 76.85-100.32	\$13,321-17,389	\$159,848-208,666	05
T13	Wtr Treatment Plant Specialist	048	\$ 47.13- 61.99	\$ 8,169-10,745	\$ 98,030-128,939	02
TA18	Wtr Trtment Plant Operator I	035	\$ 33.05- 43.42	\$ 5,729- 7,526	\$ 68,744- 90,314	02
TA19	Wtr Trtment Plant Operator II	040	\$ 37.84- 49.83	\$ 6,559- 8,637	\$ 78,707-103,646	02
TA20	Wtr Trtment Plant Operator III	045	\$ 43.42- 57.19	\$ 7,526- 9,913	\$ 90,314-118,955	02

7-10

Metropolitan Water District of Southern California Report ID: MHR828 SALARY SCHEDULE

Page No. 11 Run Date 10/30/2023 Run Time 15:13:59

Effective Date: 06/26/2022

Classification Salary Hourly Monthly Code Title Grade Range Range

Annual Unit Range Code

Unit Code

00 - Executive

01 - Unrepresented

02 - AFSCME Local 1902

03 - Supervisors Association

04 - Management&Professional Assoc

05 - Assoc of Conf Employees

* Not Eligible for Overtime

O&M Tech Titles

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+ O&M Tech I
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S03A (Grade 27): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator S03 (Grade 28): Electrical, HVAC, Machinist, Mechanical S03P (Grade 28 - Apprentice): Electrical, Mechanical + O&M Tech II

S02A (Grade 31): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator S02 (Grade 32): Electrical, HVAC, Machinist, Mechanical S02P (Grade 32 - Apprentice): Electrical, Mechanical + O&M Tech III

T10A (Grade 35): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator T10 (Grade 36): Electrical, HVAC, Machinist, Mechanical T10P (Grade 36 - Apprentice): Electrical, Mechanical + O&M Tech IV

T03A (Grade 41): Carpenter, Coater, Equipment Operator, Fleet, Plumber, Welder-Fabricator
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(Grade 42): Electrical, HVAC, Machinist, Mechanical

T03FS (Grade 42): Welder-Fabricator/Field Services



Ethics, Organization, and Personnel Committee

Approve Employee Salary Schedule Pursuant to CalPERS Regulations

Item 7-10 November 13, 2023

Item #7-10

Approve
Employee Salary
Schedule
Pursuant to
CalPERS
Regulations

Subject

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 Purpose

Pursuant to the California Code of Regulations, Section 570.5, Metropolitan's Board of Directors is required to approve an annual Salary Schedule, meeting specific requirements as outlined in the Code.

Recommendation and Fiscal Impact

There is no fiscal impact associated with this board action

Unbudgeted

Purpose and Background

- Metropolitan's Board is required by CalPERS to annually approve and adopt a salary schedule.
- Doing so does not amend or revise Memoranda of Understanding (MOUs), which have already been approved by the Board.

Governing Authority

- California Code of Regulations, Section 570.5
- Pay rate for calculating pensions specifically limited to amount listed on a pay schedule
- Pay schedule must
 - Be approved and adopted by the Board
 - Identify the position title for every employee
 - Show the pay rate for each identified position
 - Indicate the effective date
 - Meet public posting requirements

Changes to Salary Schedule for 2023

- Implements changes from the Board-approved MOUs
- Implements Board-approved salary changes for Department Heads
- Implements any newly created job titles/classifications

Board Options

- Option #1
 Approve the attached salary schedule
- Option #2
 Do not approve the salary schedule

Staff Recommendation

• Option #1





Board of Directors Legal and Claims Committee

11/14/2023 Board Meeting

7-11

Subject

Approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices, and regulations; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The proposed amendments to the Administrative Code will update the Code so that the Code conforms to current law, practices, and regulations.

Details

This letter proposes amendments to Metropolitan's Administrative Code to conform the Code to current law, practices, and regulations. The proposed amendments 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 the changes are approved.

The Administrative Code is proposed to be amended as follows:

- 1. Amend Administrative Code sections 2108, 2121(b) and 2142 to delete the "mailing" of the Board meeting minutes, consent calendar and monthly staff reports to the Board, and replace it with "providing" because the current practice is to provide these documents in electronic form.
- 2. Amend Administrative Code section 2501 to delete the dissolved Agricultural and Industry Relations Special Committee and section 2502 to delete the dissolved Integrated Resources Plan Special Committee.
- 3. Amend Administrative Code sections 4304(b) and 4305(a) and (b) to delete obsolete references to the dissolved Finance and Insurance Committee and the Audit and Ethics Committee, as applicable, and replace them with the Finance, Audit, Insurance, and Real Property Committee.
- 4. Repeal Administrative Code section 4520, adopted on December 8, 2020, which allowed Member Agencies to defer payment obligations to Metropolitan during COVID-19. By its own terms, this section expired January 1, 2022.
- 5. Amend Administrative Code sections 6201, 6203, 6226, 6231, and 6246 as follows, regarding benefits paid to temporary employees, leave accrual and usage, and annual leave to conform to current law and practice:
 - a. Section 6201(b) is amended to clarify that leave benefits for temporary employees apply to unrepresented temporary employees, both full-time and part-time.
 - b. Section 6203 is amended to clarify that leave accrual and usage for employees rehired within twelve (12) months have their prior service hours and unpaid leave balances reinstated.
 - c. Section 6226 is amended to conform the annual leave hours accumulated to current practice, as follows:

- i. Section 6226(a) is amended to clarify the maximum number of allowable annual leave hours for unrepresented employees is 560.51 hours.
- ii. Section 6226(c) is amended to add May 15 to November 15 as one of two annual leave paydown dates each year for employees with more than 400 hours of leave credit.
- iii. Section 6226(e) is amended to clarify that employees who are hired within twelve (12) months (or are reinstated from a non-cause involuntary separation) shall continue to earn vacation hours at the rate of their total cumulative service hours.
- iv. Section 6226(g) is amended to clarify that employees shall be paid out their unused annual leave at time of separation based on the regular hourly base pay.
- d. Section 6231(m)(3) is amended to add exempt time off, as recently negotiated with the bargaining units, to the leave ordering rule applicable when leave is taken for the birth or adoption of a child, to care for seriously ill family members, as specified, or for military family leave for eligible employees.
- e. Section 6246(a) is amended to conform to past and present practice entitling all members of the military with one or more year(s) service with Metropolitan to leave with pay for a period not to exceed thirty (30) days per fiscal year.
- 6. Amend Administrative Code sections 6416 and 6436(b) to have the General Auditor make required annual and quarterly reports to the Finance, Audit, Insurance, and Real Property Committee and likewise, have the Ethics Officer report to the Ethics, Organization and Personnel Committee instead of these department heads reporting to the dissolved Audit and Ethics Committee.
- 7. Amend Administrative Code section 6472 to delete an obsolete reference in the section title to the dissolved Audit and Ethics Committee and replace it with the Ethics, Organization and Personnel Committee.
- 8. Amend Administrative Code sections 7405(a) and (b), 7411(b), and 7412(e) with respect to the Ethics Officer's investigative duties in order to delete obsolete references to the dissolved Audit and Ethics Committee and replace it with the Ethics, Organization and Personnel Committee.

Policy

Metropolitan Water District Administrative Code Section 2451(g): Duties and Functions [Legal and Claims Committee]

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not subject to CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices, and regulations.

Fiscal Impact: None

Business Analysis: The Administrative Code will be amended to conform to current law, practices, and regulations.

Option #2

Do not approve amendments to the Metropolitan Water District Administrative Code to conform to current law, practices, and regulations.

Fiscal Impact: None

Business Analysis: The Administrative Code will not be amended to conform to current law, practices, and regulations.

Staff Recommendation

Option #1

Scully 11/3/2023

General Counsel

Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California excerpts (with changes marked)

Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California excerpts (clean copy)

Ref# lc12697911

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 1

BOARD OF DIRECTORS

Article 1

MEETINGS

§ 2108. Minutes.

Minutes of the Board meeting shall be prepared and mailed provided to each director as soon as convenient after each meeting. Such minutes shall not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes by the Board Executive Secretary. Minutes of the Board and monthly reports filed therewith are to be sent to the city clerks and water departments of the member public agencies who have requests on file with the Board Executive Secretary for such material.

Article 2

CONSENT CALENDAR

§ 2121. Consent Calendar.

- (a) Consent Calendar items shall be set forth in a separate section of the Board's agenda.
- (b) Matters for the Consent Calendar shall be recommended by the Department Heads and shall be submitted to the Board Executive Secretary not less than seven working days prior to the meeting of the Board and, except as provided below, pertinent materials sufficient to enable a member to formulate an opinion on each Consent Calendar item shall be included with the agenda mailed provided to directors. Such materials need not be included with the agenda as to matters which are to be considered in committee in closed session, but such materials shall be available at the meeting of the Board for distribution to directors who request them.
- (c) Matters may not be placed on the Consent Calendar if a roll call vote is required; if a vote other than a simple majority is required; or if the amount involved is \$2,000,000 or more.

Article 4

MISCELLANEOUS BOARD RULES

§ 2142. Monthly Staff Reports.

The monthly departmental reports of the General Manager and General Counsel shall be mailedprovided in advance of the Board meeting to each director by the department organizing the report but they are not to be distributed at such meeting. These reports are to be orally summarized at the Board meeting mentioning only significant changes from previous reports.

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

Article 1

SPECIAL COMMITTEES

Sec.

2500. General

2501. Agriculture and Industry Relations Special Committee

2502. Integrated Resources Plan Special Committee

§ 2500. General.

Special committees may be created by the Board to undertake special assignments on behalf of the Board and shall report directly to the Board unless otherwise directed. A special committee shall continue in existence indefinitely. Unless otherwise specified, members of a special committee shall be appointed by the Chair of the Board and shall serve at the Chair's pleasure.

§ 2501. Agriculture and Industry Relations Special Committee.

- (a) The Agriculture and Industry Relations Special Committee shall hold meetings as required to accomplish committee objectives.
 - (b) Duties and Functions
 - The Agriculture and Industry Relations Special Committee shall work to:
 - (1) Expand Metropolitan's understanding of business and agriculture water issues;
 - (2) Identify opportunities for collaboration to advance the mutual interests of urban and agricultural water users; and
 - (3) Make recommendations to the Board on policies and programs that will strengthen relationships with agricultural and business communities and related customer groups.

§ 2502. Integrated Resources Plan Special Committee.

- (a) The Integrated Resources Plan Special Committee shall hold meetings as needed to accomplish the objectives of the committee.
- (b) The Integrated Resources Plan Special Committee shall review, consider and make recommendations with regard to the Integrated Resources Planning Process, and options for updating the Integrated Resources Plan, including those recommended by the One Water (Conservation and Local Resources) Committee and the Water Planning and Stewardship Committee.

Division IV

WATER SERVICE POLICIES

Chapter 3

WATER TRANSACTIONS REVENUE

§ 4304. Apportionment of Revenues and Setting of Water Rates.

(a) Not later than at its February meeting the General Manager shall present to the Finance, Audit, Insurance, and Real Property Committee of the Board:

- (1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,
- (2) Recommendations of rates including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the biennial period beginning the following July 1.
- (b) Not later than at its February meeting, the General Manager shall also present to the Finance, Audit, Insurance, and Real Property Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which the Finance, Audit, and Insurance, and Real Property Committee has determined to be necessary.

§ 4305. Setting of Charges to Raise Fixed Revenue.

- (a) Not later than at its regular May meeting each year, the Finance, <u>Audit, and Insurance</u>, and <u>Real Property</u> Committee shall make its final determination regarding the water standby charge or other fixed revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.
- (b) Not later than at such May meeting, the Board shall consider and take action upon the recommendations, if any, of the Finance, <u>Audit</u>, <u>and</u>, Insurance, <u>and Real Property</u> Committee regarding a fixed revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed revenue source.

Chapter 5

WATER SERVICE REGULATIONS - GENERAL

Sec.

- 4500. Adoption of Regulations
- 4501. Obligation to Pay for Water Delivered
- 4502. Liability and Indemnification
- 4503. Suspension of Deliveries
- 4504. Rates of Flow
- 4505. Estimates of Water Requirements and Schedules of Deliveries
- 4506. Metering of Water
- 4507. Billing and Payment for Water Deliveries
- 4508. Additional Payment and Reporting in the Event of Delinquency in Payment for Water
- 4509. Water Restricted to Use Within the District
- 4510. Application of Regulations
- 4511. Notices
- 4512. Sales Subject to System and Water Availability

- 4513. Equal Opportunity Requirements
- [4514. Repealed]
- [4515. Repealed]
- [4516. Repealed]
- 4517. Cooperative Storage Program
- 4518. Emergency Storage Program
- 4519. Emergency Deliveries of Member Agency Water Supplies in Metropolitan's System
- [4520. Repealed] COVID-19 Member Agency Payment Deferment Program

§ 4520 COVID-19 Member Agency Payment Deferment Program

(a) The Treasurer of the District shall defer payment obligations of any amount due to Metropolitan on invoices subject to Section 4501 for water transactions occurring from January 1, 2021 to June 30, 2021, as approved by the General Manger pursuant to the criteria specified in this Section. Payment obligations and additional charges under Sections 4507 and 4508 shall apply to any payment obligation deferred pursuant to this Section.

(b) The General Manager shall approve an application for deferment of amounts due to Metropolitan by member agencies, in accordance with Subsection (c), so long as the member agency has met the following criteria:

- i. The member agency has experienced an inc62reased rate of delinquency in the payments from its customers to that agency, as a result of the COVID-19 pandemic;
- ii. The member agency has suspended or deferred payment obligations of its customers to that agency, whether the obligations suspended or deferred consists of the total amount due or a partial amount due;
- iii. The member agency does not have sufficient financial reserves that can be used to buffer the financial impacts of the increased delinquencies, suspension, or deferments in (i) and (ii);
- iv. The member agency has not received sufficient federal or state financial assistance to absorb the financial impacts described in (i) and (ii); and
- v. The member agency has submitted a letter to the General Manager certifying it meets the criteria in (i) through (iv) and permitting Metropolitan to audit the submission.
- (c) The following terms shall apply to amounts deferred pursuant to an application approved by the General Manager under this Section:
 - i. The Treasurer of the District shall defer a percentage of the member agency's payment obligation equal to the member agency's delinquency rate for up to six Metropolitan invoices, but not to exceed **ten percent** (10%) of each monthly invoice;
 - ii. The member agency shall pay all amounts deferred under this Section no later than December 29, 2021; and
 - iii. Any deferred amount not paid by December 20, 2021, is subject to Section 4508 as of December 30, 2021.
- (d) This Section does not apply to transactions governed by agreements containing payment terms and obligations separate from Sections 4501, 4507, and 4508.
- (e) This Section shall be repealed effectively January 1, 2022, unless extended by the Board of Directors.

Division VI

PERSONNEL MATTERS

Chapter 2

PERSONNEL REGULATIONS

§ 6201. Benefits Paid Temporary Employees.

- (a) Temporary employees shall be entitled only to be paid an hourly rate determined in accordance with this Code.
- (b) An eligible temporary employee shall be entitled to personal leave. A temporary unrepresented full-time employee employed by the District for more than 1,044 hours of current full-time service is eligible for forty-eight (48) hours of personal leave per calendar year. A temporary unrepresented part-time employee employed by the District for more than 1,044 hours of current service is eligible for twenty-four (24) hours of personal leave per calendar year. Personal leave must be used in the calendar year in which it is received. Personal leave shall not be carried over into the year following year in which it is received nor will it be paid upon separation from District employment. The District shall be responsible for scheduling personal leave periods of temporary employees in such a manner as to achieve the most efficient functioning of the District. The District shall determine whether or not a request for personal leave will be granted; however, an employee's timely request for personal leave shall only be denied for good and sufficient business reasons.
- (c) Temporary employees shall not be entitled to any benefits or rights of any nature whatsoever provided for under this Code, except as provided by subsections (a) and (b) above and as specifically required by applicable law.

§ 6203. Leave Accrual and Usage.

Hours of service shall be recorded to the nearest half hour. Leave shall not be used before it is earned. Employees who separate service from Metropolitan and are rehired within twelve (12) months, and employees who are reinstated from a non-cause involuntary separation shall have their Metropolitan service hours and any unpaid leave balances reinstated upon rehire or reinstatement. Employees must be re-employed into a category of employment that is eligible to receive leave accrual for unpaid leave balances to be reinstated.

§ 6226. Annual Leave.

(a) Subject to any applicable memorandum of understanding, or employment agreement, employees shall accumulate annual leave with full pay at the following rates for each hour of total service:

Range of Hours From		Accumulation Factor For	Approximate.
	Through	Each Hour Within Range	Vac <u>ation</u> . H <u>ou</u> rs
1	8,352	.038625	80
8,353	18,792	.057472	120
18,793	20,880	.061610	128
20,881	22,968	.065288	136
22,969	25,056	.068966	144
25,057	27,144	.073104	152
27,145	39, 762 <u>672</u>	.076782	160
39, 763 <u>673</u>	41,760	.080453	168
41,761	43,848	.084291	176
43,849	45,936	.088123	184

45,937	48,024	.091954	192
48,025	Last hour of total	.095785	200
	service		

Notwithstanding the above, the maximum accumulation for those unrepresented classifications <u>eligible</u> for annual leave <u>listed in Section 6500</u>, shall be 560.51 hours.

- (b) Subject to the restrictions contained in subsection (d) and any applicable memorandum of understanding, annual leave usage will be authorized as it is earned up to the maximum permitted by subsection (a). The District shall be responsible for scheduling annual leave periods of employees in such a manner as to achieve the most efficient functioning of the District. The District shall determine whether or not a request for annual leave will be granted. However, an employee's timely request for annual leave shall only be denied for good and sufficient business reasons.
- (c) Subject to any applicable memorandum of understanding, if on the last day of the payroll cycles that includes May 15 and November 15 of any year, the total of accumulated annual leave exceeds the limitation on accumulation applicable to the hours of total service, the excess accumulated annual leave may not be used but shall, as soon as practicable after the end of the twenty fourth pay period of the annual payroll cycle, be paid to the employee entitled thereto an employee has credit for more than four hundred (400) hours, the employee shall be paid for all hours in between four hundred (400) and the maximum set forth in section 6226(a) above. Such payment shall be paid at the employee's hourly pay rate in effect at the end of said twenty-fourth pay period for the current pay period for one hundred percent (100%) of the excess accumulated hours of such annual leave.
- (d) No vacation may be granted, or paid for, unless the employee has completed 1,044 hours current service, including military leave. No vacation may be extended past an employee's date of termination.
- (e) Employees returning from leave for military service shall earn vacation at the rate appropriate to the total time of District employment plus military service. <u>Employees who separate service from Metropolitan and are rehired within twelve (12) months, and employees who are reinstated from a non-cause involuntary separation shall continue to earn vacation at the rate of their total cumulative Metropolitan service hours.</u>
- (f) Notwithstanding any provision of this Section 6226 to the contrary, a Department Head may approve the accumulation of annual leave at a rate of .0574720 hours for each hour of service for the first through the fourth year of service and .076782 for each hour of service for the first through the thirteenth (13th) year of service for an employee recruited by that Department Head.
- (g) Employees will be paid out their unused annual leave at the time of separation based on the regular hourly base pay. Employees on temporary promotion performing higher level duties in a temporary capacity, upon separation of service will be returned to their regular classification and unpaid leave will be paid at their regular hourly base pay.

§ 6231. Family and Medical Leave.

(a) The District will provide Family and Medical Leave for an employee as required by state and federal law.

- (b) For purposes of this section, "employee" shall mean an employee who has at least one (1) year of service with the District and at least 1,250 hours active service during the one year period immediately preceding the commencement of the request for a Family and Medical Leave.
- (c) For purposes of this section, per the U.S. Department of Labor definition at 29 USC Sec. 2611(7) and 29 CFR Sec. 825.122(c), "parent" shall mean a biological, adoptive, step or foster father or mother, or any other individual who stood in *loco parentis* to the employee when the employee was a son or daughter. This term does not include any "parents-in law."
- (d) For purposes of this section, "designated person" shall mean a person identified by the employee at the time the employee requests Leave with pay and may include any individual related by blood or whose association with the employee is the equivalent of a family relationship. An employee is limited to one (1) designated person per 12-month period for Family and Medical Leave purposes. (Government Code Sec. 12945.2(b)(2).)
- (e) The following provisions set forth certain of the rights and obligations with respect to Family and Medical Leave. Rights and obligations which are not specifically set forth or defined below are contained in the U.S. Department of Labor regulations implementing the federal Family and Medical Leave Act of 1993 ("FMLA") and the California Fair Employment and Housing Commission regulations implementing the California Family Rights Act ("CFRA")(Government Code Sec. 12945.2).
- (f) Unless otherwise provided by this section, "Family and Medical Leave" and "Leave" shall mean leave pursuant to the FMLA and/or CFRA.
- (g) An employee is entitled to a total of twelve (12) weeks of Leave during any 12-month period to care for a newborn child, due to the placement of an adopted or foster child, to care for a son or daughter, parent (as defined by the U.S. Department of Labor in 29 USC Sec. 2611(7); 29 CFR Sec. 825.122(c).), spouse, state-registered domestic partner, grandparent, grandchild, sibling or designated person who has a serious health condition, or because of the employee's own serious health condition that prevents the employee from performing any one or more of the essential functions of the employee's position. The 12-month period for calculating Leave entitlement will be the 12-month period measured backward from the date an employee uses any Leave.
- (h) An employee's entitlement to Leave for the birth or placement of a child for adoption or foster care expires twelve (12) months after the birth or placement. Parents who are both employed by the District are each entitled up to twelve (12) weeks of Leave for the birth or adoption of a child or the replacement of a foster care child.
- (i) Married employees or state-registered domestic partners, who are both employees of the District, and who have an active-duty service member in their family, shall be entitled to qualifying exigency Leave, to manage active duty-related family affairs, and to injured service member care Leave, consistent with FMLA. Refer to military Leave at subsection (r)(1) and (r)(2) of this Section 6231 regarding qualifying exigency Leave and injured service member care Leave.
- (j) An employee shall provide at least thirty (30) calendar days written advance notice for foreseeable events. For events which are not foreseeable, the employee shall notify the District as soon as the employee learns of the need for the Leave. To be eligible for a Leave, the employee must follow the District's usual and customary call-in procedures for reporting an absence as detailed in section 6241.
- (k) An employee who takes a Leave for their own serious health condition is required to submit a Return to Work / Doctor's Release prior to returning to work.

- (l) When the Leave is due to the health condition of the employee, the employee shall utilize Leave in the following order:
 - (1) All sick leave;
- (2) Forty (40) hours of annual leave. If annual leave is exhausted, the employee must choose to use other paid or unpaid leave to complete the forty (40) hours. For regular part-time and Recurrent employees, hours will be adjusted to their standard weekly hours;
- (3) The employee has the option of using additional paid leave at full pay. If the employee chooses to use additional paid leave at full pay, it must be used in the following order:
 - (i) The balance of the employee's annual leave;
 - (ii) Other paid leave;
- (4) If the employee elects to not use additional paid leave at full pay, then the employee shall utilize leave in the following order:
 - (i) 75% disability;
 - (ii) 50% disability;
 - (iii) Annual leave;
 - (iv) Other paid leave at the employee's option;
 - (v) Unpaid leave;
 - (5) The exhaustion of the paid leave shall run concurrently with the Leave.
- (m) When the Leave is taken for the birth of a child of the employee, for the placement of a child with the employee for adoption or foster care, or to care for the employee's spouse, state-registered domestic partner, son or daughter, parent (as defined by the U.S. Department of Labor in 29 USC Sec. 2611(7); 29 CFR Sec. 825.122 (c).), grandparent, grandchild, sibling or designated person who has a serious health condition or a military family leave, the employee shall utilize Leave in the following order:
 - (1) Special leave;
 - (2) Optionally, to use a maximum of 240 hours of available sick leave;
 - (3) Optionally, to use annual, personal, compensatory time, <u>exempt time off</u>, or recurrent leave;
 - (4) Unpaid leave.

The exhaustion of the paid leave shall run concurrently with the Leave. For purposes of this section, leave taken to care for a "designated person" does not apply to military family Leave.

- (n) If an employee takes sick leave or partial pay disability leave without requesting Family and Medical Leave, within five (5) days of the employee's return to work and advisement of the District concerning the purpose of the sick leave, the District shall make a determination as to whether the sick leave shall be considered Family and Medical Leave.
- (o) The District shall maintain coverage under any group health plan for the duration of the Leave at the level and under conditions that would have been provided had the employee been working.

However, the District shall only maintain such group health plan coverage for such employee for up to twelve (12) weeks within a 12-month period commencing with the start of the Leave.

- (p) An employee has the right to reinstatement to the same or a comparable position unless the employee is exempted from such right under the provisions of the FMLA or CFRA.
- (q) Any leave taken by an employee under the California Fair Employment and Housing Act's provisions applicable to pregnancy-related disabilities cannot be counted against the 12-week limitation on Family and Medical Leaves authorized under CFRA.

(r) Military Family Leave:

The two types of military family Leave available are:

- (1) Qualifying Exigency Leave. An employee is entitled to a total of twelve (12) weeks of Leave during any 12-month period to help manage the family affairs of a member who is their spouse, state-registered domestic partner, son, daughter or parent (as defined by the U.S. Department of Labor in 29 USC Sec. 2611 (7); 29 CFR Sec. 825.122(c).) who is on active duty or is being called to active duty status.
- (2) Injured Service Member Care Leave. An employee is entitled to a total of twenty-six (26) weeks of Leave during any 12-month period to care for a covered service member with a serious injury or illness incurred in the line of duty or within five (5) years of the date the service member or veteran undergoes medical treatment, recuperation, treatment, or therapy including aggravation of existing or pre-existing injuries while in the line of duty while on active duty. Employees entitled to this Leave are the spouse, state-registered domestic partner, parent (as defined by U.S. Labor in 29 USC Sec. 2611(7); 29 CFR Sec. 825.122(c).), child or next of kin of the injured or ill service member.

Married employees and state-registered domestic partners who are both employees of the District may be subject to a combined twelve (12) weeks or twenty-six (26) weeks of Leave based on specified family and medical reasons pursuant to FMLA.

§ 6246. Military Leave.

- (a) Every employee who is a member of the National Guard or Naval Militia, or a member of the reserve corps or force in the Federal military, naval or marine service, or in the State Guard, shall be entitled to military leave in accordance with the applicable provisions of the Military and Veterans Code of the State of California. Metropolitan will also comply with Title 38, Chapter 43 of the United State Code (Uniformed Services Employment and Reemployment Rights Act)("USERRA"). The present law provides, in general, that a person having one (1) year or more of service with the District is entitled to military leave with pay for a period not exceeding thirty (30) calendar days per fiscal year. Members of the State Guard are entitled to military leave without pay not to exceed fifteen (15) calendar days per fiscal year. The military service time of a new employee who comes to the District directly from military service may be applied to the one-year employment requirement necessary to the granting of military leave.
- (b) Veterans are entitled, in general, to reemployment if they serve not more than five (5) years in the military, although exceptions allowed by federal law may apply per USERRA. The period a service member has to make a request for reemployment or report back to work after military service is based on time spent on military duty.

- (1) For service of less than thirty-one (31) days, the service member must return as the beginning of the next regularly scheduled work period on the first full day after release from service, taking into account safe travel home plus an eight-hour rest period.
- (2) For service of more than thirty (30) days but less than 181 days, the service member must submit certification of military service for reemployment within fourteen (14) days or release from service.
- (3) For service of more than 180 days, certification of military service for reemployment must be submitted within ninety (90) days of completion of a service member's military service.

Metropolitan may request that an employee who is absent for a period of service of thirty-one (31) days or more provide document showing that their request for reemployment is timely, the employee has not exceeded the five-year service limitation, and the employee's separation from military service was other than disqualifying under federal law. Military documents may include Military Discharge Documents, DD-214, or Certification of Military Service record.

A reemployee may not be discharged without cause: (1) for one (1) year after the date of reemployment if the employee's period of military service was for 181 days or more; (2) For 180 days after the date of reemployment if the employee's period of military service was for thirty-one (31) to 180 days.

Cause for discharge may be based on conduct or the application of legitimate nondiscriminatory reasons. Employees who serve for thirty (30) or fewer days are not protected from discharge without cause. However, they are protected from discrimination because of military service or obligation.

- (c) Employees on military leave do not lose their accumulated sick leave credits. The District will restore the veteran to employment as though no interruption of District service has occurred. The District will apply all general pay adjustments enacted by the Board to the old base salary as though the veteran had not been absent. The veteran need not be returned to the former position but will be given a position of status and pay equivalent to the former position. Although the veteran earns no leave while absent on military leave, neither does the veteran lose any leave balances while absent on military leave. Military service time is added to the length of District service for purpose of computing the rate at which a returning veteran will earn annual leave.
- (d) If the employee returns to work within six (6) months of their active duty discharge date, and the release was not due to a dishonorable discharge, the employee may submit to CalPERS the Military Leave Service Credit application and documentation for review. CalPERS will determine if the military leave of absence service time will be added to the employee's CalPERS service credit, and if it will be at no cost to the employee, or if the employee will have an option to purchase the additional service credit.
- (e) Military Spousal Leave. Every employee who has worked at least an average of twenty (20) hours a week in the last six (6) months and is married to a service member is entitled to ten (10) days leave when their spouse returns from active duty. Employees must notify the District of their intention to take this leave within two (2) business days of receiving official notice that the spouse will be on leave from military deployment, and inform their manager if they intend to use annual, personal or no-pay leave.

Chapter 4

OFFICERS

Article 2

GENERAL MANAGER

§ 6416. Annual Report to Executive Committee.

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor to the Finance, Audit, Insurance, and Real Property Committee, and the Ethics Officer to the Audit and Ethics, Organization and Personnel Committee and the General Counsel to the Legal and Claims Committee.

Article 3

GENERAL COUNSEL

§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.

- (a) The General Manager and General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Section 6431.
- (b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee and the General Auditor to the Finance, Audit, Insurance, and Real Property Committee, and the and Ethics Officer to the Audit and Ethics, Organization and Personnel Committee.

Article 5

ETHICS OFFICER

Sec.

- 6470. Powers and Duties
- 6471. Authority to Obtain Professional Services
- 6472. Reports to Audit and Ethics, Organization and Personnel Committee

§ 6472. Reports to Audit and Ethics, Organization and Personnel Committee.

- (a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Ethics, Organization and Personnel 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 Ethics, Organization and Personnel 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.

Division VII

GOVERNMENTAL ETHICS Chapter 4

INVESTIGATION BY THE ETHICS OFFICER

Article 1

AUTHORITY TO INVESTIGATE AND JURISDICTION

§ 7405. Investigations of Directors, General Manager, General Counsel, General Auditor, or Ethics Officer.

- (a) The Ethics Officer shall retain an outside counsel or investigator to conduct any investigation of alleged violations of Metropolitan ethics rules by a Director, General Manager, General Counsel or General Auditor. The investigation shall be conducted in consultation with the Ethics Officer. The Ethics Officer shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the Ethics Officer shall notify the Audit and Ethics, Organization and Personnel Committee Chair, unless the Chair is the subject of the investigation, in which case the Vice Chair shall be notified.
- (b) The Ethics Officer shall refer to the General Counsel any complaint of alleged violations of Metropolitan ethics rules by the Ethics Officer or any member of the Office staff. The General Counsel shall retain an outside counsel or investigator to conduct the investigation in consultation with the General Counsel. The General Counsel shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the General Counsel shall notify the Audit and Ethics, Organization and Personnel Committee Chair.
- (c) The General Counsel shall review any contract with an outside counsel or investigator to ensure compliance with Metropolitan contracting requirements.

Article 2

PROCEDURES FOR INVESTIGATIONS

§ 7411. Investigation Timeframe.

- (a) Investigations shall be conducted expeditiously and completed within 180 calendar days, except as provided in subparagraph (b). An investigation commences upon the Ethics Officer's determination to open an investigation, but in no event later than 30 calendar days from receipt of the complaint or referral.
- (b) For good cause, an investigation may extend beyond 180 calendar days; provided, however, the Ethics Officer shall provide written notice to the subject of the investigation with an expected completion date. The Ethics Officer shall also notify the <u>Audit and Ethics, Organization and Personnel</u>

Committee Chair whenever an investigation extends beyond 180 calendar days and provide periodic updates on the status of the investigation thereafter.

(c) For purposes of the 180 calendar day period specified in this section, an investigation terminates upon service of the Ethics Officer's report upon the subject of the investigation, or upon notice of no violation given to the subject of the investigation, pursuant to section 7416.

§ 7412. Confidentiality of Investigations.

- (a) Investigations by the Ethics Officer shall be confidential to the fullest extent possible.
- (b) The Ethics Officer has the discretion to disclose information related to investigations for significant operational or safety reasons.
- (c) The Ethics Officer shall not unnecessarily disclose the identity of the subject of a complaint, except as needed in furtherance of the investigation or otherwise provided by Article 3 of this chapter.
- (d) During the investigation, the Ethics Officer shall advise the subject of the investigation, the complainant, and any witnesses of the confidentiality of the investigation.
- (e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the Audit and Ethics, Organization and Personnel Committee on any investigative matter subject to the following:
 - (1) The communications shall be for the purpose of feedback.
 - (2) The communications shall be confidential.
 - (3) The restrictions on interference with investigations in section 7129(d).
 - (f) The Ethics Officer shall, to the extent possible, protect the identity of any complainant.

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 1

BOARD OF DIRECTORS

Article 1

MEETINGS

§ 2108. Minutes.

Minutes of the Board meeting shall be prepared and provided to each director as soon as convenient after each meeting. Such minutes shall not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes by the Board Executive Secretary. Minutes of the Board and monthly reports filed therewith are to be sent to the city clerks and water departments of the member public agencies who have requests on file with the Board Executive Secretary for such material.

Article 2

CONSENT CALENDAR

§ 2121. Consent Calendar.

- (a) Consent Calendar items shall be set forth in a separate section of the Board's agenda.
- (b) Matters for the Consent Calendar shall be recommended by the Department Heads and shall be submitted to the Board Executive Secretary not less than seven working days prior to the meeting of the Board and, except as provided below, pertinent materials sufficient to enable a member to formulate an opinion on each Consent Calendar item shall be included with the agenda provided to directors. Such materials need not be included with the agenda as to matters which are to be considered in committee in closed session, but such materials shall be available at the meeting of the Board for distribution to directors who request them.
- (c) Matters may not be placed on the Consent Calendar if a roll call vote is required; if a vote other than a simple majority is required; or if the amount involved is \$2,000,000 or more.

Article 4

MISCELLANEOUS BOARD RULES

§ 2142. Monthly Staff Reports.

The monthly departmental reports of the General Manager and General Counsel shall be provided in advance of the Board meeting to each director by the department organizing the report but they are not to be distributed at such meeting. These reports are to be orally summarized at the Board meeting mentioning only significant changes from previous reports.

Chapter 5

OTHER COMMITTEES: MISCELLANEOUS COMMITTEE MATTERS

Article 1

SPECIAL COMMITTEES

§ 2500. General.

Special committees may be created by the Board to undertake special assignments on behalf of the Board and shall report directly to the Board unless otherwise directed. A special committee shall continue in existence indefinitely. Unless otherwise specified, members of a special committee shall be appointed by the Chair of the Board and shall serve at the Chair's pleasure.

Division IV

WATER SERVICE POLICIES

Chapter 3

WATER TRANSACTIONS REVENUE

§ 4304. Apportionment of Revenues and Setting of Water Rates.

- (a) Not later than at its February meeting the General Manager shall present to the Finance, Audit, Insurance, and Real Property Committee of the Board:
- (1) Determinations of the revenue requirements and cost of service analysis supporting the rates and charges required during the biennial period beginning the following July 1, as determined by the General Manager in accordance with current Board policies, and,
- (2) Recommendations of rates including, but not limited to, the System Access Rate, Water Stewardship Rate, System Power Rate, Treatment Surcharge, and the Supply Rates for the various classes of water service to become effective each January 1 of the biennial period. These recommended rates shall be the General Manager's determination, made in accordance with current Board policies, of the rates necessary to produce substantially the revenues to be derived from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the biennial period beginning the following July 1.
- (b) Not later than at its February meeting, the General Manager shall also present to the Finance, Audit, Insurance, and Real Property Committee recommendations regarding the continuation of a water standby charge or the imposition of an availability of service charge (such as the readiness-to-serve charge and capacity charge), which shall be the General Manager's determination, made in accordance with current Board policies, of the charge necessary to produce substantially the revenues to be derived from fixed revenue sources, if any, exclusive of taxes, during the biennial period beginning the following July 1 which the Finance, Audit, Insurance, and Real Property Committee has determined to be necessary.

§ 4305. Setting of Charges to Raise Fixed Revenue.

(a) Not later than at its regular May meeting each year, the Finance, Audit, Insurance, and Real Property Committee shall make its final determination regarding the water standby charge or other fixed

revenue charge, if any, for the fiscal year beginning the following July 1, and shall recommend such charge, if any, to the Board at its regular May meeting.

(b) Not later than at such May meeting, the Board shall consider and take action upon the recommendations, if any, of the Finance, Audit,, Insurance, and Real Property Committee regarding a fixed revenue source, exclusive of taxes, to become effective the following January 1 or for the fiscal year beginning the following July 1, as determined by the Board for each fixed revenue source.

Chapter 5

WATER SERVICE REGULATIONS - GENERAL

Sec.	
4500.	Adoption of Regulations
4501.	Obligation to Pay for Water Delivered
4502.	Liability and Indemnification
4503.	Suspension of Deliveries
4504.	Rates of Flow
4505.	Estimates of Water Requirements and Schedules of Deliveries
4506.	Metering of Water
4507.	Billing and Payment for Water Deliveries
4508.	Additional Payment and Reporting in the Event of Delinquency in Payment for Water
4509.	Water Restricted to Use Within the District
4510.	Application of Regulations
4511.	Notices
4512.	Sales Subject to System and Water Availability
4513.	Equal Opportunity Requirements
[4514.	Repealed]
[4515.	Repealed]
[4516.	Repealed]
4517.	Cooperative Storage Program
4518.	Emergency Storage Program
4519.	Emergency Deliveries of Member Agency Water Supplies in Metropolitan's System

Division VI

PERSONNEL MATTERS

Chapter 2

PERSONNEL REGULATIONS

§ 6201. Benefits Paid Temporary Employees.

[4520. Repealed]

- (a) Temporary employees shall be entitled only to be paid an hourly rate determined in accordance with this Code.
- (b) An eligible temporary employee shall be entitled to personal leave. A temporary unrepresented full-time employee employed by the District for more than 1,044 hours of current full-time service is eligible for forty-eight (48) hours of personal leave per calendar year. A temporary unrepresented part-time employee employed by the District for more than 1,044 hours of current service

is eligible for twenty-four (24) hours of personal leave per calendar year. Personal leave must be used in the calendar year in which it is received. Personal leave shall not be carried over into the year following year in which it is received nor will it be paid upon separation from District employment. The District shall be responsible for scheduling personal leave periods of temporary employees in such a manner as to achieve the most efficient functioning of the District. The District shall determine whether or not a request for personal leave will be granted; however, an employee's timely request for personal leave shall only be denied for good and sufficient business reasons.

(c) Temporary employees shall not be entitled to any benefits or rights of any nature whatsoever provided for under this Code, except as provided by subsections (a) and (b) above and as specifically required by applicable law.

§ 6203. Leave Accrual and Usage.

Hours of service shall be recorded to the nearest half hour. Leave shall not be used before it is earned. Employees who separate service from Metropolitan and are rehired within twelve (12) months, and employees who are reinstated from a non-cause involuntary separation shall have their Metropolitan service hours and any unpaid leave balances reinstated upon rehire or reinstatement. Employees must be re-employed into a category of employment that is eligible to receive leave accrual for unpaid leave balances to be reinstated.

§ 6226. Annual Leave.

(a) Subject to any applicable memorandum of understanding, or employment agreement, employees shall accumulate annual leave with full pay at the following rates for each hour of total service:

Range of	Hours From Through	Accumulation Factor For Each Hour Within Range	Approximate Vacation Hours
1	8,352	.038625	80
8,353	18,792	.057472	120
18,793	20,880	.061610	128
20,881	22,968	.065288	136
22,969	25,056	.068966	144
25,057	27,144	.073104	152
27,145	39,672	.076782	160
39,673	41,760	.080453	168
41,761	43,848	.084291	176
43,849	45,936	.088123	184
45,937	48,024	.091954	192
48,025	Last hour of total	.095785	200
	service		

Notwithstanding the above, the maximum accumulation for those unrepresented classifications eligible for annual leave shall be 560.51 hours.

(b) Subject to the restrictions contained in subsection (d) and any applicable memorandum of understanding, annual leave usage will be authorized as it is earned up to the maximum permitted by subsection (a). The District shall be responsible for scheduling annual leave periods of employees in such a manner as to achieve the most efficient functioning of the District. The District shall determine whether

or not a request for annual leave will be granted. However, an employee's timely request for annual leave shall only be denied for good and sufficient business reasons.

- (c) Subject to any applicable memorandum of understanding, if on the last day of the payroll cycles that include May 15 and November 15 of any year, an employee has credit for more than four hundred (400) hours, the employee shall be paid for all hours in between four hundred (400) and the maximum set forth in section 6226(a) above. Such payment shall be paid at the employee's hourly pay rate in effect for the current pay period for one hundred percent (100%) of the excess accumulated hours of such annual leave.
- (d) No vacation may be granted, or paid for, unless the employee has completed 1,044 hours current service, including military leave. No vacation may be extended past an employee's date of termination.
- (e) Employees returning from leave for military service shall earn vacation at the rate appropriate to the total time of District employment plus military service. Employees who separate service from Metropolitan and are rehired within twelve (12) months, and employees who are reinstated from a non-cause involuntary separation shall continue to earn vacation at the rate of their total cumulative Metropolitan service hours.
- (f) Notwithstanding any provision of this Section 6226 to the contrary, a Department Head may approve the accumulation of annual leave at a rate of .0574720 hours for each hour of service for the first through the fourth year of service and .076782 for each hour of service for the first through the thirteenth (13th) year of service for an employee recruited by that Department Head.
- (g) Employees will be paid out their unused annual leave at the time of separation based on the regular hourly base pay. Employees on temporary promotion performing higher level duties in a temporary capacity, upon separation of service will be returned to their regular classification and unpaid leave will be paid at their regular hourly base pay.

§ 6231. Family and Medical Leave.

- (a) The District will provide Family and Medical Leave for an employee as required by state and federal law.
- (b) For purposes of this section, "employee" shall mean an employee who has at least one (1) year of service with the District and at least 1,250 hours active service during the one year period immediately preceding the commencement of the request for a Family and Medical Leave.
- (c) For purposes of this section, per the U.S. Department of Labor definition at 29 USC Sec. 2611(7) and 29 CFR Sec. 825.122(c), "parent" shall mean a biological, adoptive, step or foster father or mother, or any other individual who stood in *loco parentis* to the employee when the employee was a son or daughter. This term does not include any "parents-in law."
- (d) For purposes of this section, "designated person" shall mean a person identified by the employee at the time the employee requests Leave with pay and may include any individual related by blood or whose association with the employee is the equivalent of a family relationship. An employee is limited to one (1) designated person per 12-month period for Family and Medical Leave purposes. (Government Code Sec. 12945.2(b)(2).)

- (e) The following provisions set forth certain of the rights and obligations with respect to Family and Medical Leave. Rights and obligations which are not specifically set forth or defined below are contained in the U.S. Department of Labor regulations implementing the federal Family and Medical Leave Act of 1993 ("FMLA") and the California Fair Employment and Housing Commission regulations implementing the California Family Rights Act ("CFRA")(Government Code Sec. 12945.2).
- (f) Unless otherwise provided by this section, "Family and Medical Leave" and "Leave" shall mean leave pursuant to the FMLA and/or CFRA.
- (g) An employee is entitled to a total of twelve (12) weeks of Leave during any 12-month period to care for a newborn child, due to the placement of an adopted or foster child, to care for a son or daughter, parent (as defined by the U.S. Department of Labor in 29 USC Sec. 2611(7); 29 CFR Sec. 825.122(c).), spouse, state-registered domestic partner, grandparent, grandchild, sibling or designated person who has a serious health condition, or because of the employee's own serious health condition that prevents the employee from performing any one or more of the essential functions of the employee's position. The 12-month period for calculating Leave entitlement will be the 12-month period measured backward from the date an employee uses any Leave.
- (h) An employee's entitlement to Leave for the birth or placement of a child for adoption or foster care expires twelve (12) months after the birth or placement. Parents who are both employed by the District are each entitled up to twelve (12) weeks of Leave for the birth or adoption of a child or the replacement of a foster care child.
- (i) Married employees or state-registered domestic partners, who are both employees of the District, and who have an active-duty service member in their family, shall be entitled to qualifying exigency Leave, to manage active duty-related family affairs, and to injured service member care Leave, consistent with FMLA. Refer to military Leave at subsection (r)(1) and (r)(2) of this Section 6231 regarding qualifying exigency Leave and injured service member care Leave.
- (j) An employee shall provide at least thirty (30) calendar days written advance notice for foreseeable events. For events which are not foreseeable, the employee shall notify the District as soon as the employee learns of the need for the Leave. To be eligible for a Leave, the employee must follow the District's usual and customary call-in procedures for reporting an absence as detailed in section 6241.
- (k) An employee who takes a Leave for their own serious health condition is required to submit a Return to Work / Doctor's Release prior to returning to work.
- (l) When the Leave is due to the health condition of the employee, the employee shall utilize Leave in the following order:
 - (1) All sick leave;
- (2) Forty (40) hours of annual leave. If annual leave is exhausted, the employee must choose to use other paid or unpaid leave to complete the forty (40) hours. For regular part-time and Recurrent employees, hours will be adjusted to their standard weekly hours;
- (3) The employee has the option of using additional paid leave at full pay. If the employee chooses to use additional paid leave at full pay, it must be used in the following order:
 - (i) The balance of the employee's annual leave;
 - (ii) Other paid leave;

- (4) If the employee elects to not use additional paid leave at full pay, then the employee shall utilize leave in the following order:
 - (i) 75% disability;
 - (ii) 50% disability;
 - (iii) Annual leave;
 - (iv) Other paid leave at the employee's option;
 - (v) Unpaid leave;
 - (5) The exhaustion of the paid leave shall run concurrently with the Leave.
- (m) When the Leave is taken for the birth of a child of the employee, for the placement of a child with the employee for adoption or foster care, or to care for the employee's spouse, state-registered domestic partner, son or daughter, parent (as defined by the U.S. Department of Labor in 29 USC Sec. 2611(7); 29 CFR Sec. 825.122 (c).), grandparent, grandchild, sibling or designated person who has a serious health condition or a military family leave, the employee shall utilize Leave in the following order:
 - (1) Special leave;
 - (2) Optionally, to use a maximum of 240 hours of available sick leave;
 - (3) Optionally, to use annual, personal, compensatory time, exempt time off, or recurrent leave;
 - (4) Unpaid leave.

The exhaustion of the paid leave shall run concurrently with the Leave. For purposes of this section, leave taken to care for a "designated person" does not apply to military family Leave.

- (n) If an employee takes sick leave or partial pay disability leave without requesting Family and Medical Leave, within five (5) days of the employee's return to work and advisement of the District concerning the purpose of the sick leave, the District shall make a determination as to whether the sick leave shall be considered Family and Medical Leave.
- (o) The District shall maintain coverage under any group health plan for the duration of the Leave at the level and under conditions that would have been provided had the employee been working. However, the District shall only maintain such group health plan coverage for such employee for up to twelve (12) weeks within a 12-month period commencing with the start of the Leave.
- (p) An employee has the right to reinstatement to the same or a comparable position unless the employee is exempted from such right under the provisions of the FMLA or CFRA.
- (q) Any leave taken by an employee under the California Fair Employment and Housing Act's provisions applicable to pregnancy-related disabilities cannot be counted against the 12-week limitation on Family and Medical Leaves authorized under CFRA.
 - (r) Military Family Leave:

The two types of military family Leave available are:

(1) Qualifying Exigency Leave. An employee is entitled to a total of twelve (12) weeks of Leave during any 12-month period to help manage the family affairs of a member who is their spouse,

state-registered domestic partner, son, daughter or parent (as defined by the U.S. Department of Labor in 29 USC Sec. 2611 (7); 29 CFR Sec. 825.122(c).) who is on active duty or is being called to active duty status.

(2) Injured Service Member Care Leave. An employee is entitled to a total of twenty-six (26) weeks of Leave during any 12-month period to care for a covered service member with a serious injury or illness incurred in the line of duty or within five (5) years of the date the service member or veteran undergoes medical treatment, recuperation, treatment, or therapy including aggravation of existing or pre-existing injuries while in the line of duty while on active duty. Employees entitled to this Leave are the spouse, state-registered domestic partner, parent (as defined by U.S. Labor in 29 USC Sec. 2611(7); 29 CFR Sec. 825.122(c).), child or next of kin of the injured or ill service member.

Married employees and state-registered domestic partners who are both employees of the District may be subject to a combined twelve (12) weeks or twenty-six (26) weeks of Leave based on specified family and medical reasons pursuant to FMLA.

§ 6246. Military Leave.

- (a) Every employee who is a member of the National Guard or Naval Militia, or a member of the reserve corps or force in the Federal military, naval or marine service, or in the State Guard, shall be entitled to military leave in accordance with the applicable provisions of the Military and Veterans Code of the State of California. Metropolitan will also comply with Title 38, Chapter 43 of the United State Code (Uniformed Services Employment and Reemployment Rights Act)("USERRA"). The present law provides, in general, that a person having one (1) year or more of service with the District is entitled to military leave with pay for a period not exceeding thirty (30) calendar days per fiscal year. The military service time of a new employee who comes to the District directly from military service may be applied to the one-year employment requirement necessary to the granting of military leave.
- (b) Veterans are entitled, in general, to reemployment if they serve not more than five (5) years in the military, although exceptions allowed by federal law may apply per USERRA. The period a service member has to make a request for reemployment or report back to work after military service is based on time spent on military duty.
- (1) For service of less than thirty-one (31) days, the service member must return as the beginning of the next regularly scheduled work period on the first full day after release from service, taking into account safe travel home plus an eight-hour rest period.
- (2) For service of more than thirty (30) days but less than 181 days, the service member must submit certification of military service for reemployment within fourteen (14) days or release from service.
- (3) For service of more than 180 days, certification of military service for reemployment must be submitted within ninety (90) days of completion of a service member's military service.

Metropolitan may request that an employee who is absent for a period of service of thirty-one (31) days or more provide document showing that their request for reemployment is timely, the employee has not exceeded the five-year service limitation, and the employee's separation from military service was other than disqualifying under federal law. Military documents may include Military Discharge Documents, DD-214, or Certification of Military Service record.

A reemployee may not be discharged without cause: (1) for one (1) year after the date of reemployment if the employee's period of military service was for 181 days or more; (2) For 180 days after the date of reemployment if the employee's period of military service was for thirty-one (31) to 180 days.

Cause for discharge may be based on conduct or the application of legitimate nondiscriminatory reasons. Employees who serve for thirty (30) or fewer days are not protected from discharge without cause. However, they are protected from discrimination because of military service or obligation.

- (c) Employees on military leave do not lose their accumulated sick leave credits. The District will restore the veteran to employment as though no interruption of District service has occurred. The District will apply all general pay adjustments enacted by the Board to the old base salary as though the veteran had not been absent. The veteran need not be returned to the former position but will be given a position of status and pay equivalent to the former position. Although the veteran earns no leave while absent on military leave, neither does the veteran lose any leave balances while absent on military leave. Military service time is added to the length of District service for purpose of computing the rate at which a returning veteran will earn annual leave.
- (d) If the employee returns to work within six (6) months of their active duty discharge date, and the release was not due to a dishonorable discharge, the employee may submit to CalPERS the Military Leave Service Credit application and documentation for review. CalPERS will determine if the military leave of absence service time will be added to the employee's CalPERS service credit, and if it will be at no cost to the employee, or if the employee will have an option to purchase the additional service credit.
- (e) Military Spousal Leave. Every employee who has worked at least an average of twenty (20) hours a week in the last six (6) months and is married to a service member is entitled to ten (10) days leave when their spouse returns from active duty. Employees must notify the District of their intention to take this leave within two (2) business days of receiving official notice that the spouse will be on leave from military deployment, and inform their manager if they intend to use annual, personal or no-pay leave.

Chapter 4

OFFICERS

Article 2

GENERAL MANAGER

§ 6416. Annual Report to Executive Committee.

The General Manager shall annually submit to the Executive Committee a business plan containing the General Manager's key priorities for the coming year. The business plan shall be submitted in conjunction with similar plans by the General Auditor to the Finance, Audit, Insurance, and Real Property Committee, and the Ethics Officer to the Ethics, Organization and Personnel Committee and the General Counsel to the Legal and Claims Committee.

Article 3

GENERAL COUNSEL

§ 6436. Annual and Quarterly Reports to Legal and Claims Committee.

- (a) The General Manager and General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Sections 6433 and 6434. The General Counsel shall report quarterly to the Legal and Claims Committee the exercise of any power delegated to them by Section 6431.
- (b) The General Counsel shall annually, in advance of the July Board meetings, submit to the Legal and Claims Committee a business plan containing the Legal Department's key priorities for the coming year for review and approval. The business plan shall be submitted in conjunction with similar plans by the General Manager to the Executive Committee and the General Auditor to the Finance, Audit, Insurance, and Real Property Committee, and the and Ethics Officer to the Ethics, Organization and Personnel Committee.

Article 5

ETHICS OFFICER

Sec.

- 6470. Powers and Duties
- 6471. Authority to Obtain Professional Services
- 6472. Reports to Ethics, Organization and Personnel Committee

§ 6472. Reports to Ethics, Organization and Personnel Committee.

- (a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Ethics, Organization and Personnel 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 Ethics, Organization and Personnel 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.

Division VII

GOVERNMENTAL ETHICS

Chapter 4

INVESTIGATION BY THE ETHICS OFFICER

Article 1

AUTHORITY TO INVESTIGATE AND JURISDICTION

§ 7405. Investigations of Directors, General Manager, General Counsel, General Auditor, or Ethics Officer.

- (a) The Ethics Officer shall retain an outside counsel or investigator to conduct any investigation of alleged violations of Metropolitan ethics rules by a Director, General Manager, General Counsel or General Auditor. The investigation shall be conducted in consultation with the Ethics Officer. The Ethics Officer shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the Ethics Officer shall notify the Ethics, Organization and Personnel Committee Chair, unless the Chair is the subject of the investigation, in which case the Vice Chair shall be notified.
- (b) The Ethics Officer shall refer to the General Counsel any complaint of alleged violations of Metropolitan ethics rules by the Ethics Officer or any member of the Office staff. The General Counsel shall retain an outside counsel or investigator to conduct the investigation in consultation with the General Counsel. The General Counsel shall, based on the results of the investigation, make the final determination as to whether a violation has occurred. Prior to retaining the outside counsel or investigator, the General Counsel shall notify the Ethics, Organization and Personnel Committee Chair.
- (c) The General Counsel shall review any contract with an outside counsel or investigator to ensure compliance with Metropolitan contracting requirements.

Article 2

PROCEDURES FOR INVESTIGATIONS

§ 7411. Investigation Timeframe.

- (a) Investigations shall be conducted expeditiously and completed within 180 calendar days, except as provided in subparagraph (b). An investigation commences upon the Ethics Officer's determination to open an investigation, but in no event later than 30 calendar days from receipt of the complaint or referral.
- (b) For good cause, an investigation may extend beyond 180 calendar days; provided, however, the Ethics Officer shall provide written notice to the subject of the investigation with an expected completion date. The Ethics Officer shall also notify the Ethics, Organization and Personnel Committee Chair whenever an investigation extends beyond 180 calendar days and provide periodic updates on the status of the investigation thereafter.
- (c) For purposes of the 180 calendar day period specified in this section, an investigation terminates upon service of the Ethics Officer's report upon the subject of the investigation, or upon notice of no violation given to the subject of the investigation, pursuant to section 7416.

§ 7412. Confidentiality of Investigations.

- (a) Investigations by the Ethics Officer shall be confidential to the fullest extent possible.
- (b) The Ethics Officer has the discretion to disclose information related to investigations for significant operational or safety reasons.
- (c) The Ethics Officer shall not unnecessarily disclose the identity of the subject of a complaint, except as needed in furtherance of the investigation or otherwise provided by Article 3 of this chapter.
- (d) During the investigation, the Ethics Officer shall advise the subject of the investigation, the complainant, and any witnesses of the confidentiality of the investigation.
- (e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the Ethics, Organization and Personnel Committee on any investigative matter subject to the following:
 - (1) The communications shall be for the purpose of feedback.
 - (2) The communications shall be confidential.
 - (3) The restrictions on interference with investigations in section 7129(d).
 - (f) The Ethics Officer shall, to the extent possible, protect the identity of any complainant.



Legal and Claims Committee

Metropolitan Administrative Code Amendments

Item 7-11 November 14, 2023

Item #7-11

MWD Administrative Code Amendments

Subject

Approve amendments to the MWD Administrative Code to conform to current law, practices, and regulations

Purpose

Board action is required to amend the MWD Administrative Code

Recommendation and Fiscal Impact

Approve; no fiscal impact

Budgeted or Unbudgeted Not applicable



Board of Directors Legal and Claims Committee

11/14/2023 Board Meeting

7-12

Subject

Approve amendments to Metropolitan Water District Administrative Code sections 6431 and 6453 to increase the authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 and the General Auditor to obtain professional services to an amount not to exceed \$100,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEOA

Executive Summary

The proposed amendments to Administrative Code sections 6431 and 6453 will increase the contracting authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 in any one year in connection with any General Counsel assignment and the General Auditor to obtain independent auditors or other professional or technical consultants relevant to the designated scope and mission in the Administrative Code to an amount not to exceed \$100,000 in any one year under any one contract. With the last increases approved decades ago, the current maximum contract authority to obtain the foregoing services is \$100,000 for the General Counsel and \$40,000 for the General Auditor. The proposed increases would not exceed the general contracting authority of the General Manager per Administrative Code section 8121 or the contracting authority of the Ethics Officer for outside investigators per Administrative Code section 6471(b) and would further streamline the Board's agenda. Adoption would not change the requirement to report these contracts to the Board.

Timing and Urgency

A delay in approval would fail to further streamline the Board's agenda thus depriving the Board additional time to consider major policy matters.

Details

This letter proposes amendments to Metropolitan's Administrative Code to increase the contracting authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 in any one year in connection with any General Counsel assignment and the General Auditor to obtain related professional services to an amount not to exceed \$100,000 in any one year under any one contract.

The following proposed amendment for the General Counsel's authority is to Division VI, Chapter 4, Article 3 with overstrikes reflecting deletions and underlining reflecting additions:

§ 6431. Authority to Obtain Expert Assistance.

The General Counsel is authorized to employ special counsel and]investigators to advise or assist them in representing the District, and such technical experts as necessary for proper preparation and presentation of the District's interest in any court action, special proceedings, legislative hearings, or other proceedings whether in or out of court where the assistance of technical experts may be necessary in order to represent the District adequately, so long as the amount to be expended in fees, costs, and expenses in any one year in connection with any assignment will not exceed \$100,000 \$250,000.

The following proposed amendment for the General Auditor's authority is to Division VI, Chapter 4, Article 4 with overstrikes reflecting deletions and underlining reflecting additions:

6453. Authority to Obtain Professional Services.

The General Auditor is authorized to employ the services of independent auditors or other professional or technical consultants to advise or assist them in performing their assigned duties as may be required or as they deem necessary provided that the amount to be expended in fees, costs, and expenses under any one contract in any one year shall not exceed \$40,000 \$100,000. External auditors, while employed as external auditors for Metropolitan, are prohibited from performing any other consulting work for Metropolitan or performing any work for other clients that conflicts, or may conflict, with their responsibilities as Metropolitan's external auditors. These prohibitions shall be included in Metropolitan's agreements with external auditors. The General Auditor shall inform the Finance, Audit, Insurance and Real Property Committee whenever they exercise the authority granted under this section and they shall further report quarterly to the Legal and Claims Committee concerning any agreements entered into under this section.

Attachment 1 (with changes marked) and Attachment 2 (clean copy) are attached.

The proposed increases pertain to activities within the normal work plans and activities of the respective department heads. Contracts let under this authority typically include special counsel, investigators, claims consultants, technical experts and trial support services for General Counsel, and for General Auditor the services of independent auditors and other professional or technical consultants, who are needed when the staff does not have the expertise to handle the matter, when a conflict may develop, or when technical experts are necessary to ensure adequate information to protect Metropolitan's interests.

The foregoing contracts are required to be reported quarterly by the General Counsel and the General Auditor to the Legal and Claims Committee per Administrative Code sections 2721 and 6453, and at least quarterly by the General Auditor to the Finance, Audit, Insurance and Real Property Committee per Administrative Code sections 2722 and 6453. These reporting requirements will remain unchanged if the proposed amendments are adopted.

The proposed new maximum amounts payable do not exceed the general contracting authority of the General Manager per Administrative Code section 8121 or the authority of the Ethics Officer to obtain professional services for external investigations, which was increased from \$100,000 to \$250,000 at the August 15, 2023 Board meeting amending Administrative Code section 6471(b). The General Counsel's authority was last approved 29 years ago, on April 12, 1994, when it was increased from \$25,000 to the present \$100,000. The General Auditor's authority was last approved 22 years ago, on April 11, 2000, when it was increased from \$25,000 to the present \$40,000.

The proposed increases in the authority to the maximum amounts payable of \$250,000 and \$100,000, respectively, would further streamline the Board's agenda thus allowing the Board additional time to consider major policy matters.

Policy

Metropolitan Water District Administrative Code Section 2721: General Counsel's Quarterly Reports Metropolitan Water District Administrative Code Section 2722: General Auditor's Quarterly Reports Metropolitan Water District Administrative Code Section 6431: Authority to Obtain Expert Assistance Metropolitan Water District Administrative Code Section 6453: Authority to Obtain Professional Services Metropolitan Water District Administrative Code Section 6471: Authority to Obtain Professional Services

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

California Environmental Quality Act (CEQA)

CEOA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because it would not cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEOA Guidelines). In addition, the proposed action is not defined as a project under CEOA because it involves organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Approve amendments to Metropolitan Water District Administrative Code sections 6431 and 6453 to increase the authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 and the General Auditor to obtain professional services to an amount not to exceed \$100,000.

Fiscal Impact: None

Business Analysis: Approval will further streamline the Board's agenda thus allowing the Board additional time to consider major policy matters.

Option #2

Do not approve amendments to Metropolitan Water District Administrative Code sections 6431 and 6453 to increase the authority of the General Counsel to obtain legal and related services to an amount not to exceed \$250,000 and the General Auditor to obtain professional services to an amount not to exceed \$100,000.

Fiscal Impact: None

Business Analysis: Not approving will fail to further streamline the Board's agenda.

Staff Recommendation

Option #1

11/7/2023

Marcia Scully Date General Counsel

11/7/2023

Date

General Auditor

Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California excerpts (with changes marked)

Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California excerpts (clean version)

Division VI

Chapter 4

OFFICERS

Article 3

GENERAL COUNSEL

§ 6431. Authority to Obtain Expert Assistance.

The General Counsel is authorized to employ special counsel and investigators to advise or assist them in representing the District, and such technical experts as necessary for proper preparation and presentation of the District's interest in any court action, special proceedings, legislative hearings, or other proceedings whether in or out of court where the assistance of technical experts may be necessary in order to represent the District adequately, so long as the amount to be expended in fees, costs, and expenses in any one year in connection with any assignment will not exceed \$100,000 \$250,000.

Article 4

GENERAL AUDITOR

§ 6453. Authority to Obtain Professional Services.

The General Auditor is authorized to employ the services of independent auditors or other professional or technical consultants to advise or assist them in performing their assigned duties as may be required or as they deem necessary provided that the amount to be expended in fees, costs, and expenses under any one contract in any one year shall not exceed \$40,000 \$100,000. External auditors, while employed as external auditors for Metropolitan, are prohibited from performing any other consulting work for Metropolitan or performing any work for other clients that conflicts, or may conflict, with their responsibilities as Metropolitan's external auditors. These prohibitions shall be included in Metropolitan's agreements with external auditors. The General Auditor shall inform the Finance, Audit, Insurance and Real Property Committee whenever they exercise the authority granted under this section and they shall further report quarterly to the Legal and Claims Committee concerning any agreements entered into under this section.

Division VI

Chapter 4

OFFICERS

Article 3

GENERAL COUNSEL

§ 6431. Authority to Obtain Expert Assistance.

The General Counsel is authorized to employ special counsel and investigators to advise or assist them in representing the District, and such technical experts as necessary for proper preparation and presentation of the District's interest in any court action, special proceedings, legislative hearings, or other proceedings whether in or out of court where the assistance of technical experts may be necessary in order to represent the District adequately, so long as the amount to be expended in fees, costs, and expenses in any one year in connection with any assignment will not exceed \$250,000.

Article 4

GENERAL AUDITOR

§ 6453. Authority to Obtain Professional Services.

The General Auditor is authorized to employ the services of independent auditors or other professional or technical consultants to advise or assist them in performing their assigned duties as may be required or as they deem necessary provided that the amount to be expended in fees, costs, and expenses under any one contract in any one year shall not exceed \$100,000. External auditors, while employed as external auditors for Metropolitan, are prohibited from performing any other consulting work for Metropolitan or performing any work for other clients that conflicts, or may conflict, with their responsibilities as Metropolitan's external auditors. These prohibitions shall be included in Metropolitan's agreements with external auditors. The General Auditor shall inform the Finance, Audit, Insurance and Real Property Committee whenever they exercise the authority granted under this section and they shall further report quarterly to the Legal and Claims Committee concerning any agreements entered into under this section.



Legal and Claims Committee

Metropolitan Administrative Code Amendments Sections 6431 and 6453

Item 7-12 November 14, 2023

Item #7-12

MWD Administrative Code Amendments Sections 6431 and 6453

Subject

Approve amendments to the MWD Administrative Code to increase contracting authority of General Counsel to \$250,000 and General Auditor to \$100,000

Purpose

Board action is required to amend the MWD Administrative Code

Recommendation and Fiscal Impact

Approve; no fiscal impact

Budgeted or Unbudgeted Not applicable



Board of Directors Finance, Audit, Insurance, and Real Property Committee

11/14/2023 Board Meeting

7-13

Subject

Adopt a resolution providing financial assurance for the Colorado River Aqueduct Master Reclamation Plan, establish the Metropolitan Reclamation Plan Trust Fund, and amend Sections 5200 and 5201 of the Metropolitan Water District Administrative Code to establish the Metropolitan Reclamation Plan Trust Fund; the General Manager has determined that this action is exempt or otherwise not subject to CEOA

Executive Summary

This action proposes the adoption of a resolution to authorize the establishment of financial assurances in the form of a trust account for reclamation activities in the initial amount of \$900,000. Under the proposed resolution, the Board authorizes the General Manager to deposit into the Metropolitan Reclamation Plan Trust Fund up to \$2.5 million in total, as needed, to meet the requirements of the Surface Mining and Reclamation Act (SMARA). If the Financial Assurance Cost Estimate (FACE) pursuant to SMARA is higher than \$2.5 million, the Board shall consider a separate action to authorize such amount or an alternative financial assurance mechanism.

Details

Background

Metropolitan uses borrow pits located along the Colorado River Aqueduct to acquire aggregate material for critical operations and maintenance activities, which is subject to SMARA. Enacted in 1975, SMARA provides for the regulation of surface mining operations to encourage mineral production and conservation and to ensure mined lands are reclaimed to a usable condition to prevent environmental effects and ensure public health and safety.

Under Assembly Bill (AB) 442 (Mayes), effective January 1, 2022, Metropolitan prepared a Colorado River Aqueduct Master Reclamation Plan (Master Reclamation Plan), which identifies and satisfies all reclamation plan requirements for each borrow pit site, in accordance with SMARA. AB 442 also requires the State Mining and Geology Board (SMGB) to act as the SMARA lead agency for surface mining operations conducted by Metropolitan. Once operations at a borrow site cease, reclamation as outlined in the Master Reclamation Plan would commence. The Master Reclamation Plan was approved by the Metropolitan Board in February 2023 and by the SMGB in March 2023.

Financial Assurance

SMARA requires that Metropolitan, as a user of the borrow pits, demonstrate its financial ability to ensure reclamation activities occur in accordance with the reclamation plan through the approval of a financial assurance mechanism. To meet this requirement, Metropolitan prepared a FACE, in accordance with Public Resources Code Section 2773.1, which is the amount of money necessary to conduct and complete reclamation in accordance with the approved reclamation plan, plus a reasonable estimate of the administrative costs and expenses that could be incurred by the SMGB. The FACE, which is subject to review and approval by the SMGB, is adjusted annually following an inspection by the SMGB. The financial assurance is to remain in effect for the duration of the surface mining operation and any additional period until reclamation is completed.

The proposed board resolution meeting such requirements is shown in **Attachment 1** to this letter. The proposed resolution authorizes the General Manager, or their designee, to establish and maintain a separate fund to be

known as the Metropolitan Reclamation Plan Trust Fund, to be used only to pay for reclamation activities related to the Master Reclamation Plan. The initial financial assurance amount may decrease if reclamation activities are completed or may increase if mining operations expand or if reclamation costs increase, including labor rates and equipment costs. Hourly costs used for annual FACE calculations are required to be consistent with the Department of Industrial Relations prevailing wage requirements, and equipment costs must be supported by the Caltrans Labor and Equipment Rental Rates handbook or verifiable local third-party rental rates.

Under the proposed resolution, the Board further authorizes the General Manager to deposit into the Reclamation Plan Fund up to \$2.5 million in total, as needed, to meet the requirements of SMARA. If the FACE pursuant to SMARA is higher than \$2.5 million, the Board shall consider a separate action to authorize such amount or an alternative financial assurance mechanism. Additionally, the proposed resolution provides the flexibility to withdraw excess amounts, if any, from the Metropolitan Reclamation Plan Trust Fund, provided that the requirements of SMARA are met after such withdrawal, with the written concurrence of SMGB.

Lastly, the adoption of the proposed board resolution requires an amendment of Sections 5200 and 5201 of the Administrative Code. **Attachment 2** to this letter shows the recommended new language.

Policy

Metropolitan Water District Administrative Code Section 5200: Funds Established

Metropolitan Water District Administrative Code Section 5201: Restricted Funds

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State of CEQA Guidelines). Additionally, the proposed action is not subject to CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

- a. Adopt a resolution providing financial assurance for the Colorado River Aqueduct Master Reclamation Plan and establish the Metropolitan Reclamation Plan Trust Fund; and
- b. Amend Sections 5200 and 5201 of the Metropolitan Water District Administrative Code to establish the Metropolitan Reclamation Plan Trust Fund.

Fiscal Impact: Deposit \$900,000 into the Metropolitan Reclamation Plan Trust Fund which can only be used to pay for reclamation activities related to the Master Reclamation Plan.

Business Analysis: Self-funding a trust fund is a cost-effective method, when compared to alternative sources, to meet SMARA regulatory compliance. Moneys in the Metropolitan Reclamation Plan Trust Fund may be invested by the Treasurer in accordance with Metropolitan's Statement of Investment Policy.

Option #2

Do not authorize the adoption of the resolution.

Fiscal Impact: Metropolitan will be required to expend additional funds to secure an alternative source of financial assurance as required under the regulations. Noncompliance with regulations may also lead to additional administrative costs and enforcement actions by SMGB.

Staff Recommendation

Option #1

Katano Kasaine

11/6/2023

Date

Assistant General Manager/

Chief Financial Officer

Adel Hagekhalil General Manager 11/7/2023 Date

Attachment 1 – Resolution Of The Board of Directors of The Metropolitan Water District of Southern California Providing For Financial Assurance for the Metropolitan Reclamation Plan

Attachment 2 – Sections 5200 and 5201of the Metropolitan Water District Administrative Code (redline version)

Ref# cfo12688171

RESOLUTION

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA PROVIDING FOR FINANCIAL ASSURANCE FOR THE METROPOLITAN RECLAMATION PLAN

WHEREAS, The Metropolitan Water District of Southern California ("Metropolitan" or the "District") currently operates borrow pits located along the Colorado River Aqueduct ("CRA") in Riverside and San Bernardino counties to acquire aggregate material for critical operations and maintenance activities (Ref CA mine I.D. 91-70-00001);

WHEREAS, the Surface Mining and Reclamation Act of 1975, Public Resources Code (PRC) section 2770 et al. (the "Act") requires mining operators with a reclamation plan to demonstrate the availability of financial assurances to conduct reclamation of mined lands;

WHEREAS, Section 2773.1 of the Act specifies acceptable mechanisms to demonstrate financial responsibility for financing the reclamation of mined lands;

WHEREAS, such financial assurances may take the form of a trust fund established in accordance with California Code of Regulations (the "Regulations"), Title 14, Division 2, Chapter 8, §3803.3;

WHEREAS, pursuant to Section 2715.6 of the Act, the California State Mining and Geology Board (SMGB) approved Metropolitan's Colorado River Aqueduct Master Reclamation Plan on March 23, 2023 (the "Metropolitan Reclamation Plan");

WHEREAS, to address the law and comply with the Act and the Regulations, the Board of Directors of Metropolitan hereby establishes the Metropolitan Reclamation Plan Trust Fund to provide for funding of reclamation of mined lands under the Metropolitan Reclamation Plan;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that:

- 1. The General Manager of the District, or their designee, is authorized and directed to establish and maintain a separate fund to be known as the Metropolitan Reclamation Plan Trust Fund ("Reclamation Plan Fund"), to be used only to pay for reclamation activities related to the Metropolitan Reclamation Plan.
- 2. The General Manager, or their designee, is further directed to deposit into the Reclamation Plan Fund an amount at least equal to the current SMGB-approved Financial Assurance Cost estimate and up to \$2.5 million in total to meet the requirements of the Act and Regulations. If the Financial Assurance Cost Estimate pursuant to the Act is higher than \$2.5 million, the Metropolitan Board shall authorize such amount on a timeframe consistent with PRC section 2773.4(e).

- 3. The amounts referred to in Section 2 above shall be deposited with and retained by a federally insured depository institution authorized to do business in the State of California and shall be used to pay only for reclamation activities related to the Metropolitan Reclamation Plan. Financial assurances shall no longer be required of a surface mining operation, and shall be released upon the written concurrence of the SMGB and the Supervisor of the Department of Conservation's Division of Mine Reclamation ("Supervisor"), which shall be forwarded to Metropolitan, that reclamation has been completed in accordance with Metropolitan's Reclamation Plan.
- 4. To the extent permitted by law, the Reclamation Plan Fund shall be and remain inviolate against all other claims, including claims of the District or its Board of Directors, or the creditors thereof, it being the intent of this Resolution that the mechanism established hereby will provide protection equivalent to that of a trust fund by ensuring:
 - (a) that the assured amounts of funds will be available for reclamation activities related to the Metropolitan Reclamation Plan; and
 - (b) that payments from the Reclamation Plan Fund shall be made by the Treasurer, as directed by the SMGB, as lead agency, or the Department of Conservation, or its successor, in writing, for the payment of the costs of reclamation activities related to the Metropolitan Reclamation Plan covered by this Resolution as prescribed in Section 8(b) below.
- 5. Disbursement of funds for reclamation activities related to the Metropolitan Reclamation Plan shall be in accordance with Section 2773.1 of the Act and as prescribed in Section 4(b) above.
- 6. The Reclamation Plan Fund shall be invested in the manner provided by law, and in accordance with the Treasurer's Statement of Investment Policy.
- 7. The District, with the written concurrence of SMGB, as lead agency, or the Department of Conservation, which concurrence shall not be unreasonably withheld or delayed, may withdraw excess amounts, if any, from the Reclamation Plan Fund, provided that the requirements of the Act and the Regulations, including Section 2773.1 thereof, shall remain satisfied after such withdrawal.
- 8. (a) If the SMGB, acting as a lead agency, has evidence that Metropolitan may be financially incapable of completing reclamation in accordance with Metropolitan's Reclamation Plan or that Metropolitan may have abandoned the surface mining operation without completing reclamation, the SMGB, acting as a lead agency, shall conduct a public hearing to determine whether Metropolitan is financially capable of completing reclamation in accordance with Metropolitan's Reclamation

Plan or has abandoned the surface mining operation. The hearing shall be noticed to Metropolitan and the Supervisor at least 30 days prior to the hearing.

- (b) If the SMGB, following the public hearing conducted pursuant to paragraph (a) of this section, determines that Metropolitan is financially incapable of performing reclamation in accordance with Metropolitan's Reclamation Plan or has abandoned its surface mining operation without completing reclamation, either the SMGB or the Supervisor shall do all of the following:
- (1) Notify Metropolitan by personal service or certified mail that the SMGB or the Supervisor intends to take appropriate action to withdraw funds from the Reclamation Plan Fund and specify the reasons for so doing.
- (2) Proceed to take appropriate action to require the use of moneys in the Reclamation Plan Fund.
- (c) Use the proceeds from the Reclamation Plan Fund to conduct and complete reclamation in accordance with Metropolitan's Reclamation Plan. If the surface mining operation cannot be reclaimed in accordance with Metropolitan's Reclamation Plan, or the financial assurance mechanisms are inadequate to reclaim in accordance with Metropolitan's Reclamation Plan, SMGB or Supervisor may use proceeds from the Reclamation Plan Fund to reclaim or remediate mining disturbances as appropriate for the site conditions as determined by both the SMGB and the Supervisor. The proceeds from the Reclamation Plan Fund shall not be used for any other purpose. Metropolitan is responsible for the costs of conducting and completing reclamation in accordance with Metropolitan's Reclamation Plan or a remediation plan developed pursuant to PRC section 2773.1(b)(2)(C) as determined appropriate by both the SMGB and the Supervisor that are in excess of the proceeds in the Reclamation Plan 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 on November 14, 2023.

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

Chapter 2

FINANCIAL POLICIES

§ 5200. Funds Established.

To provide for accountability of public moneys in accordance with applicable federal and state law and regulations and Board policies, the following funds active or prospectively active have been established in the Treasury of the District:

- (a) General Fund (Fund No. 1001, established 1929). Moneys not specifically allocated or appropriated may be placed in this fund and used for general purposes of the District. Expenditures for reimbursable work and water conservation capital and indirect costs under the contract with Imperial Irrigation District are paid from this fund.
- (b) Replacement and Refurbishment Fund (Fund No. 5001, established 1988). Used to finance certain capital program expenditures from current revenues in accordance with Section 5109, subject to the conditions contained in Section 5202(b).
- (c) State Contract Fund (Fund No. 5701, established 1960). Used for the payment of capital charges under the State Water Contract, including the capital charges for off-aqueduct power facilities, subject to the conditions contained in Section 5201(d).
- (d) Special Tax Fund (Fund No. 5702, established 1951). Annexation fees (cash payments and special tax collections) are deposited in this fund and transferred to the State Contract Fund to pay a portion of State Water Contract capital charges.
- (e) Water Revenue Fund (Fund No. 1002, established 1975). Receipts from water transactions, including, but not limited to, sales, exchanges, and wheeling are deposited in this fund and are transferred to various other funds in accordance with revenue bond covenants and Board resolutions to pay in order of priority:
 - (1) Operation and maintenance expenditures;
- (2) The interest on and bond obligation of Water Revenue Bonds and Parity Obligations issued pursuant to Master Resolution 8329 (the Master Resolution or Senior Debt Resolution) adopted by the Board on July 9, 1991 and any Supplemental Resolutions thereto, and any other obligations on a parity with the Water Revenue Bonds;

- (3) All other payments required for compliance with the Master Resolution, and any Supplemental Resolutions;
- (4) The interest on and bond obligation of Subordinate Water Revenue Bonds and Parity Obligations issued pursuant to Master Subordinate Resolution 9199 (the Master Subordinate Resolution) adopted by the Board on March 8, 2016 and any Supplemental Resolutions thereto, and any other obligations on a parity with the Subordinate Water Revenue Bonds;
- (5) All other payments required for compliance with the Master Subordinate Resolution, and any Supplemental Resolutions;
- (6) Principal of and interest on Commercial Paper Notes and other amounts due a provider of a liquidity facility;
- (7) Deposits into the Water Standby Charge Fund in accordance with resolutions imposing such charges; and
- (8) Any other obligations which are charges, liens, or encumbrances upon or payable from net operating revenues.

Moneys remaining at the end of each month, after the foregoing transfers, are transferred to the Revenue Remainder Fund.

- (f) Operation and Maintenance Fund (Fund No. 1003, established 1975). Used to pay all operation and maintenance expenditures, including State Water Contract operation, maintenance, power and replacement charges, subject to the conditions contained in Section 5201(f).
- (g) Revenue Remainder Fund (Fund No. 1004, established 1975). Used to maintain working capital and may be used for any lawful purpose by the District, subject to the conditions contained in Section 5202.
- (h) Water Rate Stabilization Fund (Fund No. 5501, established 1987). Used to reduce future water revenue requirements or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.
- (i) Water Treatment Surcharge Stabilization Fund (Fund No. 5502, established 1988). Used to mitigate required increases in the surcharge for water treatment or, as directed by the Board, for other lawful purposes, in accordance with Section 5202.
- (j) Revolving Construction Fund (Fund No. 5003, established 1988). Capital expenditures made from this fund are to be reimbursed from proceeds of security sales to the extent such expenditures are authorized uses of debt proceeds under the Act, subject to the conditions and restrictions contained in Section 5201(g).

- (k) Iron Mountain Landfill Postclosure Maintenance and Corrective Action Trust Fund (Fund No. 6005, established 1990). Used as a trust fund to maintain moneys sufficient to cover the costs of postclosure maintenance and/or corrective action of the District's solid waste landfill facility at Iron Mountain, in accordance with regulations of the California Department of Resources Recycling and Recovery, and subject to the conditions contained in Section 5201(m).
- (l) Water Standby Charge Fund (Fund No. 1005, established 1992). Used to separately hold revenues attributable to water standby charges; amounts deposited in this fund are used exclusively for the purpose for which the water standby charge was authorized.
- (m) Water Transfer Fund (Fund No. 1007, established 1995). Used for moneys set aside for the purchase of water through transfers or similar arrangements, and for the costs of filling the Eastside Reservoir Project.
- (n) Self-Insured Retention fund (Fund No. 1008, established 1999). Used to separately hold amounts set aside for emergency repairs and claims against the District as provided in Section 5201(o).
- (o) Lake Mathews Multi Species Reserve Trust fund (Fund 6101, established 1997.) Used as set forth in agreement between Metropolitan and the Riverside County Habitat Conservation Agency for the Multi Species Reserve.
- (p) There shall be established in the Treasury of the District such funds and accounts as are required pursuant to bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and related documents, to provide for accountability of District funds and compliance with applicable federal and state law and regulations. Such funds and accounts shall be established for each issue of bonds, notes or other obligations of the district as required in the respective bond or note resolution and closing documents.
- (q) Water Stewardship Fund (Fund No. 1009 established 2005). Used to collect revenue from the Water Stewardship Rate and to pay costs associated with water recycling, seawater desalination, conservation, brackish water desalination, or other demand management programs. These funds can also be used to fund administrative costs associated with these programs. Funds may be used as directed by the Board, for other lawful purposes, in accordance with Section 5201(p) and Section 5202(d).
- (r) Reclamation Plan Trust Fund (Fund No., established 2023). Used as a trust fund to maintain moneys sufficient to cover the costs of reclamation activities related to the Metropolitan Reclamation Plan, in accordance with the Surface Mining and Reclamation Act of 1975, Public Resources Code section 2770 et al. and California Code of Regulations, Title 14, Division 2, Chapter 8, §3803.3.

§ 5201. Restricted Funds.

Cash and securities to be held in the various ledger funds shall be as follows:

- (a) General Obligation Bond Interest and Principal Funds and the Waterworks General Obligation Refunding Bonds Interest and Principal Funds, the cash and securities in each as of June 30, shall be at least equal to the debt service for the ensuing 18 months, less revenues anticipated to be derived from the next succeeding tax levy specifically for such debt service.
- (b) For the Water Revenue Bonds Interest and Principal Funds, the Water Revenue Bonds Reserve Funds, the Water Revenue Refunding Bonds Interest and Principal Funds and the Water Revenue Refunding Reserve Bonds, the cash and securities in each shall be at least equal to the minimums required by the resolutions of issuance for such bonds.
- (c) For the Subordinate Bonds Interest and Principal Funds, the Subordinate Water Revenue Bonds Reserve Funds, the Subordinate Water Revenue Refunding Bonds Interest and Principal Funds and the Subordinate Water Revenue Refunding Reserve Funds, the cash and securities in each shall be at least equal to the minimums required by the resolutions of issuance for such bonds.
- (d) For the Bond Construction Funds there shall be no minimum requirements; provided that any cash and securities in such funds shall be restricted to use for the purposes such finances were required.
- (e) For the State Contract Fund, cash and securities on hand June 30 and December 31 shall equal the capital payments to the State Department of Water Resources that are due on July 1 of the same year and January 1 of the following year, respectively.
 - (f) For the Special Tax Fund, there shall be no minimum requirement.
- (g) For the Operation and Maintenance Fund, cash and securities shall be at least equal to the minimum required by the resolutions of issuance for revenue bonds.
- (h) For the Revolving Construction Fund, there shall be no minimum requirement. Cash and securities in this fund, unless restricted as to use by resolution of the Board, shall be available for transfer to the Water Rate Stabilization Fund and the Water Treatment Surcharge Stabilization Fund at the discretion of the Board.
- (i) For the Commercial Paper, Series A, Note Payment Fund, and the Commercial Paper, Series B, Note Payment Fund, the District shall deposit amounts sufficient to pay principal of, and interest on, such Commercial Paper Notes in an amount at least equal to one-half of the projected interest payments due on such notes in the subsequent fiscal year.

- (j) For the Water Standby Charge Fund, there shall be no minimum requirement; provided that any cash and securities in such fund shall be restricted to use for the purposes such moneys were authorized.
- (k) For the General Obligation Bond Excess Earnings Funds, the Waterworks General Obligation Refunding Bond Excess Earnings funds, the Water Revenue Bond Excess Earnings Funds and the Water Revenue Refunding Bond Excess Earnings Funds, the minimum requirement shall be the amounts deposited into this fund in accordance with the provisions of the Tax and Nonarbitrage Certificates and Resolutions for the Bonds.
- (l) For the Waterworks General Obligation Refunding Bonds, 1993 Series A1 and A2, Escrow Account Fund, the minimum requirement shall be the amounts necessary to pay the principal, if any, and the interest on the Series A1 and A2 Bonds to the crossover date, and to defease certain maturities of outstanding prior general obligation bonds.
- (m) For the Iron Mountain Landfill Postclosure Maintenance and Corrective Action Trust Fund, cash and securities as of June 30, shall be at least equal to the General Manager's latest estimates of postclosure maintenance and/or corrective action costs.
- (n) For the Optional General Obligation Bond Redemption Fund and the Optional Revenue Bond Redemption Fund, the minimum requirement shall be the amount necessary to redeem such untendered, refunded bonds which have been called for redemption.
- (o) For the Water Transfer Fund, all amounts budgeted or pledged for purchase of water through transfers or similar arrangements, and for the costs of filling the Eastside Reservoir Project, shall be set aside in such fund and used solely for such purpose.
- (p) For the Self-Insured Retention fund, all amounts in such fund shall be set aside and used solely for emergency repairs and claims against the District. The minimum cash and securities to be held in such fund as of June 30 of each year shall be \$25 million.
- (q) For the Water Stewardship Fund, there shall be no minimum requirement; all amounts in such fund shall be used to fund the Conservation Credit Program, Local Resources Program, seawater desalination, brackish water desalination, and similar demand management programs, including the departmental operations and maintenance costs for administering these programs.
- <u>(r) For the Reclamation Plan Trust Fund, cash and securities as of June 30, shall be at least equal to the General Manager's latest financial assurance cost estimates of reclamation activities in accordance with the Metropolitan Reclamation Plan.</u>



Finance, Audit, Insurance, and Real Property Committee

Adopt Financial Assurance Resolution for CRA Master Reclamation Plan and Establish Metropolitan Master Reclamation Plan Trust Fund

Item 7-13 November 14, 2023

Item 7-13 SMARA Financial Assurances Resolution

Subject

Adopt a resolution providing financial assurance for the Colorado River Aqueduct Master Reclamation Plan Purpose

- Establish Master Reclamation Plan Trust Fund
- Amend Administrative Code Sections 5200 and 5201 Recommendation and Fiscal Impact

Staff recommends approval of Option #1:

- Adopt a resolution providing financial assurance for the CRA Master Reclamation Plan and establish the Metropolitan Reclamation Plan Trust Fund.
- Amend Administrative Code Sections 5200 and 5201 to reflect the establishment of the new fund.

<u>Fiscal Impact</u>: Deposit \$900,000 into the Metropolitan Reclamation Plan Trust Fund which can only be used to pay for reclamation activities related to the Master Reclamation Plan.

Unbudgeted

CRA Master Reclamation Plan & SMARA



Background

- Notification of SMARA Compliance Action
- SMARA Legislation Assembly Bill 442
- Board adoption of CRA Master Reclamation
 Plan and CEQA determination
- State Mining & Geology Board adoption of CRA Master Reclamation Plan and CEQA determination

Distribution System



Financial Assurance Resolution & Trust Fund

Adopt Financial Assurance Resolution & Establish Trust Fund

- Authorizes Metropolitan Reclamation Plan Trust Fund
 - Used only for SMARA reclamation activities
 - Based on SMGB-approved Financial Assurance Cost Estimate
 - Initial deposit of \$900,000
 - Deposit up to \$2.5 million under this authority
 - Amount assessed annually

Amend Sections 5200 & 5201

 Reflect establishment of Master Reclamation Plan Trust Fund

Administrative Code Amendment

Board Options

- Option #1
 - Adopt a resolution providing financial assurance for the CRA Master Reclamation Plan and establish the Metropolitan Reclamation Plan Trust Fund.
 - Amend Administrative Code Sections 5200 and 5201 to reflect the establishment of the new fund.
- Option #2
 - Do not authorize the adoption of the financial assurance resolution or establish the trust fund at this time.

Staff Recommendation

Option #1





Board of Directors Legislation, Regulatory Affairs, and Communications Committee

11/14/2023 Board Meeting

7-15

Subject

Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Authorization is requested to seek legislation to remove the January 1, 2026 "sunset date" as provided in Assembly Bill (AB) 442 (Mayes; Chapter 166, Statutes of 2021) that allowed Metropolitan to prepare a master reclamation plan under the Surface Mining and Reclamation Act of 1975 (SMARA). Removing the sunset date will allow Metropolitan to continue coordinating directly with the State Mining and Geology Board instead of individual counties for SMARA-related activities, including the development of reclamation plans and associated CEQA documents, regulatory and mining permitting, and annual inspections.

Timing and Urgency

The timing is urgent as existing law is set to sunset on January 1, 2026.

Details

Background

In 1932, Congress granted Metropolitan the right to acquire lands for the construction and operations of the Colorado River Aqueduct (CRA) and to use all stone, gravel, and sand (collectively, aggregate) on the lands to construct and to operate the project. Metropolitan acquired these lands over time beginning in 1932. When Metropolitan completed construction of the CRA and began operation in 1941, it retained ownership of the land beneath and adjacent to the CRA, including the aggregate. Metropolitan uses those materials on an ongoing basis to restore, repair, protect, and maintain berms, access roads, and pipelines.

Metropolitan currently utilizes approximately 20 sites on its land to obtain aggregate materials for repairs and maintenance of the CRA and other infrastructure. Most of the materials at these sites are spoils from the construction of the CRA. In 2017, San Bernardino and Riverside counties informed Metropolitan they believed the district must comply with SMARA because some sites involved the removal of native materials, which it alleged constituted mining activity under SMARA and, thus, required a reclamation plan. Metropolitan agreed to voluntarily adopt reclamation plans to avoid any disputes with the counties. In response, Metropolitan worked with both counties to identify sites that are subject to SMARA, and in 2020, Metropolitan began preparation of reclamation plans for the sites in each county. Metropolitan realized that working with multiple counties on its reclamation plans could lead to conflicting directions, unnecessary duplication, delays in operational repairs, and extra costs and ratepayer resources. At the recommendation of San Bernardino County staff, Metropolitan pursued legislation to address these concerns.

In 2021, Metropolitan sponsored AB 442 that contained the following key provisions:

- Exempted Metropolitan from the requirements of SMARA for emergency excavations or grading conducted by Metropolitan for its own operations and infrastructure for the purpose of averting, alleviating, repairing, or restoring damage to property due to imminent or recent floods, disasters, or other emergencies; this is similar to an exemption for emergency operations for the California Department of Water Resources.
- Authorized until January 1, 2026:
 - Metropolitan to prepare a master reclamation plan for its operations within the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura. This provision specified that, unless otherwise provided, all SMARA laws and rules apply, as well as all related reporting and fees. Metropolitan is not required to secure approval of a reclamation plan from any city or county or to obtain a use permit from any city or county under SMARA to conduct the operations under the approved master reclamation plan.
 - Designated the State Mining and Geology Board as the lead agency overseeing Metropolitan's activities under SMARA and Metropolitan as the lead CEQA agency.
 - Authorized the State Mining and Geology Board to conduct inspections once every two calendar years and collect reasonable inspection and administration fees.

AB 442 passed through both Assembly and Senate committees unopposed and was signed into law.

Proposed Legislation

Since the 2021 passage of AB 442, Metropolitan has worked diligently with the State Mining and Geology Board to prepare and complete its master reclamation plan in compliance with the new law. In February 2023, this Board approved Metropolitan's master reclamation plan and supporting mitigation negative declaration. In March 2023, the State Mining Board approved Metropolitan's master reclamation plan. Metropolitan has no intention to cease use of its aggregate sites or close them for at least the next 100 years. Under SMARA, the obligation to reclaim mines only arises when the site is closed. Metropolitan expects its current master reclamation plan will stay in place for at least the next 100 years, and Metropolitan will not need to reclaim any sites until that occurs. In the interim, the State Mining and Geology Board will do biannual inspections to ensure the sites comply with the plan.

Metropolitan staff proposes to seek legislation to remove the January 1, 2026 sunset date to allow continued operation under the approved master reclamation plan. No other changes are proposed. Metropolitan has demonstrated that it can operate properly under existing law. Repealing it would disrupt its operations and possibly the reliable delivery of drinking water supplies. Amending SMARA to eliminate that sunset date would allow Metropolitan to continue coordinating directly with the State Mining and Geology Board instead of specified individual counties for financial assurances, reclamation plans, implementation, monitoring, and reporting activities subject to SMARA.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51763, the Board authorized the General Manager to seek legislation to amend SMARA to provide Metropolitan with lead agency status as set forth in Agenda Item 8-5 board letter (October 8, 2019).

By Minute Item 53051, the Board approved 2023 Metropolitan Legislative Priorities and Principles, Section V.D.1.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378(b)(1)) because it involves legislative proposals which do not involve any commitment to any specific project which may have a potentially significant physical impact on the environment.

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan.

Fiscal Impact: The costs associated with sponsoring this bill in the state legislature will be absorbed within existing staffing and program budgets. If the proposed legislation is enacted into law, the preparation of one reclamation plan and one CEQA document will reduce administrative fees, staff time, and consulting costs. **Business Analysis:** If successful, legislation authorizing the revision of SMARA would allow for consistent management and enforcement of SMARA regulations across Metropolitan's service area.

Option #2

Do not authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan at this time.

Fiscal Impact: Unknown. Costs could include staff time, consultant costs, and fees associated with the preparation of multiple reclamation plans and CEQA documents for each county, as well as potential administrative and permitting fees for each county.

Business Analysis: Absent legislation, Metropolitan would revert to the requirements of multiple county jurisdictions where Metropolitan owns and operates its facilities, which is likely to disrupt operations.

Staff Recommendation

Option #1

10/19/2023

Susan Sims

Date

Manager, External Affairs

10/25/2023

Adel Hagekhalil General Manager Date



Legislation, Regulatory Affairs, and Communications Committee

Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act

Item # 7-15 November 14, 2023 Item 7-15
Authorize the
General
Manager to
sponsor
legislation to
amend
SMARA

Subject

Possible bill to amend SMARA to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan

Purpose

Sponsor legislation

Recommendation and Fiscal Impact

Authorize the General Manager to sponsor legislation

Budgeted

Background

Metropolitan uses earth, stone, sand, gravel, and other materials for critical water conveyance operations and maintenance activities along the Colorado River Aqueduct (CRA)



Borrow pit along the CRA

In 2017, County of San Bernardino notified Metropolitan that it was subject to the Surface Mining and Reclamation Act of 1975 (SMARA)

Background

- Shortly thereafter, County of Riverside followed San Bernardino's lead
- Metropolitan agreed to comply with SMARA for its sites along the CRA
- Metropolitan sponsored legislation to operate under a master reclamation plan for SMARA compliance

Previous Metropolitan Sponsored Legislation

AB 442 (Mayes) – Surface Mining and Reclamation Act of 1975: exemption: Metropolitan Water District of Southern California: master reclamation plan

- Exempted Metropolitan from SMARA for emergency excavations or grading
- Until January 1, 2026
 - Authorized Metropolitan to prepare a single master reclamation plan
 - State Mining and Geology Board to serve as lead agency for SMARA
 - Metropolitan reimburses the Board for all reasonable costs

Proposed Action

Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan

Board Options

Option #1

Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan

Option #2

Do not authorize.

Staff Recommendation

Option #1

Authorize the General Manager to sponsor legislation to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan





Board of Directors Engineering, Operations, and Technology Committee

11/14/2023 Board Meeting

8-1

Subject

Award an \$18,840,000 contract to Steve P. Rados Inc. to construct a surge protection facility on the Inland Feeder as part of the water supply reliability improvements in the Rialto Pipeline service area; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project dependent member agencies.)

Executive Summary

The recent state-wide drought and resulting low allocation of State Water Project (SWP) supplies by the California Department of Water Resources (DWR) directly impacted Metropolitan's ability to deliver water to the Rialto Pipeline service area. New additions to existing infrastructure will enable the delivery of water from Diamond Valley Lake (DVL), and the Colorado River Aqueduct, to benefit this area and preserve limited SWP supplies for the West Branch SWP member agencies. This action awards a construction contract to construct a surge protection facility at the south portal of the Badlands Tunnel on the Inland Feeder. This facility will protect the pipeline from potential negative pressure conditions in the Inland Feeder caused by an unplanned pump shutdown when pumping water from DVL to Rialto Pipeline. This project is the third of four associated projects which are currently underway to enable the direct delivery of water from DVL to the Rialto Pipeline through the Inland Feeder to improve water supply reliability for SWP-dependent member agencies.

Details

Background

The Rialto Pipeline, constructed in 1972, is approximately 30 miles long with a diameter ranging from 96 inches to 144 inches. It conveys untreated water from DWR's Lake Silverwood to Metropolitan's Live Oak Reservoir and ultimately into the F.E. Weymouth Water Treatment Plant in La Verne. Member agencies with service connections on the Rialto Pipeline include the Inland Empire Utilities Agency, Three Valleys Municipal Water District, and the Upper San Gabriel Valley Municipal Water District. These agencies use the untreated water for groundwater replenishment or as the source water to their water treatment plants.

Metropolitan's DVL provides emergency storage in the event of a major earthquake, carryover storage as a reserve for drought conditions, and seasonal storage to meet annual member agency demands. DVL is Metropolitan's largest reservoir, with a maximum storage capacity of 810,000 acre-feet. At this time, the Rialto Pipeline is unable to access the water stored in DVL due to infrastructure and operational constraints and hydraulic limitations.

In December 2021, the Board authorized amending the Capital Investment Plan (CIP) to include water supply reliability improvements in the Rialto Pipeline service area. The improvements include the Wadsworth Pumping Plant Bypass Pipeline, the Inland Feeder Rialto Pipeline Intertie, the Inland Feeder Badlands Tunnel Surge Protection Facility, and a connection between the Inland Feeder and San Bernardino Valley Municipal Water District's (SBVMWD) Foothill Pump Station near the city of Highland. When these Rialto Pipeline water supply reliability improvements are completed, Metropolitan will be able to deliver up to 107 cubic feet per second (cfs) of DVL water to the Rialto Pipeline. These infrastructure improvements will significantly increase operational flexibility and enhance the water supply reliability to member agencies with service connections on the Rialto

Pipeline. This approach will also benefit West Branch SWP member agencies by allowing limited SWP supplies to be allocated to the West Branch of the SWP facilities while DVL water complements supplies to East Branch-dependent areas.

Work activities on all four projects are currently underway, either in design or construction phases. In January 2023, the Board awarded a construction contract for the Wadsworth Pumping Plant Bypass Pipeline, and construction is approximately 48 percent complete. In September 2023, the Board awarded a construction contract for the Inland Feeder Rialto Pipeline Intertie. Design activities for the Badlands Tunnel Surge Protection Facility are complete, and staff recommends proceeding with construction at this time. Design, permitting, and right-of-way acquisition for the SBVMWD Foothill Pump Station Intertie is anticipated to be completed by Winter 2023/24.

Budget Impact

In accordance with the April 2022 action on the biennial budget for fiscal years 2022/23 and 2023/24, the General Manager will authorize staff to proceed with construction of the Badlands Tunnel Surge Protection Facility, pending board award of the construction contract described below. Based on the current CIP expenditure forecast, funds for the work to be performed pursuant to the subject contracts during the current biennium are available within the CIP Appropriation for fiscal years 2022/23 and 2023/24 (Appropriation No. 15525). This action anticipates an expenditure of \$23.8 million in capital funds, of which approximately \$5.5 million will be incurred in the current biennium. This project has been reviewed in accordance with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP evaluation team to be included in the Supply Reliability Program.

Badlands Tunnel Surge Protection Facility - Construction

The scope of the construction contract consists of installing the following major project components: approximately 200 feet of 8-foot-diameter steel pipe, an 84-inch-diameter Metropolitan-furnished butterfly valve, an underground isolation valve structure, and a 430,000-gallon surge tank near the south portal of the Badlands Tunnel. Construction also includes concrete encasement of the connecting tee and installation of power and monitoring systems. Metropolitan forces will dewater the pipelines, establish clearances, and return the system to service. The interconnection work will be conducted during a planned shutdown scheduled for February 2025.

These improvements are needed to protect the Inland Feeder from potential negative pressure conditions that could occur when the system experiences a sudden pump shutdown (pump trip due to power outage or other unplanned event) while pumping water from DVL to the Rialto Pipeline through the Inland Feeder. The Inland Feeder pipelines and tunnels were not designed for these types of negative pressure conditions, as they would not occur during normal operations of flowing water by gravity from Devil Canyon Afterbay to DVL. However, when pumping water from DVL to Rialto Pipeline, there is the potential for negative pressure conditions to occur as a result of an unplanned pump trip.

A total of \$23.8 million is required to do this work. In addition to the contract amount, allocated funds for professional services include \$153,000 for technical support during construction and preparation of record drawings. This work will be performed by AECOM Technical Services Inc. (AECOM), the engineer of record for the project, under an existing board-authorized agreement. Allocated funds for Metropolitan staff include \$2,000,000 for construction management and inspection; \$560,000 for Metropolitan force shutdown activities; \$120,000 for Metropolitan-furnished materials; \$343,000 for submittals review and responding to requests for information; \$373,000 for contract administration, environmental monitoring support, Project Labor Agreement (PLA) administration, and project management; and \$1,411,000 for remaining budget.

Award of Construction Contract (Steve P. Rados Inc.)

Specifications No. 2040 for the construction of the Inland Feeder Badlands Tunnel Surge Protection Facility was advertised on July 31, 2023. As shown in **Attachment 2**, three bids were received and opened on September 28, 2023. The low bid from Steve P. Rados Inc. in the amount of \$18,840,000, complies with the requirements of the specifications. The engineer's estimate for this project was \$25.4 million. Staff investigated the difference between the engineer's estimate and the low bid and attributes the difference to a conservative engineer's estimate that factored inflation for labor rates and steel pipe pricing. The low bidder was also the successful bidder for the Wadsworth Pumping Plant Bypass Pipeline and the Inland Feeder-Rialto Pipeline

Intertie projects and is already mobilized in the area with management and supervision teams, and this may have had an impact on their bid amount. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 20 percent of the bid amount. Steve P. Rados Inc. has committed to meeting this participation level. The subcontractors for this contract are listed in **Attachment 3**. This contract will be conducted under the terms of Metropolitan's PLA.

As described above, Metropolitan staff will perform construction management and inspection. The total cost of construction for this project is \$21,508,000, which includes the amount of the contract (\$18,840,000), a Metropolitan-furnished 84-inch diameter butterfly valve and other previously procured materials (\$1,988,000), and Metropolitan force activities (\$680,000). Engineering Services' performance metric goal for inspection of projects with construction greater than \$3 million is 9 to 12 percent. For this project, the performance metric for inspection is 9.3 percent of the total construction cost.

Alternatives Considered

Metropolitan staff initially considered using a pressurized tank for surge control. This type of system isolates the water from the environment. However, a pressurized surge protection system requires additional equipment like pumps, piping and valves, and multiple tanks which would be challenging to fit into Metropolitan's existing fee property. In addition, a pressurized system in a remote location will require more equipment maintenance from staff.

As a passive system, the selected alternative which includes an above-grade/open-to-atmosphere tank, will require considerably less maintenance by staff. The selected alternative also has a smaller project footprint and is more cost effective when compared to the pressurized system. The reduced footprint allowed the selected alternative to be located on Metropolitan-owned property at the Badlands Tunnel portal site; hence, there was no need to acquire additional property or long-term easements for this project.

Summary

This action awards a \$18,840,000 contract to Steve P. Rados Inc. to construct the Badlands Tunnel Surge Protection Facility. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the Listing of Subcontractors for the Low Bidder, and **Attachment 4** for the Location Map.

Project Milestone

May 2025 - Complete construction for Badlands Tunnel Surge Protection Facility

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

By Minute Item 52622, dated December 14, 2021, the Board authorized amending the Capital Investment Plan to include infrastructure improvements that would enhance water delivery capabilities to member agencies that can only receive State Project Water.

By Minute Item 52938, dated August 16, 2022, the Board authorized procurement of three 84-inch diameter butterfly valves.

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 2022/2023 and 2023/2024.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of the installation of a new pipeline or the maintenance, repair, replacement, removal, or demolition of an existing pipeline of less than one mile in length within a public right-of-way. Accordingly, the proposed actions qualify under a statutory exemption (Section 21080.21 of the California Public Resources Code

and Section 15282(k) of the State CEQA Guidelines). Additionally, the proposed actions are categorically exempt under the provisions of CEQA and the State CEQA Guidelines. In particular, the proposed action consists of the minor alterations and of construction and location of limited numbers of new, small facilities or structures with negligible or no expansion of use and no possibility of significantly impacting the physical environment. Further, the proposed action consists of public or private alterations in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees. Accordingly, the proposed action qualifies under Class 1, Class 3, Class 4 Categorical Exemptions (Sections 15301, 15303, and 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Award an \$18,840,000 contract to Steve P. Rados Inc. to construct a surge protection facility on the Inland Feeder near the Badlands Tunnel. This project is part of water supply reliability improvements in the Rialto Pipeline service area.

Fiscal Impact: Expenditure of \$23.8 million in capital funds. \$5.5 million will be incurred in the current biennium and has been previously authorized. The remaining funds from this action will be accounted for in the next biennial budget.

Business Analysis: This option will protect the existing Inland Feeder from potential damage during unplanned events while improving the operational reliability of water deliveries to member agencies with connections to the Rialto Pipeline.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option would forego improving the reliability of service to those member agencies with connections to the Rialto Pipeline.

Staff Recommendation

Option #1

10/24/2023 Date

John V. Bednarski Manager/Chief Engineer

Engineering Services

. . . //

10/30/2023

Adel Hagekhalil Date General Manager

Attachment 1 - Allocation of Funds

Attachment 2 - Abstract of Bids

Attachment 3 – Subcontractors for Low Bidder

Attachment 4 - Location Map

Ref# es12693270

Allocation of Funds for Inland Feeder Badlands Tunnel Surge Protection Facility

	Current Board Action (Nov. 2023)	
Labor		
Studies & Investigations	\$	-
Final Design		-
Owner Costs (Program mgmt.,		358,000
envir. monitoring)		-
Submittals Review & Record Drwgs.		343,000
Construction Inspection & Support		2,000,000
Metropolitan Force Construction		560,000
Materials & Supplies		120,000
Incidental Expenses		15,000
Professional/Technical Services		
AECOM		153,000
Right-of-Way		-
Equipment Use		-
Contracts		
Steve P. Rados Inc.		18,840,000
Remaining Budget		1,411,000
Total	\$	23,800,000

The total amount expended for the Badlands Tunnel Surge Protection Facility is approximately \$2,900,000. The total estimated cost to complete this project, including funds spent to date and funds allocated for the work described in this action, is \$26.7 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on September 28, 2023, at 2:00 P.M.

Specifications No. 2040 Inland Feeder Badlands Tunnel Surge Protection Facility

The work consists of furnishing and installing approximately 200 linear feet of 96-inch-diameter welded steel pipe and a 30-foot-diameter 80-foot-tall steel tank; construction of a valve structure; installation of an 84-inch diameter Metropolitan-furnished butterfly valve.

Engineer's estimate: \$25.4 million

Bidder and Location	Total	SBE \$	SBE %	Met SBE ¹
Steve P. Rados Inc.	\$18,840,000	\$4,896,343	26%	Yes
Santa Ana, CA				
J.F. Shea Construction Inc. Walnut, CA	\$21,113,400	-	-	-
Mladen Buntich Construction Co. Inc. Upland, CA	\$21,285,000	-	-	-

¹ Small Business Enterprise (SBE) participation level established at 20 per cent for this contract.

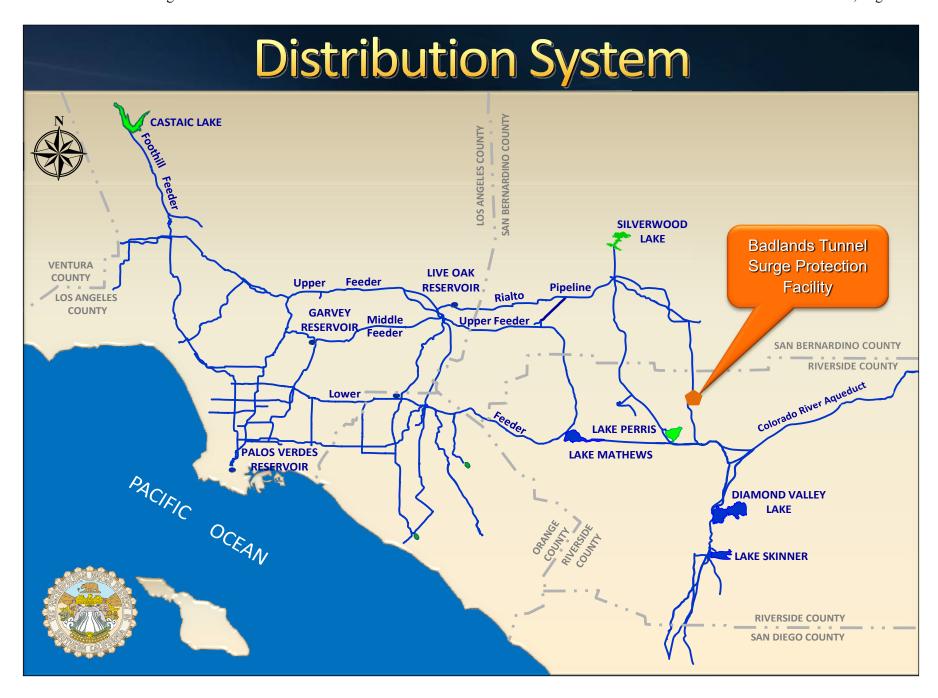
The Metropolitan Water District of Southern California

Subcontractors for Low Bidder

Specifications No. 2040 Inland Feeder Badlands Tunnel Surge Protection Facility

Low bidder: Steve P. Rados Inc.

Subcontractor and Location	Service Category, Specialty
Associated Tank Constructors Laguna Hills, CA	Steel Surge Tank
Capital Industrial Coatings LLC Huntington Beach, CA	Painting & Damp Proofing
Dean's Certified Welding Inc. Temecula, CA	Welding
Integrity Rebar Placers Perris, CA	Rebar
Landmark Surveying Solutions Inc. Highland, CA	Surveying
Leed Electric Inc. Santa Fe Springs, CA	Electrical & Instrumentation
Matrix Environmental Inc. Long Beach, CA	Asbestos Removal
Nickolas Steel Inc. Ontario, CA	Miscellaneous Metal
USA Supply Inc. Nevada City, CA	Pipe Supplier
Zila Stormwater Management & Civil Engineering Los Angeles, CA	SWPP Plan & Reports





Engineering, Operations, & Technology Committee

Inland Feeder Surge Protection Facility

Item 8-1 November 13, 2023

Item 8-1 Inland Feeder Surge Protection Facility

Subject

Award contract to construct a surge protection facility on the Inland Feeder (This action is being undertaken to improve supply reliability for SWP dependent member agencies)

Purpose

Improve water supply reliability in the Rialto Pipeline service area

Recommendation and Fiscal Impact

Award \$18,840,000 contract to Steve P. Rados Inc. to construct a surge protection facility. Expenditure of \$23.8 million in budgeted capital funds

Budgeted

Distribution System



Inland Feeder Surge Protection Facility

Background

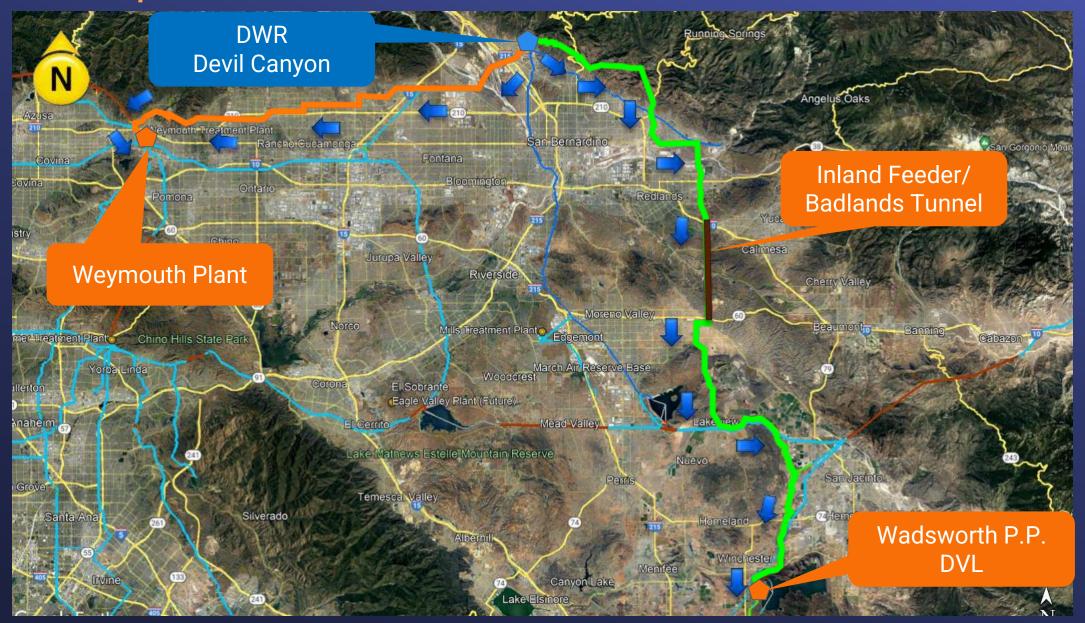
- Rialto Pipeline conveys SWP supplies to Inland Empire Utilities Agency, Three Valleys MWD & Upper San Gabriel Valley MWD
- DVL is Metropolitan's largest reservoir
 - DVL helps meet member agency demands under normal, drought, & emergency conditions
- Rialto Pipeline unable to access water stored in DVL or from CRA due to infrastructure & operational constraints

Background - On-going Water Supply Reliability Improvements

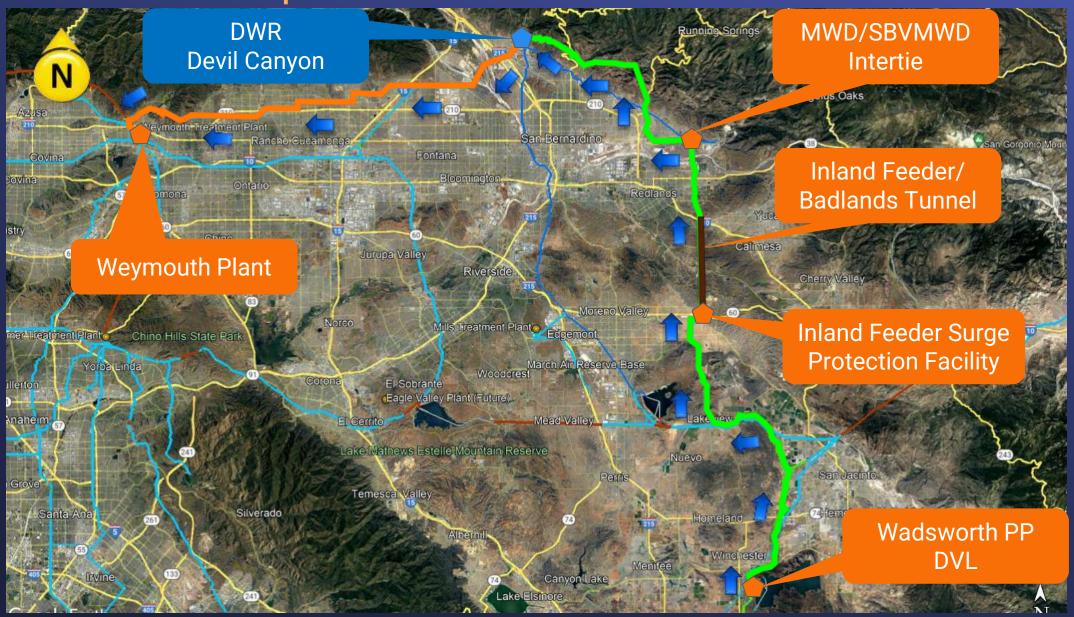
- Four projects initiated to improve supply reliability of SWPdependent areas
- Wadsworth Bypass & IF/RP Intertie in construction
- Inland Feeder Surge Protection (this action)
- Final design ongoing for Foothill PS Intertie



Normal Operation



Low SWP Water Operation



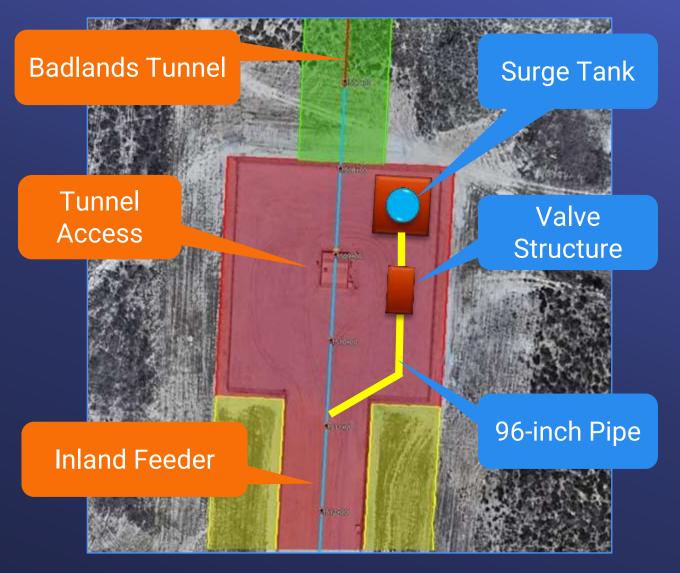
Inland Feeder Surge Protection Facility

Alternatives Considered

- Considered Alternative Use of a pressurized tank for surge control
 - Requires additional pumps, piping, valves & multiple tanks
 - Requires more equipment maintenance
- Selected Alternative Use an above-grade, opento-atmosphere tank
 - Smaller footprint & more cost-effective option
 - Requires considerably less maintenance

Scope of Work – Contractor

- Install approx. 200 feet of 96-inch pipe & connecting tees
- Construct valve structure
- Install 430,000-gallon surge tank
 - 30 feet in diameter & 80 feet high
- Install power & monitoring systems



Scope of Work – Metropolitan

- Metropolitan Construction
 - Remove & replace valves & blind flanges for pipe access
 - Coordinate shutdown & dewatering of pipelines
- Field inspection & construction management
- Submittal review & technical support
- Administer Project Labor Agreement
- Respond to requests for information
- Environmental monitoring, project management, & contract administration

Bid Results

Specifications No. 2040*

Bids Received September 28, 2023

No. of Bidders

Lowest Responsible Bidder Steve P. Rados Inc.

Low Bid \$18,840,000

Range of Other Bids \$21,113,400 to \$21,285,000

Engineer's Estimate \$25.4 M

SBE Participation** 26%

^{*} This contract will be conducted under the terms of Metropolitan's project labor agreement

^{**} SBE (Small Business Enterprise) participation level set at 20%

Allocation of Funds

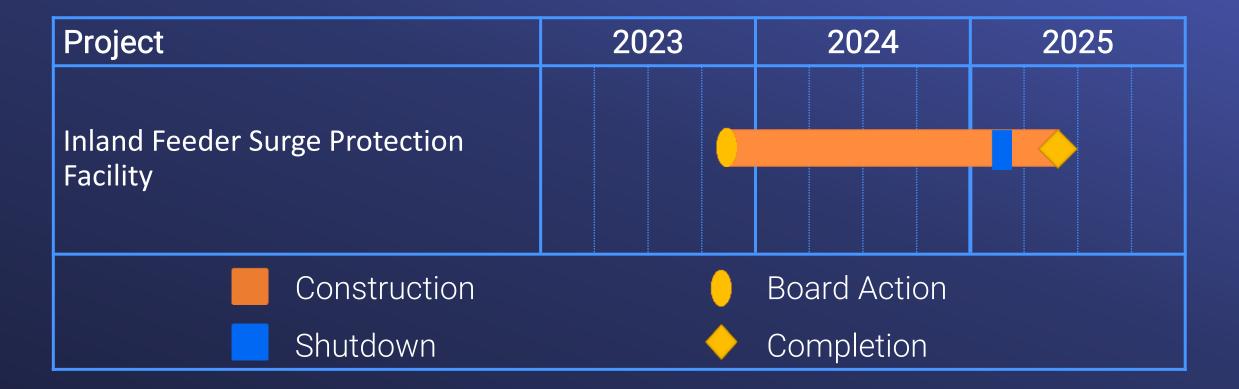
Inland Feeder Badlands Tunnel Surge Protection Facility

Metropo	litan	Labor
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Owner Costs (Proj. Mgmt., Contract Admin., Envir. Support)	\$ 358,000
Construction Inspection & Support	2,000,000
Force Construction	560,000
Submittals Review, Tech. Support, Record Dwgs.	343,000
Materials & Incidentals	135,000
Professional/Technical Services (AECOM)	153,000
Contract	
Steve P. Rados Inc.	18,840,000
Remaining Budget	1,411,000
	Ċ

Total 23,800,000

Project Schedule



Board Options

- Option #1
 Award a \$18,840,000 contract to Steve P. Rados Inc. to construct a surge protection facility on the Inland Feeder near the Badlands Tunnel. This project is part of water supply reliability improvements in the Rialto Pipeline service area.
- Option #2
 Do not proceed with the project at this time.

Staff Recommendation

Option #1





Board of Directors Engineering, Operations, and Technology Committee

11/14/2023 Board Meeting

8-2

Subject

Adopt the CEQA determination that the proposed action was previously addressed in the Mitigated Negative Declaration and award a \$16,055,500 procurement contract to Northwest Pipe Company for steel pipe to rehabilitate a portion of the Lakeview Pipeline

Executive Summary

The Lakeview Pipeline has experienced significant deformation over much of its length since it was placed into service in 1973. The 11-foot-diameter steel pipe has deflected more than four inches at over 660 locations and as much as 12 inches in four locations; this deflection is attributed to subsidence and the original design of the pipe joints in this pipeline. This deflection has caused numerous leaks at pipe joints and loss of mortar lining, which leads to corrosion of the steel pipe. If not rehabilitated, the corrosion and lack of structural integrity could lead to pipeline failure. Rehabilitation of the Lakeview Pipeline by installing a new steel pipe liner with welded joints is proceeding in stages. Stage 1 rehabilitation was completed in 2015 when one mile of the pipe was relined. Staff plans to complete design and award a construction contract by mid-2024 for Stage 2 rehabilitation and recommends awarding a procurement contract for 12,500 feet of steel liner pipe at this time. This procurement contract award will ensure the timely delivery of the pipe for the upcoming Stage 2 construction contract.

Details

Background

The Lakeview Pipeline is a 132-inch-diameter, approximately 11.4-mile-long steel pipe that provides water from the East Branch of the State Water Project (SWP) to the Skinner area. The pipeline, placed in service in 1973, receives untreated water from the Department of Water Resources' Santa Ana Valley Pipeline or Lake Perris and conveys it to the San Diego Canal. In combination with the Inland Feeder, Metropolitan uses the Lakeview Pipeline to blend flows from the SWP and the Colorado River Aqueduct for deliveries in the Skinner area. In times of low SWP allocations, the Lakeview Pipeline can also be used to supply Diamond Valley Lake (DVL) water to the Mills plant, providing an alternate delivery route to the plant as a backup to the Santa Ana Valley Pipeline.

The Lakeview Pipeline has been shut down on numerous occasions to repair leaking pipe joints. The leaks are attributable to a combination of local subsidence along the pipeline alignment caused by deficient placement and compaction of the bedding material that surrounds the pipe. The original design of the pipeline which used rubber-gasket bell and spigot pipe joints, as opposed to Metropolitan's current design of fully welded joints, is particularly susceptible to separation of the joints if subsidence occurs in the vicinity of the pipe. Consequently, the competent installation of the backfill around the pipe is essential to ensure the pipeline's integrity. A comprehensive investigation in 2012 revealed both the issues with the pipe backfill material and excessive deflections, as well as out-of-round distortions over much of the pipeline's length. Over time, these deflections have caused cracking and delamination of the pipeline's mortar lining, which exposes the steel to accelerated rates of corrosion and eventual leakage.

The Lakeview Pipeline contains 1,520 steel pipe segments with rubber-gasket bell and spigot joints. To date, 139 of the joints have received remedial repairs to prevent leaks. Furthermore, with the need to increase system flexibility in the event of low SWP water allocations and to deliver DVL water to the Mills plant by way of the

Lakeview Pipeline, there is a need to enable the Lakeview Pipeline to operate at a higher hydraulic grade than originally designed. This will require relining the pipe to be able to accommodate the higher hydraulic grades in addition to accommodating additional deflection due to future subsidence along the alignment.

The planned rehabilitation of the Lakeview Pipeline has been prioritized based on system requirements and is being completed in three stages. In March 2015, the Stage 1 work was completed to enable water deliveries from DVL to the Mills plant and offset reduced SWP water allocations. This work included lining a one-mile portion of the Lakeview Pipeline, known as the Bernasconi Tunnel, with a steel liner with welded steel joints. The Stage 2 work includes lining 3.7 miles of the Lakeview Pipeline between the Inland Feeder's PC-1 control structure and the Perris Control Facility. The future Stage 3 work will include lining the remaining 6.7 miles of the Lakeview Pipeline that extends from PC-1 to the San Diego/Casa Loma Canal junction structure. The steel pipe liner and use of welded steel joints will be sufficient to ensure the long-term resilience and reliability of the newly lined pipeline under the planned future operating conditions.

The planned rehabilitation will enhance reliability of the Lakeview Pipeline, prevent future pipe leaks, and provide an alternate supply path for the Mills plant. These improvements are consistent with Metropolitan's long-term plan for supply reliability for the Mills service area. Staff will return to the Board at a later date for award of Stage 2 construction and for authorization of design of the Stage 3 work.

Budget Impact

In accordance with the April 2022 action on the biennial budget for fiscal years 2022/23 and 2023/24, the General Manager will authorize staff to proceed with procurement of the steel liner to rehabilitate a portion of the Lakeview Pipeline, pending board award of the procurement contract described below. Based on the current Capital Investment Plan (CIP) expenditure forecast, funds for the work to be performed pursuant to the subject contracts during the current biennium are available within the CIP Appropriation for fiscal years 2022/23 and 2023/24 (Appropriation No. 15525). This project anticipates an expenditure of \$17.5 million in capital funds, and approximately \$5 million will be incurred in the current biennium. This project has been reviewed in accordance with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP evaluation team to be included in the Supply Reliability Program.

Lakeview Pipeline Relining, Stage 2 – Procurement

The scope of the procurement contract includes furnishing 12,500 feet of steel liner segments with diameters ranging from 114 inches to 117 inches, including associated fittings and accessories. The pipe will be stored on Metropolitan property located near the downstream portal of the Bernasconi Tunnel. This initial quantity of Metropolitan-furnished pipe will allow the future contractor to quickly start field installation while they procure the remaining pipe for the remainder of the Stage 2 rehabilitation work.

A total of \$17,500,000 is required to perform this work. In addition to the amount of the contract, the allocated funds include \$355,000 for factory fabrication inspection and functional testing; \$89,000 for submittals review, technical support, and responding to manufacturer requests for information; \$205,000 for Metropolitan forces to receive, offload, and place steel pipe for storage; \$380,000 for materials and supplies for pipe storage area; \$130,000 for contract administration and project management; and \$285,500 for remaining budget.

Attachment 1 provides the allocation of required funds. The total estimated cost to complete Stage 2 of the Lakeview Pipeline Relining, including the amount appropriated to date, funds allocated for the work described in this action, and all future actions, is expected to range between \$46 million and \$50 million.

Award of Procurement Contract (Northwest Pipe Company)

Specifications No. 2002 for furnishing 12,500 feet of welded steel pipe and fittings to rehabilitate a portion of the Lakeview Pipeline was advertised for bids on September 7, 2023. As shown in **Attachment 2**, two bids were received and opened on October 19, 2023. As a procurement contract, there are no subcontracting opportunities, and a Small Business Enterprise participation level was not established for this contract. The bid from Northwest Pipe Company in the amount of \$16,055,500, complies with the requirements of the specifications. This amount includes all sales and use taxes imposed by the State of California. The budgetary estimate for this material, based on previous procurements, ranged from \$37 million to \$40 million. Metropolitan obtained a better-than-anticipated price for the welded steel pipe as steel prices decreased by over 40 percent from April 2023 to

October 2023. Proceeding with a contract at this time will enable completion of Stage 2 of the Lakeview Pipeline rehabilitation in a timely and cost-effective manner.

This action awards a \$16,055,500 procurement contract to Northwest Pipe Company to furnish 12,500 feet of welded steel pipe and fittings to rehabilitate a portion of the Lakeview Pipeline.

Alternatives Considered

Staff considered having the installation contractor furnish the steel liner as part of their overall construction contract. By including the pipe fabrication in the installation contract, the contractor would be responsible for the quality and delivery schedule of the pipe; however, this would increase the duration of the contract and impact shutdown logistics. The recommended action allows Metropolitan to procure a large portion of the steel pipe and the contractor to start the relining work with the pipe furnished under the procurement contract that is the subject of this action. The installation contractor will be responsible for fabrication of the remaining approximately 7,000 feet of welded steel pipe, which can be used following installation of the Metropolitan-furnished material. This action mitigates against manufacturing or logistical delays which could impact the scheduled shutdown of the Lakeview Pipeline. Procuring liner pipe in advance will also ensure that the pipe is available in the event of future material shortages or to address an unanticipated urgent repair of the pipeline. Early procurement may also hedge against higher material costs in a volatile steel market.

Summary

This action awards a procurement contract to Northwest Pipe Company, in an amount not to exceed \$16,055,500, to furnish 12,500 feet of welded steel pipe and fittings to rehabilitate a portion of the Lakeview Pipeline. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the Location Map.

Project Milestones

November 2024 – Board award of steel pipe installation contract

October 2024 – Delivery of steel pipe

Policy

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

Metropolitan Water District Administrative Code Section 8140: Competitive Procurement

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 49375, dated April 9, 2013, the Board authorized design of rehabilitation of the Lakeview Pipeline.

By Minute Item 49864, dated August 19, 2014, the Board authorized construction of the Bernasconi Tunnel liner installation.

By Minute Item 50326, dated December 8, 2015, the Board adopted the Mitigated Negative Declaration for the proposed project, adopted the Mitigation Monitoring and Reporting Program, and authorized design of repairs to the Lakeview Pipeline.

By Minute Item 52778, dated April 14, 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.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

On December 8, 2015, the Board adopted a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Lakeview Pipeline Repair Project and approved the project. The present board action does not involve any changes to the approved project. Therefore, the environmental documentation previously prepared and adopted in connection with the project fully complies with CEQA and no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt CEQA determination that the proposed action was previously addressed in the adopted 2003 Mitigated Negative Declaration, and award a \$16,055,500 contract to Northwest Pipe Company to furnish 12,500 feet of welded steel pipe to rehabilitate a portion of the Lakeview Pipeline.

Fiscal Impact: Expenditure of \$17.5 million in capital funds. Approximately \$5 million will be incurred in the current fiscal year and has been previously authorized.

Business Analysis: This option will improve the operational reliability of the Lakeview Pipeline.

Option #2

Do not proceed with this project at this time.

Fiscal Impact: None

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

Staff Recommendation

Option #1

John V. Bednarski

Mahager/Chief Engineer Engineering Services

Adel Hagekhalil General Manager 10/30/2023

10/26/2023

Date

Date

Attachment 1 - Allocation of Funds

Attachment 2 - Abstract of Bids

Attachment 3 – Location Map

Ref# es12698675

Allocation of Funds for Lakeview Pipeline Rehabilitation, Stage 2 Procurement

	Current Board Action (Nov. 2023)	
Labor		_
Studies & Investigations	\$	-
Final Design		-
Owner Costs (Program mgmt.,		105,000
contract admin.)		-
Submittals Review & Record Drwgs.		89,000
Construction Inspection & Support		355,000
Metropolitan Force Construction		205,000
Materials & Supplies		380,000
Incidental Expenses		25,000
Professional/Technical Services		-
Right-of-Way		-
Equipment Use		-
Contracts		-
Northwest Pipe Company		16,055,500
Remaining Budget		285,500
Total	\$	17,500,000

The total amount expended to date for the Lakeview Pipeline Rehabilitation is approximately \$6.0 million. The total estimated cost to complete the project, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$46 million to \$50 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on October 19, 2023

Specifications No. 2002 Furnishing Steel Liner for Lakeview Pipeline Rehabilitation, Stage 2

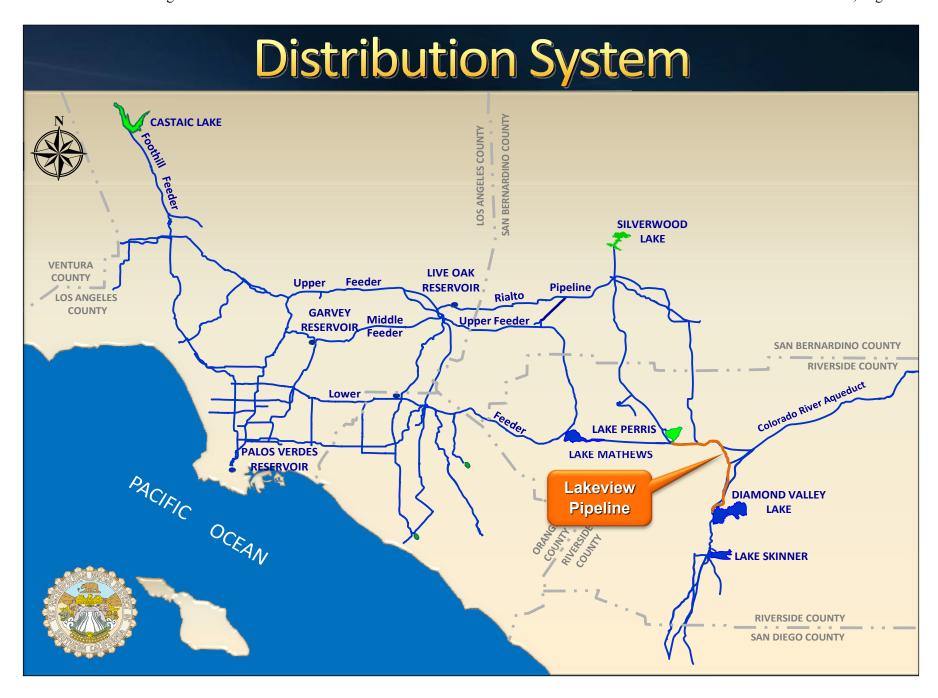
The work consists of furnishing and delivering of 648 feet of 7/8-inch-thick, 114-inch-diameter steel pipe sections and 11,907 feet of 7/8-inch-thick, 117-inch-diameter steel pipe sections.

Budgetary estimate: \$46 million to \$50 million

Bidder and Location	er and Location Base Bid Price Total 1,2	
Northwest Pipe Company Adelanto, CA	\$16,055,500	
Thompson Pipe Group Rialto, CA	\$23,577,905	

¹ As a procurement contract, there are no subcontracting opportunities.

² Includes sales and use taxes of 10.25 percent imposed by the state of California





Engineering, Operations, & Technology Committee

Lakeview Pipeline Stage 2 Pipe Procurement

Item 8-2 November 13, 2023

Item 8-2 Lakeview Pipeline Relining Stage 2 Procurement

Subject

Award a procurement contract for steel pipe to rehabilitate a portion of the Lakeview Pipeline

Purpose

Lakeview pipeline is subject to deformation resulting in numerous leaks at pipe joints. Relining the pipeline will eliminate leaks, prevent damage to the pipeline, and facilitate delivery of DVL water to the Mills plant.

Recommendation and Fiscal Impact

Award a \$16,055,500 procurement contract to Northwest Pipe Company to furnish steel pipe to rehabilitate a portion of the Lakeview Pipeline. Expenditure of \$17.5 million in budgeted capital funds

Budgeted

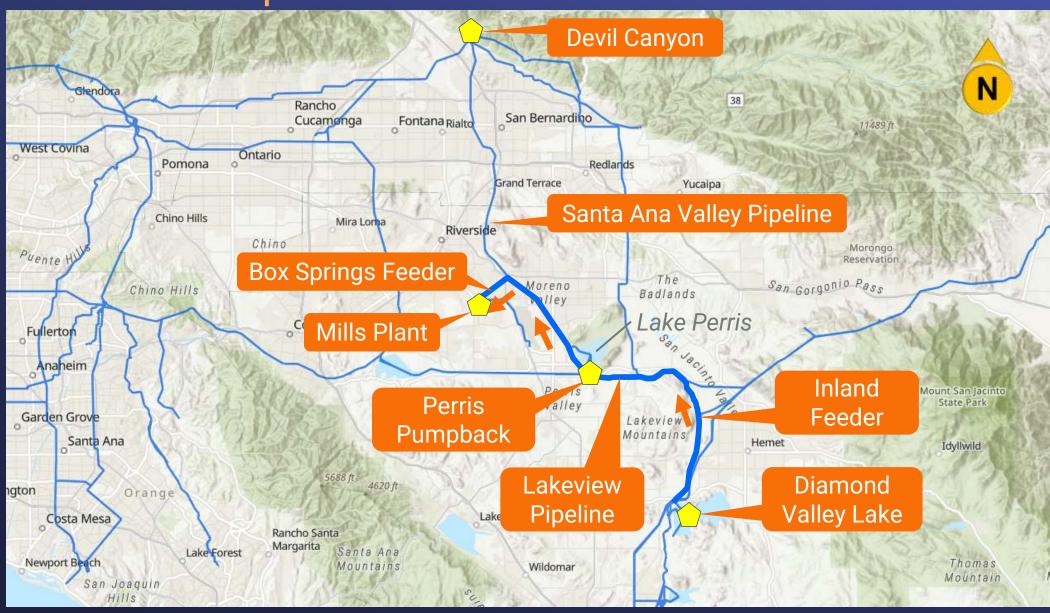
Distribution System



Normal Operation



Low SWP Water Operation

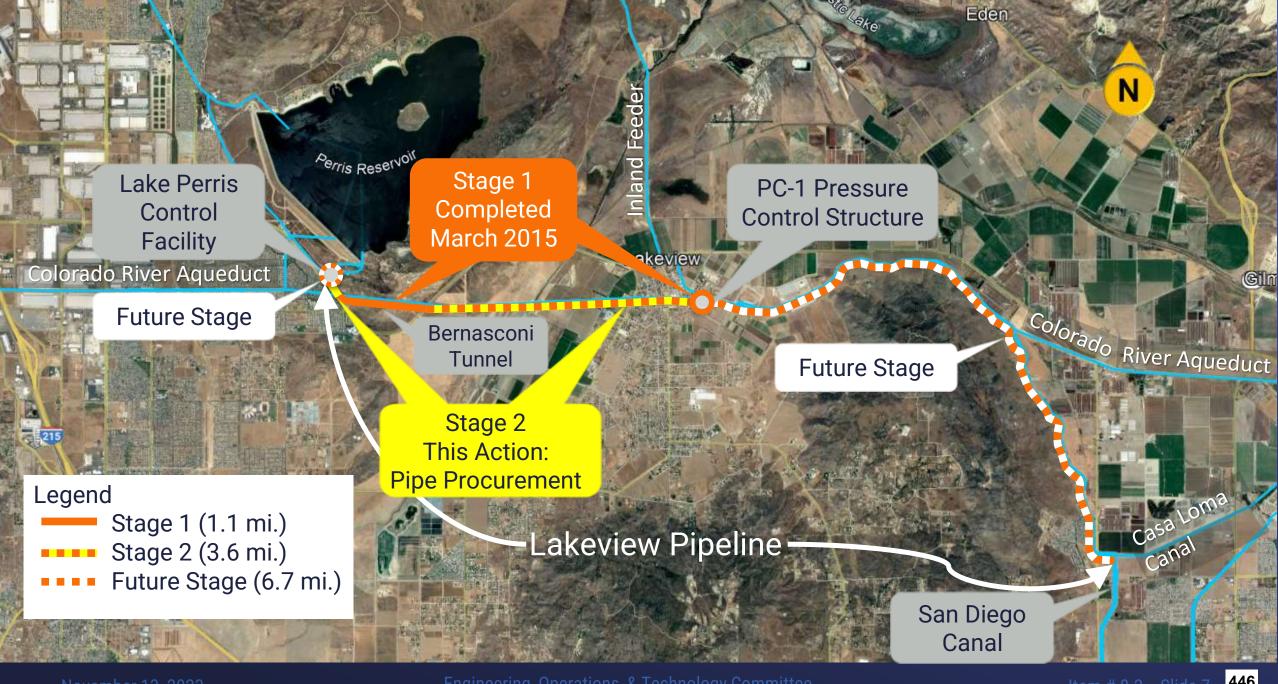


Background

- In service since 1973
 - 11.4 miles
 - 132-inch diam. welded steel
 - Rubber-gasketed joints
- Pipeline issues
 - Numerous shutdowns to fix leaking joints
 - Portions of pipe are oval rather than circular



Bernasconi Tunnel Lining



Lakeview Pipeline Relining Stage 2 Procurement



Alternatives Considered

- Considered Alternative Installation contractor furnishes all steel liner
 - Increase duration of contract
 - Reduces flexibility to shift shutdowns
- Selected Alternative Metropolitan procures approximately 2/3 of pipe for Stage 2
 - Ensures ample supply of pipe available to start construction
 - Reduces installation contract lead-time
 - Mitigates against manufacturing or logistical delays impacting scheduled shutdown of the pipeline

Scope of Work

- Contractor Scope of Work
 - Fabricate 12,500 ft. of 114-inch & 117-inch diameter steel liner
 - Deliver steel liner to storage area near Bernasconi Tunnel
- Metropolitan Scope of Work
 - Submittal review
 - Factory fabrication inspection
 - Offload & store pipe
 - Contract administration & project management

Bid Results Specifications No. 2002

Bids Received

No. of Bidders

Lowest Responsible Bidder

Low Bid

Other Bid

October 19, 2023

2

Northwest Pipe Company

\$16,055,500

\$23,577,905

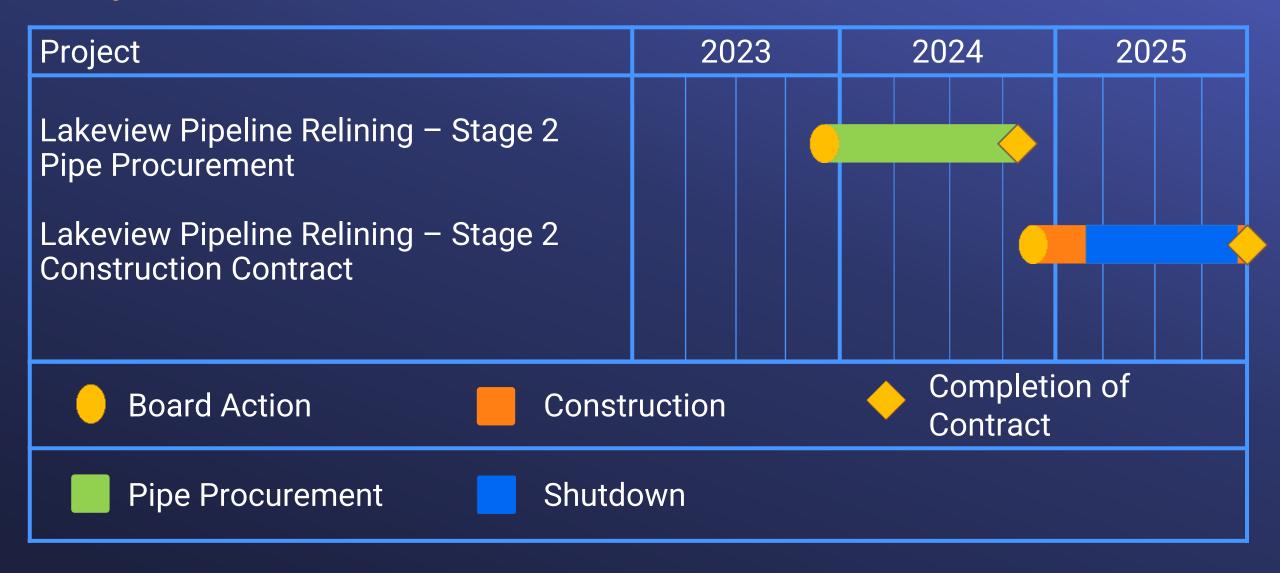
Allocation of Funds

Lakeview Pipeline Relining – Stage 2 Pipe Procurement

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Contract	
Northwest Pipe Company	\$16,055,500
Metropolitan Labor	
Owner Costs (Program mgmt., contract admin.)	105,000
Submittal review, technical support & responding to RFIs	89,000
Fabrication Inspection	355,000
Met Force Construction	205,000
Materials & Incidentals	405,000
Remaining Budget	285,500
Total	\$17,500,000

Project Schedule



Board Options

Option #1

Adopt CEQA determination that the proposed action was previously addressed in the adopted 2003 Mitigated Negative Declaration, and award a \$16,055,500 contract to Northwest Pipe Company to furnish 12,500 feet of welded steel pipe to rehabilitate a portion of the Lakeview Pipeline.

Option #2
 Do not proceed with this project at this time.

Staff Recommendation

Option #1





Board of Directors One Water and Stewardship Committee

11/14/2023 Board Meeting

8-3

Subject

Authorize the General Manager to enter into agreements with Coachella Valley Water District, Imperial Irrigation District, and San Diego County Water Authority to allow water to be added to Lake Mead under U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program in 2023; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff seeks authorization for the General Manager to enter into agreements to allow water to be added to Lake Mead pursuant to funding provided by the U.S. Bureau of Reclamation's (Reclamation) LC Conservation Program (LC Conservation Program). These agreements help California achieve the goals set out in the Colorado River Board of California's October 5, 2022, letter proposing a goal that California agencies conserve 400,000 acre-feet (AF) per year of water in Lake Mead between 2023 and 2026. Additionally, these agreements provide financial benefit to Metropolitan and the San Diego County Water Authority (SDCWA), and demonstrate how multi-agency partnerships can benefit the Colorado River. Staff specifically seeks authorization to enter into agreements for:

- 1. Forbearance regarding Coachella Valley Water District's (CVWD) temporary reduction in groundwater replenishment by up to 35,000 AF/year in 2023. Reclamation will provide funding to CVWD, and the conserved water will stay in Lake Mead.
- 2. Forbearance regarding Imperial Irrigation District's (IID) temporary reduction in irrigation in 2023 by up to 115,000 AF. This is water that IID conserves through existing programs and is comprised of up to 65,000 AF of additional conservation and up to 50,000 AF of water that would otherwise be transferred to SDCWA. Reclamation will provide funding to IID, and the conserved water will stay in Lake Mead. For the 50,000 AF of water that otherwise would be transferred to SDCWA, SDCWA proposes to agree to reduce the amount of water it is scheduled to make available to Metropolitan under the 2003 Exchange Agreement and will increase its projected full-service water purchases from Metropolitan by 50,000 AF in 2023.

Reclamation is currently developing additional proposed agreements under the LC Conservation Program, including agreements that involve Metropolitan's transfer and supply programs. Staff will seek board authorization of such agreements and any necessary forbearance when they are developed.

Timing and Urgency

These agreements would help California achieve the goals set out in the Colorado River Board of California's October 5, 2022 letter, which proposed a goal that California agencies conserve 400,000 AF per year of water in Lake Mead between 2023 and 2026.

Details

Background

Metropolitan often collaborates with other agencies to provide system water to Lake Mead. In 2006, Metropolitan entered into an agreement with Reclamation to provide up to 10,000 AF of conserved Colorado River water during 2006 and 2007 to increase Colorado River system storage. The water was conserved through voluntary fallowing under the Palo Verde Irrigation District Program. Metropolitan and other Colorado River users benefitted from the resultant increase in system storage. Reclamation provided about \$1.7 million to cover Metropolitan's expenditures associated with the supplemental fallowing.

In 2014, Reclamation initiated the Pilot System Conservation Program, which was a collective effort of the federal government and major urban water agencies to fund water-saving actions to create conserved system water to protect the elevation of Lake Powell and Lake Mead and thus benefit all Colorado River water users. The Pilot System Conservation Program funded projects that created at least 175,000 AF of conserved system water. Metropolitan provided \$5 million, which represented 15 percent of the total funding.

In 2021, Metropolitan entered into a funding agreement with Reclamation, Central Arizona Water Conservation District, and Southern Nevada Water Authority to fund additional land fallowing to conserve Colorado River system water to improve Lake Mead storage. The funding agreement was terminated during the third year to shift participation to the LC Conservation Program starting August 1, 2023.

The LC Conservation Program

The 2021 Bipartisan Infrastructure Law and the 2022 Inflation Reduction Act fund water management and conservation efforts to address the Colorado River drought. The Department of the Interior, through Reclamation, created the LC Conservation Program to increase system conservation and efficiency opportunities to address the drought in the Lower Colorado River Basin. Similar conservation programs are being developed in the Upper Colorado River Basin. The LC Conservation Program provides funding opportunities for voluntary participation to increase system conservation.

There are currently two items under the LC Conservation Program for which staff is seeking board authorization. First, forbearance is needed for an agreement Reclamation has entered into with CVWD to fund a reduction in groundwater replenishment by up to 35,000 AF/year in 2023.

Second, Reclamation is developing an agreement with IID to fund agricultural conservation in 2023. Under the proposed agreement with IID, up to 115,000 AF of conserved water from IID's existing conservation programs will be left in Lake Mead as system water. Reclamation will pay IID for this conserved water, Reclamation will reduce its deliveries of Colorado River water to IID, and IID will reduce its demand for Colorado River water by the same amount. This volume includes up to 50,000 AF of water that IID would have otherwise transferred to SDCWA. During November and December 2023, SDCWA would reduce the amount of water it is scheduled to make available to Metropolitan under the 2003 Exchange Agreement by up to 50,000 AF, and SDCWA would increase its projected full-service water purchases from Metropolitan by an equivalent amount at the full-service rate in November and December 2023. The 115,000 AF of conserved water will be subject to the same verification process that Metropolitan conducts annually regarding IID conservation. Staff seeks board authorization for this arrangement for 2023 only.

Forbearance is necessary for these actions because, under the California priority system, Colorado River water conserved by a higher-priority user is available to the next lower-priority user. Thus, as part of a program to fund the conservation of Colorado River water, contractors need to agree to forbear exercising their rights to ensure that the conserved water remains in the Colorado River system rather than become available to the next lower-priority user. Before entering into any forbearance agreement, Metropolitan staff will review the underlying agreements between Reclamation and the contractors to ensure that Metropolitan's rights as the junior priority in California are protected.

Additional agreements under the LC Conservation Program involving Metropolitan's transfer and supply programs and any necessary forbearance will be brought to the Board when those agreements are ready.

Benefits of this Partnership

The proposal to include in the LC Conservation Program 50,000 AF of water that IID would otherwise have transferred to SDCWA shows how innovative agreements can provide a "win-win" for all parties. Benefits accrue in this way:

- Reclamation benefits from the California parties working together to meet the goals set forth in California's October 5, 2022, letter to conserve water from 2023 through 2026.
- IID benefits by conserving a portion of the water that the California parties proposed to conserve from 2023 through 2026.
- SDCWA benefits financially by reducing its purchase of conserved water from IID and instead purchasing an equivalent amount of water from Metropolitan at the full-service water rate in 2023.
- Metropolitan benefits from increased revenues through full-service sales to SDCWA rather than exchange deliveries under the Exchange Agreement. This arrangement also helps Metropolitan to manage surplus supplies in a wet year that otherwise may not have been captured in a Metropolitan storage account.

Summary

Metropolitan continues to expand and support opportunities to conserve Colorado River system water. This action reduces the risk of Lake Mead falling to elevations that trigger shortages and Drought Contingency Plan contributions. It also helps implement the proposed goals in the Colorado River Board of California's October 5, 2022, letter. All Lower Basin water users benefit from delaying the timing and depth of shortages, DCP contributions, and preserving hydroelectric capacity at Hoover Dam.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 53051 in December 2022, Metropolitan's Board adopted legislative priorities and principles to support the funding of conservation projects to enhance the resiliency of the Colorado River System to reduce the risk of Lake Mead and Lake Powell falling below critical elevations.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to enter into agreements with Coachella Valley Water District, Imperial Irrigation District, and San Diego County Water Authority to allow water to be added to Lake Mead under Reclamation's LC Conservation Program in 2023.

Fiscal Impact: To the extent that IID leaves 50,000 AF of conserved water in Lake Mead that was planned for transfer to SDCWA, and SDCWA instead purchases a like amount of additional water from Metropolitan, Metropolitan will increase revenues by approximately \$16 million. This reflects the difference in revenues generated by selling water at Metropolitan's full-service water rate instead of deliveries under the Exchange Agreement.

Business Analysis: The agreements would forbear additional system conservation to augment Colorado River supplies at no additional cost to Metropolitan and would increase revenue from the sale to SDCWA.

Option #2

Direct the General Manager not to enter into the agreements under the proposed terms.

Fiscal Impact: None

Business Analysis: Metropolitan would forego an opportunity to augment Colorado River water supplies to reduce the risk of future curtailment.

Staff Recommendation

Option #1

Brad Coffey Date

Manager, Water Resource Management

11/8/2023

Adel Hagekhalil General Manager Date

Ref# wrm12695610



One Water and Stewardship Committee

Authorize Colorado River System Conservation Agreements

Item 8-3 November 13, 2023

Item 8-3

Authorize Colorado River System Conservation Agreements

Subject

Authorize the General Manager to enter into agreements with Coachella Valley Water District (CVWD), Imperial Irrigation District (IID), and San Diego County Water Authority (SDCWA) to allow water to be added to Lake Mead under U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program in 2023

|Purpose

To obtain Board approval for agreements allowing water conserved by CVWD and IID to be added to Lake Mead under Reclamation's LC Conservation Program in 2023.

Recommendation and Fiscal Impact

Authorize entering into agreements with CVWD, IID, and SDCWA to allow water to be added to Lake Mead under Reclamation's LC Conservation Program in 2023; Increased CY 2023 sales by 50,000 AF

¹Budget

Not budgeted. Metropolitan would benefit from increased revenues through full-service sales to SDCWA

Background

Spring/Summer 2022

USBR calls for 2-4 MAF of annual reductions in response to historic low reservoir elevations

October 2022

California submits proposal to cut 400 TAF each year from 2023-2026

April 2023

USBR publishes original Draft Supplemental Environmental Impact Statement (SEIS)

October 2023

USBR publishes Revised
Draft SEIS; designates
Lower Basin Proposal as
the
"Proposed Action"











August 2022

Congress appropriates \$4 billion for drought mitigation within Inflation Reduction Act

Winter 2023

Upper Colorado River Basin receives near-record snowpack

May 2023

Lower Basin Plan proposes to conserve at least 3 MAF from 2023-2026

2 California System Conservation Projects

1

CVWD's Groundwater Replenishment System Conservation Project

2

IID Irrigation Reduction System Conservation Project

 Concept developed in partnership with IID, SDCWA, and MWD

Metropolitan's Forbearance is Necessary

Forbearance agreements are the mechanism for ensuring conserved water stays in Lake Mead under the priority system

Groundwater Replenishment Reduction in CVWD



CVWD System Conservation Project

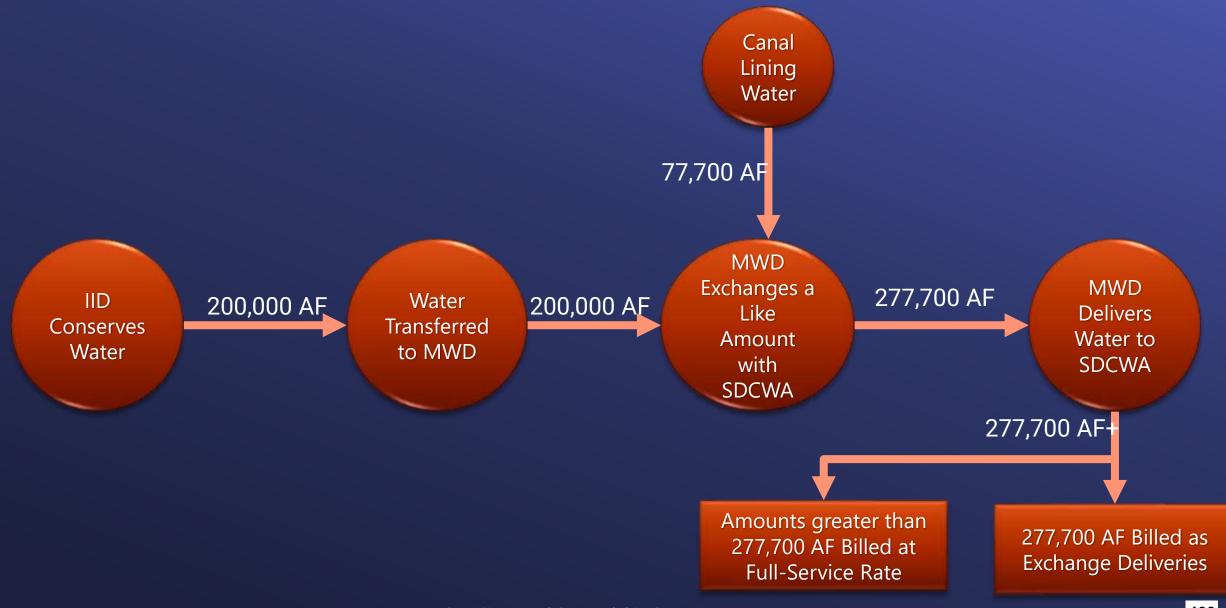
- USBR to fund up to 35,000 acre-feet in 2023
- Reduction in groundwater replenishment deliveries
- Verification through measured limited deliveries to Tom Levy Groundwater Recharge facility
 - ✓ No impact to MWD's Advanced Delivery Account

Irrigation Reduction in Imperial Irrigation District

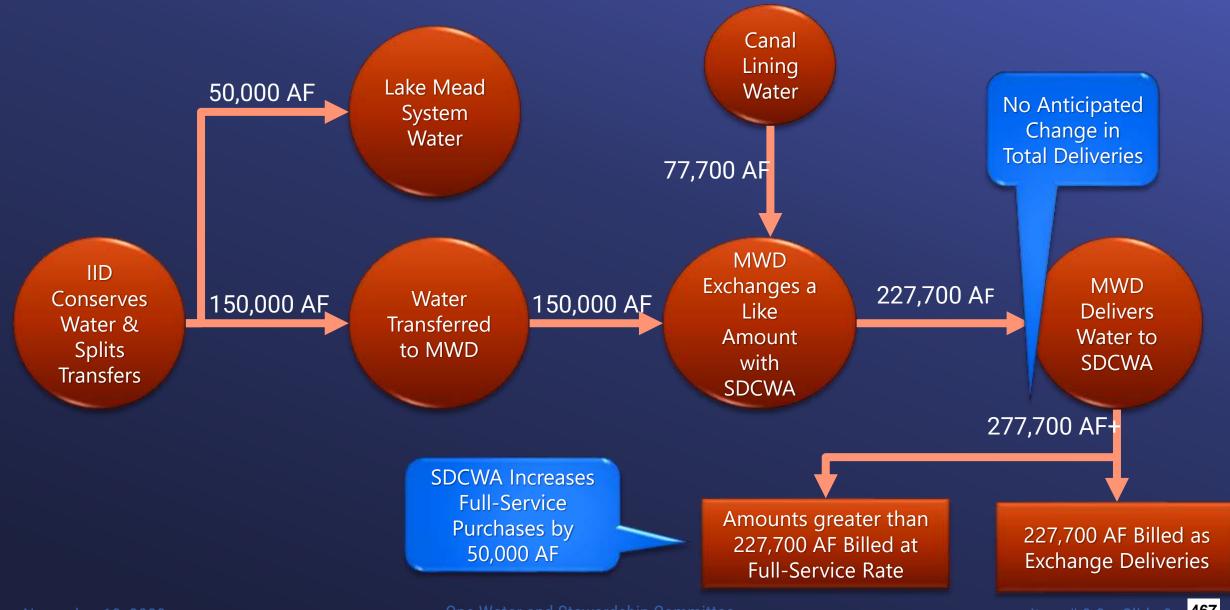
IID System Conservation Project

- USBR to fund up to ll5,000 AF in 2023
- Reduced irrigation water due to:
 - ✓ IID's Existing Conservation Programs
 - Up to 65,000 AF
 - ✓ Water planned for transfer to SDCWA
 - 50,000 AF
- SDCWA would pay IID for 150,000 AF of Transfer Water instead of 200,000 AF of Transfer Water

Existing Annual Scheduled SDCWA Deliveries for 2023

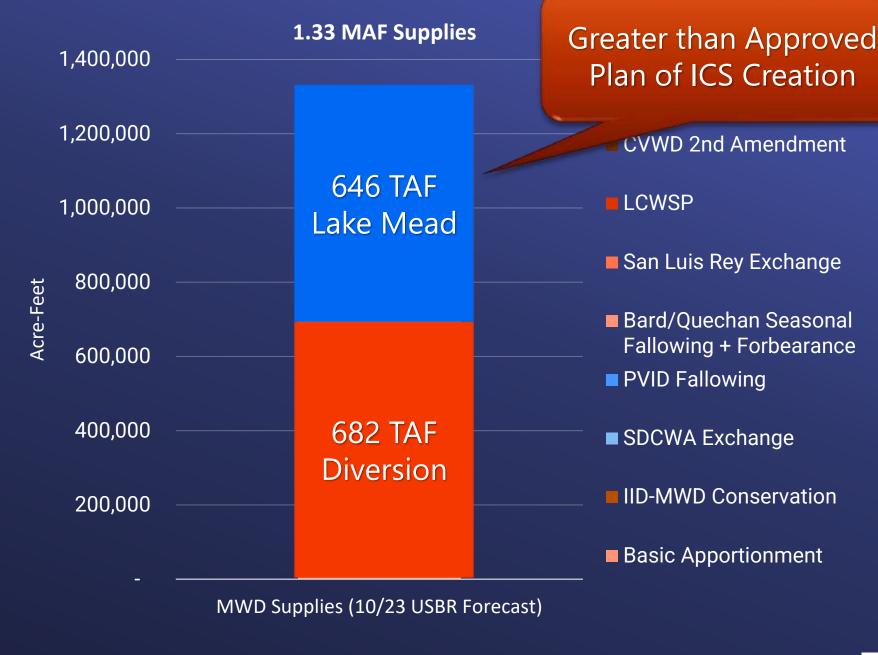


Proposed Annual Scheduled SDCWA Deliveries for 2023



Metropolitan Supplies in Absence of LC Conservation Program*

* Includes all MWD LC Conservation Program concepts that have been proposed to USBR in Bucket 1, including IID/SDCWA/MWD concept



2023 MWD Supplies to Decrease for System Conservation Projects*

* Includes all MWD LC Conservation Program concepts that have been proposed to USBR in Bucket 1, including IID/SDCWA/MWD concept

1.125 MAF Supplies





2023 Expected Colorado River Supply with LC Conservation Program Projects*

* Includes all MWD LC Conservation Program concepts that have been proposed to USBR in Bucket 1, including IID/SDCWA/MWD concept

Benefits Summary

USBR

 California parties are working together to meet the goals set forth in California's October 2022 letter to conserve water through 2026

<u>IID</u>

 Conserves a portion of the water that the California parties proposed to conserve through 2026

SDCWA

 Reduces its purchases of conserved water from IID and purchases an equivalent amount from Metropolitan at the full-service rate

Metropolitan

- Increases ability of Metropolitan to manage surplus supplies in a wet year that otherwise may not have been captured in a Metropolitan storage account
- Increases revenue by ~\$16 M

Board Options

Option #1

Authorize the General Manager to enter into agreements with Coachella Valley Water District, Imperial Irrigation District, and San Diego County Water Authority to allow water to be added to Lake Mead under the U.S. Bureau of Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program in 2023.

Option #2

Direct the General Manager not to enter into agreements under the proposed terms.

Staff Recommendation

• Option #1





Legal and Claims Committee

3M and DuPont Proposed PFAS Settlements

Item 8-4 November 14, 2023

Item # 8-4

3M and DuPont Proposed PFAS Settlements

Subject

Update on AFFF Products Liability Litigation, consider options, and provide direction on action in response to proposed 3M and DuPont settlements

Purpose

Deadlines to opt out are Dec. 4 (DuPont) and Dec. 11 (3M)

Recommendation

To be discussed in closed session

Fiscal Impact

Unknown

Presentation length: 15 minutes

Unbudgeted



Court Filings Since October 10, 2023

Overview

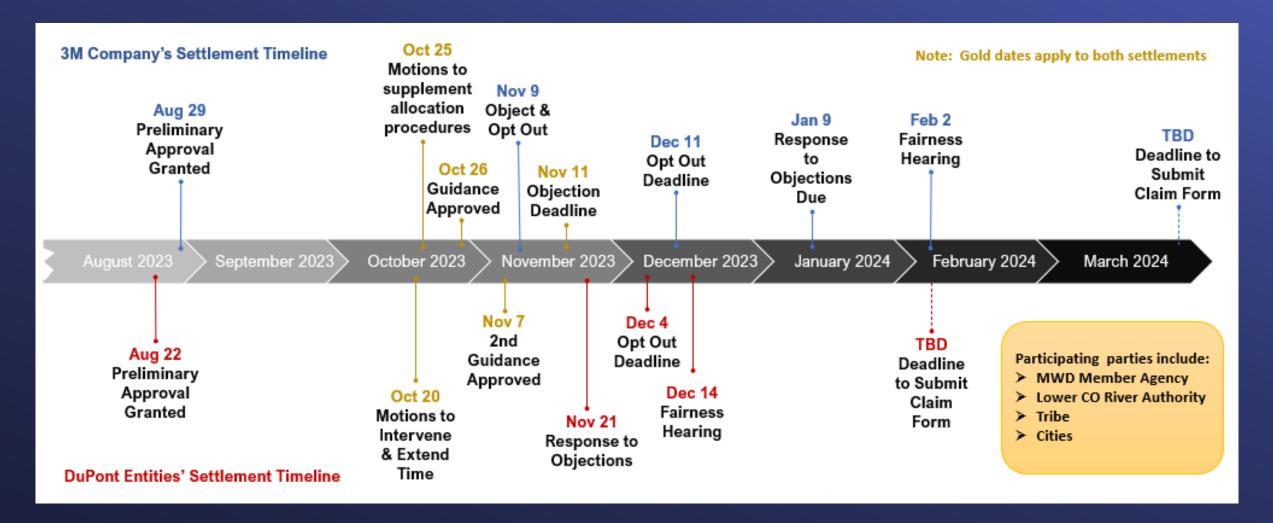


Upcoming Deadlines

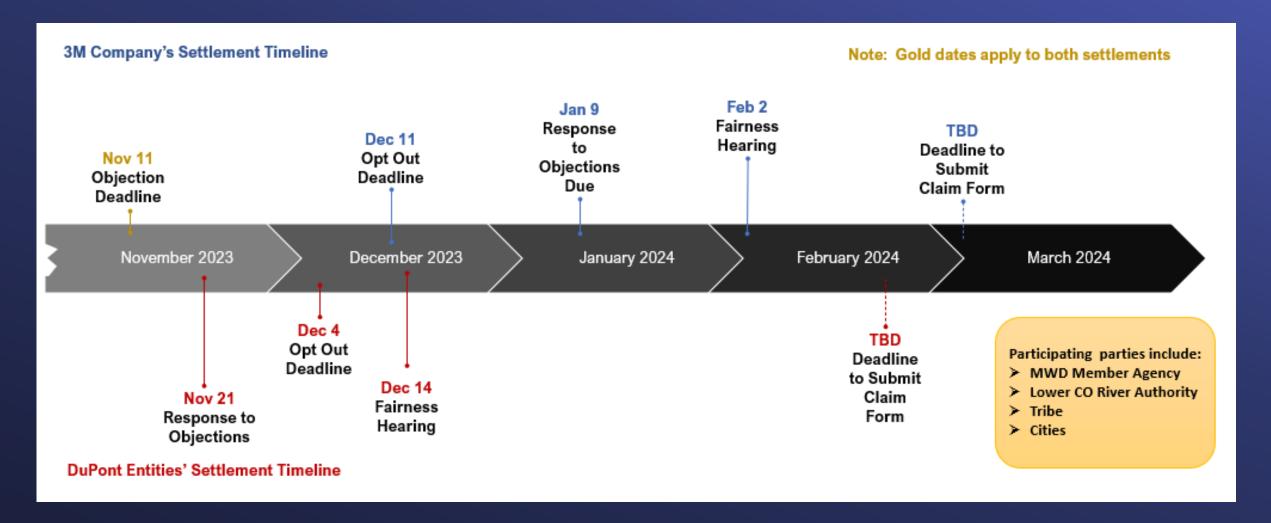


Guidance on Interrelated Drinking Water Systems

Settlement Timelines



Settlement Timelines



Guidance on Interrelated Drinking Water Systems

Answered Questions

- Proposed settlements apply to wholesalers
 - Allocation tables not revised
- If wholesaler opts out and retailer participates
 - Release may apply to wholesaler

Guidance on Interrelated Drinking Water Systems

<u>Unanswered</u> Questions

- Certification requirement
- Raw water
- Claims Administrator's broad discretion

Board of Directors

11/14/2023 Board Meeting

Revised 8-6

Subject

Update on labor negotiations and approve entering into two-year extension of 2022-2024 Memorandum of Understanding between The Metropolitan Water District of Southern California and The American Federation of State, County and Municipal Employees, Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with Labor Negotiators; to be heard in closed session pursuant to Gov. Code 54957.6. Metropolitan representatives: Katano Kasaine, Assistant General Manager, Chief Financial Officer, and Gifty J. Beets, Human Resources Section Manager of Labor Relations. Employee organization: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902]

Executive Summary

The current Memorandum of Understanding (MOU) between Metropolitan and American Federation of State, County and Municipal Employees (AFSCME) Local 1902 is set to expire on December 31, 2024. The parties have continued negotiating on a defined list of issues and have reached a tentative agreement, extending the term of the current MOU by two years, to December 31, 2026. The tentative agreement is attached (Attachment 1) and before the Board for approval and adoption and is contingent upon ratification by the AFSCME membership.

Details

Background

AFSCME Local 1902 represents 1349 budgeted positions throughout Metropolitan, performing a wide variety of functions in the field and administration. Classifications within their unit include Operations and Maintenance Technicians I-IV, Water Treatment Plant Operator, Administrative Assistant, and Engineer.

Key economic elements of the tentative agreement are as follows:

- This agreement extends the term of the MOU by two years, with a new end date of December 31, 2026.
- Equity wage adjustment of 5.5 percent for non-exempt AFSCME individual job classifications effective July 1, 2023.
- Each of the two additional years provides for a salary increase. In the first full pay period of July 2025 and July 2026, an increase will be provided of 4 percent.
- One-time lump sum payment of three thousand five hundred dollars to current employees who were unable to utilize teleworking options on a regular or recurrent basis during the pandemic.
- 5 percent incentive to employees assigned at Gene Camp and Intake. 15 percent incentive to employees assigned to Eagle Mountain, Hinds, and Iron Mountain. This will replace the current remote location pay of \$6,000-\$10,000 for employees assigned to Eagle Mountain, Hinds, and Iron Mountain.
- Update to medical language, consistent with Metropolitan's philosophy of paying for coverage of one HMO Plan. It also provides additional enhancements to Desert staff who face limited medical options.
- Increase the commercial driver's license incentive by <u>one hundred fifty</u> dollars to two hundred dollars per month.

- Increase per-diem from two hundred dollars to two hundred and fifty dollars per night.
- Increase the percentage paid for short-term temporary promotion from 12 percent to 15 percent in bargaining unit and from 15 percent to 20 percent for those working out of bargaining unit. This will allow Metropolitan to extend short-term temporary promotions for up to 6 weeks while requiring rotations and provides more defined reasons for long-term temporary upgrade promotions.

Other important language and policy issues in the tentative agreement include:

- Updated recruitment and selection language to provide efficiencies to accelerate the hiring process and in compliance with the state audit.
- Transfer processes that allow employees to gain more opportunities to work at other Metropolitan locations.
- New language defining the circumstances for working above class and temporary promotion.
- New language that better articulates AFSCME's recognition rights.
- Clarification on fatigue time language to ensure the safety of employees frequently working long hours.
- Revised Standby language to ensure clarity during implementation.
- Updated meal period language to minimize implementation concerns.
- Revised Right to Representation language, which further clarifies the rights for employees that are not the subject of an investigation and rights in meetings that may lead to discipline.
- Updated Drug-Free Workplace language to allow for compliance with AB 2188, which goes into effect on January 1, 2024.

The tentative agreement also includes language to delay the reopener of subjects such as teleworking, Desert housing, and Health and Safety.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 6101(k): As a result of negotiations, as set forth in Section 6101 (k), the General Manager is authorized with Board approval to enter into a contractual agreement with AFSCME Local 1902.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because it involves continuing administrative or maintenance activities which will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to exercise discretion under Administrative Code Section 610(k) to enter into a reopener Memorandum of Understanding with AFSCME Local 1902.

Fiscal Impact: The cost increase for the 1349 AFSCME Local 1902 positions is approximately \$16.9 million for FY 2023/24. The cumulative cost of the two-year MOU extension is approximately \$33.6 million for FY 2025/26 and \$44.4 million for FY 2026/27 to be included in future proposed budgets. Business Analysis: If approved, a reopener MOU with AFSCME Local 1902 will be implemented.

Option #2

Do not authorize agreement; direct staff to continue negotiations with AFSCME Local 1902.

Fiscal Impact: Unknown

Business Analysis: If the agreement is not approved, there will be no agreement with AFSCME Local 1902, and the parties will resume negotiations.

Staff Recommendation

Option #1

11/14/2023 Date

Assistant General Manager/CFO

11/14/2023

Adel Hagekhalil General Manager Date

Attachment 1 – Tentative Reopener Agreement between MWD and AFSCME

Ref# hr12689709

FINAL TENTATIVE REOPENER AGREEMENT BETWEEN METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND AFSCME, LOCAL 1902

NOVEMBER 10, 2023

SECTION 1.1 – RECOGNITION

- 1.1.1. Pursuant to the Administrative Code of the Metropolitan Water District of Southern California (District), the Employees' Association of the Metropolitan Water District of Southern California/AFSCME Local 1902 (hereinafter "AFSCME Local 1902") has been certified as the exclusive representative for employees in the General Employee Unit (Unit 02).
- 1.1.2. This unit is comprised of employees listed in the District's October 10, 1978 certificate of recognition, MOU Appendix C and excludes: (1) those employees classified as confidential, management, or supervisory employees; (2) and those employees classified as unrepresented in Administrative Code Section 6500.
 - Accordingly, it is agreed that the negotiated provisions of this MOU apply solely to employees of Unit (02).
- 1.1.3. For purposes of this MOU, the term employee means an individual employed on a regular full-time, regular part-time, temporary full- time, temporary part-time, or recurrent position.
- 1.1.4. At the creation of a new job description, the District will inform all bargaining units of the initial designation of the bargaining unit.

SECTION 1.3 - TERM

1.3.1. This MOU shall be effective as of January 1, 2022, subject to approval by the Board of Directors of the District, and shall remain in full force and effect to and including December 31, 2026.

SECTION 1.5 - RENEGOTIATIONS

1.5.1. In the event either party elects to renegotiate a successor agreement, then within 150 to 120 days prior to the expiration of this MOU, such party shall serve upon the other a written request to commence negotiations.

- 1.5.2. Negotiations shall begin no later than thirty (30) days from the date of the first written request. Each party shall submit written proposals no later than the first negotiation session.
- 1.5.3. In the event that neither group has served upon the other a written request to commence negotiations, the current MOU shall continue in full force and effect for one year from the expiration date unless both parties mutually agree to reopen.
- 1.5.4. The following items will be removed from the 2022/24 MOU re-opener items and dealt with in successor MOU negotiations:
 - a. Evaluation and Merit Increase Modifications
 - b. Background checks for internal candidates
 - c. Binding arbitration
 - d. Special Leave
 - e. Fertility Treatment Options
- 1.5.5. The following items will be removed from the 2022-23 MOU re-openers and dealt with in a 2024 reopener, and the parties agree to make every reasonable effort to complete those negotiations by July 2026. The parties may agree to reopen sooner by mutual agreement, but no sooner than July 1, 2024:
 - a. Classification Study
 - 1. This study will update compensation, job descriptions, and develop a policy relating to compression, compaction, and market percentile comparison (e.g., 75th or 90th percentile) and in no event shall this classification study result in a reduction of the base pay for any incumbent in the classifications.
 - b. Staffing Study
 - 1. The parties mutually agree to study appropriate staffing levels and overtime for the AFSCME bargaining unit for presentation to the MWD Board of Directors and use in determining reasonable staffing levels and workloads.
 - C. Incorporation of Sideletters
 - d. Drone/UAV Classification(s)
- 1.5.6. The District and AFSCME agree the following items remain open during the 2022-26 MOU and the parties agree to make every reasonable effort to complete those negotiations by the end of the MOU term, December 31, 2026:
 - a. Recruitment Manual
 - b. Health and Safety Policy and MOU Language
 - c. Drug-Free Workplace Policy and MOU Language
 - d. District Housing
 - e. Retiree Dental and Vision

- f. Teleworking Policy
- g. Vanpools, Stipend, Rideshare & Parking
- h. Bargaining Unit MOU Language Equity
- i. Deferred Compensation (401/457) Manual/Guidelines
- 1.5.7. It is agreed and understood that during Re-Opener Negotiations, all other terms and conditions of the 2022-26 MOU shall remain in full force and effect, and no agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties unless made and executed in writing by both parties hereto, and if required, approved and implemented by the District's Board of Directors and ratified by the AFSCME membership. Further, each party hereto voluntarily and

unqualifiedly waives its right to negotiate and agrees that the other shall not be required to negotiate, with respect to those matters not covered by this provision.

ARTICLE 2 - SALARY AND SALARY-RELATED SECTION 2.1 - SALARIES AND BI-WEEKLY PAYCHECK

- **2.1.1.** During the term of this 2022-26 MOU, should another bargaining unit negotiate across-the-board salary increases greater than the across-the-board salary increases outlined in this section, the difference shall be applied to AFSCME effective the same date and the same manner as negotiated by the other bargaining unit (e.g., AFSCME and the District negotiate a 3% salary increase effective July 1, 2022. Another bargaining unit negotiates a 4% salary increase effective July 1, 2022, in which case AFSCME shall receive an additional 1% effective that same date). This provision shall not apply to salary equity adjustments for individual job classifications, premium pays, or any other forms of compensation that another bargaining unit may negotiate." The salaries in effect on January 1, 2022, shall change on the dates and as prescribed below.
- **2.1.2.** Effective the first day of the pay period that includes July 1, 2022, there shall be an across-the-board salary increase of 3.0%. The across-the-board increase shall apply only to those employees represented by the bargaining unit as of the date this MOU is approved by the Board of Directors.
- **2.1.3.** Effective the first day of the pay period that includes July 1, 2023, there shall be an across-the-board increase of 3.0% for each employee who is represented by the bargaining unit as of that date.
- **2.1.4.** Effective the first day of the pay period that includes July 1, 2024, there shall be an across-the-board salary increase of 3.0% for each employee who is represented by the bargaining unit as of that date.
- **2.1.5.** Effective the first day of the pay period that includes July 1, 2025, there shall be an increase of 4.0% for each employee who is represented by the bargaining unit as of that date.
- **2.1.6.** Effective the first day of the pay period that includes July 1, 2026, there shall be an increase of 4.0% for each employee who is represented by the bargaining unit as of that date.

It is further agreed that during the term of this Agreement, Management has the right to revise the salary schedule, including the adoption of a District-wide salary schedule. Such revisions, if any, will be done in consultation with the Association, and shall not negatively impact an employee's salary.

2.1.87. Payday shall be every second Wednesday. If a payday occurs on a District Holiday, payment will be made on the preceding workday, if practicable. The District may make such changes in its rules and regulations as it determines to be necessary in regard to maintaining an every second Wednesday payday. There will be no changes in the bi-weekly pay cycle without meeting and conferring with AFSCME Local 1902.

2.1.98. Salary Schedules

Pay rate schedules, as approved by the Board, shall include pay rate grades and pay rate ranges consisting of minimum and maximum rates of pay for each position. New employees, upon entering District service, will be placed by the Human Resources Group Manager at a salary grade and step within the salary range (at least the minimum but not in excess of the maximum) appropriate for the classification and the applicant's qualifications.

Pay rates for temporary employees in District service are the rates paid to regular employees in the same classifications. Reference "Appendix C" for all AFSCME Local 1902 Classifications & Salary Schedules.

- **2.1.9** Alpha Listing of Classification and Grade
 - A. *See Appendix C*. The District agrees to provide a complete updated Appendix C salary schedule for all classifications each calendar year, no later than sixty (60) days prior to the implementation of that year's negotiated July 1 across-the-board salary increase. The intent is to provide AFSCME with sufficient time to review the revised schedules and ensure the new schedules comply with the across-the-board increases negotiated under §2.1 of the 2022-20264 MOU.
 - B. Apprentice salary schedules shall be paid in accordance with the apprenticeship agreement.
- **2.1.10.** The District shall provide a one-time lump-sum non-PERSable COVID Essential Worker payment to current eligible employees in the amount of Three Thousand Five Hundred Dollars (\$3,500) within 90 days following approval of this MOU by the Board of Directors. To be eligible for this payment, employees must have met the following criterion during the time-period of April 2020 to April 2022:
 - a. the employee must have been required by the District to report to work on a daily basis:
 - b. the employee must not have been able to utilize teleworking options on a regular/recurring basis;

AFSCME and District agree to develop a list of AFSCME employees who continued to work without the ability to telework on a regular/recurring basis during April 2020 to April 2022. Employees who have left District employment as of the date of the adoption of this Agreement by the Board of Directors shall not be eligible for this lump sum payment.

2.1.11 Equity Wage Adjustment: All non-exempt individuals in job classifications within the AFSCME bargaining unit employed as of the date of ratification of this MOU, shall receive an equity wage adjustment effective the pay period including July 1, 2023, of 5.5%.

SECTION 2.8 - STANDBY PAY

Standby is when an employee is required by management to be available for a call for their services while in a non-working status during off duty hours.

Only those employees with a job description containing a requirement for standby or where there is an established practice of requiring standby for certain classifications will be required to perform standby duties. The parties will develop a list of classifications where the practice was established prior to approval of this agreement to ensure both parties have an understanding of who is performing standby. With the exception of those at the IT Service Center, employees in a class below intermediate within those job families that have been agreed upon in the job description or job families determined to have an established practice can perform standby only when the employee is under the on-site direction of a journey or advanced journey level employee.

Standby will be fairly assigned to qualified employees on a voluntary basis as described below. The District will mandate employees to standby duties as described below:

2.8.1.A

First, managers will solicit volunteers for a Standby List-

All qualified employees who volunteer will be placed on the Standby rotation. Newly eligible employees may be added to the Standby List in a manner to minimize disruption on those employees already on the Standby schedule.

If an employee reports that they are no longer available for standby assignment, they shall be responsible for finding a replacement for the standby assignment. If the employee is unable to find a replacement, or if there are no available volunteers to cover the assignment, then the Department can mandate qualified employees to the standby assignment. The Manager shall distribute mandatory standby on a rotational basis.

A Standby List will be posted in a common area showing who and when employees are on Standby. The manager will post and keep updated a rolling 12-month standby schedule

Any employee denied standby based on lack of qualification(s) will be provided the opportunity for training, coaching and/or exposure to experience when available.

Employees not in the AFSCME Bargaining Unit will not perform AFSCME standby work. or duties/callback, except that a qualified manager may perform such work for de minimis project or task. De minimis is defined in this section as 15 minutes or less of work.

An employee on Standby duty will:

Be ready to respond in a reasonable time to calls for their service;

Be readily available at all hours by District-assigned telephone, or other communication devices; and

Refrain from activities which might impair their assigned duties upon call.

Management will first make contact with the employee who is on Standby duty. Only after the employee on Standby has failed to respond in a reasonable time will Management call upon other employees for their services who are not assigned to be on Standby duty.

Employees who are assigned to standby will be paid Standby Pay Premium in the amount of ten (10) percent of their normal hourly rate for qualifying hours.

Employees who are assigned to standby and required to respond within fifteen (15) minutes, will be paid Standby Pay Premium in the amount of fifteen (15) percent of their normal hourly rate for qualifying hours.

An employee will not receive Standby Pay for hours during which the employee is being paid at the overtime rate.

SECTION 2.14 - DESERT BRANCH LOCATION PAY

The intention of this Section 2.14 is to improve recruitment and retention at Metropolitan's desert facilities. The sunsetting of the previous program, Desert Remote Location Pay and the terms of the newly negotiated Incentive Pay shall be as follows:

- 2.14.1. The parties agree that the previous program, Desert Remote Location Pay, shall sunset (terminate) effective January 20, 2024. All employees who were entitled to receive the incentive under the previous program shall receive a pro-rated portion of the incentive, for the period up to and including January 20, 2024; this pro-rate amount will be provided prior on or about February 8, 2024.
- 2.14.2. The Incentive Pay program will be setup to provide a Desert Branch Assignment Premium to qualifying employees as follows:

- A. Effective January 21, 2024, employees assigned to work in desert facilities will be eligible to receive one of the premium pay options below:
 - 1. 5% for all employees assigned to Gene Camp or Intake.
 - 2. 15% for all employees assigned to Hinds Pumping Plant, Eagle Mountain, or Iron Mountain.
 - 3. This incentive pay will be applicable to the base pay for the normal work schedule. This incentive pay will not apply to overtime hours but shall be utilized in FLSA overtime calculations and reported to CalPERS as retirement compensable.
- B. Following approval by Metropolitan's Board of Directors and the AFSCME membership, employees shall begin entering the incentive pay premium as part of their bi-weekly payroll, (including authorized medical leaves) for pay period beginning 2/28/24 on or around the first week of March. A retroactive payment for the period of 1/21/24 through 2/17/24 will be processed as soon as administratively possible.
- 2.14.3. This incentive payment program for Desert Branch Locations applies specifically to regular full-time employees at these Locations, and does not apply to recurrent, part time, temporary employees or any other category of employment.
- 2.14.4. Qualifying service at a Desert Branch Location shall include:
 - A. Assignment to a Desert Branch Location as the regular reporting location.
 - 1. Employees temporarily assigned to a desert facility for assignments of 30 days or more will be eligible for the premium associated with the facility they are assigned to for the entirety of the time at the location.
 - B. All scheduled and assigned hours in a paid status, not including overtime and including authorized medical leaves.
- 2.14.5. Employees assigned to a Desert Branch Location after the date the Incentive Pay program is implemented as agreed above, shall begin qualifying on the first day of the pay period of assignment to the Desert Branch Location.

SECTION 2,16 - COMMERCIAL DRIVER'S LICENSE PREMIUM PAY

- 2.16.1 Employees in classifications who are designated by the District to obtain, maintain, and/or utilize a Class A or B driver's License, or special shall be compensated at \$200/month for a Commercial Driver's License Premium Pay.
 - Employees will be eligible for the premium pay under the following conditions:
- A. An employee is required by Management to obtain, maintain, and/or utilize a Class A or B driver's license, or;

- B. An employee has a training plan that recommends obtaining a Class A or B driver's license and the employee obtains the higher license.
- 2.16.2 If an employee's duties change such that they are no longer required to hold a Commercial Driver's License, the employee will no longer be eligible for the Premium Pay. If this scenario occurs, then the supervisor shall provide the reason and basis in writing to the employee.
- 2.16.3 An employee will be ineligible for the incentive if:
 - A. He/she tests positive on an alcohol and/or controlled substance test, or
 - B. He/she is involved in an accident that results in two or more points on his/her driving record, or
 - C. He/she receives a moving violation citation that results in two or more points on his/her driving record.
- D. An employee will not be required to operate a commercial vehicle that would require utilization of their Class A or B driver's license during this period of time.
- 2.16.4 If an employee is no longer eligible to hold a Class A or B driver's License, the employee shall upon return to work, notify their supervisor, as soon as practicable.
- 2.16.5 Employees who are not eligible due to having tested positive on an alcohol and/or controlled substance test or due to having received two or more points on their driving record may earn back their monthly incentive after a six (6) month waiting period in which the employee does not test positive for drugs or alcohol, does not receive a moving violation citation, and is not involved in an accident.
- 2.16.6 The District-will maintain a list of employees whose job duties require them to obtain, maintain and/or utilize a Commercial Driver's license.
- 2.16.7 If an employee is no longer required to hold, or does not hold a Commercial Driver's License, an employee cannot be required by the District to operate a vehicle requiring a commercial driver's license.

SECTION 3.3 - PERSONAL LEAVE

- 3.3.1. All eligible employees shall be entitled to twenty-four (24) hours of personal leave per calendar year. The District shall determine if personal leave will be granted. However, an employee's timely request for personal leave shall only be denied for good and sufficient business reasons.
- 3.3.2. In order to use personal leave an employee must have more than 1,044 hours of 1) current service; 2) total service if the employee has returned to service within twelve months of a separation from the District, including military service during the period of current service; or 3) total service if the employee has returned to service following a non-cause involuntary separation from the District. An eligible employee may take personal leave each calendar year which shall

not be charged against any accumulated leave. With prior approval, such personal leave may be taken for any personal reason.

Use of personal leave to respond to a personal emergency does not require prior approval. A personal emergency is a circumstance that requires action that cannot be postponed. In such case, the employee shall notify his supervisor as soon as practicable. At that time, the employee shall also explain the general nature of the emergency.

- 3.3.3. Personal leave must be used in the calendar year in which it is received. Personal leave shall not be carried over into the year following the year in which it is received.
- 3.3.4. New employees, whose probationary periods end in December, and whose Personal Leave hours are not credited to their leave banks and available to use until the last pay period of December, such employees will be allowed to carryover their unused Personal Leave hours into the next calendar year.

Personal Leave hours that are carried over to the next calendar year must be used in that calendar year and will not be carried over any further (e.g., unused Personal Leave hours remaining at the end of calendar year 2020 will only be carried over for use in calendar year 2021).

3.3.5 One-time personal leave increase of 24 hours will be provided to all non-exempt employees within the bargaining unit. The one-time personal leave increase will be available for use through May 31, 2024, following approval of this MOU by the parties.

SECTION 5.12 PRODUCTIVITY

- **5.12.1** Both parties recognize that it is to their mutual interest and to the best interest of the community to continually strive to improve the quality, economy and efficiency of the District's work effort and workproduct. Accordingly, during the term of this Agreement, the parties may elect to discuss the development of a Gain sharing Program.
- **5.12.2** The terms "Telework" and" Telecommuting" are synonymous for the purposes of this new section. These terms are defined as an employee who is able to work from home, or another location in order to accomplish District business.

Upon Board adoption of this 2022-26 MOU, the parties agree to continue negotiations on a new MOU provision and policy governing Teleworking with parties initiating bargaining sessions prior to July 1, 2024. It is agreed and understood that any such MOU provision shall not specifically exclude any bargaining unit classification from telework, provided that the decision to grant a request for telework shall be at the discretion of Management based upon business needs and provided that it is done in an equitable and fair manner.

It is further agreed and understood that as part of any negotiated MOU provision on Teleworking, the denial of a teleworking request shall be articulated to the requesting employee in writing, along with the business reason(s) for such denial. If an employee reasonably believes that their request to telework was arbitrarily or unfairly denied, in that such denial was not based on legitimate business reasons, then the employee may grieve an alleged violation of the MOU, pursuant to Section 6.3.

Until such time that the parties adopt a revised MOU provision and new teleworking policy as described above, employees who have the ability to telework shall continue teleworking on a hybrid basis in accordance with the General Manager's current directive maintaining the status quo until the parties meet their obligations to meet and confer in good faith.

2.4 SHORT-TERM ACTING ASSIGNMENT AND TEMPORARY UPGRADE ASSIGNMENT

Management will communicate opportunities for Short-Term Acting Assignment and Temporary Upgrade Assignment to employees of the team via email.

The parties agree that the total duration of temporary promotions shall be used when determining whether to provide Short-term Acting, Leadworker/Supervisory Pay (LWS), or Temporary Upgrade Assignment (TUA). If the total duration of any temporary promotion exceeds six (6) consecutive weeks, then the TUA method will be utilized. Further, when a temporary promotion is less than six (6) weeks, it is agreed and understood that Short-term Acting Assignment is only used for classifications within the AFSCME Bargaining Unit and LWS for any classifications outside the AFSCME bargaining Unit. The number of employees that rotate through a temporary promotion, whether short-term or long-term, will not be a determining factor.

2.4.1 Short-Term Acting Assignment

- A. An employee who is assigned Short-Term Acting Assignment on a daily basis to a higher-level, non-management position, classification inside AFSCME Bargaining Unit, shall receive a premium equal to a 15% increase. Such premium shall only be provided for those days in which the employee is actually performing a majority of the significant duties of the higher-level classification, including overtime hours worked, and will be approved by the supervisor on the employee's timesheet. However, such premium shall not be reportable to PERS as compensation earned for retirement purposes. Management shall specify the expected duration of the Short-Term Acting Assignment, but such duration shall be for one or more days, not to exceed a total of six (6) weeks. The intent is that an employee not be asked to perform a majority of the significant duties of the higher level classification on days for which they are not receiving the premium. The employee shall remain in their bargaining unit and shall continue to receive the benefits provided for their original classification.
- B. When assigned Short-Term Acting Assignment for a position outside of the AFSCME bargaining unit, the employee will stay in the AFSCME unit and receive Leadworker/Supervisory Pay in the amount of 20% for up to six (6) weeks.
- C. An employee who is working in a Short-Term Acting Assignment as defined above shall not also receive Lead Pay for such assignment. There shall not be pyramiding.

D. There shall be required rotation for short-term acting assignments among those who are willing to take the short-term acting assignment (unless in a specific and defined project). However, management reserves the right to assign Short-Term Acting Assignment based on operational need.

The Short-Term Acting Assignment will be reflected in the employee's annual performance evaluation.

2.4.2 Temporary Upgrade Assignment

A. Temporary Upgrade Assignment is the full-time performance of a position in a higher classification listed in a Board-approved salary schedule, not to exceed 12 months. Temporary Upgrade Assignment will be reflected in the employee's annual performance evaluation. Management should make every effort to distribute such assignments for the development and succession of the work group.

- 1) Temporary Upgrade Assignment may be used in the following circumstances:
 - i. When a position is vacant;
 - ii. When an employee is on an approved extended leave (i.e. medical, FMLA, worker's compensation, vacation or other leave types);
 - iii. When an employee is assigned to a Special Project full-time at a higher classification. This must be a Special Project that is already identified and budgeted. Special projects that require more than 12 months may be extended by the HR Group Manager and the approval of AFSCME for up to a total of 18 months.
 - iv. If, in the beginning of a short-term acting assignment, the assignment is expected to exceed six (6) weeks individuals will be placed on a temporary upgrade assignment from the beginning of the assignment.
- **B.** The following provisions apply to both Temporary Upgrade Assignments and Special Projects:
 - 1) They shall not be offered to an employee with a current performance evaluation of less than Meets Standards, or who has received an appealable disciplinary action within the preceding twelve months.
 - 2) An employee working on a Temporary Upgrade Assignment as defined above shall not receive Lead Pay or Leadworker/Supervisory Pay for such assignment.

An employee who given a Temporary Upgrade Assignment shall receive additional pay equal to the first salary step of the higher classification, or a three-step (8.25%) salary increase, whichever is higher, not to exceed the salary range maximum of the higher classification. Such pay shall be processed using a District Employee Data Change Form (EDCF) and shall be paid for all hours during the period of Temporary Promotion designated on the EDCF. Temporary Upgrade Assignment Pay will be reported to CalPERS as compensation earned for retirement purposes.

- A. An employee who has been in Temporary Upgrade Assignment for more than twelve (12) months will receive a two-step increase (equivalent to 5.5%) for each year the employee is in that Temporary Upgrade Assignment, provided that the regular hourly rate plus the premium pay has not already exceeded the range established for the job classification of the Temporary Upgrade Assignment. The Human Resources Group shall meet with the employee's management prior to the conclusion of each 12-month interval, to determine whether the temporary promotion continues to be necessary.
 - 1) An employee on a Temporary Upgrade Assignment who receives a regular promotion to the same classification shall receive increases as if they had been permanently placed in the position at beginning of the TUA provided it does not exceed the top step of the new salary grade and should not result in a negative impact when moving from temporary to permanent. After receiving a regular promotion, the anniversary date for determining eligibility for the next merit increase will be the next July 1st common evaluation date.
 - C. Employees on a Temporary Upgrade Assignment shall be required to complete and submit a Statement of Economic Interests Form 700, if they perform duties or participate in decision-making which would require such filing. Management shall consult with the District's Ethics Office and Human Resources Group to ensure compliance with the District's Conflict of Interest Code and California Fair Political Practices Commission regulations on interim appointment to a designated position.

SECTION 3.2 – SICK LEAVE

- 3.2.1 All eligible employees shall accumulate sick leave with full pay at the rate of .0459780 hours for each hour of service. All temporary employees shall accumulate sick leave with full pay at the rate of 0.033333 hours for each hour of service.
- A. Such leave may be taken for absences from duly made necessary by an employee's
- (1) Incapacity due to illness
- (2) Incapacity due to Injury.
- (3) Incapacity due to pregnancy, childbirth, miscarriage or abortion.
- (4) Medical, dental or ocular examination or treatment, without Incapacity for which appointment cannot be made outside working hours.
- B. Physician Certification
- (1) Normally, verification will not be required for short-term absences. A doctor's certification or other acceptable form of verification shall be required for all sick leave absences exceeding two calendar weeks, and may be required for absences where there is doubt as to the employee's fitness to return to work or the employee's supervisor has a reasonable suspicion that there may

be sick leave abuse. Notice of this requirement shall be given in advance in all cases of prior leave abuse.

(2) A physician's certification authorizing an employee's return to work from an incapacity covered by this section shall be reviewed by the District's medical support in Human Resources prior to the employee's return to work.

An additional medical examination or testing may be required in order to determine whether the employee can safely perform their duties, or to determine appropriate work restrictions. The employee will be given advance notice in writing of the date, time, and place of the examination/testing and a general description of, and reason for, it. Such examination/testing will be done at District expense and on District time if the District requires it to be conducted.

C. Notification of Sick Leave

In order to receive compensation while absent because of illness, injury, disability or special leave, the employee shall notify their immediate supervisor or designee prior the start of the work shift, or as soon as practicable if the employee is incapacitated or otherwise unable to provide notification immediately prior to the start of work shift, The employee shall provide the reason for the absence and the estimated length of absence. If the length of the absence exceeds the original estimate, the employee shall promptly notify her their supervisor or designee of the need for and length of additional leave.

SECTION 3.4 – FATIGUE TIME

The intent of fatigue time is to provide a sufficient time for rest between a significant period of work and the start of the next regularly scheduled work shift, by replacing regularly scheduled straight time hours with paid rest time.

- 3.4.1. An employee shall be eligible for fatigue time if any of the following apply:
 - A. They have worked an extension of their workday and their-extension has been completed with less than eight (8) hours between the completion of the extension and the start of the employee's next regularly scheduled shift.
 - B. They-have worked scheduled overtime on a day off **which** overtime has been completed with less than eight (8) hours between the completion of the overtime and the start of the employee's next regularly scheduled shift.
 - C. They were called back to work pursuant to Section 2.9 Call Back, and the work has been completed with less than eight hours, plus commute time, before the start of their next regularly scheduled shift.
 - D. They have worked a portion of their regular work shift and is excused to rest prior to working later that same workday.

E. They are excused for the remainder of a night, overtime, and/or shutdown assignment that ends early, in order to return to their next regularly scheduled shift.

- 3.4.2 When an employee is eligible for fatigue time, they shall not be required to report to work for up to eight (8) hours plus commute their workday and shall receive full pay for any regularly scheduled hours not worked.
- 3.4.3. If upon completion of fatigue time, there are two (2) hours or less remaining in the employee's regularly scheduled shift for that day, fatigue time may be extended for the remainder of shift, rather than an employee having to use accrued leave time. Notwithstanding the above, an employee may be called in to work the remainder of the shift, even if for two hours or less, if Management determines that a legitimate business necessity exists.

SECTION 4.1 - MEDICAL INSURANCE

- 4.1.1. The District will provide medical plans maintained by the California Public Employees' Retirement System (CalPERS).
- 4.1.2. Effective January 1, 2024, the District's maximum monthly contribution will be 100% of the total premium for the highest HMO in CalPERS region 2 or 3, not to exceed the monthly premium for the medical plan selected by the employee.
- 4.1.3. The numbers below represent the cash incentive as of January 1, 2023 for employees in the Desert region.

Employee Only: \$172/month

Employee + 1 Dependent: \$343/month

Employee + 2 or More Dependents: \$445/month

Effective January 1, 2024 through December 31, 2026, Desert Region employees enrolled in PERS Gold or Platinum PPO through Metropolitan will continue to receive the amounts listed above as a taxable cash incentive. In addition, Desert Region employees enrolled in PERS Gold or Platinum PPO with an employee cost shall receive an additional credit equivalent to the employee cost. This credit shall be applied within the employee's paycheck at the same time as the deduction.

- 4.1.4. An employee who opts out of medical insurance will receive \$125 per month (\$1,500 per year), provided the employee submits proof of alternative insurance coverage.
- 4.1.5. If subsequent to December 31, 2026, the insurance premium increases and the parties have not agreed to an increased District contribution, then the District's contribution will continue at the same level as outlined in §4.1.1-4.1.5.

- 4.1.6. If another bargaining unit at the District negotiates any improvements to medical premium coverage for employees it represents, the District shall provide the same coverage to AFSCME without negative impact to its currently negotiated coverage.
- 4.1.7. The parties agree to establish a Health Benefits Advisory Committee, at the request of either party. The committee will examine such issues as benefit levels, plan design, administration, and cost containment which affect active and retired employees.

 Committee recommendations will be presented to the parties for their use in negotiations for a successor MOU.

SECTION 4.12 - TRAVEL EXPENSES AND TRAVEL TIME

Travel expenses will be authorized and paid as provided in this Section and the relevant sections of the Administrative Code (see AC 6320 et. seq.). It is the intent of the parties to fairly and properly reimburse an employee for additional expenses and pay for additional travel time.

The following definitions will apply to this Section.

A. *Per Diem* – Paying the employee the negotiated dollar amount for room, board, and incidental expenses. Itemization of expenses is not required.

B. *Actual Expenses* – Reimbursing the employee for the total actual costs for room, board and incidental expenses related to the conduct of District business. Expenses of \$25 or less need not be accompanied by supporting documentation. An employee will not be reimbursed for alcohol.

C. Regular work location – Primary assignment to a specific work location.

D. *Temporary work location* – Any work location other than an employee's regular work location. An employee may be assigned to a temporary work location for more than three years by mutual agreement.

E. *Incidental Expenses* – Other reasonable expenses while conducting District business including but not limited to transportation, tips, laundry services, telephone calls (including calls to family), conference room fees, fees for copying, parking fees, gasoline, fees for fax machine or PC usage, and toiletries.

4.12.2

A.

B.

C.

D. Overnight Travel Status

The language that follows is not intended to provide employees working their regular established schedules and/or assigned at their regular work locations with per diem and reimbursement for expenses.

- (1) If the employee is placed on overnight travel status by the supervisor, the District must provide one of the following: (a) Per Diem (b) actual expenses (the District will provide a cash advance upon an employee's request in an amount equal to Per Diem for the expected length of the overnight travel status prior to the start of work but doing this shall not preclude an employee from receiving their actual costs after providing receipts). (c) district secures lodging and provides half-day per diem per day. Regardless of the option chosen, the District will not pass the cost of business on to an employee.
 - i. The decision between options (a) or (b) shall be determined jointly by the employee and the manager, taking into consideration employee preference, ease of administration, and operational efficiencies.
 - ii. If an employee is not placed on overnight travel status, and is instead asked to commute, the employee may request reconsideration from management, up to and including the Section or Group level, either prior to the start of, or during the course of, the assignment.
 - iii. In considering the employee's request to be placed on overnight status,
 Management shall consider the potential length, and duration of the commute,
 the duration of the assignment at the temporary location, and whether the
 crews being supervised by other managers have been placed on overnight
 travel status.
 - iv. An employee may receive actual costs if the actual costs are discussed with the supervisor in advance. In circumstances where the actual expenses are higher than the per diem or when travel is expected to exceed 30 days, the supervisor will obtain approval prior to work beginning from the Assistant General Manager or designee.
 - v. In the event that pre-planning is not feasible or if prior approval has not been obtained, the default will be for the per-diem rate to apply.
- (2) For each day an employee is on overnight travel status, Per Diem will be \$250, or \$125 if an employee is not required to work for more than half of the day on the last day of the assignment.
- (3) An employee will qualify for overnight travel status if they are required to work a shutdown, emergency, or other urgent assignment multiple days away from the employee's regular work location that causes a longer commute than normal.
- (4) An employee will also be placed on overnight travel status when all of the following are met:
 - i. The employee is required to work an assignment away from the employee's regular work location;
 - ii. The employee is being required and/or scheduled to work 12 hours or more;
 - iii. The employee has a commute longer than 30 minutes to or from home.

- (54) An employee will also qualify for actuals and/or per diem for one (1) night to be used for overnight accommodations if an employee and/or supervisor is concerned about the employee's health and welfare or safety due to irregular working conditions/hours and commute times.
- (65) An employee will be placed on overnight travel status at the start of the assignment and taken off at the end of the assignment. An employee who is required to work a night shift or schedule which would modify their normal sleeping pattern for a shutdown, emergency, or other work assignment will be provided with one (1) full day of overnight status prior to, and at the end of the assignment, upon the employee's request.

For example: If an employee who regularly works 0600-1630 Monday-Thursday is placed on an assignment or shutdown that begins on a Sunday and ends on Saturday, with their work schedule being changed to 2300-1100 (night shift), or other shift schedules, then the employee shall receive overnight status and full day per diem beginning Sunday to allow them to obtain accommodations and rest prior to their night shift beginning. Additionally, when an employee working the night shift completes the assignment the employee will receive overnight status for a full day on the day the night shift assignment ends (i.e. Shift starts Friday at 2300 and ends Saturday at 1100, employee will be given full day of overnight status for Saturday).

- (7) An employee on overnight travel status will be allowed one round trip per assignment. If the assignment lasts longer than one week, the employee will be allowed one round trip per week.
- (8) If an employee brings a family member or guest on overnight travel status, the employee is responsible for payment of the family member or guest's charges for lodging, meals, and incidental expenses.
- (9) The parties will meet in March of 2025 to review data related to Per Diem/Overnight Travel Status and analyze whether or not the provisions need modification.

Article 5 - WORKING CONDITIONS Section 5.1 - WORK SCHEDULES

The workweek will consist of forty (40) hours in seven (7) consecutive twenty-four (24) hour periods as determined by the District and made known to the employee.

There will be an unpaid meal period of up to forty-five (45) minutes as determined by the District. The employee's preference will be taken into account when the meal period is scheduled.

The District will pay employees for meal periods when the employees do not have access to regular lunch facilities nor or full relief from duties due to the requirement of having to remain at the worksite or at a structure or facility-,

The District will not pay employees for meal periods when employees have access to regular lunch facilities or are not required to remain at the worksite or at a structure or facility.

For purposes of this Section only, a "regular lunch facility" shall be defined as follows:

- a. For permanent facilities such as Union Station, Soto St, Lake Mathews, Diamond Valley Lake or Water Treatment and Pumping Plants, a climate-controlled lunchroom with means to store and heat food or drink, access to potable water as well as bathroom facilities.
- b. For other worksites in the field, an area or use of a District vehicle (i.e. utilization of air conditioner and/or heater if parked) with seating (excluding construction equipment) in order to protect employees from the elements (heat, cold, rain, wind, dust, etc.), an adequate supply of potable water (cooler and/or bottled water), soap or other suitable cleansing agent, and towels for hand washing that are made available to employees. Employees may tow portable toilets with hand washing stations. When a regular lunch facility is available, and an employee opts to take their meal period in a vehicle, it shall be unpaid.

If a regular lunch facility as defined above is not available, but the employee is otherwise fully relieved of duties and chooses to leave the worksite, the unpaid meal period shall be extended up to 60 minutes as determined by the District, if the employee must travel more than 10 miles or 15 minutes (round trip) to secure food.

Section 5.2 RECRUITMENT AND SELECTION

The recruitment and selection process will be consistent with MOU Section 5.11 "Discrimination", the District's commitment to Diversity, Equity & Inclusion and all applicable Federal and State laws and regulations including the Federal Uniform Guidelines on Employee Selection Procedures.

SECTION 1.10 -

5.2.1 Definitions

A. Employee:

For purposes of this section, an "employee" is defined as a Category A, B, or E employee as referenced in Section 4.11, *Categories of Employment*. Employees contracted through an outside agency under categories C and D shall not be covered by this provision.

B. Recruitment:

Process of locating individuals to fill the District's personnel (staffing) requirements with the best qualified candidates. The District and Union shall encourage promoting/recruiting current employees.

C. Selection:

Selection is the process of hiring the best-qualified candidate for a vacant position utilizing clear criteria for screening applications and for documenting the entire hiring process. The goal of selection is to match candidates with open positions in an equitable, fair, objective, and transparent manner. The hiring manager selects the best-qualified candidate for a vacant position.

D. Screening of Material:

HR Recruiters shall screen resumes to determine who meets the minimum qualifications.

E. *Employment Testing:*

A test is an instrument administered by the Human Resources Group, used as a basis for any employment decision including, but not limited to, hiring and competitive-bid promotion. Such tests may measure aptitude, and other objective proficiencies. The weighted criteria shall then be used by panel interviewers in scoring each candidate. Scoring shall be based on a scale of 0-100, or pass or fail. Test tools may include a review of records for reviewing for minimum qualifications, structured interviews, typing, computer skills, basic skills, job knowledge, work sample or other practical or knowledge demonstration tests deemed reliable and job-related as approved by EEO and the Human Resources Group Manager. Candidates participating in testing shall be notified of the pass/fail and/or scoring thresholds prior to taking or participating in any test.

- (1) Desirable qualifications will not be used as hurdles or knockouts, minimum qualifications or to disqualify candidates from the recruitment process. Utilizing desirable qualifications will not change the minimum education, minimum requirements, minimum qualifications, certifications, licenses of a position and shall only serve to provide a description of the work expected to be performed by the successful bidder.
- (2) Employment testing will be commensurate with job related knowledge, skills and abilities, and minimum requirements as identified in the job description. In preparing employment test and interview questions, care will be taken to ensure that the questions are consistent with the level of the position posted.

F. Panel Member:

A Panel Member is an individual participating on the formal/structured interview. Each member scores the candidates independently based on the answers to the questions. Panel member will be required to sign a conflict-of-interest form.

A Conflict-of-Interest Form is a form required to be completed by Panel Members which assists in identifying actual and/or perceived conflicts to create a more equitable, fair, and transparent recruitment process. If a panelist intentionally fails to disclose a conflict they shall not be permitted to participate on future panels. Any changes to the form will be negotiated by the parties.

G. Panel Interview:

The purpose of the panel interview is to give each candidate an equal opportunity to reveal the knowledge, skills and abilities which would enable them to perform the job. The interview consists of an evaluation of work-related experience and training.

The Panel will consist of a structured interview process with at least 3 panel members that assess a candidate's minimum qualifications. In preparing technical questions, care will be taken to ensure that the questions are consistent with the level of the position posted, as well as the minimum requirements stated in the job description, skills, abilities and/or job knowledge stated in the job description.

H. Final Hiring Interview Recommendation (FHIR):

Starting April 1, 2024, eligibility lists for future recruitments will be developed through a recruitment process as outlined in 5.2.2.

5.2.2 Recruitment Process Overview

A. Transfers:

- (1) Before an internal or open recruitment is conducted, the District will first consider employees on a Transfer List prior to a job announcement for a vacant position and follow the process described in §5.13 Transfers.
- (2) The District will post the requisition utilizing the internal recruitment process if:
 - (a) no person is on the transfer list;
 - (b) a transfer list candidate is not hired;
 - (c) or a FHIR list does not exist.

The Internal and Open recruitment processes shall follow the same guiding principles.

B. Internal:

(1) No external candidates will be invited to apply during the Filing Period.

- (2) District may run an open recruitment instead of an internal only recruitment if any of the following exceptions exist:
 - (a) there are less than three (3) internal candidates who applied;
 - (b) entry-level position which cannot reasonably flow from one family to another (e.g., AA3 to Admin Analyst, Assoc. Engineer to Engineer, etc.);
 - (c) documented evidence showing the last recruitment for that specific classification had less than three (3) applicants. In this instance, a specific classification cannot move directly to open recruitment more than 3 consecutive times;
 - (d) need for external outreach for job groups where underutilization is identified to ensure a diverse candidate pool as determined by the Office of Diversity, Equity and Inclusion and/or the Equal Employment Office. By mutual agreement, a specific list of underutilized and identified classifications will be established at least on an annual basis.
- (2) After a hire is selected by the Hiring Manager, unhired qualified candidates will remain on the FHIR and are eligible to be considered for hire for subsequent vacancies in the same classification for up to six (6) months.

(3) Open Recruitment

- (a) A job announcement will be posted as an Open Recruitment if the vacancy wasn't filled using the processes above and is subject to the Filing Period.
- (b) After a hire is selected by the Hiring Manager, unhired qualified candidates will remain on the FHIR and are eligible to be considered for hire for subsequent vacancies in the same classification for up to six (6) months

(4) FHIR List(s):

- (a) The FHIR list may be developed utilizing a specific posting that states it is building an eligibility list or through the recruitment of a vacant position.
- (b) The FHIR list will only be valid for six (6) months from the date a candidate accepts the position from the original requisition, unless there are less than three (3) candidates remaining, or it is mutually agreed upon by the parties to extend for a specific period of time.
- (c) If any FHIR list contains internal candidates, internal candidates that passed the test(s) shall be provided with 5 preferential points which is added to their cumulative score.

- (d) HR will provide the Hiring Manager with the top five ranked candidates. In the case of tie ranks, more than five candidates can be provided to the Hiring Manager.
- (e) All provided candidates must be interviewed by the Hiring Manager. A candidate must be selected by the Hiring Manager from the FHIR. Candidates not selected will return to the FHIR for future consideration. If all eligible candidates on the FHIR list elect to not be considered for a specific vacancy, Human Resources will open a new recruitment specific to the need.

For example, if there is a FHIR and all eligible candidates elect not to accept the position that is at a specific location. In this instance, HR can open a new recruitment for that specific classification and location, beginning with Transfers, then Internal per the process above, and then Open Recruitment, which would result in a new FHIR for that specific location.

(5) Internal Only Job Bid Promotion Process:

- (a) Upon staffing requisition approval by Budget and HR, a recruitment may be conducted within a specific Group, Section, Unit, or Team to fill a position in which there is no vacant position. These recruitments shall follow the same process as used for Internal Recruitments.
- (b) This is not intended to or provided to circumvent the in-family promotion process. This process will not be utilized when employees on a team or unit could reasonably promote to the position through in-family promotion.
- (c) Applications will be reviewed for minimum qualifications by Human Resources. Upon completion of the recruitment process, the Hiring Manager will complete the Final Hiring Interview Recommendation Form to notify Human Resources of their decision of which candidate to hire and HR shall notify all candidates whether they were (un)successful in the recruitment at approximately the same period.
- (d) At no time are positions/requisitions which are posted utilizing this process permitted to utilize the open or FHIR processes.

5.2.3 Job Announcement and Application Filing Process

A. Job Announcement:

Job announcements will be advertised through the District's available communication mediums, including but not limited to website, and email.

The District shall also include, at minimum, the following in all job announcements: Number of openings, open/close dates, work schedule (days/hours), Group/Section/Unit/Team, work location, bargaining unit, minimum and maximum hourly rate, teleworking options (if applicable), overview and/or summary which is reflective of job description, job duties, minimum requirements (education, experience, certifications, licenses). For each job posting, each of the job-related criteria shall be weighted in a manner deemed appropriate, fair, and equitable by the HR and EEO.

B. Filing Period:

- (1) The filing period for submitting applications will be a minimum of ten (10) working days and shall be indicated on the job announcement. When a job positing is modified to add an additional requisition, there shall be a minimum of ten (10) days remaining for the filing period and the District shall provide an updated email announcement to employees.
- (2) An employee who does not meet the qualifications for the position will be notified and provided an opportunity to submit additional information within three (3) working days.
- (3) Employees on disability or workers' compensation leave are permitted to apply for vacant positions following the same timelines and testing procedures as other applicants, provided their participation is within their medical restrictions.

C. Application:

Each employee applying for a position shall thoroughly complete an application package.

D. Exemptions:

- (1) An internal candidate shall be excluded from the recruitment and selection process if that individual:
 - (a) has a current overall Performance Evaluation rating of less than "Meets Standards;" or

- (b) has received an appealable disciplinary action in the last six (6) months; or.
- (c) Has not completed their current probationary period

5.2.4 Selection Process

A. Invitation to Test:

Qualified employees shall be notified of the time and location of a test at least three (3) business days in advance.

B. Release/Leave Time:

- (1) If requested, an employee shall be entitled to release time to participate in and commute to, a test.
- (2) Alternatively, an employee may use accumulated annual leave, personal leave, or compensatory time-off, to participate in and commute to, a test.
- (3) The employee shall give reasonable, prior notice of their supervisor. If an employee will miss work to participate in a recruitment process, the employee shall provide advanced notice of absence need for release or leave time as soon as practical.
- (6) Upon completion of all phases of the assessment process, the applicants will be ranked from highest to lowest cumulative score. Based on the testing process, a FHIR list may be established by classification and location, with candidates eligible for hire in the classification. The FHIR list will be maintained by Human Resources and shall follow the guidance above regarding FHIR lists.
- (7) Upon request by any candidate, the District shall provide the candidate with their score and ranking on the list and for internal candidates, provide a debriefing where they can receive their scores and rater feedback.
- (8) For purposes of this Section, Recurrent employees (defined as Category E employees under §Section 4.11 of the MOU) shall be permitted to apply for positions as "internal" candidates.

C. Probationary Promotion:

The intent of the probationary promotion language is to provide a probationary period for those employees who are promoted as a result of the recruitment and selection process or out-of-career progression (family) promotions. Furthermore, it is also agreed by both parties that this language does not include employees who are promoted as a result of a classification study/job audit pursuant to Section 5.3 or employees who are promoted for having already performed the higher-level duties for a significant period of time.

- (1) After each appointment, an employee shall serve a complete period of probation before appointment or probation is complete.
- (2) A District employee who has been promoted shall serve a promotional probationary period of six (6) months or 1,040 hours, whichever comes first. If an employee goes on an unpaid leave during the probationary period, the probationary period will be extended by an amount of time equal to the time on leave. If an employee fails promotional probation, they have reinstatement rights to their former classification.
- (3) Employees shall receive no less than a 2-step merit increase upon entering the probationary promotion period.
- (4) Promoted employees shall be moved into their new position within 30 calendar days after the formal offer is given by the District and accepted by the employee. Exceptions can be made only with the authorization of the HR Group Manager, or designee.
- (5) Employees who successfully complete a probationary promotion period shall receive no less than a 2-step matincrease.
- (6) An employee who transitions from a temporary to a regular promotion shall be subject to the provisions regarding probationary promotion and will be processed in the following manner. The intent of this language is to ensure that employees who receive a regular promotion while on temporary promotion are treated in the same manner as others receiving regular promotions.
 - (a) For temporary promotions lasting longer than six months, the employee will not be subject to a probationary period after receiving a regular promotion as such employee has performed the higher-level duties for a significant period of time. For temporary promotions lasting less than six months, the employee will serve

the full six-month probationary period commencing on the date the temporary promotion began. If an employee goes on an unpaid leave during the probationary period, the probationary period will be extended by an amount of time equal to the time on leave.

- (b) For those employees not subject to a probationary period, after receiving the regular promotion, the employee will receive any merit increases to which they would have been entitled had they not been on a temporary promotion. Employees will be eligible for no less than a 2- step merit increase as provided in subsection 5 above. Eligibility for the next merit increase after the employee has received all merit increases to which they would have been entitled while temporarily promoted, will be the next July 1st common evaluation date.
- (c) For those employees subject to a probationary period, upon successful probation, the employee shall be eligible for no less than a 2-step merit increase as provided for in subsection 5 above. Eligibility for the next merit increase will be the next July 1st common evaluation date, unless probation is completed during the same pay period that includes July 1st, in which case eligibility for the next merit increase will be the following July 1st common evaluation date.

This language supersedes and replaces management bulletins and other recruitment requirements listed in 3/10/2005 district response on management bulletins in the AFSCME MOU appendix.

SECTION 5.7 – NO SMOKING POLICY

- 5.7.1. The District has issued Operating Policy D-08 prohibiting smoking in any District building or District vehicle, including the use of electronic smoking devices. Smokers will be accommodated by designating smoking areas outside, and, away from building entrances and air intake
- 5.7.2-The District will encourage our smoking employees to quit by reimbursing them for the cost of an approved smoking cessation program to a maximum of \$100 per employee during the term of this contract, after successful completion of a program. The reimbursement will apply for only those employees whose medical plan under PERS does not provide coverage for such a cessation program.
- 5.7.3 The Human Resources Group shall assist any interested employees in location an approved smoking cessation program.

SECTION 5.8 – DRUG-FREE WORKPLACE

5.8.1. As provided by the Drug-Free Workplace Act of 1988, the parties declare that all locations where the District conducts business shall be considered an alcohol and drug-free workplace.

The District will comply with California legal requirements in administering its Drug and Alcohol Policy including AB 2188 (2022) and any other California legal requirements for meeting and conferring when devising and/or amending its Drug and Alcohol Policy. Therefore, the parties agree that they will complete negotiations to make changes to the MOU and the District's Alcohol and Drug Free Workplace Policy to comply with California law.

- **5.8.2.** All employees are absolutely prohibited from the following two (2) categories of activities involving alcohol, drugs, or controlled substances while in a District workplace.
 - A. Unlawfully manufacturing, distributing, dispensing, and possessing.
 - B. Reporting to work or working under the influence.
- **5.8.3.** The District will make available to employee's, information regarding:
 - A. Medical insurance benefits provided through Public Employees' Retirement System under the provisions of the Public Employees Medical and Hospital Care Act for substance abuse programs.
 - B. Community resources for assessment and treatment.
 - C. Counseling program.
 - D. Employee assistance program.
 - E. Family and Medical Leave Act/California Family Rights Act Leave as applicable.
- **5.8.4.** The parties agree that whenever appropriate, assistance toward rehabilitation will be offered to any employee with an alcohol, drug, or substance abuse problem. This policy will apply whether the employee voluntarily admits to such problem, or has violated the Alcohol and Drug Free Workplace Policy.

5.8.5. Marijuana Testing

Therefore, beginning January 1, 2024, the parties agree that any reasonable suspicion test which is performed which utilizes a non-psychoactive (urine) test, those results shall not be acted upon or used or shared in any manner for non-DOT related tests.

- A. Federal Motor Carrier Act ("FMCA") Random Drug Testing
 There shall be no change to the FMCA Random Drug Testing program unless such change is
 required by law and the District has fulfilled its legal obligation to meet and confer over such
 change.
- B. Representation

Any employee who is subject to reasonable suspicion or FMCA random drug testing is permitted to have a Union representative (without causing unreasonable delay) present for observation, filling out of paperwork, transport to testing, testing observation, discussions with MRO, results, and any other related interviews related to the test(s).

5.8.6. Discipline:

- A. Any employee who violates Section 5.8.2.A of this MOU will be subject to discipline, up to and including termination.
- B. Any employee who violates Section 5.8.2.B of this MOU for the first time will be eligible for the benefits pursuant to Section 5.8.4 above and may be subject to discipline in accordance with District disciplinary procedures.

SECTION 6.1 - RIGHT TO UNION REPRESENTATIVE

- 6.1.1. If an employee reasonably believes that a meeting with their supervisor, whether prior to that meeting, or in the course of, may result in disciplinary action against them, they may request the attendance of an AFSCME Local 1902 designated representative of their choice in the meeting. If the meeting has already commenced when the request for representation is made, the meeting shall terminate until such time that they have obtained representation. If the AFSCME Local 1902 representative is not available at the time of the meeting, the supervisor will arrange an alternative meeting as soon as possible, but at least within 5 working days.
- 6.1.2. An employee who is not the subject of an investigation, but who is being questioned or interviewed by the District as a witness shall also be permitted, upon request, to have the attendance of an AFSCME representative at such a meeting. If an AFSCME representative is not available at the time of the meeting, the District shall arrange an alternative meeting as soon as possible, but at least within 5 working days.
- 6.1.3. Only one AFSCME Local 1902 representative shall be authorized to use District time to represent an employee as provided in this Section.
- 6.1.4 The parties jointly agree to inform employees of their representation rights pursuant to this Article.

SECTION 1.1 - TRANSFERS

- 1.1.1. Employee-Initiated Lateral Transfers
- 1.1.2. An employee may request a lateral transfer to a vacant position in the same classification at the same rate of pay. Transfers can be either a different geographic location or a different workgroup.

A request for a transfer must be on record in Human Resources prior to receiving a staffing requisition for recruitment.

An employee who wishes to transfer to another position shall submit a written request via email to Human Resources for such transfer including their name, classification, and the groups/teams and worksites they wish to transfer to. The transfer list shall be kept for a period of up to two (2) years starting with a common date of July 1st on odd years.

To be eligible for such a transfer, the employee must meet the following conditions:

- A. Hold the same job classification and pay grade for a minimum of 12 months;
- B. Employee has not received an appealable disciplinary action within the previous 12 months,
- C. Is not currently on initial or promotional probation,
- D. Received a meets standards or higher performance evaluation on the most recent performance evaluation,
- A. The transfer request process will be conducted by the District prior to the initiation of an internal or concurrent or external recruitment process for a vacancy within the AFSCME Local 1902 Bargaining Unit.
- B.-Once a transfer is accepted by the employee, the employee will be transferred to the new location/team within thirty (30) calendar days.

An employee who has accepted a transfer will have a 60-day period to voluntarily return to their original team and reporting location. The 60 -day period will start on the employee's first day at the new location/team. An employee who chooses to exercise their option to return to their original team will not suffer any negative impacts or consequences nor will the return be referenced in their evaluation.

Management may return a lateral transferred employee to their previous team within the first 60-days. If the Manager returns the selected-employee, they will offer the position, to the second ranked employee on the lateral transfer list. The hiring manager Management will provide written notice to the employee and the HR Group Manager for approval prior to returning an employee to their original team/work location and shall provide written notice to the employee. Any return to their prior team will not have a negative impact upon an employee, their evaluation or status on their original team and the employee will remain on the Transfer list for another location for the duration of the list. The decision of the HR Group Manager shall be final and shall not be grievable.

An employee who voluntarily returns to their previous position within the first 960 days, will remain on the main transfer list s for other locations and teams.

After the completion of the 60 days, the transfer will be considered complete or permanent and the employees remaining on the transfer list for that specific recruitment will be returned to the main transfer list. Employees are limited to one (1) completed transfer every 12 calendar months.

1.1.3. Transfers Required by Reason of Excess Staff, Facility Closure, or Need to Reallocate Staff from One Facility to Another

A. Notice of the need for transfer required by reason of excess staff, facility closure, or need to reallocate staff from one facility to another shall be given to all applicable employees, and their respective union. Volunteers will be solicited before instituting any mandatory transfers.

B. If there are insufficient number of volunteers (as described above), and there are two or more staff members from the affected location who are equally qualified, the least senior employee (lowest service hours) at that site shall be transferred.

1.1.3. Other District-Initiated Transfers

In situations not involving transfers as described in Section 5.13.2 above, the District reserves the right to transfer individuals as may be necessary for the good of the District. However, in no instance shall a transfer be retaliatory, discriminatory, unreasonable, arbitrary, or capricious. District initiated transfers will be made with reasonable advanced notice to the Union.

The parties have reached tentative agreement on a Reopener MOU, the terms of which are outlined above. Such tentative agreement is tentative upon agreement by the Board of Directors. However, the General Manager agrees to recommend its approval to the Board. The Union likewise agrees to recommend positive ratification to its membership.

For the District:	For the Union:
Gifty J. Beets Employee Relations Officer	Man Shanahan Executive President
Date: 11/11/23	Date: 11/10/2023

BOARD MEETING November 14, 2023 – 3:00 p.m. MWD Headquarters Building/Teleconference Meeting

NON-INTEREST DISCLOSURE NOTICE COMMITTEE ITEM 8-6

BOARD ITEM 8-6 — Update on labor negotiations and approve entering into two-year extension of 2022-2024 Memorandum of Understanding between The Metropolitan Water District of Southern California and The American Federation of State, County and Municipal Employees, Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with Labor Negotiators; to be heard in closed session pursuant to Gov. Code 54957.6. Metropolitan representatives: Katano Kasaine, Assistant General Manager, Chief Financial Officer and Gifty J. Beets, Human Resources Section Manager of Labor Relations. Employee organization: The American Federation of State, County and Municipal Employees, Association of The Metropolitan Water District of Southern California/AFSCME Local 1902]

This Non-Interest Disclosure Notice is being provided under the California Government Code: Pursuant to Government Code Section 1091.5(a)(9), a District officer or employee does not have a financial interest in a District contract if these conditions are satisfied: (i) his or her interest is that of a person receiving a salary, per diem or reimbursement for expenses from a government entity; (ii) the contract does not directly involve the department of the government entity that employs him or her; and (iii) the interest is disclosed to his or her body or board at the time the contract is considered and is noted in its official record. In accordance with this statute, the following District officers or employees have been, or may be, involved in the bargaining unit negotiations on behalf of management:

Adel Hagekhalil, Marcia Scully, Katano Kasaine, Heather Beatty, Shane Chapman, Deven Upadhyay, Mark Brower, Gifty Beets, Henry Torres, Tony Zepeda, Gonzalo Barriga Jr., Adam Benson, Carmondy Breaux-Burns and Isamar Munoz Marroquin.

Heather Beatty, Carmondy Breaux-Burns and Isamar Munoz Marroquin are members of the Association of Confidential Employees ("ACE"), which have a salary provision in its Memorandum of Understanding that allows ACE to select an annual salary adjustment from any one of the Memoranda of Understanding for the other bargaining units. Each of the remaining individuals is unrepresented. Under Administrative Code Section 6500(d), unless the Board directs otherwise, the pay rate range for each unrepresented individual except Adel Hagekhalil and Marcia Scully, will be adjusted annually to correspond with the annual across-the-board salary adjustment provided to the District's management employees under the Memoranda of Understanding; although actual pay rates for these unrepresented individuals will be determined by their management. The other compensation and benefits for which the unrepresented individuals are eligible are set forth in the Administrative Code.



Board of Directors Finance, Audit, Insurance, and Real Property Committee

11/14/2023 Board Meeting

8-7

Subject

Adopt the 2023 Long-Range Finance Plan Needs Assessment; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The enclosed 2023 Long-Range Finance Plan Needs Assessment (LRFP-NA) document (**Attachment 1**) is the first phase of a two-phase process to provide the Board with a finance plan for funding new capital investments through 2045. The first phase of the development process—the LRFP-NA—will outline the estimated total capital investment requirements and estimated overall water rate increases associated with four demand and supply scenarios taken from the 2020 Integrated Resources Plan-Needs Assessment (2020 IRP-NA). The LRFP-NA will serve as a financial management tool in the next phase of long-range finance planning. The second phase will result in the production of a final Long-Range Finance Plan (LRFP) document that will provide a tailored financial analysis based on board feedback on the LRFP-NA and the Board's approval of specific capital project portfolios through the Climate Adaptation Master Plan for Water (CAMP4W) process. The next iteration of the LRFP is expected to be completed in fiscal year 2024/25. Thereafter, it is expected that the LRFP will be updated every six years (assuming the development work and analysis for each document update would commence in year five). For the current LRFP update, Finance staff will continue to participate in and provide input to the CAMP4W process, which will provide inputs to Phase 2 of the LRFP. This letter requests adoption by the Board of the document that constitutes the first phase of this process, the LRFP-NA.

Details

Background

In late 2022, Metropolitan staff initiated a process to develop an LRFP-NA that would provide a financial management tool to evaluate options for capital investments to meet Metropolitan's water supply and demand requirements over the next ten years. The LRFP process has long been used by Metropolitan to help guide board decisions on financial management. The current LRFP process is the sixth update to the first LRFP that was completed in December 1986, with subsequent updates completed in 1987, 1988, 1995, 1999, and 2004. It was through the LRFP process that many key financial policies on reserves, water rates, and debt policies, that are in use today, were first developed.

The current LRFP is a two-phased, multi-year process. The LRFP-NA, several prior drafts of which have been provided to the Board and discussed in multiple meetings, is included in this board letter. The LRFP-NA outlines key considerations that could assist the Board in determining capital financing options and their related impact on water rates, initially analyzed over the next ten years but later expanded through 2045. The framework for these options were built around four scenarios used to characterize different outcomes for water supply stability and demand requirements. These four scenarios were developed in the 2020 IRP-NA), adopted by the Board in April 2022. The LRFP-NA will continue this discussion by providing financial estimates of the 2020 IRP-NA's scenarios' related water rate impacts to meet each scenario's water supply and demand parameters. The LRFP-NA also provides detailed descriptions of a range of debt, grants, and other options for funding capital investment projects. A key factor underlying the LRFP-NA framework is the impact of climate change. A key guideline for this critical issue is the CAMP4W process, developed out of the February 2023 board retreat to address critical policy issues driven by climate change.

The second phase of the LRFP process will commence upon the adoption of LRFP-NA by the Board through the currently proposed action and the ongoing CAMP4W process. The second phase is expected to be completed sometime in fiscal year 2024/25. The ultimate LRFP document will incorporate input from the Board and member agencies, reflecting a more refined financial analysis for the funding and timing of specific capital projects.

Metropolitan Board Direction

Given the preliminary findings results of the LRFP-NA and as the Board continues to engage in the CAMP4W planning process, Metropolitan staff seeks board feedback on three important questions topics that are critical to the undertaking of Phase 2 of the LRFP:

- In the CAMP4W process, Individual project data will be collected and analyzed pursuant to a host of evaluative criteria related to the five foundational themes: reliability, resilience, financial sustainability, affordability, and equity. How does the Board wish to prioritize financial metrics at the project and portfolio levels?
- Assuming there could be multiple alternative CAMP4W portfolio configurations of projects and programs to meet the estimated resource needs in IRP D, what are the potential alternative portfolio preferences that staff might consider?
- What alternative financing approaches interest the Board either singularly or in combination to address funding of future capital investments?

These questions are posed for discussion purposes and to seek guidance for staff based on the Board discussion. By adopting the LRFP-NA document, as proposed in this letter, the Board is not adopting any specific policy or approach resulting from the discussion. Staff may make ministerial and editorial updates to this document for the final published version of the LRFP-NA report. No additional edits will change the substance of the document submitted for board adoption. Finance staff will continue to participate in and provide input to the ongoing CAMP4W process. At the conclusion of CAMP4W's process of developing alternative portfolios of projects and programs, Finance Staff will commence with the development of Phase 2 of the LRFP, and the Board will then consider approval of that document.

Policy

Metropolitan Water District Act Section 123: Borrowing, Limitation

Metropolitan Water District Act Section 124: Taxes, Levy and Limitation

Metropolitan Water District Act Section 124.5: Ad valorem Tax Limitation

Metropolitan Water District Act Section 125.5: Guidelines for Intended Use of Unreserved Fund Balances

Metropolitan Water District Act Section 130: General Powers to Provide Water Services

Metropolitan Water District Act Section 133: Fixing of Water Rates

Metropolitan Water District Act Section 134: Adequacy of Water Rates; Uniformity of Rates

Metropolitan Water District Administrative Code Section 4201: Mission Statement

Metropolitan Water District Administrative Code Section 5109: Capital Financing

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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).)

8-7

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the 2023 Long-Range Finance Plan Needs Assessment

Fiscal Impact: No fiscal impact

Business Analysis: Provides an important foundation and context for future decisions through the CAMP4W process impacting Metropolitan's financial sustainability

Option #2

Do not Adopt the 2023 Long-Range Finance Plan Needs Assessment

Fiscal Impact: No fiscal impact

Business Analysis: Without adoption of the LRFP-NA, the Board will not have a foundation for discussions

in Phase 2 of the LRFP through the CAMP4W process.

Staff Recommendation

Option #1

Katano Kasaine

Assistant General Manager/

sam

Chief Financial Officer

Adel Hagekhalil

General Manager

11/9/2023

Date

Date

Attachment 1 – 2023 Long-Range Finance Plan Needs Assessment

Ref# cfo12700542





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Executive Summary.

Objectives

Metropolitan's Long-Range Finance Plan (LRFP) will be a multi-year, multi-phased development process to address Metropolitan's new capital investments over the next decade. The initial phase of the LRFP process – the 2023 LRFP Needs Assessment (LRFP-NA) -- started in late 2022 and is designed to (1) provide high-level financial analysis of rate impacts under various resource development scenarios, (2) discuss the primary capital funding and financing methods Metropolitan has at its disposal, (3) introduce potential financial tools that could become components of a tailored financial strategy, and (4) catalogue Metropolitan's key policies related to the capital markets. Addressing these elements, the LRFP-NA seeks to encourage policy discussion among the Metropolitan Board of Directors, resulting in the co-development of the final LRFP document to be produced at the conclusion of phase two. The LRFP-NA builds on the 2020 IRP Needs Assessment and is consistent with the goals and objectives of the Climate Adaptation Master Plan for Water (CAMP4W) planning process. A key purpose of the LRFP-NA is to inform the CAMP4W process and assist the board in its strategic decision making for critical issues of reliability, resiliency, financial sustainability, affordability and equity. The next iteration of the LRFP document – expected to come in 2025 – will integrate specific capital projects and outline the funding and financing strategies based on board input, including its policy goals and objectives.

As discussed in detail in this report, the 2020 IRP Needs Assessment outlined four plausible scenarios¹, each with varying levels of required resource development. The IRP scenarios reflect a matrix of (1) low and high demands; and (2) reduced and stable imported supply. LRFP-NA forecasts the average annual rate increases needed to meet the resource development requirements of each scenario. IRP Scenario D – a climate-stressed alternative – is characterized by high demand for water amid reduced imported water supply. Specifically, Scenario D reflects severe climate change impacts, high regulatory impacts, and strong regional economic and population growth. This scenario requires the most significant resource development for Metropolitan to reach 100 percent reliability to meet projected member agency demands. This scenario shows that core supply would need to increase by as much as 300,000 acre-feet (AF), or 300 thousand acre-feet (TAF) beyond Metropolitan's existing resource portfolio of supplies by 2035. This amount increases to as much as 650 TAF depending on the amount of developed storage capacity.

Note throughout this document, the conventions for referencing the four scenarios are used interchangeably: IRP A, B, C, D and Scenario A, B, C, D.

Key Considerations

Staff initiated the LRFP-NA with a measured approach by asking some foundational questions. These questions not only helped guide the analysis, but also framed the outline of the LRFP-NA document:

- What are the rate impacts and how much does it cost to provide 100 percent reliability (i.e., meet member agency water resource demands fully) under a heavily stressed climate and demand scenario?
- Can Metropolitan address the core supply needs in Scenario D solely through conservation?
- What bond financing options are available and what is Metropolitan's debt capacity to finance the projected capital investments?
- What are the key considerations for federal and/or state grant funding?
- What other financing tools or structures can Metropolitan explore to address Scenario D capital investments while balancing the varying needs of its member agencies?

Rate Impacts for Various Scenarios

In addressing these questions, staff analyzed the cost impacts of the resource development necessary to close the reliability gap as outlined in the 2020 IRP. As a comparative metric of cost, LRFP-NA uses the average annual rate² increase needed to meet the resource development requirements under the scenarios presented in the 2020 IRP Needs Assessment. Several key takeaways resulted from this analysis and are summarized below. A more detailed analysis is included in the "Financial Forecast" and "Extended Forecast" sections of this report.

To facilitate comparisons of the four IRP scenarios, staff first evaluated the annual rate impacts over the financial forecast period assuming that reliability targets would be achieved through core supply development only, without any additional storage. This initial approach shows the range of average annual rate impacts across the scenarios evaluated in the 2020 IRP on a commensurate basis. The average annual rate increases range from a low of 5.6 percent to a high of 8.4 percent per year, depending on the IRP scenario through 2032 (the 2032 forecast period) as shown in Figure 1. For the period through 2045 (the 2045 forecast period), the average annual rate increases range from a low of 4.1 percent to a high of 5.9 percent per year, also shown in Figure 1.

Figure 1: Estimated Rate Increases Under IRP Scenarios for Core Supply Only

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IRP Scenario	IRP A	IRP B	IRP C	IRP D
Core Supply Development through 2032	0 TAF	50 TAF	15 TAF	300 TAF
Average Annual Rate Increase through 2032	6.2%	5.6%	5.6%	8.4%
Core Supply Development through 2045	0 TAF	100 TAF	50 TAF	650 TAF
Average Annual Rate Increase through 2045	4.7%	4.1%	4.4%	5.9%

²Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water.

Taking the IRP D scenario as an example, 8.4 percent can be interpreted as the average annual rate increase needed through 2032 or 5.9 percent through 2045 to fund the maximum needed resource development to avoid net shortages given the scenario of low imports and high demands on Metropolitan.

Next, staff evaluated the effect of including additional storage in the resource mix with a focus on Scenario D. Again, Scenario D has the most significant resource development requirements and corresponding financial impact. The average annual rate increases for Scenario D with different levels of storage development are shown in Figure 2. Adding 250 TAF of storage reduces the need for additional core supplies from 300 TAF to 200 TAF. This combination reduces the overall annual rate impact from 8.4 percent to 7.1 percent for the period through 2032. Interestingly, adding storage above this level through 2032 does not further reduce the need for core supplies and does result in a higher overall rate increase. However, for the period through 2045 doubling storage from 250 TAF to 500 TAF reduces the need for core supplies by 50 TAF and marginally lowers the average annual rate increase by 0.1 percent. Based on the three levels of storage development identified in the IRP, the most cost-effective supply and storage mix to meet the needs identified in Scenario D over the 2032 forecast period is developing 250 TAF of additional storage, and for the 2045 forecast period it is developing 500 TAF of additional storage; however, for the ease of comparison, both storage options for the extended forecast period through 2045 is considered.³

Figure 2: IRP Scenario D Annual Rate Increase Sensitivity of Storage

Storage	0 TAF Storage	250 TAF	500 TAF		
IRP D through 2032	300 TAF Core Supply	200 TAF Core Supply	200 TAF Core Supply		
Average Annual Rate Increase through 2032	8.4%	7.1%	7.4%		
IRP D through 2045	650 TAF Core Supply	550 TAF Core Supply	500 TAF Core Supply		
Average Annual Rate Increase through 2045	5.9%	5.6%	5.5%		

 $^{^{3}}$ The modeled supply and storage over the LRFP-NA forecast period are shown in Figure 10.

A Look at Risk:

Rate Impacts & Shortages

Resource development decisions – regardless of the portfolio chosen – come with inherent risks and tradeoffs. One of the key risks facing Metropolitan is that demand conditions could deviate substantially from the capacity created by the selected development portfolio over the near- and long-term. If demand is lower than forecast, it could result in higher rates. If demand is higher than forecast, it could result in water shortages. Any resource development portfolio needs to balance the risk of financially untenable rate increases against the overarching goals of reliability. To quantify the impacts of these risks, staff analyzed the rate impacts and net shortages caused by different demand levels on the IRP scenarios.

For example, assume that Metropolitan plans and develops resources to meet the demands in IRP D, but that projected demand does not materialize. Instead, assume what occurs is demands as projected in IRP A. In this sensitivity analysis, the overdevelopment of core supply and storage to meet the unrealized projected demand in IRP D would result in substantially higher rates. The overall annual rate increase under this framework increases from 7.1 percent to 10.9 percent over the forecast period through 2032 and from 5.6 percent to 8.1 percent through 2045, assuming development of 250 TAF of storage.

Conversely, if Metropolitan plans to meet the conditions outlined in IRP A (no new resource development), but experiences the demands of IRP D, Metropolitan could experience shortages of up to 300 TAF from 8 percent to 14 percent of the time through 2032. For the forecast period through 2045, Metropolitan could experience maximum shortages of up to 1.2 MAF from 0 percent to 66 percent of the time.

One of the most important environmental challenges is the need to increase the efficiency of water use in the agricultural, urban and industrial sectors. As shown in the LRFP-NA, new core

supply is increasingly expensive to develop and comes with financial risks. Increasing the efficient use of water through conservation can reduce the need to develop new supplies. However, meeting future water needs through conservation alone may be cost-prohibitive when compared to the hybrid strategy of using conservation, core supply, and storage.

Currently, there is insufficient data on the availability and price of the marginal effectiveness of expanding conservation programs. Further study is needed to identify the available capacity and price elasticity of conservation. Conservation programs require front-loaded expenditures for future water savings realized over the lifetime of the investment (e.g., turf replacement has an estimated 30-year water savings horizon). Consequently, this results in very high upfront expenditures to realize the projected savings target of IRP D. Based on the cost of current conservation programs, escalated to adjust for price elasticity, staff estimates that 300 TAF of conservation by 2032 would require annual conservation expenditures more than \$1.1 billion per year. Metropolitan also analyzed the rate impacts under a scenario that assumed mandatory conservation, where conservation would be no cost to Metropolitan and would be sufficient to eliminate any potential water shortage. While this scenario represents the lowest average rate increase for Metropolitan (5.4% for 2025-2032 forecast period and 4.2% for 2025-2045 forecast period), it also poses challenges and costs that are not embedded in Metropolitan's rates. In fact, the potential challenges and costs would be shouldered by the member agencies and their customers, as well as the overall regional economy.

For this reason, while conservation is an effective tool to manage demand, it should be evaluated as a part of a multi-pronged approach to solving projected gaps between available supplies and member agency demands.

Metropolitan is currently in the planning phase of several projects that will be considered by the board for approval over the next several years. Despite the timing of these decisions, Figure 3 below shows the estimated scale of capital investments needed to achieve 100 percent reliability by 2032 and 2045. This estimate uses the IRP D scenario with two alternative levels of assumed storage – 250 TAF and 500 TAF of storage capacity. Using a set of assumptions based on recent projects, Metropolitan converted the unit rates from the analysis above into estimated capital and 0&M costs. Taking the derived capital financing unit rate and multiplying by a resource development target results in an annual financing cost, which can then be incorporated into an estimated total project cost calculation.

Figure 3: Estimated Capital Investment for IRP D Scenario

	Resource	Development	Estimated Capital Investment
Forecast Period	Core Supply (TAF)	Storage Capacity (TAF) ⁴	(billions in 2023\$)
Thru 2032	200	250	\$5.5 - \$6.0
Thru 2045	550	250	\$14.6 - \$15.3
Thru 2045	500	500	\$14.0 - \$15.3

To be 100 percent reliable by 2032 under the IRP D scenario with the lowest average annual overall rate increases (7.1 percent), Metropolitan's preliminary estimate is that \$5.5 billion to \$6.0 billion of capital investment (in 2023 dollars) could be needed by 2032 to achieve that objective. Extended out to 2045, the projected required capital investment would increase (in 2023 dollars) to a range of \$14.0 billion to \$15.3 billion depending on the amount of storage capacity. These figures, however, should be considered a high-level estimate, as numerous factors can affect the overall cost of a project. Additional distribution infrastructure, economies of scale, inflation, environmental and regulatory compliance, and treatment technology will impact the ultimate cost of a project.

Metropolitan will face some significant challenges to complete multiple capital projects at such a large scale. In terms of construction timeline, IRP D scenario would require core supply development in excess of the Pure Water of Southern California (PWSC) project by 2032. In fact, IRP D scenario requires 1.3x more new supply in 2032 than the estimated PWSC supply output – a substantial increase. Tentatively, phase 1 of the PWSC would produce 115 million gallons per day. Moreover, Metropolitan must consider potential constraints on its ability to bond finance its capital infrastructure through its revenue bond authority, which is discussed in more detail later in this report and is summarized below.

Metropolitan's Bond Program Debt Capacity

Metropolitan has maintained a highly rated and successful bond program over its history to meet its capital financing needs. To achieve this distinction, Metropolitan has:

- Adopted prudent debt policies and comprehensive financial best practices
- Issued a variety of debt instruments to lower its cost of capital
- Balanced the prioritization of key financial metrics consistently in each biennial budget
- Managed its relationship proactively with the rating agencies and bond investors

⁴Refer to Figure 10 for supply and storage development requirements by year.

Staff currently estimates that Metropolitan has a range of revenue bond debt capacity between \$3.6 billion and \$5.1 billion over the next 10 years. This range assumes that Metropolitan's debt service coverage target would not fall below 1.50x, has an average water transaction projection of 1.5 MAF per year and complies with relevant statutory, administrative and contractual covenant requirements. With an estimate of \$5.5 billion to \$6.0 billion in capital needs under IRP scenario D and an assumption of 40 percent PAYGO, this results in a debt financing need of \$3.3 to \$3.6 billion. Based on staff's preliminary analysis of debt capacity, there is barely sufficient revenue bond debt capacity to accommodate this new projected capital financing need (in accordance with the delineated assumptions). Still, the funding of costs associated with refurbishment and replacement of Metropolitan's existing facilities and conveyance system need to be considered. In addition, there is the potential for projected capital cost estimates to push the upper limits of Metropolitan's debt capacity, not to mention the exposure risk to member agency demands (i.e., water sales) not occurring as projected. This would negatively impact net operating revenues and potentially debt service coverage. Although Metropolitan may be able to finance these capital needs by maximizing its revenue bond capacity, this may not be the only or most advisable approach.

A different story concerning debt capacity emerges, however, when looking at the longer forecasted timeline through 2045 for IRP D. As Metropolitan's existing outstanding debt is paid down, additional debt capacity is made available for new capital infrastructure investment. That said, it is important to note that it is difficult to project Metropolitan's Net Position. Hence, in lieu of considering this projected result as revenue bond capacity, it is more conservative to reference this result as improved cashflow leverage. For IRP D (250 TAF Storage), we estimate that Metropolitan could realize up to \$15.9 billion of cashflow leverage capacity at the board's 2.00x debt service coverage target. Depending on Metropolitan's future Net Position in its balance sheet, the components of the cashflow leverage may vary but most likely would include a mix of potential debt instruments.

Metropolitan has broad authority to issue debt authorized for special purpose districts under state statute. While there are some constraints in the Metropolitan Act regarding the issuance of revenue bonds, and tax-exempt financing of capital, Metropolitan can otherwise employ a broad array of financing tools and structures. Metropolitan's Administrative Code contains some constraints regarding revenue bonds issuance, which the board may revisit so long as all legal and contractual restrictions are met. As an alternative funding method to revenue bond financing, a general obligation or special tax bond to fund certain new capital or program investments could be considered; however, Metropolitan would need to obtain voter authorization. This bond debt service expense would be paid from a new ad valorem property tax levied on all secured and unsecured taxable property in the service area. Approval by a two-third majority of voters in the district is required to issue general obligation bonds (and special purpose taxes), which is a challenging threshold to achieve. In September 2023, the California legislature approved Assembly Constitutional Amendment 1 (ACA 1), which attempts to modify this requirement in the California Constitution by lowering the voter approval threshold for any subsequently proposed public infrastructure or affordable housing bond to 55 percent. ACA 1 will be placed on the November 2024 ballot for California voters to consider.

Another financing tool available to Metropolitan is the use of Joint Powers Authority (JPA) structures to effectuate the capital financing and operations of new projects for new services. The JPA could include partnerships between Metropolitan and its own member agencies or third parties. Each JPA member would be able to determine their level of participation in each project financed. Moreover, each would have the flexibility to determine the source of funding that supports its obligations, including operations and maintenance costs and debt service expenses.

Exploring Federal & State Funding Opportunities

Historically, Metropolitan has developed its capital infrastructure predominantly through its own revenues and financing tools. Given the significant investment required to address the impacts of climate change on top of the existing requirements to maintain Metropolitan's core system infrastructure, it is critical for Metropolitan to explore opportunities for funding from federal and state grant and loan programs. Several opportunities are available under existing federal legislation, as well as state priorities to address climate change impacts on various capital infrastructure including water-related projects. Metropolitan's new grants team in the Sustainability, Resilience and Innovation (SRI) office will provide a coordinated approach to analyzing, helping secure and complying with grant funding requirements. Another promising opportunity for Metropolitan's capital financing program is a Water Infrastructure Finance and Innovation Act (WIFIA) loan managed by the U.S. Environmental Protection Agency (EPA). WIFIA can provide loan funding up to 49 percent of Eligible Project Costs at competitively low rates, currently around 4 percent. While WIFIA loans have mostly been used for specific projects, there are opportunities to fund qualifying expenditures for a combination of eligible projects through a Master Loan Agreement with EPA. Based on the maximum estimate of capital infrastructure needs in IRP D scenario (\$15.3 billion), a WIFIA loan, could provide up to \$7.5 billion in loan authorization, depending upon the project(s) submitted, qualifying eligibility under the WIFIA program and availability of program funds. Finally, staff is exploring new approaches and/or opportunities to advocate for tools that could enable Metropolitan to save on the cost of its infrastructure investments.

Metropolitan Board Direction

Given the preliminary findings of the LRFP-NA and as the board continues to engage in the CAMP4W planning process, Metropolitan staff seeks board feedback on three important topics that are critical to the undertaking of Phase 2 of the Long Range Finance Plan:

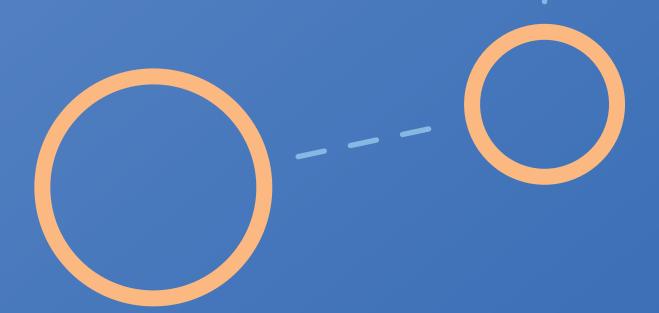
- In the CAMP4W process, Individual project data will be collected and analyzed pursuant to a host of
 evaluative criteria related to the five foundational themes: reliability, resilience, financial sustainability,
 affordability and equity. How does the board wish to prioritize financial metrics at the project and portfolio
 levels?
- Assuming there could be multiple alternative CAMP4W portfolio configurations of projects and programs to
 meet the estimated resource needs in IRP D, what are the potential alternative portfolio preferences that staff
 might consider?
- What alternative financing approaches interest the board either singularly or in combination to address funding of future capital investments?

The findings of the LRFP-NA financial analysis are dependent on the assumed unit costs for each resource. Although Metropolitan exercised care in selecting appropriate references on which to base the unit costs, it is anticipated that when Phase 2 of the LRFP concludes, there will be differences between project-specific unit costs and those modeled here in LRFP-NA. During the second phase of the LRFP, staff will provide a refined financial forecast that considers the board's approved resource development portfolio(s) that emerges from the CAMP4W process.

⁵ See Appendix G for Eligible Project Costs and other key program considerations for the use of WIFIA funds.



Introduction: The Long-Range Finance Process.





In late 2022 Metropolitan staff initiated a process to develop a long-range Finance Plan (LRFP) that provides a comprehensive roadmap for Metropolitan's financial management and decision-making over a 10-year horizon. The LRFP serves as a strategic tool that guides Metropolitan's financial activities and ensures its long-term financial sustainability under changing hydrologic conditions throughout the Southern California region. Specifically, the LRFP will assist in evaluating the financial impact of future Capital Improvement Plan (CIP) funding needs over a horizon that is longer than the two-year budget cycle, but that is consistent with the term of the 10-Year Financial Forecast that Metropolitan currently provides and updates biennially as part of its budget document. To meet regional water demands amid uncertain supply conditions, Metropolitan must continue investing in the development of local supply, greater conservation and increased storage. Population growth, coupled with new development and aging infrastructure, also drives Metropolitan's need for additional resource development.

This process represents the sixth iteration of Metropolitan's LRFP, which was originally completed in December 1986 and updated in 1987, 1988, 1995, 1999 and 2004. Since the first LRFP was adopted, numerous financial policies and recommendations have been implemented, which include:

- · Creation of the Water Rate Stabilization Fund
- Establishment of water standby and availability of service charges
- Broader authority to invest funds in Metropolitan's investment portfolio, including the recent establishment of an endowment portfolio that facilitates a tailored investment strategy for trust funds managed by the District
- Creation of the Pay-As-You-Go (PAYGO) Fund and development of the PAYGO policy including a CIP funding strategy for bond-funded and cash-funded projects
- Established a variable rate debt management program
- Created the Water Transfer Fund
- · Implemented a working capital reserve policy
- Refined the Water Rate Stabilization Fund reserve target balances

The LRFP is a key component of Metropolitan's planning efforts as it develops the framework for addressing future CIP funding strategies and assessing the impact of various capital investments on Metropolitan's finances. This LRFP includes financial projections based on key assumptions that assess the funding feasibility of resource development alternatives under varying hydrologic conditions. Importantly, the LRFP will also identify challenges, opportunities, and strategies to help align Metropolitan's resource and financial planning objectives.

Metropolitan will consider several major investment decisions in the coming years including Pure Water Southern California, the Delta Conveyance Project, Sites Reservoir, and the Drought Action/Project portfolio. Acute cost pressures also have emerged for the CIP including inflation, supply-chain delays, facility upgrades from Metropolitan employee desert housing to energy systems, refurbishments of aging infrastructure, pipeline replacement, and cybersecurity. These investment decisions will be made in phases across different timelines. Metropolitan's investment needs, particularly for water resources and financing, underscore how water supply reliability and financial sustainability must be considered holistically and simultaneously.

The current LRFP process requires the coordination of departments within Metropolitan involved in the scoping and planning of CIP projects, water storage and supply needs assessment, financial rate setting, and debt management. As such, the LRFP is an ongoing process, requiring periodic updates as Metropolitan evaluates key investments.





Since 1996, Metropolitan's principal water resources planning document has been the Integrated Water Resources Plan (IRP). Metropolitan's first IRP was developed as a long-term blueprint for water resources and capital investments for the Southern California region over a 25-year planning cycle. The purpose of the IRP then, and now, is to develop a portfolio of investments that help to meet the water supply reliability and water quality needs for the region in a cost-effective and environmentally sound manner. The latest iteration of the IRP was developed in two phases. The first phase – the 2020 IRP Needs Assessment (the "2020 IRP-NA) – was completed in April 2022.

At its February 2023 retreat, the Metropolitan Board of Directors commenced a master planning process to set a long-term vision for Metropolitan that would address critical policy issues driven by climate change. This planning process – known as the Climate Adaptation Master Plan for Water (CAMP4W) – seeks to evaluate Metropolitan's resource development objectives through a climate adaptation lens. The policy issues addressed through the CAMP4W process concern the future role of Metropolitan, its water resources portfolio, projected supply and demand gaps under alternative scenarios, new investments for supply reliability and resilience, a business model that promotes financial sustainability and a workforce required to realize this vision. As the board engages on climate adaptation policy issues, all potential solutions deserve consideration.

Input from Metropolitan's 26 member agencies is a critical element of the long-term planning process. Metropolitan's investments to strengthen regional water supplies and storage affect the decisions made by member agencies to invest in their own local supplies. Conversely, capital investments for water supply by member agencies impact Metropolitan's resource planning decisions. Along with coordination within Metropolitan in our planning process, it is important to garner input from Metropolitan's member agencies given their unique economic and demographic makeup. Each has different levels of financial capacity, as expressed by different levels of rate capacity to support new resource investments.

Relatedly, although all of Metropolitan's member agencies rely on the constant availability of Metropolitan's service, they each have varying levels of projected water demands provided by Metropolitan. While this distinction might be driven by an intentional policy choice for some, other member agencies might face inherent constraints in maximizing local supplies, such as groundwater accessibility. These diverse needs challenge Metropolitan to find a range of solutions.

As Metropolitan engages in this complex policy discussion with its member agencies, having a common understanding of key terms is paramount. The key themes in this process include Reliability, Resiliency, Financial Sustainability, Affordability and Equity, and are defined as:

- Reliability How can Metropolitan meet the water demands of member agencies to ensure availability of water in the service area when needed?
- Resiliency How can Metropolitan withstand and recover from a variety of potential service disruptions?
- Financial Sustainability How can Metropolitan generate sufficient revenues to cover projected expenditures in both the short and long-term? In addition, financial sustainability addresses the maintenance of sufficient reserves and debt service coverage to support Metropolitan's creditworthiness and access to the capital markets through bond financing at low borrowing costs.
- Affordability Does the relative cost burden of Metropolitan's current and projected capital investments
 impact member agencies' ability to pay for service. For context, additional consideration of affordability
 impacts on member agencies' end user customers will be explored?
- **Equity** How does Metropolitan pursue a fair, just and inclusive approach to its cost and revenue structure as well as access to water, funding and programs by its customers?

Sound planning is the foundation of the board's ability to assess where it has been and where it is going. Metropolitan's biennial budgets, capital improvement plans, and 10-year financial forecasts have addressed the costs and funding associated with needed capital and program investments as well as ongoing operations and maintenance. The uncertainty and volatility of climate change impacts have made both water resources and financial planning more challenging — favoring investments that increase operational flexibility, emergency preparedness, and a climate-resilient water supply. Establishing evaluative criteria to compare these investments is a clear and present challenge to be addressed in the CAMP4W process. Planning amid uncertain circumstances, with eyes on both current and future needs, requires that Metropolitan's vision of its water and financial futures be synchronized. Now is an important time to ensure that the District's vital planning processes are in alignment so that collectively, Metropolitan has a sound master plan going forward.

With this goal in mind, one of Metropolitan's key planning processes will be the Long-Range Finance Plan. At the conclusion of a multi-year process, the re-establishment of Metropolitan's Long-Range Finance Plan ultimately will provide a broader scope and analytical framework than provided in the 10-year Financial Forecast. All the components of the 10-Year Financial Forecast will be captured in the contemplated two phases of the LRFP further discussed below. A key distinction between the current 10-Year Financial Forecast and the current LRFP update is the incorporation of multiple scenarios impacting demand/sales and the required mix of resource needs, which will be of critical importance in addressing the shift in analytical approach in the 2020 IRP-NA driven in large part by the increasing impacts of climate change.

A Multi-Phased Approach

The current update of the LRFP will be delivered in two phases. Metropolitan has utilized multi-phased approaches to planning efforts in the past, including the most recent 2020 IRP-NA update. In fact, a three-phased approach was contemplated in 2007 for the last proposed LRFP update process, although ultimately not pursued.

Phase 1: 2023 LRFP Needs Assessment

- High level estimation of the projected financial impact of costs for each scenario
- Frame the cost of new resource needs by utilizing a range of unit cost assumptions
- Utilize existing CIP and IRP scenarios to calculate the average rate increases necessary for core supplies at different assumed levels of developed storage
- Explore opportunities to fund and/or finance new supplies or resource needs
- Identify Key Capital Financing and Financial Policy Considerations
- Elicit Board feedback to inform capacity constraints for CIP projects within the next biennial budget and future LRFP phases
- Frame the issues of affordability, including Metropolitan's impact on underserved/disadvantaged communities

Long-Range Finance Plan Needs Assessment

LRFP-NA establishes a top-down, high-level framing of financial considerations for Metropolitan, using the alternative scenarios developed in the 2020 IRP-NA. In this phase, Metropolitan will analyze rate increases required under various scenarios developed in the 2020 IRP-NA. Since the 2020 IRP-NA considers the maintenance of existing supply and storage programs, the unmet needs under alternative scenarios reflect the required investment beyond Metropolitan's current resource portfolio.

LRFP-NA reflects the shift to scenario-based planning in our financial analysis. LRFP-NA will also provide the board with information on the range of rate increases resulting from the alternative scenarios developed in the 2020 IRP-NA. The LRFP-NA will help to frame the issues of financial sustainability and affordability as discussed in the CAMP4W process, looking at topics related to Metropolitan's enterprise-level credit assessment, such as cashflow sufficiency, operational liquidity,

net position and unrestricted reserves. Moreover, it also discusses debt management factors, including debt issuance authority, debt policies, credit ratings, debt coverage and debt capacity.

Given the complementary planning activities that have taken place concurrently with the development of LRFP-NA, coordination across numerous departments was critical. The working group began preparing the strategy for LRFP-NA in late 2022 and has actively participated in and provided input into the concurrent and ongoing CAMP4W process.

Feedback from the board, member agencies and key stakeholders is a key part of the LRFP-NA process in order to reach a successful outcome. To ensure an interactive process, Metropolitan staff developed an engagement strategy utilizing board workshops, surveys and working group meetings with member agency managers.

Phase 2: 2025 LRFP

- Refine financial feasibility analysis of resulting portfolio of projects and programs based on feedback from Phase 1, the CAMP4W process and available detailed project cost information
- · Tailor financing strategy for required capital infrastructure
- Financial feasibility would include projected metric outputs:
- Rate increases
- Debt service coverage
- Liquidity and Reserve Requirement impact(s)
- Debt to equity considerations
- Credit rating impact(s)
- Comprehensive debt policies

Long-Range Finance Plan Document

The final LRFP document development will commence upon completion of LRFP-NA and the CAMP4W process. Staff anticipates concluding the current LRFP update sometime in FY 2024/25. Thereafter, it is expected that the LRFP will be next updated every 6 years. The 2025 LRFP will integrate specific capital projects and recommended funding strategies through a feedback loop with internal Metropolitan planning teams.

Currently, Metropolitan's CIP and water supply portfolio needs are influenced by a variety of key factors including drought and climate change, asset age and useful life, as well as technology enhancements and functional improvements. As a result, Metropolitan's future CIP and water supply needs could include a range of potential investments, such as Pure Water Southern California, Sites Reservoir, and the Bay Delta Conveyance Project, among others. These potential investments are in addition to the refurbishment and replacement of Metropolitan's core system to ensure the viability of existing facilities and operations. The CAMP4W process might also consider revamping Metropolitan's Local Resource Program (LRP) so that Metropolitan may be a co-developer, rather than a limited "funding partner" in local supply projects as dictated by current program parameters.

Phase 2 of the LRFP will analyze the availability and use of other local, State and Federal funds to identify an optimal mix of funding options and strategies for Metropolitan's future CIP. These plans will then be stress-tested across a variety of "what-if" scenarios to measure their resiliency to economic and hydrologic shocks.

The 2025 LRFP will provide the 20-year financial impact and cost of delivering Metropolitan's key CIP projects and initiatives identified in the CAMP4W. The 2025 LRFP will provide more refined analysis related to specific project funding and phasing as well as incorporating board feedback provided through the LRFP-NA and the CAMP4W planning process. Upon completion of the 2025 LRFP, Metropolitan will have developed a tailored financial roadmap to address Metropolitan's future CIP needs and will address the full breadth of elements typically found in a long-range finance plan, focused on strategic implementation. The 2025 LRFP document will incorporate a framework for decision-making and resource allocation within Metropolitan that will be developed within CAMP4W. It will reflect Metropolitan's prioritized investments, allocate financial resources to various projects and programs, and assess the financial implications of different courses of action. The 2025 LRFP document will support and reflect informed decision-making by considering the financial impact and trade-offs associated with different options.

Supporting Documents & Planning Processes

Biennial Budget and Ten-Year Financial Forecast

Metropolitan adopts two-year budgets. Our budget, rates, and charges reflect a careful balance between generating revenues to invest in the region's water future and managing rates through steady, modest increases that reflect the cost of service after offsetting revenues from property taxes, interest income and other miscellaneous revenues.

The Adopted Budget for FY 2022/23 and FY 2023/24 occurred at a challenging time for Metropolitan and its member agencies as it faced a drought emergency due to a consecutive, historically-low State Water Project (SWP) allocation, had just emerged from a global pandemic, and was confronted by high inflation. Considering these circumstances, the adopted budget struck a balance between investing in reliable water resources for Southern California while managing rates to address rising operational costs and reduced revenues due to lower water sales and severe drought. Nevertheless, the Adopted Biennial Budget invested in various projects and programs so that Metropolitan could be more resilient to climate change and drought. Moreover, the Adopted Budget set the stage for a transitional shift in Metropolitan's planning processes. The goal is to shape Metropolitan's capital investments in core supplies – optimized by the development of strategic storage capacity, refine, our business model, and enhance our long-term system resiliency.

The appropriations in the Adopted Budget are summarized below:

Figure 4: FY 2022/23 and FY 2023/24

Operating and Capital Appropriations, \$ Millions

Adopted Budget	FY 2022/23	FY 2023/24	Total Biennium
Operating Budget	\$1,495.7	\$1,589.4	\$3,085.1
Debt Service	288.0	301.0	589.0
Capital Investments*	356.4	364.0	720.4
Grand Total	\$2,140.1	\$2,254.4	\$4,394.5

^{*}Capital Investments include debt financed Supply and Conservation Programs.

The Adopted Biennial Budget also establishes the foundation for a ten—year financial forecast of water transactions, expenditures, revenues, projected rate increases and financial indicators. Incorporating a ten—year forecast within the biennial budget process helps ensure the long-range Finance Plan is continuously updated every two years to reflect any changes in underlying assumptions and/or financial policies.

The near-term budget measures taken to reduce overall rate increases in the biennium have pushed forecasted rates higher in CYs 2025 through 2029, increasing 7 percent for one year before lowering to 6 percent for an additional four years. Among other factors, the increase in rates in the outer years is attributed to the addition of preliminary costs for PWSC. These increases also reflect the assumption that Metropolitan will begin increasing the level of PAYGO funding in FY 2024/25, as initially planned for FY 2022/23, to improve debt coverage ratios in the long term. The use of operating revenue funding for the CIP will result in lower revenue requirements than would otherwise be needed in later years of the forecast, as the use of operating revenues to fund the CIP will reduce the need for new money bond issues. Starting in CY 2030 annual rate increases are expected to be 5 percent for the remainder of the 10-year forecast period. Increasing PAYGO funding and maintaining the ad valorem tax rate at its current level throughout the ten-year period will mitigate increases in future water rates and charges.

Key financial indicators of the Ten-Year Financial Forecast are summarized in Figure 5.

Figure 5: Projected Rate Increases, Reserves, and Financial Indicators

Key Metrics in the 10-Year Financial Forecast												
Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Overall Rate Inc.	3.0%	4.0%	5.0%	5.0%	7.0%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%
Water Transactions, MAF**	1.52	1.60	1.59	1.54	1.54	1.51	1.53	1.53	1.54	1.55	1.55	1.57
Rev. Bond Cvg	2.0	1.6	1.5	1.4	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.8
Fixed Chg Cvg	2.0	1.6	1.5	1.4	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7
PAYGO, \$M	110	135	135	135	175	175	175	175	200	200	200	200

2026

2027

2028

2029

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2031

2032

2021

2022

2023

2024

2025

Integrated Water Resources Plan

The IRP is Metropolitan's principal water resources planning document. Metropolitan, its member agencies and their customers, as well as groundwater basin managers developed Metropolitan's first IRP as a long-term planning blueprint for resources and capital investments over a 25-year planning cycle. Historically, the end product of the IRP was the development of a portfolio of preferred resources to meet the water supply reliability and water quality needs for the region in a cost-effective and environmentally sound manner. The first IRP was adopted by the board in January 1996 and has been subsequently updated approximately every five years (i.e., in 2004, 2010 and 2015). Work on Metropolitan's 2020 IRP-NA commenced in February 2020 and is ongoing.

Metropolitan's last IRP update (2015 IRP Update) was adopted by the board on January 12, 2016 as a strategy to set goals and a framework for water resources development. The strategy reflected in the 2015 IRP Update was aimed at providing regional reliability through 2040 by stabilizing Metropolitan's traditional imported water supplies and continuing to develop additional conservation programs and local resources, with an increased emphasis on regional collaboration. It also advanced long-term planning for potential future contingency resources, such as potable reuse, storm water capture and seawater desalination.

^{*} includes Revenue Remainder and Water Rate Stabilization Fund

^{**} includes water sales, exchanges, and wheeling

The 2015 IRP Update specifically identified goals, approaches and regional targets for water resource development needed to ensure reliability under planned conditions through the year 2040, focusing on the following primary resource areas: (1) State Water Project, (2) Colorado River Aqueduct, (3) water transfers and exchanges; (4) water conservation, and (5) local water supplies. It provides an adaptive management approach to address future uncertainty, including climate change. Adaptive water management, as opposed to a rigid set of planned actions over future decades, is designed to be a systematic process for improving management policies and practices by learning from the outcomes of implemented management strategies. An adaptive management approach began to evolve with Metropolitan's first IRP in 1996, after drought-related shortages in 1991 prompted a rethinking of Southern California's long-term water strategy. Reliance on imported supplies to meet future water needs has decreased steadily over time, replaced by plans for local actions to meet new demands. The 2015 IRP Update continues a diversified portfolio approach to water management. The 2015 IRP Update remains in effect until the adoption of the next update based on the 2020 IRP Regional Needs Assessment.

In February 2020, Metropolitan initiated a new process for the development of the 2020 IRP-NA. The year 2020 marked the conclusion of the 25-year planning cycle envisioned by the original 1996 IRP. The development of the 2020 IRP-NA utilizing this new process is ongoing and has been expanded into CAMP4W. This approach builds upon Metropolitan's adaptive management strategy by using a scenario planning approach. Under this approach, Metropolitan anticipates ranges for how much water Southern California can expect from its imported and local supplies, as well as regional water demands, across four plausible scenarios through 2045.

The first phase of this process, the Regional Needs Assessment is complete. The Regional Needs Assessment analyzed potential gaps between the expected supplies and the forecasted demands across the four IRP scenarios. The Regional Needs Assessment presents key technical findings and examines the effectiveness of generalized portfolio categories. It also frames and guides the establishment of more specific targets to maintain reliability over the planning period and informs Metropolitan's board on resource investment decisions as well as funding mechanism. Considering the future uncertainties inherent in long-term resource planning, including uncertainties about climate change and regulatory requirements, as well as Southern California's population and economy, this scenario-based planning approach better prepares the region for a wider range of potential outcomes by identifying solutions and policies across a variety of possible future conditions. This strategy is designed to enable Metropolitan and its member agencies to manage future challenges and changes in California's water conditions and to balance investments with water reliability benefits.

The board adopted the 2020 IRP Regional Needs Assessment Report in April 2022. The findings fall within five key focus areas: SWP Dependent Areas, Storage, Retail Demand/Demand Management, Metropolitan Imported Supplies, and Local Supply. Adopting the Regional Needs Assessment allows the analysis and findings to serve as both a foundation and guardrail for the implementation phase.

Climate Adaptation Master Plan for Water

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The next phase of water resource planning will expand the intended IRP implementation into a more comprehensive process under CAMP4W, as introduced above. CAMP4W will integrate water resource, climate resilience and financial planning into a cohesive strategy and approach. Metropolitan will take the results and findings of the Regional Needs Assessment into a collaborative process to identify integrated regional solutions. Using a One Water⁶ approach, the implementation phase will translate the high-level portfolio analysis from the first phase into specific policies, programs, and projects to address the findings and mitigate the potential shortages. A comprehensive adaptive management strategy and set of evaluation criteria will be developed to guide these specific actions. Criteria will be developed through a climate lens, ensuring that climate resilience and water supply reliability are the primary focus areas. The adaptive management strategy will also establish a process for monitoring key reliability indicators to support decision-making.

Considering the acceleration of climate impacts and the cascading effects of simultaneous and serial climate

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events, Metropolitan initiated the CAMP4W to more explicitly assess and incorporate climate vulnerabilities and risks into its resource planning.

Specific projects identified by Metropolitan in connection with the implementation of the CAMP4W are subject to board consideration and approval, as well as environmental and regulatory documentation and compliance. Until adoption of the CAMP4W outcomes, the 2015 IRP Update remains in place to guide the staff and board in furthering the reliability goals for the region.

Metropolitan's Resource Portfolio Approach

In the 2007 Integrated Area Study (IAS), Metropolitan introduced the concept of a preferred mix of portfolio projects at the regional and local level for optimized resource planning. Metropolitan and its member agencies developed a process for evaluating project portfolios capable of meeting facility needs identified for several planning regions.⁷ These portfolios were evaluated relative to five planning objectives: (1) minimize costs; (2) improve water quality; (3) improve reliability; (4) increase adaptability; and (5) minimize implementation risk.

The 2020 IRP-NA uses a similar portfolio approach to resource planning, however, unlike the 2007 IAS, specific projects are not evaluated for inclusion in the portfolio. Instead, assumptions were made in the Needs Assessment about the yield of specific categories from a resource perspective. The three regional categories include: core supply, flex supply, and storage. The portfolio analyses tested how the supply-demand gap in each IRP scenario might be met using a single supply type (i.e., core, storage, or flex). As discussed above, Metropolitan analyzed diversified portfolios that use a mix of resources to meet the projected supply-demand gaps under different socio-demographic and hydrologic conditions.

Despite the omission of specific projects in the resource planning and hence financial planning phase 1 analysis, there are still valuable insights that can help Metropolitan and its member agencies' boards in their decision-making processes:

- 1. Metropolitan's resource planning approach starts with the identification of key goals and objectives of reliability to meet member agency demands.
- 2. With respect to risk tolerance, Metropolitan's resource planning considers the resiliency of Metropolitan's supplies and system performance under stressed conditions of climate change.
- 3. A diversified mix of supply resources has been considered and continues to serve as a defensive strategy of risk to Metropolitan's ability to meet its resource goals and objectives.
- 4. The 2020 IRP-NA Assessment analyzes the appropriate asset allocation by identifying the resource needs in three primary categories (core, flex and storage).

Financial Forecast.

Scope & Objective

A key consideration in development of an informed and broadly-supported resource portfolio strategy is an analysis of the costs related to alternative investment options. Financial forecasts help policymakers understand the longer-term effects of near-term financial decisions and broad strategic direction. A high-level, financial forecast can assist in the planning, decision-making process and development of a framework for evaluating the effectiveness and financial viability of various capital investment scenarios.

The purpose of the LRFP-NA is to evaluate the rate impacts and/or alternative funding requirements of different resource development scenarios as identified in the 2020 IRP-NA. The LRFP-NA provides a range of potential rate outcomes that could result from implementing various resource development portfolios. The LRFP-NA is a high-level forecasting approach that provides insights into the balance between water supply reliability and average annual overall rate increases to assist the board in selecting a resource development portfolio.

As discussed earlier in this report, the ultimate LRFP document development will follow the completion of the CAMP4W process once specific resource development projects are selected. The 2025 LRFP will provide a more detailed assessment for specific projects and portfolios of projects that have been identified to meet board-approved reliability objectives. After specific projects have been chosen for analysis, a more refined rate analysis can be performed that considers project financing, cost recovery methodology, and reserve requirements. Moreover, the full scope of the LRFP will be developed to address the breadth of considerations typically found in a long-range planning document.

Summary of the LRFP-NA Analysis

- Under the four scenarios presented within the IRP that are utilized within the LRFP-NA analysis, Core supply needs increase by as much as 300,000 AF through 2032.
- As identified in the IRP Needs Assessment, new storage capacity needs above 250,000 AF did not provide
 any material resource benefit within the LRFP-NA modeling period, hence scenarios with 250,000 AF of new
 storage capacity resulted in the lowest average rate increases.
- The cost of meeting these core supply and new storage needs is estimated to range between \$5.5 billion and \$6.0 billion.
- Meeting future demand with conservation alone may be cost-prohibitive when compared to a hybrid strategy using conservation, new supply, and storage.

Key Assumptions in the LRFP-NA

Modeling Period

The LRFP-NA modeling period starts with calendar year 2023/24 and 2024/25 adopted rates and projects from 2025 to 2032. Because of the inherent uncertainty in projecting financial conditions, public agencies and water utilities commonly use 5- or 10-year financial forecasts. Beyond a 10-year horizon, financial forecasts, at best, give broad indications of future trends, but, at worst, mislead or give a false sense of certainty of what the future holds. The intent of the LRFP-NA modeling is to estimate average annual overall rate increases over the 10-year forecast period and provide an indication of the long-term trajectory of rates. The existing 10-Year Financial Forecast, which is part of the Adopted Budget, extends to 2032 and provides a reference point for analyzing the rate impacts of the modeled scenarios.

Average-Cost Increase Approach

For this report, Metropolitan's forecasting methodology equates resource development costs to changes in overall rates (i.e., the rates on a unit basis). As a matter of policy, rates are developed to recover Metropolitan's projected budgeted costs after offsetting property taxes, interest income, and miscellaneous income. Over time it is anticipated that, on a percentage basis, average cost increases are equal to average overall rate increases. However, in any given year, fluctuations in costs and water transactions (sales, exchanges, and wheeling) require the use of or result in the addition to Metropolitan's unrestricted reserves. For the purposes of this modeling analysis, staff assumed that costs are recovered exactly as anticipated, allowing the model to focus on the impacts of resource development costs without introducing additional variation from reserves, debt coverage considerations, and other items that would be incorporated into a full cost-of-service and rate design analysis. Like all financial models, this approach is a simplification, but nonetheless provides insights into the potential overall rate impacts from various resource development scenarios in the IRP.

The modeling in the LRFP-NA follows a five-step process to estimate average annual overall rate increases from implementing different resource development portfolios:

- 1. Created baseline forecast: A baseline forecast, including all of Metropolitan's costs, was created by starting with the adopted FY 2022/23 and 2023/24 Budget and 10-Year Financial Forecast and removing the assumed Pure Water Southern California (PWSC) costs to obtain a baseline without any additional resource development costs. The 10-Year Financial Forecast included approximately \$3.7 billion of debt-funded capital investment for PWSC through 2031/32.
- 2. Identified resource development targets: The IRP included resource development targets for each of the four core scenarios that are described in detail later in this report.
- 3. Estimated resource unit costs: Drawing on a survey of recent projects and studies, resource unit costs on a dollar per acre foot basis were estimated, including both operations and maintenance (O&M) and capital financing costs (debt).
- 4. Calculated annual development costs: For each year of the LRFP-NA modeling period (2025-2032), the resource development targets (Step 2) were multiplied by the estimated resource unit costs (Step 3) to arrive at the sum cost to be added to the baseline forecast each year. Additionally, variable costs, such as power, supply programs, and chemical treatment, were estimated based on the supply and demands of each IRP scenario.
- 5. Calculated average rate increases: Adding the incremental resource development costs to each year, average annual overall rate increases from 2025 through 2032 were calculated for each modeled scenario.

In practice, capital projects, including resource development projects, are constructed over a multi-year period and typically are financed primarily through debt. As a project is constructed, Metropolitan periodically issues debt to pay for project costs, steadily increasing Metropolitan's annual debt financing costs and overall revenue requirement over the life of the project. In response, Metropolitan raises rates annually to pay for the new financing costs and ensure debt coverage targets are being met or exceeded. The result is a gradual increase in rates over the project construction period, holding all else equal. Because specific resource projects are not yet identified for board consideration, specific project timelines and financing structures cannot be forecast. The financial model assumes that resources can be developed incrementally to meet the 2032 targets identified in Step 2 above and paid for annually on a unit basis, replicating the cost and rate progression seen under actual capital projects.

In addition to resource development costs, the financial model projects variable costs, such as power and variable treatment, based on the supply and demands of each IRP scenario. This includes forecasts for treated demand and State Water Project (SWP) and Colorado River Aqueduct (CRA) supplies for each year in the modeling period. The variable treatment costs were calculated for each IRP scenario using the cost (\$/AF) from the FY 2022/23 and 2023/24 budget forecast and the quantity of treated demand forecasted in the IRP. Similarly, using assumptions from the adopted budget and SWP and CRA flow data from the IRP, Metropolitan's variable cost model (VCM) calculates the variable power costs, such as SWP contract power and CRA power expenses, for each IRP scenario. The VCM also forecasts the corresponding power sales revenues for each IRP scenario. The LRFP-NA model combines the variable costs and other fixed costs in the baseline forecast, in addition to the projected resource development costs to calculate the total revenue requirements for the modeling period.

Base Cost Assumptions Common to All Scenarios

As noted above, the baseline forecast was created by taking the Adopted Budget and 10-Year Financial Forecast and removing the assumed PWSC project costs. The baseline, therefore, does not include any additional resource development but does include ongoing funding for conservation, local resource projects, capital refurbishment and replacement, and various operating assumptions about cost inflation rates, interest rates, and power and treatment unit costs. Per the 10-Year Financial Forecast, \$300 million of annual CIP funding is included in the base cost assumptions for all LRFP-NA scenarios, escalating at 3% annually over the forecast period. The CIP funding largely reflects the deferral of facility expansion projects and focuses on necessary refurbishment and replacement of aging infrastructure and compliance with regulatory requirements. The resource development costs presented in the LRFP-NA analysis are in addition to the baseline CIP funding from the 10-Year Financial Forecast. Additionally, the baseline costs include \$30.5 million of annual funding for residential, commercial, and outdoor conservation programs, and conservation messaging. The conservation development scenario presented later in this report would add funding in addition to the baseline amount of \$30.5 million. Highlighted in Figure 6 below are key assumptions in the baseline forecast that are common to all scenarios later presented in this analysis. More details can be found in the Adopted Budget and 10-Year Financial Forecast found on Metropolitan's website (Biennial Budget), including detailed information on all costs and assumptions. While clearly current market conditions have changed, this analysis intentionally maintained certain assumptions to enable a fair comparison to the 10-Year Financial Forecast results shared with the board.

Figure 6: Base Cost Assumptions

Input Assumption	Values
Interest on Investments	1.00% - 1.50%
Interest Rate – Fixed Bonds	3.00% - 3.50%
Annual Conservation Funding	\$30.5 million
Average Annual LRP Funding	\$66.0 million
Annual Salaries and Benefits Escalation Rate	5.0%
Annual General O&M Inflationary Increases	3.0%
Annual CIP Funding	\$300 million
Annual CIP Funding Escalation Rate	3.0%
Average Annual Increase in Marginal CRA Variable Power Cost	4.0%
Annual Variable Treatment Cost Escalation	3.0%

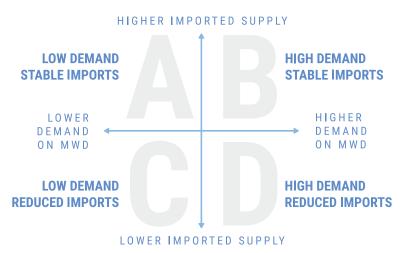
2020 IRP Needs Assessment

Resource Development Targets

The IRP serves as Metropolitan's long-term, comprehensive water resources strategy to provide the region with a reliable water supply. The 2020 IRP-NA incorporated scenario planning to address wide-ranging uncertainties rather than focusing on a single scenario as in past updates. In collaboration with the member agencies, the board, and other interested parties, Metropolitan broadened its perspective by constructing and modeling four plausible scenarios.

Figure 7 shows the four scenarios used to characterize different outcomes of imported supply stability and demand on Metropolitan. Key drivers of change such as climate, regulatory requirements, and the economy are uncertain and may exert significant effects on both water supply and demands. These and other drivers of change were identified through a collaborative process involving member agencies, expert consultants, research by staff, and the input of other interested parties. The impacts of these drivers within each scenario were quantified using in-house models.

Figure 7: IRP Framework



- Scenario A Low Demand/Stable Imports: Gradual climate change impacts, low regulatory impacts, and slow economic growth.
- Scenario B High Demand/Stable Imports: Gradual climate change impacts, low regulatory impacts, high economic growth.
- Scenario C Low Demand/Reduced Imports: Severe climate change impacts, high regulatory impacts, slow economic growth.
- Scenario D High Demand/Reduced Imports: Severe climate change impacts, high regulatory impacts, and high economic growth.

Metropolitan found the possibility of shortage in three of the four scenarios (B, C, and D), after exhausting available and accessible supplies. Only in a future with low demands and stable imported supplies – as reflected in IRP A – would Southern California avoid shortage without additional water supply and system reliability investments. The technical results of the IRP analysis were based on two analytical processes: (1) Reliability assessment to define and quantify potential "gaps" for each scenario; and, (2) Portfolio analyses to quantify

high-level actions that would be needed to achieve reliability in each scenario. The portfolio analysis explored the effectiveness of three supply categories -- core, storage, and flexible -- to reduce or eliminate gaps.

- Core supplies are resource management actions that augment supply or reduce Metropolitan demand and remain available each year.
- Storage supplies reflect the capacity to save water supply to meet future demands.
- Flexible (Flex) supplies are implemented as needed and include savings from deliberate efforts to change water use behavior

The portfolio analyses tested how the supply-demand gap in each IRP scenario might be met using a single supply type (i.e., core, storage, or flex). In addition, Metropolitan analyzed diversified portfolios that use a mix of resources to meet the supply-demand gaps. The outcome of this analysis is a matrix of portfolios that identify annual development targets for each IRP scenario for three different levels of storage development. These portfolios were input into the forecasting model as resource development targets. It is important to note that flex supply, although a useful tool in practice, accounts for a minimal amount of supply in the resource portfolios. Figures 8, 9 and 10 below outline the resource portfolios for IRP scenarios B, C, and D, respectively. As a note, under IRP A scenario all supply-demand gaps can be managed through existing resources, and therefore additional resource development is not considered for Scenario A. It is important to note that in quantifying the gaps identified in the 2020 IRP-NA scenarios, local resource development of Metropolitan's member agencies was taken into account.

Figure 8: IRP B Resource Development Targets (AF)

	New Stora	age: None	New Storage: 250,000 AF*		New Storage:	500,000 AF*
Year	Core	Storage	Core	Storage	Core	Storage
2025	50,000	-	30,000	22,727	30,000	45,455
2026	50,000	-	30,000	45,455	30,000	90,909
2027	50,000	-	30,000	68,182	30,000	136,364
2028	50,000	-	30,000	90,909	30,000	181,818
2029	50,000	-	30,000	113,636	30,000	227,273
2030	50,000	-	30,000	136,364	30,000	272,727
2031	50,000	-	30,000	159,091	30,000	318,182
2032	50,000	-	30,000	181,818	30,000	363,636
2033	50,000	-	30,000	204,545	30,000	409,091
2034	50,000	-	30,000	227,273	30,000	454,545
2035	50,000	-	30,000	250,000	30,000	500,000
2036	80,000	-	30,000	250,000	30,000	500,000
2037	80,000	-	30,000	250,000	30,000	500,000
2038	80,000	-	30,000	250,000	30,000	500,000
2039	80,000	-	30,000	250,000	30,000	500,000
2040	80,000	-	30,000	250,000	30,000	500,000
2041	100,000	-	30,000	250,000	30,000	500,000
2042	100,000	-	30,000	250,000	30,000	500,000
2043	100,000	-	30,000	250,000	30,000	500,000
2044	100,000	-	30,000	250,000	30,000	500,000
2045	100,000	-	30,000	250,000	30,000	500,000

Figure 9: IRP C Resource Development Targets (AF)

	New Stora	age: None	New Storage: 250,000 AF		New Storage:	500,000 AF
Year	Core	Storage	Core	Storage	Core	Storage
2025	15,000	-	15,000	22,727	15,000	45,455
2026	15,000	-	15,000	45,455	15,000	90,909
2027	15,000	-	15,000	68,182	15,000	136,364
2028	15,000	-	15,000	90,909	15,000	181,818
2029	15,000	-	15,000	113,636	15,000	227,273
2030	15,000	-	15,000	136,364	15,000	272,727
2031	15,000	-	15,000	159,091	15,000	318,182
2032	15,000	-	15,000	181,818	15,000	363,636
2033	15,000	-	15,000	204,545	15,000	409,091
2034	15,000	-	15,000	227,273	15,000	454,545
2035	15,000	-	15,000	250,000	15,000	500,000
2036	40,000	-	15,000	250,000	15,000	500,000
2037	40,000	-	15,000	250,000	15,000	500,000
2038	40,000	-	15,000	250,000	15,000	500,000
2039	40,000	-	15,000	250,000	15,000	500,000
2040	40,000	-	15,000	250,000	15,000	500,000
2041	50,000	-	15,000	250,000	15,000	500,000
2042	50,000	-	15,000	250,000	15,000	500,000
2043	50,000	-	15,000	250,000	15,000	500,000
2044	50,000	-	15,000	250,000	15,000	500,000
2045	50,000	-	15,000	250,000	15,000	500,000

Figure 10: IRP D Resource Development Targets (AF)

	New Stora	age: None	New Storage: 250,000 AF		New Storage:	500,000 AF
Year	Core	Storage	Core	Storage	Core	Storage
2025	100,000	-	100,000	22,727	100,000	45,455
2026	150,000	-	150,000	45,455	150,000	90,909
2027	150,000	-	150,000	68,182	150,000	136,364
2028	150,000	-	150,000	90,909	150,000	181,818
2029	150,000	-	150,000	113,636	150,000	227,273
2030	150,000	-	150,000	136,364	150,000	272,727
2031	300,000	-	200,000	159,091	200,000	318,182
2032	300,000	-	200,000	181,818	200,000	363,636
2033	300,000	-	200,000	204,545	200,000	409,091
2034	300,000	-	200,000	227,273	200,000	454,545
2035	300,000	-	200,000	250,000	200,000	500,000
2036	450,000	-	400,000	250,000	400,000	500,000
2037	450,000	-	400,000	250,000	400,000	500,000
2038	450,000	-	400,000	250,000	400,000	500,000
2039	450,000	-	400,000	250,000	400,000	500,000
2040	450,000	-	400,000	250,000	400,000	500,000
2041	650,000	-	550,000	250,000	500,000	500,000
2042	650,000	-	550,000	250,000	500,000	500,000
2043	650,000	-	550,000	250,000	500,000	500,000
2044	650,000	-	550,000	250,000	500,000	500,000
2045	650,000	-	550,000	250,000	500,000	500,000

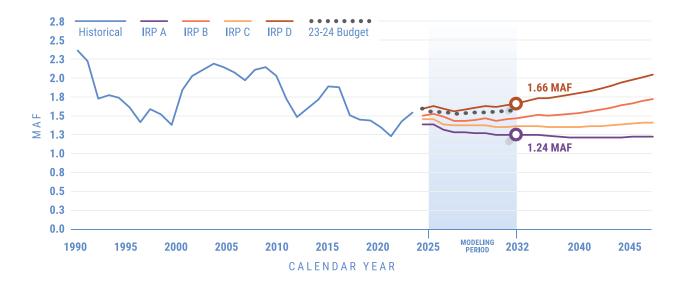
New storage is assumed to come online in 2035. In all financial scenarios, a 2032 resource development target for storage was prorated on a linear scale starting in 2025. Therefore, the 2032 storage targets of 181,818 AF and 363,636 AF reflect 8 years of linear progress towards the 2035 targets of 250,000 AF and 500,000 AF, respectively. Similarly, the LRFP model assumes linear development of new core supply to meet the 2032 resource development targets. Taking IRP D as an example, under the option that contemplates adding 250,000 AF of new storage capacity, the LRFP model assumes linear development of new core supply to meet the resource development target of 200,000 AF by 2032, new storage capacity to meet the resource development target of 181,818 AF by 2032, and 255 AF of flex supply in 2025. As noted above, flex supply has negligible impact on the financial analysis; nevertheless, the information is included for transparency.

Net Demand Projections

Imported water from Metropolitan provides a resource supply source for its 26 member agencies. For some, their primary sources of water are local. Water purchased from Metropolitan is used to meet the gap between local supplies and their retail demands. Alternatively, some member agencies rely on Metropolitan for their primary source of water supply, and purchase water from Metropolitan to meet all or most of their demands. In aggregate, these purchases constitute the total demands on Metropolitan.

Demands on Metropolitan are calculated using Metropolitan's water Sales Model (Sales Model), which accounts for weather-related variations to retail demands and local supplies. This model produces a range of forecasted demands as shown in Figure 11. For comparison, the net water demands on Metropolitan from the Adopted Biennial Budget are also plotted in Figure 11.

Figure 11: Projected Net Demands on Metropolitan



The 2020 IRP-NA quantified the range of plausible future water needs for the region through a detailed projection of demographic growth, conservation, local supply production, and the resultant need for imported water. Additionally, Metropolitan engaged with climate experts to develop techniques to incorporate climate change impacts to local precipitation within the Sales Model's existing 96 hydrologic sequence methodology. These modifications increased the frequency and intensity of dry years and decreased the frequency of wet years (but increased their intensity) while maintaining a similar long-term average precipitation.

The LRFP model makes certain assumptions about average costs to effectuate the technical modeling and determine the rate impacts of resource development. Figure 11 above illustrates the historical demands on Metropolitan that have a wide range of variability. These fluctuations are managed primarily through the prudent build-up and use of Metropolitan's unrestricted reserves. However, in the LRFP model, demands are anticipated to occur exactly as projected, allowing the LRFP to focus on the rate impacts from resource development and not changes in reserves.

Resource Development Costs

In step 3 of the forecasting process, Metropolitan estimated annual unit costs for each of the supply resources – core, storage, and flex – as well as structural conservation. Because specific IRP resource portfolios have not yet been approved by the board, staff is unable to use project-specific information to calculate unit costs. Instead, staff relied on data from recently completed or studied projects to a develop a range of potential unit costs for each resource need, including both O&M and capital financing costs. The model was developed assuming the unit costs shown in Figure 12.

Figure 12: Modeled Unit Costs

Resource	Unit Cost Range from Sources	Modeled Unit Cost
Core Supply	\$2,815/AF - \$3,266/AF	\$3,000/AF
Storage	\$269/AF - \$325/AF	\$300/AF
Flex Supply	\$400/AF - \$605/AF	\$600/AF

The modeled unit costs are priced in 2023 dollars and were escalated at a rate of 3 percent for future years. The modeled unit costs encompass O&M and capital financing costs.

Core Supply

The unit cost sources for core supply are based on three Southern California projects:

- Carlsbad Desalination Plant (50 million gallons daily (MGD)): \$2,975/AF8
- Santa Barbara Desalination Plant (3 MGD): \$3,126/AF⁹
- Ventura Water Pure (4.8 MGD): \$3,266/AF¹⁰

Desalination and recycling projects are representative of a new core supply that is developed in-region, operates continuously, and reflects the higher marginal price of investing in new conveyance and advanced treatment facilities.

Flex Supply

The unit cost sources for flex supply are based on Metropolitan's current supply programs and recent transfer transactions. Minimal quantities of flex supplies are required on average for each of the IRP scenarios. As such flex supplies do not significantly impact the modeling results.

Storage Supply

The unit cost sources for storage are based on Metropolitan's cost for construction of Diamond Valley Lake and preliminary results of an in-region storage study. The storage unit cost is based on built capacity, not a calculation of anticipated yield. As such, \$300/AF can be interpretated as the annual financing and O&M cost per acre foot of built capacity of new storage.

⁸ https://www.sdcwa.org/wp-content/uploads/2020/11/desal-carlsbad-fs.pdf

City of Santa Barbara. (2022, October 20). Recycled Water Market Assessment. City of Santa Barbara. City of Santa Barbara (santabarbaraca.gov)
 Unit cost of Ventura Water Pure was estimated by Metropolitan staff assuming \$206 million in total capital costs, \$6.7 million in annual O&M costs, and \$18.2 million in grants, with the remaining capital costs funded from the EPA's WIFIA loan program at a rate of 2.5% for a 30-year term. Sources: 2019-Ventura-Water-Supply-Projects-Final-EIR (civicplus.com); 3069 (ca.gov). Prices were escalated to 2023 dollars from 2019 with 3% escalator.

Modeled Scenarios & Results

After selecting unit costs for each of the resources, step 4 of the modeling process calculates the annual additional resource development costs to be added to the baseline forecast by multiplying the annual development target by the modeled unit cost. The result is a forecast that gradually increases both reliability and costs over time as Metropolitan makes progress towards its development targets.

Step 5, the final step of the modeling process, is an analysis of various resource portfolios and the resulting average rate impacts. Metropolitan analyzed four portfolios based on the core IRP scenarios and iterated those scenarios across three storage options – no new storage, 250 TAF, and 500 TAF of new storage capacity. As noted earlier in the report, new storage resources are assumed to come online in 2035 and are modeled as though storage can be developed in equal annual increments to meet the targets of 250 TAF or 500 TAF in 2035. For naming convenience, this report refers to different scenarios by the total new storage capacity but with the understanding that the rate increases are based on the prorated 2032 storage targets of 182 TAF or 364 TAF. Six core scenarios were forecasted and analyzed for rate impacts. A sensitivity analysis also was performed to understand the rate impacts from over development of resources. The seven scenarios analyzed by staff are summarized in Figure 13.

Figure 13: Comparison of Modeled Scenarios

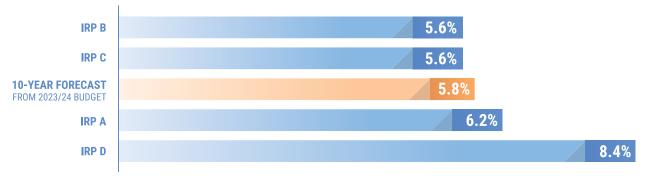
#	Scenario Short Descriptions	IRP Scenario	Import Reliability	Demands	2035 Core Supply Target (AF)	2045 Storage Target (AF)	2032 Storage Target (AF)
1	IRP A, No Storage	Α	High	Low (1.24 MAF ¹¹)	N/A	N/A	N/A
2	IRP B, No Storage	В	High	High (1.46 MAF)	50,000	-	-
3	IRP C, No Storage	С	Low	Low (1.35 MAF)	15,000	-	-
4	IRP D, No Storage	D	Low	High (1.66 MAF)	300,000	-	-
5	IRP D, 250 TAF Storage	D	Low	High (1.66 MAF)	200,000	250,000	181,818
6	IRP D, 500 TAF Storage	D	Low	High (1.66 MAF)	200,000	500,000	363,636
7	IRP D w/ IRP A Demand	D	Low	Low (1.24 MAF)	200,000	250,000	181,818

¹¹ MAF = Million acre feet

Average Annual Overall Rate Impacts of Core IRP Scenarios - No Storage Option

The first set of scenarios modeled were the base IRP scenarios (A, B, C, and D) with no additional storage development. These are identified as Scenarios 1, 2, 3, and 4 in Figure 14. Under these scenarios, the financial forecast assumes that any anticipated shortages are completely met with only core supply development. As a point of reference, Figure 14 includes the average annual increase on Metropolitan's overall rate from the Fiscal Year 2022/23 and 2023/24 10-Year Financial Forecast.

Figure 14: Average Annual Overall Rate Increases of Core IRP Scenarios - No Storage Option (2025-2032)*



*Member Agency rate impacts might be substantially higher than the overall rate increase as a result of the Cost of Service allocation and cost recovery approach taken for each project. For example, if a project only impacts the supply function, then the rate increase for full-service water would increase more and the rate increase on the SDCWA exchange deliveries would be less.

The average overall rate increases range from 5.6 percent to 8.4 percent per year, depending on the IRP scenario. Taking the IRP D scenario as an example, 8.4 percent can be interpreted as the average annual increase on the overall rate needed through 2032 to be on track to achieve 100 percent supply reliability given low import reliability and high demands on Metropolitan. An outcome of note is that IRP A, which requires no additional investment in resources to meet projected demands, has a higher rate increase than the adopted budget forecast and IRP scenarios B and C. Even though IRP A has lower total costs, demands are also lower, causing the average unit rate to increase overall. IRP D has the highest likelihood and magnitude of shortage in future years, and the most significant resource development targets to meet projected shortages.

Average Annual Rate Impacts of IRP D Scenario - Multiple Storage Options

To drill down further into how Metropolitan may meet the projected shortages under IRP D scenario, average rate impacts were calculated for the three storage options – no storage, 250 TAF, and 500 TAF of new storage capacity. Scenarios 4, 5, and 6 from Figure 13 reflect these options.

Figure 15: Average Annual Overall Rate Impacts of IRP D Scenarios - Multiple Storage Options*



^{*}Member agency rate impacts might be substantially higher than the overall rate increase as a result of the Cost of Service allocation and cost recovery approach taken for each project. For example, if a project only impacts the supply function, then the rate increase for full-service water would increase more and the rate increase on the SDCWA exchange deliveries would be less.

Based on the resource development portfolios, adding storage capacity decreases the amount of core supply development that is needed and lowers the average increase on overall rates from 8.4 percent to 7.1 percent per year for the modeling period 2025-2032. This outcome is consistent with the difference in modeled unit costs for storage (\$300/AF of capacity) and core supply (\$3,000/AF). As demonstrated by the 500 TAF-storage option, excess storage only reduces the need for core supply to a point. In fact, above 250 TAF of modeled storage no significant reduction in core supply was detected.

Sensitivity Analysis - Low Demands in IRP D

The scenarios described assume that demands would occur as projected, and that the resource development for each scenario would be appropriate to meet those demands. But this assumption may not always be true. Metropolitan could develop resources to meet projected demands under IRP D scenario (Scenario 5 from Figure 13) but experience demand as projected under IRP A scenario, where there is low demand.

Figure 16: Sensitivity Analysis - Low Demands for IRP D Scenario | Average Annual Overall Rate Increases (2025 to 2032)*



*Member agency rate impacts might be substantially higher than the overall rate increase as a result of the Cost of Service allocation and cost recovery approach taken for each project. For example, if a project only impacts the supply function, then the rate increase for full-service water would increase more and the rate increase on the SDCWA exchange deliveries would be less.

Figure 16 shows the impacts from having lower demands than anticipated. In the case of resource development under IRP scenario D, where Metropolitan invests in core supply and storage to meet anticipated shortages, cumulative rate increases would be substantially higher if Metropolitan experienced demands as projected under IRP A. Metropolitan would continue to pay capital financing costs on constructed projects regardless of whether those assets were in use or not, recognizing, however, that if Metropolitan were to shut down an asset, there would be some O&M cost savings.

HIGHER IMPORTED SUPPLY

Figure 17: Projected Net Shortage Under Different Supply and Demand Conditions Identified in IRP A, B, C and D Scenarios



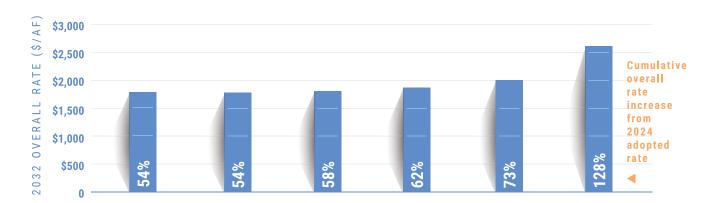
Net Shortage Assessment

The previous scenarios analyze the rate impacts of developing the resources necessary to meet the demands in the IRP D scenario. However, Metropolitan could choose to plan for the IRP A scenario, which does not require any additional resource development in the future. The risk in this decision is that actual demands come in higher than anticipated, such as in scenarios B, C, and D. If this were to occur, there would be an increase in the frequency of Metropolitan experiencing net shortage and having to implement the Water Supply Allocation Plan. Figure 17 displays the frequency and magnitude of net shortages if Metropolitan were to plan for IRP A scenario and experience the demand and imported supply conditions under different IRP scenarios. Resource development decisions – regardless of the portfolio chosen – come with inherent risks and tradeoffs. One of the key risks facing Metropolitan is that demand conditions could deviate substantially from the capacity created by the selected development portfolio over the near- and long-term. If demand is lower than forecast, it could result in higher rates. If demand is higher than forecast, it could result in reliability concerns. Figure 17 illustrates the tradeoff between lower rates (less resource development) and the frequency and magnitude of net shortages. While it is possible to reduce overall rate increases by foregoing investment in new resources, the downsides are potentially substantial. If Metropolitan plans for IRP A scenario but experiences IRP D demand and supply conditions, Metropolitan will experience a shortage of up to 300 TAF, but experiences the demands of IRP D, Metropolitan could experience shortages of up to 300 TAF from 8 percent to 14 percent of the time through 2032. In addition to the significant impacts that this would cause for member agencies that depend on Metropolitan for reliable supplies, there would be ripple effects throughout the economy of Southern California. The CAMP4W will delve deeper into the issue of resource development given the board's reliability, resilience, and affordability objectives. Any resource development portfolio needs to balance the risk of financially untenable rate increases against the overarching goals of reliability.

Projected 2032 Overall Rates

To provide additional perspective on the rate impacts from the modeled scenarios, Figure 18 compares the projected overall unit rates¹², e.g. full-service rates, for 2032 based on the analysis of the average annual rate increases. Additionally, above each bar in the chart there is a percentage that indicates the increase from the 2024 adopted rate to the projected 2032 rate. The 10-Year Financial Forecast from the Adopted Budget, for example, projected a 2032 rate that would be 58 percent higher than the 2024 adopted rate. Under IRP scenario D with 182 TAF of new storage development, the projected 2032 rate would need to be 73 percent higher than the 2024 adopted rate.

Figure 18: Projected 2032 Overall Rates of Modeled Scenarios



	IRP B, No Storage	IRP C, No Storage	10-year forecast from 2023/24 Budget	IRP A, No Storage	IRP D, 250 TAF Storage	Plan for IRP D, Observed IRP A Demand
Core Supply	30 TAF	15 TAF	N/A	0	200 TAF	200 TAF
Storage	0	0	N/A	0	182 TAF	182 TAF
Water Demand	IRP B 1.46 MAF	IRP C 1.35 MAF	Budget 1.58 MAF	IRP A 1.24 MAF	IRP D 1.66 MAF	IRP A 1.24 MAF

¹² Rate increases are based on overall rates for full-service water, which is the total of unbundled rate elements used in Metropolitan's cost-of-service process for purposes of transparency. This report does not review changes in any particular rate element separately.



Conservation

TRADITION

Metropolitan administers regional conservation programs and co-funds member agency conservation programs designed to increase water use efficiency and bolster water conservation behavior. Conservation comes from two areas of change:

- 1. Structural conservation, which involves increases in water use efficiency
- **2. Behavioral conservation**, which involves modifying consumer water-using behavior through messaging, education, pricing, and mandates

Of these two forms of conservation, structural conservation is more permanent, analogous to a core supply. Water-efficient device retrofits, landscape conversions, plumbing codes, and leak prevention contribute to ongoing structural water savings. In contrast, behavioral conservation is less permanent and can wax and wane due to various influences outside of Metropolitan's direct control, similar to flexible supply – a resource that can be called upon but has less reliability than core supply. In contrast to the way core, flex, and storage resources were modeled, namely as annual payments for annual supply benefits, conservation requires upfront payments for benefits over the long-term. Because the analysis is limited to the period from 2023 to 2032, an appropriate comparison between the rate impacts from conservation versus the other supplies is difficult to accomplish in this analysis. However, the existing conservation programs, which gradually increase water-use efficiency over time, were assumed to continue under each IRP scenario and were included in the LRFP model.

Structural Conservation Cost Analysis

Structural conservation is implemented through rebates and incentives on a per "device" basis, where device is used as a catchall term for individual conservation initiatives. Rebate costs and associated savings are converted to a unit cost that equates dollars spent today to water savings over the lifetime of a device. Turf replacement, for example, has a 30-year assumed useful life and rebates \$2 per square foot of turf replacement, which is equivalent to \$494 per AF of lifetime water savings. Spending \$494 today will result in 1 AF of water savings over the following 30 years. Using this example, \$494 would buy on average 0.03 AF of water savings each year. Figure 19 summarizes Metropolitan's most utilized conservation programs in 2022.

Figure 19: Metropolitan's Most Utilized Conservation Devices - 2022

Device	Life (Yrs)	Lifetime AF Savings	Rebate (\$)	Rate (\$/ AF)	2022 Quantity (Units)	Total Lifetime AF Savings	Total Cost (\$)
	Α	В	С	D=C/D	Е	F=E x B	G=C x E
High- Efficiency Nozzles	5	0.0132	\$2	152	22,312	295	\$44,624
High- Efficiency Washer	14	0.4598	\$85	185	11,762	5,408	\$999,770
High- Efficiency Toilets	20	0.2100	\$40	190	22,625	4,752	\$905,000
Showerheads	5	0.0211	\$12	570	5,029	106	\$60,348
Flow Control	10	0.0840	\$5	60	5,223	439	\$26,115
Weather- Based Irrigation Controller	10	0.4143	\$80	193	9,337	3,869	\$746,960
Weather- Based Controller by Station	10	0.1790	\$35	196	19,264	3,448	\$674,240
Turf Removal	30	0.0041	\$2	494	2,933,030	11,883	\$5,866,060
Turf Replacement	30	0.0032	\$2	631	3,814,405	12,081	\$7,628,810
Rain Barrel	5	0.0095	\$35	3,676	2,452	23	\$85,820
Total/ Weighted Average				\$403/AF		42,301 AF	\$17,037,747

As Figure 19 illustrates, Metropolitan is achieving 42,301 AF of demand reduction over the lifetime of the devices at an average rate of \$403/AF. The total cost for this level of long-term demand reduction is approximately \$17 million. However, a challenge to modeling conservation is understanding how much additional conservation is available and at what prices. The assumption being that for a given level of community outreach and offered rebates, all achievable conservation is being realized. In other words, the only way to get a higher level of conservation is to increase incentives. Currently, the turf replacement rebate is set at \$2 per square foot (~\$630/AF of lifetime savings) and realizes approximately 12,000 AF of savings over 30 years. To understand, for example, how much additional conservation would be realized if the turf replacement rebate were increased to \$4 per square foot (~\$1,000/AF of savings over 30 years), a price elasticity study would be needed. Moreover, how much maximum conservation capacity is available for the Metropolitan service area is unknown. This would provide staff with the requisite information to suitably project costs and rate impacts from different levels of conservation.

To understand the magnitude of potential impacts on rates from meeting the demands under the IRP D scenario (300 TAF by 2032) with conservation, an estimate of conservation costs was prepared for 2025 to 2032. Starting in 2025, Metropolitan would need to annually increase its supply by 37,500 AF to meet the 300,000 AF target by 2032. At \$4 per square foot of turf replacement (~\$1,000 per AF of lifetime water savings), which is an increase relative to current rebate levels, conservation would cost approximately \$1.1 billion in 2025 for 37,500 AF of demand reduction. The 37,500 AF of demand reduction would continue each year thereafter for 30 years. In 2026, an additional \$1.1 billion would need to be spent to achieve 37,500 AF of additional savings, and so on through 2032 until 300,000 AF of demand reduction has been achieved. The 300 TAF of water savings would, however, continue in the future without the need for additional spending. Underpinning this scenario is the assumption that 300 TAF of conservation is available at \$1,000 per AF of lifetime water savings. As mentioned previously, a price elasticity study would assist in determining the maximum amount of conservation that can be achieved and the corresponding prices for the desired conservation level.

Figure 20 illustrates the schedule of payments, which increase due to inflation, and water savings from investing in conservation.



Figure 20: Annual Expenditures and Water Savings for Turf Removal

Figure 20 illustrates how Metropolitan would need to invest approximately \$10 billion in conservation over eight years to meet the 2032 demands (300 TAF) under IRP Scenario D. Funding conservation at this level would be financially challenging. Because conservation does not construct physical assets and it reduces water sales, bond financing conservation expenditures at this scale is not feasible. Conservation, therefore, would have to be cash funded. However, incurring these costs as Pay-As-You-Go (PAYGO) expenditures would increase Metropolitan's revenue requirement by approximately 65 percent in 2025, causing rates to increase in similar fashion. After the initial increase in rates, adjustments would be needed annually to account for inflationary impacts and decreasing water sales due to investments in conservation. Alternatively, Metropolitan could

¹⁸ To arrive at this estimate, first take from Figure 19 the total expenditures and lifetime (30 years) water savings for turf replacement - \$5,866,060 and 11,833 AF, respectively. The assumption is that new conservation will cost twice as much to achieve the same amount of lifetime water savings, thus multiply \$5,866,060 by two, which equals \$11,732,120. Therefore, \$11,732,120 buys 11,833 AF of water savings over 30 years or divide by 30 to get the annual amount savings, which is 394 AF. IRP D requires 37,500 AF of annual supply development, which when divided by the annual water savings of 394 AF, equates to approximately 95 units of turf replacement. 95 units of turf replacement multiplied by the cost of each unit, \$11,732,120, equals \$1.1 billion in conservation expenditure to achieve 37,500 AF of water savings in a specific year.

phase-in the rate impacts by ramping up conservation to meet the 2032 target of 300 TAF. Figure 20 presents a schedule that increases conservation by an equal amount each year, 37,500 AF. In a scenario that ramps up conservation spending, Metropolitan could fund approximately 6,400 AF of conservation in the first year and build up to 75,700 AF in the final year. The effect is to reduce the upfront rate shock and stabilize the portion of rate increases stemming from conservation funding, while still meeting the 2032 target of 300 TAF.

Although conservation would be costly and paid for upfront, the benefits continue for many years in the future. Therefore, it would be expected that in comparison to core supply development, which has ongoing annual O&M and financing costs, the rate increases beyond the 10-year modeling period would likely be lower under a scenario where demands are met with conservation only. Figure 20 makes this clear as the expenditure bars drop off after 2032 but the water savings continue.

A benefit of conservation is that it lends itself to adaptive management more so than core supply and storage resources. For instance, conservation spending can be curtailed if Metropolitan observes a natural reduction in demand. On the other hand, capital projects are typically completed once construction has begun, so the likelihood of over developing resources is more of a concern with core supply and storage projects than with conservation. Figure 21 illustrates a scenario where conservation spending is curtailed in 2027 as opposed to continuing through 2032, as shown in Figure 20. In this scenario, Metropolitan would save approximately \$6.5 billion in resource expenditures by being able to adapt to the evolving water demand environment. Under a scenario where Metropolitan ramps up conservation spending, the savings from adaptive management could be more pronounced, as the majority of costs would fall to later years.

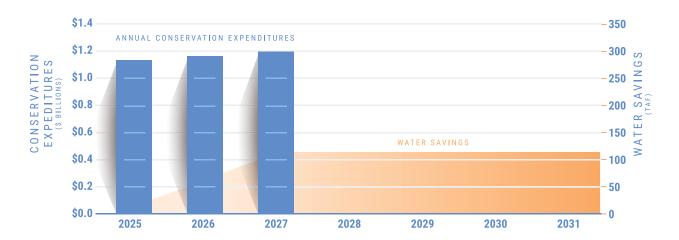


Figure 21: Adjusted Conservation Example - Annual Expenditures (left) and Water Savings (right)

Mandatory Conservation Alternative Cost Analysis

As discussed in more detail below, choosing not to develop additional resources increases the risk of a long-term, structural imbalance between demands on Metropolitan and available supplies, potentially leading to persistent water supply allocations and mandatory conservation. Alternatively, there may be regulatory action taken by the State or Federal governments mandating water efficiency and water-use reductions due to supply conditions exacerbated by climate change.

In this rate impact scenario, the model assumes that there is no new resource development for Metropolitan, that mandated conservation does not incur additional costs for Metropolitan, and that mandated conservation would gradually increase over the forecast period to the meet the IRP D 2032 resource development target of 300 TAF.

Figure 22: IRP D - Average Rate Impacts from Mandated Conservation*



*Member Agency rate impacts might be substantially higher than the overall rate increase as a result of the Cost of Service allocation and cost recovery approach taken for each project. For example, if a project only impacts the supply function, then the rate increase for full-service water would increase more and the rate increase on the SDCWA exchange deliveries would be less.

For Metropolitan, mandated conservation has less of a rate impact than the least cost alternative of 200 TAF of core supply and 250 TAF of new storage development for IRP D scenario. However, while Metropolitan may not incur additional costs from mandated conservation, its member agencies and downstream retail agencies would bear the cost of compliance and enforcement, requiring potentially significant resources to ensure cutback targets are met. A particular challenge is with end users that have a high willingness to pay for water service. Enforcement fees alone may not be sufficient to get these end users to comply with conservation mandates. Similar to the analysis above with conservation incentives, further study would be needed to understand the quantity of conservation available from different combinations of mandated actions, such as restricting or prohibiting residential outdoor turf watering, and non-compliance penalties. Additionally, consideration would need to be given to the potential impacts on economic growth and quality of life for the region. As mandatory cutbacks escalate, mandatory conservation goes beyond aesthetic and non-functional preferences and begins to limit commercial and industrial water use, potentially negatively impacting economic activity or growth. Therefore, Metropolitan would still expect an upper bound on the amount of conservation that can be achieved, even if the method of conservation is mandatorily imposed. While this scenario represents the lowest average rate increase for Metropolitan, it also poses challenges and costs that are not embedded in Metropolitan's rates. In fact, the potential challenges and costs would potentially be shouldered by the member agencies and their customers, as well as the overall regional economy.

Estimated Capital Investment

Although individual projects or portfolios of projects have not been approved by the board to meet its desired reliability objectives, Metropolitan estimated the scale of the capital investments needed to achieve 100 percent reliability by 2032 under the IRP D scenario with the lowest average rate increase – 200 TAF of core supply and 182 TAF of storage capacity (250 TAF target by 2035). Using a set of assumptions based on recent projects, Metropolitan converted the unit rates from the analysis above into estimated capital and 0&M costs. The following assumptions were used:

- Core supply unit cost: \$3,000/AF (2023 \$). Matches the unit cost in the rate impact analysis.
- Storage unit cost: \$300/AF of storage capacity (2023 \$). Matches the unit cost in the rate impact analysis.
- **O&M costs as a percentage of the unit rate for core supply projects:** 50 percent. Percentage based on cost estimates from large-scale water supply projects in Southern California: San Diego Pure Water¹⁴ and Doheny Desalination Plant¹⁵. For these projects, O&M costs are estimated to make up 39 percent to 55 percent of annual project costs, respectively.
- **O&M** costs as a percentage of the unit rate for storage projects: 0 percent to 50 percent. Percentage based on whether the project is for groundwater storage or surface water storage. In this analysis, it is assumed that surface water storage requires minimal ongoing annual operating costs and water can be gravity-fed from the storage facility without additional pumping. On the other hand, groundwater is assumed to incur more O&M costs, mainly power costs for pumping.

¹⁴ Based on Application for Funding for the Pure Water Program Phase 1 – North City Project from Metropolitan Water District's Local Resources Program submitted by the City of San Diego on December 1, 2017

¹⁵ Based on Doheny Ocean Desalination Project – Preliminary Design Report prepared by GHD on May 2018

• Capital financing costs as a percentage of the unit rate: Capital financing costs are equal to the remaining percentage of project costs after O&M costs have been removed from the unit rate. The terms of financing are assumed to be: 4 percent interest, 30-year repayment, and 2 percent issuance costs. As an example, for a core supply project at \$3,000/AF, it is assumed that O&M costs account for 50 percent of the unit rate, or \$1,500/AF. Therefore, the capital financing costs are assumed to be \$1,500/AF.

Taking the derived capital financing unit rate and multiplying by a resource development target results in an annual financing cost, which can then be worked into an estimated total project cost using the assumed financing terms. To be 100 percent reliable by 2032 under the IRP D scenario with the lowest average annual overall rate increases (7.1 percent), Metropolitan's preliminary estimate is that \$5.5 billion to \$6.0 billion of capital investment (in 2023 dollars) will be needed. However, this estimate should be viewed with reservation, as many variables can affect the overall cost of a project. Additional distribution infrastructure, economies of scale, inflation, environmental and regulatory compliance, and treatment technology will impact the cost of a project.

Figure 23: Estimated Capital Investment for IRP D Scenario

Resource D	Resource Development				
Core Supply (AF)	Storage Capacity (AF)	(\$ billion)			
200,000	250,000 ¹⁶	\$5.5 - \$6.0			

For example, Ventura Water Pure has an estimated capital investment before grants and contributions of \$206 million and will produce approximately 5,400 AF of water per year. San Diego Pure Water has an estimated capital investment before grants and contributions of \$1.5 billion and will produce approximately 34,000 AF per year. Would be incorrect to compare these projects based on dollars of investment per acre-foot of production without knowing the specifics of each project. As a note, there is a range for capital investment due to differences in groundwater and surface water capital financing assumptions. Groundwater storage is assumed to require less capital investment but has higher operating costs, and vice versa for surface water storage.

Metropolitan will face some significant challenges to complete multiple projects at such a large scale. In terms of the construction timeline, IRP D scenario would require core supply development by 2032 beyond the PWSC project. In fact, IRP D scenario represents a substantial increase in new supply in 2032 by approximately 1.3x more than the projected PWSC supply output. If approved, PWSC will begin producing 115 million gallons per day in 2032. Metropolitan has constraints on its ability to bond finance its capital infrastructure through its revenue bond authority, which is addressed further in the "Capital Financing Considerations" section of this report.

Risk Factors

Inherent in the decision to pursue a resource project or portfolio of projects is a risk that projected supply and demand conditions will not occur as anticipated and, as a result, Metropolitan will have developed too much or too little resources for actual conditions. In the sensitivity analysis section of this report, the financial model projected two different outcomes for IRP D scenario – one based on low demand (IRP A demand) and one based on high demand (IRP D scenario demand). Under the high demand assumption, overall annual rate increases are projected to be 7.1 percent annually, appropriately matching resource development with forecasted member agency demands and imported supply availability. However, under the low demand assumption, overall annual rate increases are projected to be 10.9 percent annually, creating a significant rate burden from the overdevelopment of resources. Conversely, Figure 17 presents the risk of planning for IRP A scenario, which

¹⁶ 182 TAF of storage capacity development by 2032.

¹⁷ 2019-Ventura-Water-Supply-Projects-Final-EIR (civicplus.com)

¹⁸ Pure_water_main_fact_sheet_1.12.22.pdf (sandiego.gov)

requires no additional resource development, but experiencing the demands and water supply conditions of scenarios B, C, or D. Scenarios C and D, which assume rapid and severe climate change impacts, would see average shortages of up to 15 TAF and 300 TAF, respectively, by 2032.

The data in the preceding paragraph illustrates the compromise between reliability and affordability. Higher levels of resource development assure greater reliability against all IRP scenarios, but with that comes the risk of too much resource development and rates that are higher than otherwise necessary. Additionally, most resource projects, except for conservation, are typically debt financed and take many years to complete. Even if Metropolitan were able to realize that overdevelopment had occurred and choose to cease operating a supply resource and paying applicable operating costs, it would still be required to pay capital financing costs on the debt, which could last for twenty or more years. On the other hand, too little resource development risks greater magnitude and higher frequency of net water shortages for Metropolitan.

In addition to uncertainty about future demands, hydrologic conditions, and resource development, Metropolitan faces other risks that could affect its operations or financial condition. However, prudent financial planning can assist Metropolitan in preparing to respond to and mitigating such risks. The following list of risks is not meant to be exhaustive, and the order is not indicative of relative importance:

- Climate Change: Climate change is expected to reduce the reliability of Metropolitan's imported water supply for Southern California. Metropolitan has long recognized the threat to its water supply posed by these long-term impacts and has been addressing climate change for more than two decades through its IRP, which recently has been expanded into the CAMP4W process. Considering the acceleration of climate impacts and the cascading effects of simultaneous and serial climate events, Metropolitan initiated the CAMP4W to assess and incorporate climate vulnerabilities and risks into its resource planning more explicitly. CAMP4W will integrate water resource, climate resilience and financial planning into a cohesive strategy and approach.
- Water Transactions: Consumer demand and locally supplied water vary from year to year, resulting in variability in the volume of Metropolitan's water transactions and variability in water revenue, of which approximately 80 percent is collected through volumetric rates. Future reliance on Metropolitan supplies will depend in part on the level of local supply projects development by Metropolitan's member agencies. Over the last several years supplies and demands have been affected by weather conditions (including, periods of drought or wet weather), water use restrictions, economic conditions, and environmental laws, regulations, and judicial decisions. Future water transactions will be subject to variability due to these and other factors. Metropolitan uses its financial reserves and budgetary tools to manage reductions in revenues.
- Economic Conditions: Water use by customers of retail service providers (which includes some Metropolitan member agencies and agencies that purchase water from them) is affected by economic conditions. Economic recession and its associated impacts, such as job losses, income losses, and housing foreclosures or vacancies, or inflation may reduce aggregate levels of water use and Metropolitan water transactions.
- Environmental Considerations: Current and proposed environmental laws, regulations and judicial decisions have and may in the future affect water deliveries to Metropolitan. Any of these laws, regulations and judicial decisions, and other official determinations relating to Metropolitan's water supply could have an adverse impact on the operation of the State Water Project and Colorado River operations and Metropolitan's water reserves and financial position.
- **Disaster Events:** Earthquakes, wildfires, floods, high winds and other natural or man-made disasters or accidents, could cause interruption or failure of water system infrastructure and impair the ability of Metropolitan to generate sufficient revenues. This may require Metropolitan to increase its rates and charges. To mitigate these risks, Metropolitan routinely assesses the seismic hazards and potential risks to its facilities. It makes strategic investments to limit overall system damage, improve post-earthquake and disaster recovery time, and reduce impacts on service area residents and businesses.

Affordability Considerations

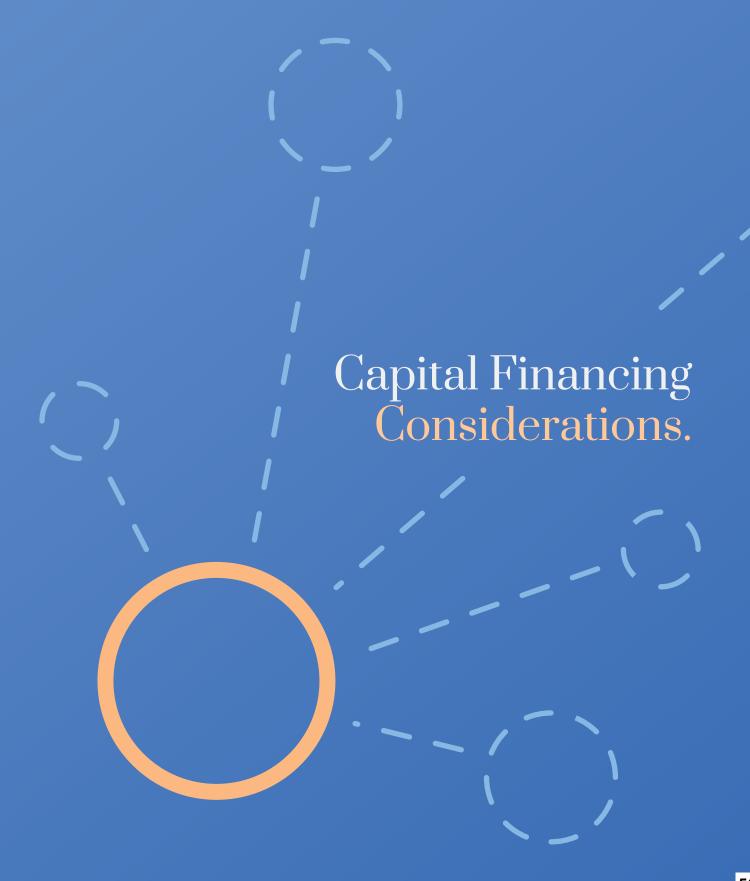
In response to interest by the board, the LRFP and CAMP4W processes will analyze how Metropolitan's CIP portfolio of projects will impact water rate affordability in the region. Staff research and discussion on the concept of affordability will not make a determination of affordability on behalf of the member agencies. The role of Metropolitan to address certain aspects of affordability must first be evaluated through the lens of its statutory and legal authority.

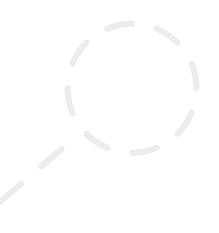
Much of the guidance related to water affordability is directed toward retail water agencies that sell water direct to consumers. While the financial rate impact on the retail customer is an important consideration in regional CIP planning, Metropolitan's role as a water wholesaler limits the scope of possible interventions. In other words, while member agencies make the ultimate determination of affordability for their own customers, Metropolitan is sensitive to how costs it recovers from its member agencies through its rate structure may have an impact on member agencies' own determination of affordability.

Concurrent with the LRFP-NA process, Metropolitan staff is engaged in a collaborative initiative with Eastern MWD and UC Riverside to develop a research report focused on water rate affordability in the Metropolitan Water District of Southern California service area. Furthermore, the affordability discussion has been and will continue to be part of CAMP4W. To date, the topic of affordability has included a discussion of terminology and working definitions as well as a panel of Metropolitan member agencies to provide context for the issues faced by various member agencies.

As Metropolitan considers various project alternatives for its CIP, the team will highlight when and where various projects can contribute to affordability in the long-term even if there are increased costs in the short-term. Metropolitan's overarching goal is to provide the board and other stakeholders with information about various affordability considerations or models to develop a framework for integration into CAMP4W and Phase 2 LRFP. At a minimum, Metropolitan will have defined what it means by affordability – particularly in the wholesale context – and provide the tools necessary to help the board make informed decisions going forward.







Metropolitan was created in 1928 under the authority of the Metropolitan Water District Act (California Statutes 1927, Chapter 429, as reenacted in 1969 as Chapter 209, as amended (MWD Act)). The MWD Act authorizes Metropolitan to: levy property taxes within its service area; establish water rates for service; impose charges for water standby and service availability; incur general obligation bonded indebtedness and issue revenue bonds, notes and short-term revenue certificates; execute contracts; and exercise the power of eminent domain for the purpose of acquiring property. In addition, Metropolitan's Board of Directors (board) is authorized to establish terms and conditions under which additional areas may be annexed to Metropolitan's service area. The levels and availability of Metropolitan's rates and charges for water transactions are set by its board and are not subject to regulation or approval by the California Public Utilities Commission or any other State or federal agency.

Metropolitan is focused on developing a holistic approach with its current LRFP and CAMP4W process that incorporates numerous factors in capital planning, including but not limited to affordability, flexibility, feasibility, compliance with financial policies and the effect on Metropolitan's overall financial sustainability. Metropolitan generally has three core methods to fund its capital needs: (1) pay-as-you-go (PAYGO) from net operating revenues, (2) borrowing through debt or loans, and (3) grant funding from federal or state programs.

An optimal finance plan will seek to maximize its lowest cost-of-funds before layering on higher-costing sources in its capital stack. With grant funding as the lowest cost funding option, many finance plans are structured around available and/or executed grants. However, there are several

key factors that must also be considered: (1) grants are typically paid on a reimbursement basis, requiring strong liquidity by the grantee, (2) many grants require local agency matching funds, and (3) many federal grants will often "federalize" 19 the project being funded. As a federally-funded project, there may be added costs attributed to compliance requirements with laws such as, the National Environmental Policy Act (NEPA) or Build America, Buy America Act (BABA)). Depending on the complexity of the project and/or grant program. there may also be notable administrative costs for ongoing grant compliance. As such, inclusion of grants within the overall CIP must be carefully considered and structured. Specifically, Metropolitan would need to be assured that the financial benefit of securing the grant monies results in a positive net benefit to the project.

¹⁹ Federalizing a project means that by virtue of accepting federal dollars either directly from a federal agency or state program capitalized by federal dollars, such as state SRF programs, this could trigger a compliance requirement of various federal laws.

For the other sources of funds in the capital stack, Metropolitan will typically use PAYGO funding, debt, or a combination of the two. PAYGO funding and debt funding can provide complementary benefits as summarized in Figure 24. The decision to use PAYGO funding or debt generally is based on the unique circumstances of the project and/or agency. These characteristics include useful life, cost, use (private vs. public), among others. Many small projects with short useful lives, such as equipment replacement, are funded on a PAYGO basis while costly projects are debt funded.

Figure 24: Considerations of Project Funding

	Benefits	Considerations
PAYGO Funding	 Flexible Avoids bond interest expense; but has an opportunity cost of investment earnings No contractual obligations with lenders Lowers rates over time 	 Project costs borne entirely by existing or past customers Project delivery delays may occur if insufficient PAYGO funding exists
Debt Funding	 Allows acceleration of future funds for project capital funding Intergenerational equity 	 Cost of borrowing is interest Contractual obligations to lenders Reduced future flexibility

Within phase two, Metropolitan will develop a tailored finance plan for the board's preferred CIP portfolio of projects. When analyzing the most advantageous finance plan, feasibility will be determined by meeting several factors:

- Minimum credit rating target levels
- Liquidity/reserve targets
- Debt service coverage ratios
- Debt to equity/debt capacity constraints

For now, the CIP program projections and funding strategy in the 10-Year Financial Forecast serve as a baseline for the LRFP-NA financial analysis.

Capital Financing with Debt

As described above, Metropolitan uses a combination of debt, PAYGO and grants to fund the CIP. The decision on the appropriate mix of funding sources has historically been set during the biennial budget process. Debt financing has allowed Metropolitan to reduce the near-term impact of project costs to its member agencies, while also allocating debt service costs more equitably across current and future ratepayers who will also benefit from the infrastructure investments.

Metropolitan remains vigilant in monitoring its finances and identifying ways to enhance its overall financial position for the benefit of its member agencies. This is accomplished by analyzing and employing several funding and financing strategies including:

- · Strategic use of long-term and short-term debt
- · Allocating a reasonable mix of long-term fixed rate and variable rate debt
- · Identifying third-party grant funding opportunities
- Prudently investing our cash to protect our principal, meet our cashflow liquidity requirements and maximize yield (see Appendix E)
- Incorporating "alternative" borrowing strategies to address debt capacity or debt coverage constraints and/or provide opportunities to reduce borrowing costs

Authorization for the Issuance of Debt

Metropolitan may issue a broad array of debt pursuant to state statutes, which include the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented (MWD Act), and general bond law provisions available to governmental agencies, including Article 11 of Chapter 3 (commencing with Section 53580) and Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5, as well as a number of state statutes that provide flexibility in bond terms when financing and refinancing capital infrastructure. The MWD Act provides for a limit on general obligation bonds, water revenue bonds and other evidences of indebtedness of 15 percent of the assessed value of all taxable property within Metropolitan's service area.

General Obligation Bonds

General Obligation bonds (GO bonds) are backed by the full faith and credit of the issuing body and are paid for through additional ad valorem property taxes above the limit imposed by Proposition 13 (Prop 13). Because GO Bonds involve an increase in property taxes, they require voter approval.

Voters authorized Metropolitan to issue general obligation bonds since the early years of its formation. In September 1931, voters in Metropolitan's district authorized \$220,000,000 of general obligation bonds to construct the Colorado River Aqueduct. In 2023 dollars, this equates to approximately \$4.4 billion. Similarly, voters in Metropolitan's district authorized \$850,000,000 of Waterworks General Obligation Bonds, Election 1966, in multiple series, in a special election held on June 7, 1966. Both voter authorizations have been fully utilized. As shown in the table found in Appendix A, there is approximately \$19.2 million of general obligation bonds outstanding that refunded the Waterworks General Obligation Bonds, Election 1966 issued.

GO bonds are commonly used to finance capital projects, including schools, libraries, housing, governmental buildings as well as large infrastructure assets ranging from transportation to water programs, among others.

²⁰ Based on a 3.3 percent CPI annual growth rate according to the Bureau of Labor Statistics since 1931.

At present, GO bond proceeds cannot be used for certain purposes, such as equipment purchases or operations and maintenance costs. Certain local governmental entities, like Metropolitan, are authorized to issue GO bonds upon voter approval, under specific legislation. The agency issuing a GO bond is authorized by California Article 4.5 Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code and Article XIII A of the State Constitution to levy an ad valorem property tax at the rate necessary to repay the principal and interest of the bonds. The property taxes being used to repay a GO bond issue are not subject to the usual ad valorem limitations based on property tax rates (Prop 13), however special overall limitations exist to avoid excessive GO debt issuance.²¹

Metropolitan also has the statutory authority to levy property taxes "for the purposes of carrying on its operations and paying the obligations of the district" pursuant to the MWD Act, § 124. Except for certain exclusions such as (i) bonded indebtedness of the district, (ii) bonded indebtedness to the federal government or any board, department, or agency thereof, or (iii) contractual obligations to the State pursuant to Section 11652 of the Water Code, the tax levy shall not exceed five cents (\$0.05) per \$100 of assessed valuation in the district. Metropolitan is also limited in its ability to levy ad valorem taxes by Section 124.5 of the MWD Act. Section 124.5 limits Metropolitan's property tax levy to the amount needed to pay: (1) Metropolitan's general obligation bonded indebtedness, and (2) Metropolitan's portion of bonds used to finance the construction of SWP facilities for the benefit of Metropolitan (Burns-Porter bonds) issued as of the effective date of the Section 124.5 amendment. However, the section also provides that "the restrictions contained in this section do not apply if the board of directors of the district, following a hearing held to consider that issue, finds that a tax in excess of these restrictions is essential to the fiscal integrity of the district," and written notice is provided to the Legislature in the manner specified therein.

Revenue Bonds

Metropolitan issues revenue bonds also pursuant to the MWD Act²², and Resolution 8329 adopted by the board on July 9, 1991, as amended and supplemented (Master Resolution), including as amended and supplemented by Resolution 8387 adopted by the board on January 12, 1993 (Fourth Supplemental Resolution and, together with the Master Resolution, the Resolutions). The voters in Metropolitan's service area approved Metropolitan's use of revenue bonds at a special election held on June 4, 1974, as required by the MWD Act.

Resolution 8329 provides for the issuance of Metropolitan's senior lien water revenue bonds. Resolution 9199, adopted by Metropolitan's board on March 8, 2016, as amended and supplemented, provides for the issuance of Metropolitan's subordinate lien water revenue bonds and other obligations secured by a pledge of Net Operating Revenues that is subordinate to the pledge securing Senior Revenue Bonds and Senior Parity Obligations. Metropolitan's ability to issue water revenue bonds falls under the same limitation on indebtedness of 15 percent of the assessed value of all taxable property within Metropolitan's service area described above with respect to general obligation bonds. The second limitation under the MWD Act on the issuance of revenue bonds specifies that no revenue bonds may be issued, except for the purpose of refunding, unless the amount of net assets of Metropolitan as shown on its balance sheet as of the end of the last fiscal year prior to the issuance of such bonds, equals at least 100 percent of the aggregate amount of revenue bonds outstanding following the issuance of such bonds. In other words, Metropolitan's Net Position from its balance sheet serves as a cap on outstanding District revenue bonds.

Metropolitan's Current Debt Portfolio & Projected Debt Portfolio Costs

As of June 30, 2023, Metropolitan's total outstanding long-term debt is \$3.90 billion. As summarized by the charts in Figure 25, water revenue bonds account for most of this total. Metropolitan's outstanding revenue bonds, fixed rate bonds make up 79.0 percent or \$3.07 billion, while the remaining Variable Rate Demand Obligations (VRDOs), Term Rate Mode bonds and SIFMA Index Mode bonds total \$825.3 million or 21.2 percent. Because variable interest rates have historically, on average, been lower than fixed rates, a mix of fixed and

²¹ http://www.californiataxdata.com/pdf/GOBond.pdf.

²² Get CA Code reference for other authority to issue revenue bonds.

variable rate debt will continue to be issued to help manage debt service costs. Metropolitan also has short-term obligations outstanding, \$38.4 million of tax-exempt Flexible Rate Revolving Notes and \$18 million of taxable Flexible Rate Revolving Notes. Metropolitan has no voter-approved GO bond authority remaining. Without new voter approval, Metropolitan can only issue refunding bonds for its outstanding GO Bonds. Metropolitan's \$19.2 million of currently outstanding GO bonds mature in 2037.

In addition to its outstanding bonds, Metropolitan maintains approximately \$373 million of synthetic fixed rate swaps that hedge a portion of Metropolitan's outstanding variable rate debt portfolio. Metropolitan's outstanding swaps mature in 2030. More details regarding Metropolitan's current debt portfolio can be found in Appendices A & B.

Figure 25: Overview of Debt Portfolio as of June 30, 2023

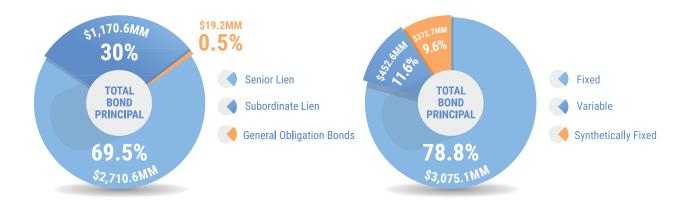
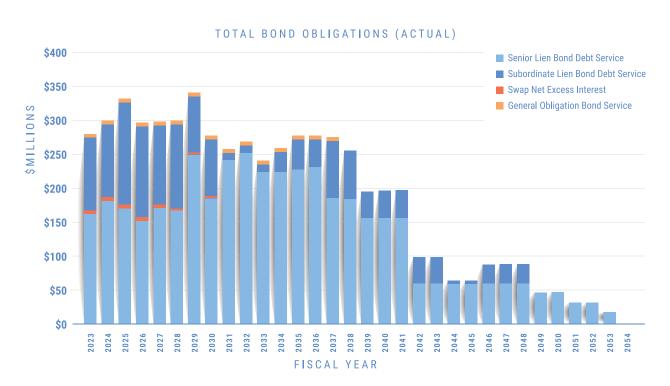


Figure 26: Metropolitan Debt Service Profile as of June 30, 2023



Key Considerations Related to Debt

Access to the capital markets has allowed Metropolitan to construct important infrastructure to support the continued delivery of water to its member agencies. Going forward, debt will remain an important element of Metropolitan's LRFP. Given the important role of debt financing, there are several factors for Metropolitan to consider when contemplating the use of debt: credit ratings, debt capacity and debt service coverage.

Importance of Credit Ratings. Maintaining strong credit ratings is critically important to Metropolitan's ability to access the capital markets at cost effective borrowing costs. To access the municipal bond market, Metropolitan must continue to demonstrate that it remains financially sound with a strong willingness to increase rates as necessary to pay its debt in full and on time. A recognized indicator of such financial integrity is the bond ratings assigned by the three major bond rating services. The ratings are letter-grade indicators, of an agency's financial health. These ratings have been used by investors for decades as a key indicator of credit quality.

Metropolitan maintains among the highest ratings from three nationally recognized credit rating agencies, Standard and Poor's (S&P), Moody's Investors Service (Moody's) and Fitch Ratings (Fitch) as indicated in Figure 27.

Figure 27: Metropolitan Credit Ratings as of June 30, 2023

Metropolitan Senior (Parity) Lien Long-term Bond Credit Ratings

S&P	Moody's	Fitch
Stable Outlook	Stable Outlook	Stable Outlook
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
Α	A2	Α
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-

Metropolitan Subordinate Lien Long-term Bond Credit Ratings

S&P	Moody's	Fitch
AA+	-	AA+

Metropolitan GO Bonds Long-term Bond Credit Ratings

S&P	Moody's	Fitch
AAA	Aaa	-

How Ratings are Analyzed and Determined. In assigning an issuer's credit rating, the rating agencies perform a thorough analysis of the borrower's credit fundamentals. Some of the key credit fundamentals include financial, operational, and management characteristics of the borrower and transaction structure, as relevant. As an example, S&P utilizes credit scoring criteria summarized below. Notably, financial characteristics represent 50 percent of the overall rating.

Figure 28: S&P Water Utility Scorecard

S&P's Water Utility Scorecard				
Enterprise Risk Profile (50% of Final Rating)		Financial Risk Profile (50% of Final Rating)		
Factor	Weight	Factor	Weight	
Economic Fundamentals	45%	All-in Coverage	40%	
Industry Risk	20%	Liquidity & Reserves	40%	
Market Position	25%	Debt & Liabilities	10%	
Operational Management	10%	Financial Management	10%	

It is important to note that the rating criteria are analyzed in the aggregate. In other words, in most situations, no single component will determine a rating. In addition to utilizing the score from these criteria, the rating agencies will also compare Metropolitan to other water utilities in some key areas such as debt service coverage and liquidity, among others.

In its May 23, 2023, credit rating report, S&P noted numerous credit strengths supporting the AAA rating on Metropolitan's Senior Lien, including:

- · Comprehensive resource planning and financial policies
- Strong financial profile including the ability to maintain strong and steady financial metrics despite variability in water sales
- Long-term approach to water supply diversification and management
- Robust service area economy

Despite these positive attributes, S&P cited certain events which could place downward pressure on Metropolitan's rating in the future, specifically noting:

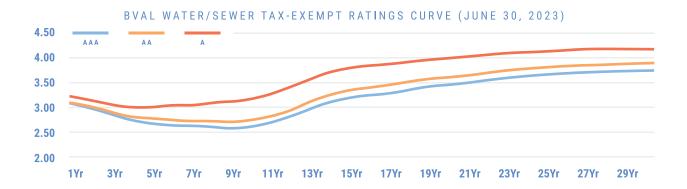
- · Underperformance of Metropolitan's financial forecast
- Material declining liquidity and coverage levels

CIP and associated funding plans play an important role in Metropolitan's financial health. For this reason, it is essential that the LRFP measure the impact of each plan of finance on credit ratings. While credit ratings should not, on their own, drive operations of Metropolitan, they are important to consider. Accordingly, future LRFP phases will contain specific analysis related to the impacts on credit ratings.

What are the benefits to Metropolitan from such strong credit ratings? First, they assure continued market access to issue revenue bonds. Secondly, the interest rates on Metropolitan's debt generally are lower as a result of its strong credit quality. The spread in interest rates, between stronger and weaker credits, varies depending on prevailing economic conditions, among other factors. However, in times of heightened economic uncertainty, the interest rate difference between highly-rated issuers and lower-rated issuers can be substantial. Figure 29 shows indicative interest rates on June 30, 2023 for different terms at various rating levels. As of June 30, 2023,

the tax-exempt yield on a 20-year bond for a AAA rated Water/Sewer Utility was 3.47 percent, while an A (five-rating category decline) rated entity was 4.02 percent. If Metropolitan's ratings declined to the A-category, this 55 basis point (bp) difference would approximate an additional \$11 million in interest costs, per \$100 million of issuance, over twenty years.

Figure 29: Indicative Yield Curves for Water/Sewer Utilities by Rating Category



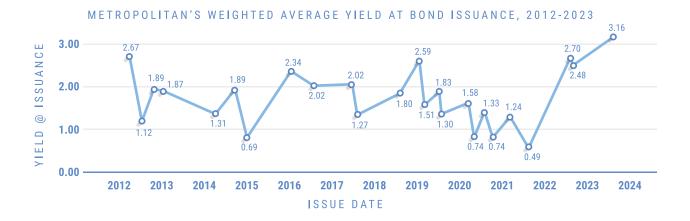
Interest rates on municipal bonds can be either tax-exempt or taxable to the bondholder. Qualification for tax-exemption is based on specifications in Section 103 of the Internal Revenue Code of 1986 as amended (Tax Code), including certain procedural requirements like filing the IRS Form 8038 for each transaction. Bondholders of tax-exempt debt are permitted to deduct the interest earned on the investment on their tax returns, which encourages them to accept a lower interest rate than another investment that is subject to taxes. There can be multiple layers of tax benefit depending on the issuer and residence of the bondholder. Some issuers like New York City, have triple tax-exemption for interest on their bonds from federal, state and local income taxes. In California, Metropolitan's bondholders have the potential to benefit from a dual tax-exemption for interest on their bonds from only federal and state income taxes. Because California is a high-tax state, this benefit has historically been quite valuable, and explains why California tax-exempt bonds generally price lower than comparably rated bonds in other parts of the country.

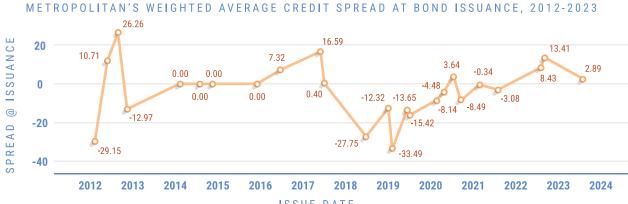
Revenue bond pricing performance. Maintaining strong credit ratings has been beneficial to Metropolitan and its member agencies. While credit spreads are dependent on numerous factors, including absolute levels of yields and general market conditions, over time Metropolitan's credit strength market has resulted in very aggressive pricing. Metropolitan's strong credit ratings have enabled it to access the capital markets at lower price levels relative to the prevailing market conditions at the time, as reflected in Figure 30. While Metropolitan cannot control what market conditions will be during the planning horizon of its capital plan, it can proactively protect its ratings and consider an array of financing tools that will enable it to obtain an overall cost of capital at levels assumed in its long-range planning models and budgets.

Refunding bonds. It is important for public agencies to routinely monitor their outstanding debt obligations for opportunities to lower their debt expense through the use of refunding bonds. A refunding bond is a new issuance of debt used to pay off one or more existing issuances of debt or obligation. A current refunding pays off existing bonds within 90 days of their call date. An advance refunding, which is no longer permitted on a tax-exempt basis, would pay off existing bonds greater than 90 days of their call date. The payoff through either a current refunding or advance refunding in most cases involves an escrow. An escrow is a fund structured with investment securities that could be comprised of state and local government securities (SLGs) issued by the U.S. Treasury or permitted defeasance securities, e.g. US Treasuries, T-Bills, or Agencies. Refundings could also be used for the purpose of restructuring debt service payments or modifying certain covenants governing the

transaction or debt program. Metropolitan has routinely accessed the capital markets to refinance or restructure some of its outstanding debt obligations, typically for savings. This has allowed Metropolitan to keep its cost of funds comparatively low. It is important for Metropolitan to maintain and utilize its debt management policy as a tool for effective debt administration. Metropolitan has compiled various bond related policies and developed a comprehensive debt management policy found in Appendix C for the Board's consideration and adoption.

Figure 30: Metropolitan's Fixed-Rate Revenue Bond Pricing by Weighted Average Yield and Credit Spread, 2012 to 2023





ISSUE DATE

Revenue bond debt service coverage. Revenue bond debt service coverage (DSC) is a primary indicator in determining an issuer's ability to fund its annual debt service costs. It is one of the key statistics used by rating agencies in their credit evaluations. DSC measures the degree to which revenues, after paying recurring operating expenditures, are available to pay revenue bond debt service. For AAA/AA rated municipal utilities such as Metropolitan, a DSC of 2x or better is expected. This provides a favorable margin to absorb unanticipated reductions in revenues or increases in operating expenses. For Metropolitan, the components of the DSC calculation are defined in the Master Resolution, (as defined above) and include Operating Revenues, defined as all of Metropolitan's revenues that are legally available for the payment of revenue bond debt service. This includes water sales, exchange agreement, wheeling, readiness to serve (RTS) charges, capacity charges, power sales, certain components of interest income and miscellaneous revenues. Operating revenues do not include property taxes, which are used to fund Metropolitan's General Obligation bond debt service and certain

components of the SWP capital costs. Also excluded is interest income from the Construction Fund and other restricted funds. Subtracted from Operating Revenues are Operation and Maintenance Expenditures, defined as "the necessary Expenditures for operating and maintaining the properties, works, and facilities of Metropolitan...". Net Operating Revenues, (NOR), may be adjusted by Additional Revenues, which may include transfers from unrestricted reserves such as balances in the Revenue Remainder and Rate Stabilization Fund. The Adjusted Net Operating Revenues (ANOR) is then divided by annual revenue bond debt service, plus debt service on any parity obligations, for the DSC calculation.

The coverage, or the amount by which ANOR exceeds annual revenue bond debt service, reflects a financial margin by which available revenues exceed annual debt service. The larger the difference, the greater protection afforded to bondholders. In addition, this difference also reflects funds which, unless they are committed for some other purpose, are then available for PAYGO funding of capital projects or to add to financial reserves. Metropolitan has additional recurring expenditures that are funded after revenue bond debt service is paid. These expenditures are certain capital payments to the SWP, funded both as an Operation and Maintenance Expense, paid prior to debt service and also as a capital charge that may be funded from any Metropolitan revenue source, including reserves. Metropolitan reflects these capital charges as paid after revenue bond debt service. Therefore, Metropolitan calculates a Fixed Charge Coverage (FCC) which provides a more comprehensive measure of the degree to which ANOR covers all recurring fixed costs. The FCC is calculated as NOR divided by the sum of revenue bond debt service, other parity bond obligations, SWP capital payments and other debt service costs for loans or other obligations. To the extent that the FCC is positive, the margin represents funds available for PAYGO funded capital, additions to financial reserves or any other lawful purpose.

Metropolitan has policy guidelines for DSC and FCC of 2.0x and 1.2x, respectively. These levels are viewed as reasonable targets by the rating agencies and the financial community as being consistent with a strong AA credit. In most years, Metropolitan has met or exceeded these targets. Rating agency analysts have stated the importance of continually meeting targeted coverage levels for Metropolitan to maintain its current high bond ratings.

Revenue Bonds Additional Bonds Test Requirement. Another way in which Metropolitan is limited in its ability to issue revenue bonds is by its Additional Bonds Test (ABT), a legal covenant within its existing bond documents. The ABT is a test that Metropolitan must satisfy to issue new revenue bonds. Metropolitan currently has two primary ABTs in connection with its Revenue Bonds:

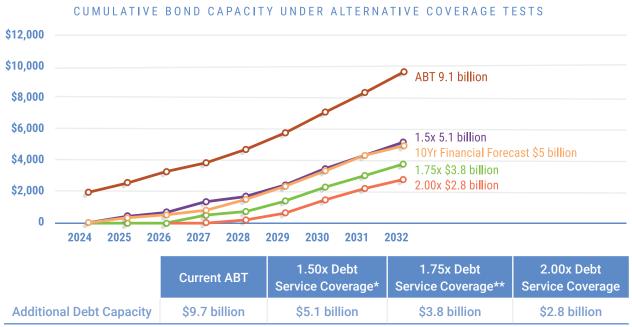
- Senior Lien Additional Bonds Test
 1.20x maximum annual debt service (MADS) on senior lien obligations
- 2. Subordinate Lien Additional Bonds Test 1.00x average annual debt service (AADS) on all senior and subordinate lien obligations

Using ANOR projections from the current 10-Year Financial Forecast, Metropolitan's aggregate ABT debt capacity across these two liens is estimated to be approximately \$9.7 billion. To be clear, the ABT debt capacity calculation reflects the legal authorization under the covenant terms in Metropolitan's master bond resolutions, which prescribes a specific methodology with certain mandated assumptions for the calculation of projected debt service. It is important to note that this methodology may produce results that materially differ from Metropolitan's actual projected debt service. To meet anticipated capital funding needs, balance debt service coverage targets and PAYGO annual spend goals, among other priorities, the 10-Year Financial Forecast projected approximately \$5.2 billion of debt to be issued over the 10-year period between fiscal year 2022/23 and fiscal year 2031/32. As of June 30, 2023, an estimated \$4.9 billion of unissued projected debt remains of the 10-Year Financial Forecast's anticipated capital financing needs for the next eight years.

This debt capacity analysis, which utilizes a higher interest rate sensitivity²³ than the 10-Year Financial Forecast, assumes that Metropolitan issues additional debt "up to" the level legally allowed under its ABT and three alternative coverage scenarios (2.00x, 1.75x and 1.50x). It is important to note the distinction between the two approaches. The 10-Year Financial Forecast's debt projections are based on need — specifically, the timing when

capital financing is required. Alternatively, the debt capacity analysis calculates the maximum amount of debt that could be issued under certain constraining limitations, not dependent on need. If Metropolitan were to issue debt "up to" the levels allowed by the ABT, for example, it is likely that this maximum amount of borrowing would have negative impact on Metropolitan's credit ratings (given the significantly lower debt service coverage levels). As such, it is unlikely that Metropolitan would pursue this approach. Alternatively, Metropolitan analyzed debt capacity assuming a more restrictive coverage constraint than that allowed under its ABT, the results of which are presented in Figure 31 and supportive data can be found in Appendix F.

Figure 31: Metropolitan's Projected Cumulative Debt Capacity, Fiscal Year 2024 through 2032



^{*} Debt capacity calculated using 5% interest rates and as of June 30, 2023

As described above, there are two legal limitations to Metropolitan's ability to issue debt beyond the covenant restriction of the ABT. The first legal limitation is a statutory constraint that is estimated to be \$543.7 billion based on 15 percent of total taxable assessed value in the Metropolitan service area of \$3,624.8 billion for FY 2023. The second legal limitation relates to Metropolitan's equity (or net position) which constrains Metropolitan's issuance capacity of revenue bonds specifically, and is the more restrictive legal limitation of the two. According to FY 2022 unaudited financials, Metropolitan's net position is approximately \$7.456 billion. As of June 30, 2023, Metropolitan had approximately \$3.9 billion of revenue bonds outstanding. This results in a current revenue bond debt capacity of approximately \$3.6 billion. Metropolitan's net position, however, is not a static number. In fact, Metropolitan's FY 2018 net position was approximately \$6.686 billion. While Metropolitan's net position has grown over 11.5 percent over the past five years, future growth is not guaranteed.

In short, Metropolitan could issue \$3.6 billion of additional revenue bonds, however this is projected to result in Metropolitan's average debt service coverage coming in closer to 1.69x than the 2.0x debt service coverage policy target of the board. At 2.00x debt service coverage, Metropolitan could issue only \$2.8 billion of additional revenue bonds. Moreover, Metropolitan may need to carefully consider alternative methods of capital financing besides revenue bonds to the extent Metropolitan's net position doesn't grow sufficiently and/or the capital funding demands over the next eight years exceed projected estimates. Balancing these key issues is central to accommodating the amount and timing of new revenue bond issuance over this period.

^{**} Debt Service coverage calculated for each respective scenario to estimate the debt capacity available while targeting minimum target coverage ratio based on current year revenues.

Additional Borrowing Options. It is important to note that Metropolitan's limitations to issue debt under the 1974 voter authorization relate specifically to Revenue Bonds. This restriction, however, does not apply to other borrowing options, including federal or state loans such as WIFIA loans or State loans such as California State Water Resources Control Bboard (CSWRCB) SRF loans, respectively (which both may be secured by Net Revenues). Future borrowings using these loan options (which may be more advantageous in certain circumstances) would not count against Metropolitan's effective revenue bond limitation.

In addition, Metropolitan could issue Certificates of Participation or, in connection with certain projects, borrow through a Joint Powers Authority (JPA) which also would not be restricted by Metropolitan's net position revenue bond limitation. For these alternative borrowing options, which are discussed in greater detail later in the report, Metropolitan's overall creditworthiness as well as the relevant bond terms for each transaction structure will be key factors impacting the cost-effectiveness of the financing(s).

Going forward, Metropolitan's revenue bond debt capacity and debt service coverage will be important considerations in the development of pro forma financial analyses. Debt is a key component in Metropolitan's long-range financial planning process as it is an important element affecting future rate increases, affordability concerns and project delivery timing.





Summary of Capital Funding & Financing Tools

There are many potential capital funding and financing tools to consider as Metropolitan endeavors to develop its long range finance plan. This section discusses at a high-level the key categories Metropolitan's LRFP will most likely comprise, as well as some of the potential funding and financing opportunities within these categories to be considered.

Primary Forms of Debt Available to Metropolitan

With Metropolitan's strong ratings, there are many options for accessing the capital markets and structuring its debt. The most common form of debt are obligations issued directly by Metropolitan to investors and/or lenders. Metropolitan initially utilized ad valorem property taxes and GO Bonds to fund its capital and operations expenditures after formation. Metropolitan has approximately \$19.2 million of GO bonds outstanding as of June 30, 2023. Currently, Metropolitan issues Revenue Bonds as the primary financing method for its capital improvement program, and has approximately \$3.9 billion outstanding as of June 30, 2023. When debt or loans are utilized, Metropolitan pledges or identifies a source of funds to secure repayment of the obligations.

Bond Type	Description	Authorizing and Relevant Statute or Administrative Code
General Obligation Bonds	Debt service is repaid through ad valorem property taxes	Sections 124,124.5 of MWD Act; MWD Ordinance 105; Section 3.03 of Resolution 8386 (as amended)
Revenue Bonds	Debt service is repaid through revenues from rates and fixed charges remaining after the payment of O&M expenses	Section 237 of MWD Act; Section 5201 of Admin. Act; Section 5.01 Resolution 8329 (as amended)
Certificates of Participation	Debt service repaid through payments appropriated annually by the board	Section 140 of MWD Act; Division V and Division VIII, Chapter 2 of Admin. Act

Fixed Rate Debt

Туре	Description	Key Considerations/Benefits
Long-Term Tax-Exempt Bonds	 Long-term debt (typically issued with a repayment of up to 30 years) with an interest rate fixed for the life of the bonds 	Predictable and cost-effective means of funding projects
Short-Term Notes and Certificates	 Fixed rate debt issued with a short-term maturity (typically 5 years or less) ST Certificates have an initial one-year maturity, but then can be refunded for multiple years. 	 Predictable and cost-effective means of funding projects Notes are typically rolled or refunded with long-term debt at maturity subjecting Metropolitan to interest rate risk
Taxable/Tax-Credit Bonds	 Taxable fixed rate debt issued with no federal tax deduction of bond interest for the bondholder, although state and potentially local tax-exemption is possible, where applicable. Tax-Credit Bonds are taxable investments, however, the federal government can either provide a direct subsidy to the municipal issuer as a percentage of the taxable interest, or provide a tax-credit to the bondholder in lieu of interest paid by the governmental issuer. 	Higher borrowing cost, but provides flexibility with potential private use or private benefit issues related to a financed asset (e.g. Delta Islands) Tax-Credit bonds if reinstated could provide a significant advantage to Metropolitan, particularly if the investor tax-credit option were made available, as discussed further below.

Borrowing Options

Metropolitan can choose from a variety of debt instruments to fund its capital needs. The two main types of debt are fixed rate and variable rate. With fixed rate debt, the interest rate stays the same over the life of the obligation. With variable rate debt, the interest rate is reset periodically over the life of the obligation. All debt instruments have associated risks and requirements that should be considered before issuance.

Subsidized loans are another type of funding option available to Metropolitan. These loans are administered by federal or state agencies. The agencies establish eligibility criteria for issuers and/or projects in order to qualify for funding. A major advantage of subsidized loans is the competitive interest rate offered. However, drawbacks include limitations on size, structure and borrowing terms and covenants which may be more restrictive. Certain loans may also federalize the project which could be an important consideration, as satisfying the requirements (e.g., the National Environmental Policy Act (NEPA), Davis-Bacon, American Iron and Steel, and Build America, Buy America Act (BABA)) could significantly increase the cost of a project. Borrowers also typically need to complete an extensive application process.

Outside of debt instruments, Metropolitan may also utilize federal/state grants or budget appropriations. These are typically one-time awards for specific projects.

Security

Revenue sources available to Metropolitan include rates, fixed charges, property taxes, and lease or other contractual payments and appropriations. Net operating revenues from water rates and fixed charges, including the Readiness-To-Serve Charge and the Capacity Charge, may be used to repay debt service on Metropolitan's water revenue bonds. Revenues from property taxes may be used to pay voter-approved debt service on general obligation or other voter-approved bonds. Lease payments may be used to secure Certificates of Participation.

Covenants to Lenders and/or Investors

Metropolitan will be subject to certain common contractual covenants that are made with the lenders/investors to ensure the future repayment of debt service. These include a rate covenant that dictates a minimum ratio between Net Revenues and debt service in any given year that debt is outstanding. Currently, Metropolitan's rate covenant is 1.0x debt service on its Parity Lien and Subordinate Lien. While this rate covenant is fairly flexible, it does represent a restriction placed on Metropolitan by its lender to ensure future repayment of debt service by imposing rate increases and/or using available cash to meet current obligations. Another covenant discussed above in detail is the ABT which is a required coverage calculation that must be satisfied before the issuance of additional revenue bonds.

Variable Rate Debt

Туре	Description	Key Considerations/Benefits
Floating Rate Notes	Debt instrument with a variable rate of interest that resets at specified intervals at a predetermined spread to an index or formula	Avoids needs for bank supportSmaller investor universe than VRDBs
Variable Rate Demand Bonds (VRDBs)	Floating rate obligations that have a nominal long-term maturity but have a coupon rate reset periodically by remarketing agent	Large and mature investor base Requires bank facility
Commercial Paper	Interim financing borrowing in maturities of up to 270 days on an as- needed basis	Large and mature investor base Requires bank facility
Bank Line of Credit	Interim financing allowing for draws on a line of credit from a bank on an as- needed basis up to a certain amount	Avoids needs for bank facility May be subject to more onerous bank terms

Metropolitan also has used derivative instruments historically to manage risk exposures and produce a lower cost of financing relative to fixed-rate debt. As of June 30, 2023, Metropolitan has approximately \$372.7 million in outstanding interest rate swaps. These transactions and their associated bonds have resulted in \$129.5 million in savings through June 30, 2023, including \$3.8 million, net present debt service savings, on three swap termination transactions. The mark-to-market ("MTM") value plus the accrued interest of the swap portfolio is a negative \$6.2 million as of June 30, 2023. In the rapid and significant rise in short-term interest rates attributed to Federal Reserve Bank's monetary policy to combat rampant inflation, Metropolitan's hedges worked effectively at protecting us against variable rate exposure. That said, Metropolitan also has been exploring opportunities to de-risk (or terminate) some or all of the remaining swaps. In the meanwhile, Metropolitan operates under its existing Swap Policy provided in Appendix D.

Federal & State Funding

Metropolitan could also continue to actively pursue federal- and state-level grants and appropriations. Grant funds and budget appropriations can potentially be used to offset costs that otherwise would be recovered through rates and charges. While some grants can be upfront, most are dispensed on a reimbursement basis. This means that the local entity would need to spend the eligible project costs first, and then submit a request for reimbursement. Hence, cashflow liquidity is a potential concern for many smaller governmental entities. Also, some federal and state programs require a local match, which may vary by program but generally range between 10 percent to 50 percent of the eligible project costs for reimbursement. Lastly, some federal and state programs provide a matching subsidy to the ultimate customer, such as with conservation programs. While Metropolitan may create and manage this type of program, utilizing its own rate-based revenues, most of the federal and state matching subsidy grants for this purpose would only lower the product purchase costs for specified water efficiency equipment to the program customer. Metropolitan's costs related to such programs would not be reduced.

For federal, and certain state, funding programs, it is also important to note that use of these funds may "federalize" the capital project utilizing these sources. Federalizing a project may place more restrictive provisions on Metropolitan that could increase the direct cost and/or delivery timing of the project, which in turn could also increase project costs due to inflation. As such, care should be taken when analyzing funding alternatives, whether they be federal, state or local.

Budget Appropriations & Grants

Direct Budget Appropriations	Federal/ State	Description	Awarded to Metropolitan?
State Legislative Appropriations	State	 Non-recurring, one-time appropriations that support Metropolitan projects and state objectives Metropolitan advocates for these through External Affairs Group Emergency Drought Relief: Awarded \$50M Pure Water Southern California Project: Awarded \$80M 	Yes
Federal Legislative Appropriations	Federal	 Metropolitan continues to advocate for these through External Affairs Group Federal budget appropriations include: Inflation Reduction Act (IRA), Bipartisan Infrastructure Law (BIL), and American Rescue Plan Act (ARPA) 	Yes; through various Acts

Metropolitan vigorously pursues external funding to fulfill its mission of providing an adequate and reliable supply of high-quality water to meet present and future needs in an environmentally and economically responsible way. In many cases, external funding such as grants and low interest loans are used to accomplish strategic goals and objectives through a variety of projects and programs, including new construction, capital improvements, water use efficiency, and research that otherwise would not have been implemented without external funding. Grant funds also help manage project costs and defer water rate increases to the extent practicable.

Due to the uncertainty of grant awards, the LRFP assumes that no grants will be received and expenditures would be funded by Metropolitan's annual budget. New initiatives that require investment to address current and pertinent issues affecting water supply reliability including climate change and other challenges.

Metropolitan has a long and successful record of implementing a variety of projects with federal and state agencies as well as non-profit organizations and foundations. The following table describes the current grant funding opportunities available and/or awarded to Metropolitan.

Grants	Level	Description	Awarded to Metropolitan?
Bureau of Reclamation WaterSMART Program	Federal	 Multiple federal grant programs that support drought resiliency, water efficiency, and water infrastructure projects Large Scale Recycled Water Program opportunity has not yet been released but Metropolitan is engaging on eligibility criteria 	Yes
FEMA Preparedness, Hazard Mitigation Assistance, Resilience, and Emergency Food and Shelter Grants	Federal	FEMA BRIC may be opportunity for Metropolitan	Yes
State Department of Water Resources	State	 Urban Drought Relief Program – Metropolitan Awarded \$4.5M for 2021 Considering application for 2022 cycle 	Yes

Other Federal Funding Opportunities

In November 2022, Metropolitan and the Palo Verde Irrigation District (PVID) submitted a joint proposal for consideration under Program I.a. (Bucket 1) of the Lower Colorado Conservation and Efficiency Program (LC Conservation Program). Metropolitan and PVID jointly proposed a three-year agreement to voluntarily fallow up to 19,460 acres in the PVID service area from 2023 to 2026 for a total conserved volume of up to 373,000 acre-feet. The Bucket 1 funding from the Inflation Reduction Act is eligible for a price of \$400 per acre-foot. Contract negotiations are ongoing with Metropolitan, PVID, and USBR. Metropolitan and the Bard Water District (Bard) likewise submitted a proposal to voluntarily fallow up to 3,000 acres for a total conserved volume of up to 6.030 acre-feet. This proposal included a set price for the conserved water at \$330 per acre-foot. Contract negotiations with Metropolitan, Bard, and USBR are ongoing. In August 2023, Metropolitan will submit a proposal under a different element of the LC Conservation Program (Bucket 2 proposal). Details of the proposal elements, the water's price, and the water's volume contributed remain confidential at this time. Through the signing of an executive order on January 21, 2021 (Executive Order 14008), the Biden Administration charged a group of executive branch officials with developing a strategy for allocating 40% of the overall benefits of federal investments in climate-related programs to disadvantaged communities - otherwise known as the Justice40 Initiative (J40I). While J40I does not have earmarked funds, it promotes a "whole-of-government approach" to addressing environmental justice and economic inclusion. Metropolitan is currently exploring community-based organization (CBO) partnerships in southern and northern California that can help access these funds to assist in addressing underserved community needs in Metropolitan's footprint.



Moreover, the Department of Energy (DOE) created the Office of State and Community Energy Programs (SCEP) to implement \$16 billion in programs funded by the BIL and IRA. In support of J40I, SCEP works to:

- accelerate high-impact, self-sustaining clean energy projects that improve people's lives;
- aid state and local governments, tribes, CBOs & others in deployment; and
- center the needs of low-income households and Disadvantaged Communities (DACs)

Not only could Metropolitan seek funds broadly through BIL and IRA to fund direct project or program costs, such as solar generation, battery storage and vehicle replacement, but could also partner with CBOs and state programs on projects that may have a direct connection to consumers who could benefit from combined energy and water efficiency rebates. This collaborative overlay of programs could help reach common constituents more efficiently while also potentially creating income capacity through energy savings to offset higher rates associated with climate adaptation investments for water reliability and resilience.

Federal/State Loans

In addition to the publicly issued debt that is most prevalent in the market, highly rated entities such as Metropolitan also have access to competitive loan programs. These programs offer certain benefits over publicly issued bonds, but also may have some potentially negative considerations. At the federal and state level, a number of loan programs are available for funding water infrastructure projects. These programs include WIFIA loans (administered by U.S. EPA), State Revolving Fund (SRF) loans (administered through California's State Water Resources Control Board) and IEDB loans (administered through California's Infrastructure and Economic Development Bank or IBank).

Туре	Description	Key Considerations/Benefits
WIFIA Loan SRF Loan	 Loan program through the U.S. Environmental Protection Agency with an interest rate based on the treasury rate for eligible projects Interest rate comparable to Metropolitan's cost of borrowing (6/30/23 estimate of 4 percent) Up to 49 percent of project costs are eligible for funding State Water Resources Control Board manages California's revolving loan program for both drinking water and clean water projects Program provides loans and grants (in the form of principal forgiveness loans) to help water and wastewater agencies finance qualifying projects 	 Historically, lower cost than public bond issuance Flexibility in certain repayment provisions Long initial application and approval process Ongoing administrative requirements Federalization of project Low cost of borrowing Competitive process, no guarantee of approval Long loan approval process May federalize projects More onerous terms and provisions than
CA IEDB Loan	 CA Infrastructure and Economic Development Bank provides infrastructure loans to state/local govt. entities Qualifying infrastructure projects include water treatment and distribution 	 will not accept subordinate lien Avoids certain public market borrowing issuance expenses Competitive process Terms and provisions may be more onerous than public market borrowing

Other Borrowing Mechanisms & Alternative Bond Credit Structures

Other forms of borrowing for Metropolitan's consideration include Certificates of Participation (COPs) and JPA Bonds. Certificates of Participation can be issued by Metropolitan directly and are secured by lease revenues.

Although similar to COPs, JPA Bonds and Rate Reduction Bonds must be issued by a Joint Exercise of Powers Agency. Legislation within the State provides for the issuance of Rate Reduction Bonds by certain utilities, Metropolitan will analyze and explore related opportunities for the District and/or its member agencies as part of a holistic financing strategy.

Metropolitan could utilize a JPA structure to fund new projects for new services, through partnerships with its own member agencies or third parties. While Metropolitan could still own and operate a capital project with this approach, each JPA member (including Metropolitan) would be able to determine their level of participation in the project. Moreover, each JPA member would have the flexibility to determine the source of funding that supports its respective obligations, including operations, maintenance and debt service expenses. Funding sources from a JPA member could include revenues from a variety of sources including rates and charges, or taxes approved by the voters in its service area. A key consideration for the JPA will be crafting its credit structure for bond financing. The ratings for the JPA bonds will depend on the composition of the JPA membership and the consolidated revenue pledge of all members. It is conceivable that smaller participation of Metropolitan could result in a JPA rating lower than Metropolitan's current ratings. Even if at a minimum target rating structure in the A category, there could be ways to mitigate this impact on JPA transactions, including but not limited to contractual covenants (such as higher minimum rate covenants or a higher DSCR policy target), bond issue reserves and/or financing tools such as Tax Credit Bonds as described further below.

Additional Financing Vehicles

Debt Issued Through Other Entities	Description	Considerations
MWD Asset Financing Corporation (MWDAFC)	In 1996 the board authorized the formation of MWDAFC with the power to issue bonds or notes and to incur liabilities. The debt issuance powers of MWDAFC can be used to provide financing for capital projects	MWDAFC lease revenue bonds, commercial paper or some other form of debt would not be obligations of Metropolitan and would not have any effect on revenue bond debt to equity limitation. This will preserve revenue bond capacity and provide additional flexibility for Metropolitan to finance the ongoing CIP.
JPA Issued Debt	 Long-term debt issued through a JPA Metropolitan may or may not be the sole obligor for such debt Participants could include Metropolitan and a contingent of Metropolitan member agencies Metropolitan would hold Participation Rights in the JPA 	 Consideration should be paid to repayment of JPA debt (i.e., is it repaid as 0&M or on the same lien as direct debt?) Rating agencies tie Metropolitan's share of JPA debt as a "fixed obligation" for purposes of coverage calculation and leverage
Rate Reduction Bonds	 Issued by a JPA to local agencies to finance or refinance a water or wastewater utility project Secured by utility project property and repaid through a separate utility project charge imposed on ratepayers' bills 	Rate reduction bonds have been utilized by certain utilities, but would require creative structuring, which may include modifications to existing legislation, to enable the potential use by wholesale water agencies such as Metropolitan.

Other Funding & Financing Opportunities

Metropolitan has several financing tools at its disposal to complement the current options available to meet its capital needs. Metropolitan has existing authorization for some of these tools, while others may require new authorization or approvals. The full complement of financial tools will be used as part of a customized long-term financial strategy based upon board feedback and preferences.

Tax Credit Bond (TCB) Financings. Even though the authority to issue tax credit bonds was eliminated in tax year 2018 by the Tax Cuts and Jobs Act (TCJA), Metropolitan, through its congressional representatives and various stakeholders, could advocate for a federal bill restoring tax credit bond issuance authority, with some specific modifications. One potential modification is to specifically allow for an unlimited issuance authority for water infrastructure projects necessary to address climate risks and vulnerabilities. Another potential modification is to seek a full subsidy of interest costs as a tax credit direct to bondholders in lieu of interest payments, or alternatively, a 35 percent direct payment subsidy to municipal issuers on taxable interest as authorized under the former Build America Bond program. Congress has approved TCBs utilizing a tax credit to bondholders at a higher (and in some instances full) subsidy level in the past, such as education (QZABs) or clean or renewable energy projects (CREBs). The fiscal value of this approach is that the federal government through tax policy could leverage private money to subsidize the cost of debt financing. This subsidy in the form of a direct payment (cash by the US Treasury to municipal issuers) at a specified credit rate at a minimum could result in a lower cost of funding than traditional tax-exempt bonds in certain segments of the yield curve (i.e. maturity terms); however, this Direct Payment approach would require addressing the threat of future federal sequestration on those payments. Alternatively, this subsidy in the form of a tax credit to the investor could be at best fully offsetting of interest to the municipal issuer. As a result, more local agency dollars could go into the direct cost of the project versus into the hands of bond investors supporting municipal debt.

New Property Tax Secured Bonds. Looking forward, Metropolitan has the opportunity to explore other revenues to secure new financing. As an alternative funding method to current revenue bond financing or pay-as-you-go funding from rates and charges, a voter-approved bond (e.g., general obligation or special tax bond) may be used to fund certain new capital or program investments. This proposed bond debt service expense would be paid from a new special property tax levied on all secured and unsecured taxable property in Metropolitan's service area. Approval by a two-third majority of voters in the district is required for a new special property tax, which is a challenging threshold to achieve. There are a few notable factors to consider with this strategy. First, there is a multi-year lead time to craft and put a tax initiative on the ballot. Also, there would be significant election-related costs for the new property tax initiative since Metropolitan's service area encompasses several counties. To the extent the state pursues a climate initiative that could align with potential projects funded through approach, there could be opportunities to collaborate on marketing efforts for voter education. While a Metropolitan property tax must be approved district-wide, any member agency could seek voter approval for a special property tax to be collected only within its service area to pay its obligations to Metropolitan for an existing service or participation in a new project.

Set Metropolitan's Property Tax Rate to Fund a Higher Targeted Amount of State Water Project Costs.

Metropolitan has set a 0.0035 percent property tax rate (\$0.0035 per \$100 of assessed value) since FY 2013/14, which is its lowest property tax rate ever levied. Voters approved Metropolitan's collection of property taxes to pay for its State Water Contract (SWC) obligations in 1966. However, the Legislature added Section 124.5 to the MWD Act requiring the MWD Board since FY 1990/91 to make a finding that it is essential to the district's fiscal integrity to collect more than Metropolitan's debt service for GO bonds and Metropolitan's portion of debt service related to outstanding Burns-Porter bonds, before it could levy property taxes that would result in revenues in excess of

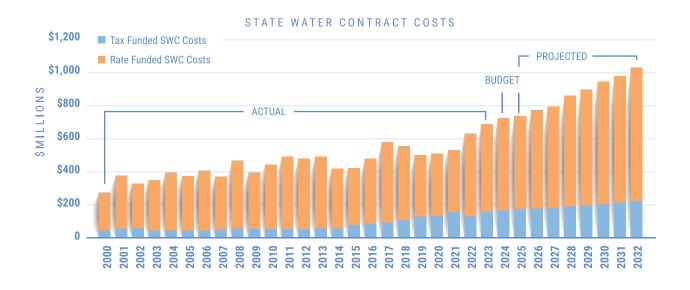
these two obligations.²⁴ Since FY2013/14, the board has made that determination. The amount of SWC obligation paid by the 0.0035 percent tax rate, however, provides for only approximately 30 percent of Metropolitan's SWC expenditures per the FY 2023/24 adopted budget. Importantly, the Legislature did not provide guidance on the definition of fiscal integrity nor the frequency with which Metropolitan's Board should make any determination.

Prior to FY2013/14, under the Section 124.5 restriction, the property tax rate decreased in line with debt service for Metropolitan's GO bonds and Burns-Porter bonds. The property tax rate would continue to decrease as Metropolitan's GO bonds and Burns-Porter bonds are ultimately paid off²⁵; provided the board did not determine that property taxes were necessary for the district's fiscal integrity.

Conversely, Metropolitan's SWC payment obligations have been increasing and are expected to continue to increase. For example, the state is expecting substantial costs associated with refurbishment and replacement of the 50-year-old SWP infrastructure such as the Oroville Spillway repair, work necessary to address subsidence damage, and California Aqueduct improvements. Figure 31 shows the portion of SWC costs paid with property tax revenues, assuming Metropolitan maintains the 0.0035 percent tax rate.

Metropolitan could explore the option of funding more of its SWC costs with property taxes as intended and approved by the voters. It would also be beneficial to Metropolitan's long-range financial planning if the applicability of the Section 124.5 limits were known for the ten-year planning term. Metropolitan's Board has made the necessary findings required to collect more property tax revenue than the limit under Section 124.5 every two years, and more recently authorized collection of property taxes in excess of the limitation for up to four years recently. With a long-range finance plan covering ten years, Metropolitan's Board should explore the option of making a Section 124.5 determination consistent with that planning term as well.

Figure 32: State Water Contract Costs



²⁴ A legal question must be answered concerning Section 124.5's applicability to \$167 million of remaining voter authorization of Burns-Porter bonds but unissued post FY 1990-91.

²⁵ Of the original \$1,582,400,000 of total Burns-Porter GO bonds issued, \$155,000 remains, with a final maturity of 11/1/2024. Source: DWR Official Statement, Series BF, dated September 13, 2022. Metropolitan has \$19.2 million of GO Bonds outstanding with a final maturity of March 1, 2037.





Extended Forecast.

An Extended Forecast Timeline Analysis 2045 Financial Forecast

This section of the report extends the forecast of average annual overall rate impacts to 2045, aligning the financial forecast with the IRP planning period. As mentioned earlier in this document, financial forecasts are inherently uncertain, and more so as a forecast extends farther out into the future. High-level forecasts can, however, highlight broad trends and areas for further analysis. The forecasting approach for the 2045 Financial Forecast (2045 Forecast) follows from the 2032 analysis – determining base costs and combining the demand and resource development targets from the four IRP scenarios with water unit cost assumptions to determine annual cost increases and average overall rate impacts. It is important to note that the 2045 Forecast builds upon the 2032 analysis and does not change the conclusions and observations made earlier in this report as they pertain to the 2032 time period.

In addition, this section provides an update to the debt capacity analysis for IRP Scenario D (250 TAF Storage) to gauge Metropolitan's ability to finance the requisite capital infrastructure investments with revenue bonds. The revenues in this scenario are driven by the relevant assumptions identified in the 2045 Forecast. The same caveats and qualifications, hence, apply to the debt capacity analysis as they do to the 2045 Forecast.

Forecast Assumptions

Resource Development Targets. Figures 8, 9, and 10 in this report detail the resource portfolios for each IRP scenario through 2045. Only in a future with low demands and stable imported supplies – as reflected in IRP A – would Metropolitan avoid shortage without additional water supply and system reliability investments. In all scenarios, the financial modeling assumes linear progress toward the resource development targets. As with the 2032 analysis, flex supply, although an important tool for water resources management, has negligible impact on the financial analysis of the 2045 Forecast as the IRP assumed the resource needs would be meet with additional core supplies.

Demands on Metropolitan and Water Resource Targets. The 2020 IRP-Needs Assessment quantified the range of plausible future water needs for the region through a detailed projection of demographic growth, conservation, local supply production, and the resultant need for imported water through 2045. Demands on Metropolitan are calculated using Metropolitan's water Sales Model, which accounts for weather-related variations to retail demands and local supplies. As noted earlier in this report, IRP scenarios C and D reflect severe climate change impacts.

Resource Development Costs. The 2032 analysis estimated the resource unit costs in 2023 dollars and escalated the unit costs at a rate of 3 percent. Figure 12 in this report summarizes the modeled unit costs for core supply, flex supply, and storage resources. The 2045 Forecast extends the unit costs at a rate of 3 percent through 2045.

Base Cost Assumptions Common to All Scenarios. The baseline forecast for the 2032 analysis was created by taking the Adopted Budget and 10-Year Financial Forecast and removing the assumed PWSC project costs. The baseline, therefore, does not include any additional resource development, but it does include ongoing funding for conservation, local resource projects, capital refurbishment and replacement, and various operating assumptions about cost inflation rates, interest rates, and power and treatment unit costs. For the 2045 Forecast, cost escalation factors based on the trends in the 10-Year Financial Forecast and relevant data inputs were used to extend the base costs starting in 2033 and continuing through 2045. Figure 33 details the assumptions for key line items.

Figure 33 – Long-Term Cost Escalation Assumptions (2033-2045)

Cost Line Items	Annual Escalation
Department & Other O&M	4.5%
State Water Contract (excluding power costs)	4.0%
Supply and Demand Management	3.0%
PAYGO CIP	3.0%
Variable Treatment Unit Costs	3.0%
Average Power Unit Costs	5.0%

Fixed Costs

- **Department & Other O&M.** Costs were escalated at a rate of 4.5% annually, which reflects the average of annual cost increases within the 10-Year Financial Forecast.
- State Water Contract (excluding power costs). Costs were escalated at a rate of 4% annually, which reflects the average of annual cost increases within the 10-Year Financial Forecast.
- **Supply and Demand Management.** Costs were escalated at a rate of 3% annually, which reflects the long-term average increase of the CPI for all items for All Urban Consumers.
- **PAYGO CIP.** PAYGO CIP the portion of CIP paid from cash reserves or current revenues is assumed to grow at the same rate as the overall CIP funding of 3%.
- Variable Costs = Variable Average Unit Cost x Quantity
 - Variable Treatment Unit Costs. The variable treatment unit costs were escalated at 3%, which reflects the long-term average increase of the CPI for all items for All Urban Consumers. The projected variable treatment unit costs are multiplied by the estimated treated water deliveries from the appropriate IRP scenario.
 - **SWP and CRA Power.** Average power unit costs were escalated at a rate of 5.0% annually, which reflects the long-term average increase of the Energy of the CPI for All Urban Consumers. The average power unit costs were multiplied by the estimated imported water deliveries from the appropriate IRP scenario to determine annual costs.

Less significant items, such as increases in required reserves, new debt service payments, and miscellaneous revenues, were escalated according to the 10-Year Financial Forecast trends or held flat in the absence of information pointing to material changes over time.

Results

Utilizing the same framework as the 2032 analysis, the 2045 Forecast first looks at the overall annual rate increases for each IRP scenario. The ordering of the scenarios, from lowest to highest average rate increases, is the same as the 2032 analysis. The calculated averages, however, are approximately 1% to 2% lower than the 2032 analysis. The primary reason for this is that even though the resource development targets increase, the time to reach the resource targets is more prolonged in the 2045 analysis than in the 2032 analysis. The 2032 analysis assumes new resource development starting in 2025 and ending in 2032 – 8 years. The extended financial analysis begins in 2033 and continues through 2045 – 13 years. The secondary reason for the decrease in average overall rate increases is tied to the long-term cost escalation factors, which trend towards moderate inflationary increases (3%-5%). In contrast, the 10-Year Financial Forecast, while still an uncertain projection of the future, incorporates more known events that do not adhere to moderate cost escalation assumptions.

Core IRP Scenarios - No Storage Option

Figure 34 - Average Annual Overall Rate Increases of Core IRP Scenarios - No Storage Option (2025-2045)*



*Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price of SDCWA exchange agreement deliveries.

Figure 34 above calculates the average overall annual rate increases from 2025 to 2045 for resource portfolios solely consisting of additional core supplies, or in the case of IRP A, no new supply. The highest overall annual rate increase continues to be IRP scenario D, requiring an average rate increase of 5.9% every year for 20 years. As with the 2032 analysis, IRP scenarios B and C have lower overall rate increases than IRP A because water demands are anticipated to be higher under these scenarios, even though IRP A does not require any additional resource development to meet future demands.

IRP D - Multiple Storage Options

Focusing on IRP D, the scenario with the highest probability and largest magnitude of shortage, Metropolitan analyzed the effect of developing a mixed resource portfolio that included both core supply and storage.

Figure 35 – Average Annual Rate Impacts of IRP D Scenario – Multiple Storage Options (2025-4025)

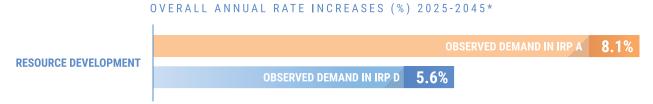


*Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price of SDCWA exchange agreement deliveries.

Adding storage reduces the projected annual rate increases when combined with core supply in a resource portfolio. However, there are diminishing returns to the reduction in core supply needed by developing storage, as seen in Figure 35 above. Adding the first 250 TAF of storage reduces the core supply need by 100 TAF – 650 TAF of core supply to 550 TAF of core supply in 2045. Adding an additional 250 TAF of storage only reduces the core supply need by an additional 50 TAF – from 550 TAF to 500 TAF by 2045. In the 2032 analysis, the 250 TAF storage option provided the lowest overall annual rate increase (7.1%) because adding additional storage did not decrease the core supply needed by 2032. In the 2045 Forecast, the 500 TAF storage option becomes the most cost-effective option to meet demands under IRP D.

Sensitivity Analysis - IRP D

Figure 36 - Sensitivity Analysis - Low Demands for IRP D Scenario | Average Annual Overall Rate Increase (2025 to 2045)



^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price of SDCWA exchange agreement deliveries.

Figure 36 shows the impacts from having lower demands than anticipated when developing resources for the IRP D scenario. If Metropolitan were to develop core supply and storage for IRP D and experience demands contemplated under IRP A, the annual rate increases over a twenty-year period would be 8.1%.

2045 Net Shortage Assessment and Resource Development Risks

Figure 37 displays the frequency and magnitude of maximum net shortages in 2045 if Metropolitan were to plan for IRP A scenario and experience the demand and imported supply conditions under different IRP scenarios. One of the key risks facing Metropolitan is that demand conditions could deviate substantially from the capacity created by the selected development portfolio over the near- and long-term. If demand is lower than forecast, it could result in higher rates. If demand is higher than forecast, it could result in reliability concerns. Figure 37 illustrates the tradeoff between lower rates (less resource development) and the potential frequency and magnitude of net shortages. As with the 2032 analysis, while it is possible to reduce overall rate increases by foregoing investment in new resources, the downsides are potentially substantial. If Metropolitan plans for IRP A scenario but experiences IRP D demand and supply conditions, Metropolitan will experience a maximum shortage of up to 1.22 Million Acre Feet (MAF), 66 percent of the time. The CAMP4W process will delve deeper into the issue of resource development given the board's reliability, resilience, and affordability objectives.

Figure 37: Projected Net Shortage in 2045 Under Different Supply and Demand Conditions Identified in IRP A, B, C and D Scenarios

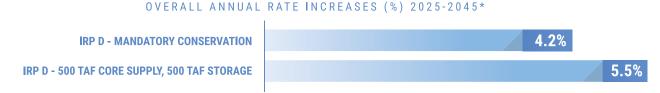
MAX MAGNITUDE (TAF) AND FREQUENCY (%) OF A NET SHORTAGE IN FORECAST YEAR 2045



Mandatory Conservation Scenario

Metropolitan analyzed the rate impacts under a scenario that assumed mandatory conservation, where conservation would be no cost to Metropolitan and would be sufficient to eliminate any potential water shortage. While this scenario represents the lowest average rate increase for Metropolitan (4.2%), it also poses challenges and costs that are not embedded in Metropolitan's rates. In fact, the potential challenges and costs would be shouldered by the member agencies and their customers, as well as the overall regional economy.

Figure 38: IRP D - Average Rate Impacts from Mandated Conservation*



*Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price of SDCWA exchange agreement deliveries.

Additionally, the analysis assumes that 650 TAF of conservation could be achieved through mandatory restrictions on water use and efficiency. This analysis acts as a bookend on the lower bound of average annual overall rate increases. We would expect a mix of resources to be utilized to meet the demands under different IRP scenarios, where the average rate impacts would possibly be between the mandatory conservation analysis (4.2%) and the 500 TAF core supply with 500 TAF storage scenario (5.5%).

Estimated Capital Investment - 2045 Forecast

As with the 2032 analysis, Metropolitan prepared a high-level estimate of the total capital investment needed in 2023 dollars to meet the demands under IRP scenario D in the most cost-effective manner. The resource unit costs, financing terms of debt, and split between capital and O&M costs were the same as previously assumed in the 2032 analysis, and carried forward to the 2045 resource development targets. Refer to Figure 23 and the preceding text earlier in this report for the project cost and financing assumptions.

Figure 39: Estimated Capital Investment for IRP D Scenario (2045 Forecast)

Resource De	Estimated Capital Investment	
Core Supply (AF)	Storage Capacity (AF)	(\$ billion)
550 TAF by 2045	250 TAF	\$14.6 Billion - \$15.3 Billion
500 TAF by 2045	500 TAF	\$14.0 Billion - \$15.3 Billion

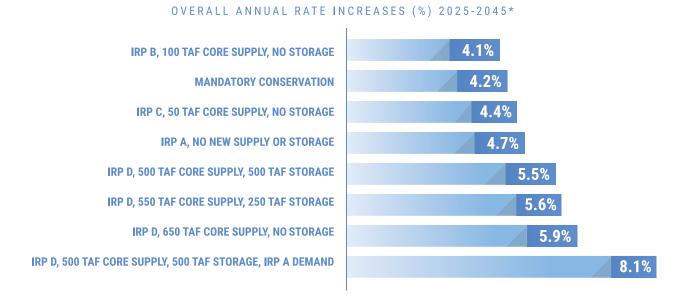
To be 100 percent reliable by 2045 under the IRP D scenario with the lowest average annual overall rate increases (5.5 percent), Metropolitan's preliminary estimate is that \$14.0 billion to \$15.3 billion of capital investment (in 2023 dollars) will be needed. However, this estimate should be viewed with reservation, as many variables can affect the overall cost of a project, especially so far in the future. Additional distribution infrastructure, economies of scale, inflation, environmental and regulatory compliance, and treatment technology will impact the cost of a project. Moreover, Metropolitan will face significant challenges in completing multiple projects at such a large scale by 2045. IRP D represents a substantial increase in new supply in 2045 – approximately 3.5x the projected PWSC supply output and a storage project equivalent to 1/3 to 2/3 the size of Diamond Valley Lake.

Additionally, Metropolitan has constraints on its ability to bond finance its capital infrastructure through its revenue bond authority, which is addressed further in the "Capital Financing Considerations" section of this report and below.

Rate Impact Summary

Figure 40 summarizes the average overall rate increases for each of the scenarios analyzed in the 2045 Forecast. IRP B with 100 TAF of core supply development and no storage development produces the lowest overall rate impact. The combination of minimal resource development but significant demand growth in the long term results in a low average rate increase over 20 years. On the other end of the spectrum, the scenario where Metropolitan invested extensive resources development for IRP D but experienced significantly reduced demands of IRP A results in the largest rate impacts of more than 8% per year for the 20-year forecast.

Figure 40 – Summary of Overall Rate Impacts (2025-2045)



Finally, Metropolitan charted the cumulative overall rate increase compared to the 2024 adopted rate for each of the scenarios analyzed above. The results in Figure XX below should not be taken as certainties, but rather as indications of the rate trends given the assumptions described above. To that point, this chart puts into perspective the compounding effect of annual rate increases. For example, planning for IRP D and experiencing the demands under IRP A, which is projected as an 8.1% average annual rate increase, would result in a greater than 400% increase in Metropolitan's average overall rate by 2045. The other scenarios have moderate impacts on rates over 20 years.

Trend-wise, there are two important observations:

- 1. Small changes in the average annual rate increase have substantial compounding effects in later years, and
- 2. the actual rate increases could be lower or higher than projected due to unforeseeable factors.

Figure 41: Projected 2045 Overall Rates of Modeled Scenarios



PROJECTED 2045 OVERALL RATE BY IRP SCENARIO

	IRP B, No Storage	IRP C, No Storage	IRP A, No Storage	IRP D, 500 TAF Storage	IRP D, 250 TAF Storage	Plan for IRP D, Observed IRP A Demand
Core Supply	100 TAF	50 TAF	0	500 TAF	550 TAF	500 TAF
Storage	0	0	0	500 TAF	250 TAF	500 TAF
Water Demand	IRP B 1.72 MAF	IRP C 1.40 MAF	IRP A 1.22 MAF	IRP A 2.04 MAF	IRP D 2.04 MAF	IRP A 1.22 MAF

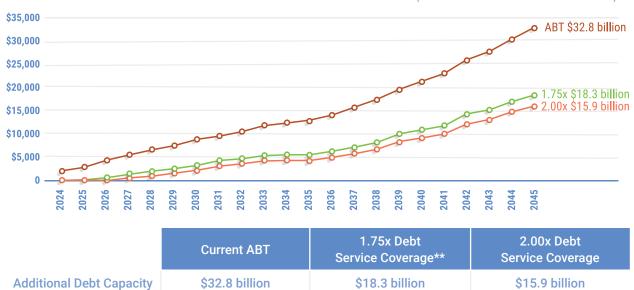
^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price of SDCWA exchange agreement deliveries.

2045 Debt Capacity Analysis

Using ANOR projections from the IRP D 2045 Forecast for IRP D (250 TAF storage capacity), Metropolitan's aggregate debt capacity across our senior and subordinate liens is estimated to range between \$15.9 billion and \$18.3 billion, depending on a debt coverage constraint of 1.75x and 2.00x. Using the rate and water transaction assumptions under IRP D, the ABT debt capacity (projected at approximately \$32.8 billion) is more than sufficient to accommodate the maximum estimated capital investment need of \$15.3 billion. As a reminder, the ABT debt capacity calculation reflects the legal authorization under the covenant terms in Metropolitan's master bond resolutions. This debt capacity analysis calculates the maximum amount of debt that could be issued under certain constraining limitations, not dependent on need. As discussed in the Capital Financing Considerations section, it is unlikely that Metropolitan would issue the maximum amount of borrowing under the ABT; however, it confirms what amount of debt Metropolitan legally can issue annually to meet its capital funding needs. The extended forecast out to 2045 demonstrates that Metropolitan would not have to tap that maximum authority. In fact, Metropolitan could meet its debt coverage target of 2.00x and still generate sufficient debt capacity, the results of which are presented in Figure 42 and supportive data can be found in Appendix F.

Figure 42: Cumulative Debt Capacity Through 2045

CUMULATIVE DEBT CAPACITY THROUGH 2045 FOR IRP D (250 TAF STORAGE CAPACITY)



^{*} Debt capacity calculated using 5% interest rates and as of June 30, 2023

^{***} Debt Service coverage calculated for each respective scenario to estimate the debt capacity available while targeting minimum target coverage ratio based on current year revenues.

Putting It All Together: Other Considerations & Next Steps.



The LRFP-NA has provided the board with key observations to help advance the important conversations occurring in its other concurrent planning processes. Several key observations come from the modeling analysis, which helps answer some important questions about the rate impact of various scenarios. Other key observations come from the capital financing discussion which focuses on funding and financing considerations to implement the required capital investments.

Topline Observations About Rate Impacts & Reliability from the Financial Analysis

Although financial modeling cannot predict the future, the analysis performed herein provides valuable insight into the relationship between rate impacts and water supply reliability. The key observations are summarized below.

- Rate increases and water supply reliability are positively correlated, rising and falling together, except in the case of IRP scenario A as it does not require additional resource development to achieve 100 percent reliability.
- In two of the four IRP scenarios, A and D, we anticipate average annual overall rate increases to exceed the forecasted rate increases in the 10-Year Financial Forecast reflected in the Adopted Budget. IRP A scenario, however, would not increase Metropolitan's revenue requirement, but because of lower projected demands, it would increase volumetric water rates. As reasonably expected, IRP D scenario, the scenario with the highest likelihood and largest magnitude of shortage, presents the most significant impact on rates.
- Meeting IRP D scenario demands with a mix of core supply and new storage capacity is estimated to require average annual rate increases of approximately 7.1 percent through 2032 at 250 TAF storage capacity and 5.5 percent through 2045 at 500 TAF storage capacity. However, there are risks with this approach. If demands were to come in lower than projected, average annual overall rate increases would increase to approximately 10.9 percent (2032 Forecast period) and 8.1 percent (2045 Forecast period). On the other hand, underdevelopment of water resources will risk water supply shortages, up to 300 TAF through 2032 approximately 10 percent to 23 percent of the time, and up to 1.2 MAF through 2045 approximately 66 percent of the time.
- In place of new resource development, Metropolitan may look to conservation as a means of achieving 100 percent reliability. Although further study is recommended to understand the availability of conservation, price elasticity, and average annual overall rate impacts, a preliminary estimate places annual conservation costs at greater than \$1 billion per year through 2032 in IRP D scenario. Metropolitan's ability to fund this level of conservation through the rate base alone is questionable, given financing limitations and/or potential rate burdens. Exploration of external funding support through federal and/or state grants may provide a potential mitigating offset to those anticipated constraints associated with funding conservation directly from operating revenues. Moreover, investing in conservation also locks in lower water demands that will increase water rates, all other things considered equal.
- In contrast to capital projects, which are typically completed once initial construction has begun, conservation spending can be curtailed at any time. If Metropolitan observes a natural reduction in demands, it could slow or stop spending on conservation spending, allowing for adaptive management of resources to meet actual demands. The benefits of conservation are paid for upfront but take effect immediately and continue for many years in the future. In comparison to core supply development, which has ongoing annual O&M and financing costs, the rate increases beyond the 10-year modeling period would likely be lower under a scenario where demands are met with conservation only.
- It is estimated that under IRP scenario D Metropolitan will need to invest \$5.5 billion to \$6.0 billion by 2032 and between \$14.0 billion and \$15.3 billion by 2045 to be 100 percent reliable. While Metropolitan would be challenged to accomplish the estimated level of investment by 2032 solely using its revenue bond capacity, assumptions through 2045 appear to be achievable. The realities of construction timelines, however, coupled with financing constraints will be impediments to swift, large-scale development of new supply resources.

As a final note, the findings of the financial analysis are dependent on the assumed unit costs for each resource. Although Metropolitan exercised care in selecting appropriate references on which to base the unit costs, it is anticipated that when phase two of the LRFP proceeds, there will be differences between actual project-specific unit costs and those modeled here in phase one.

Key Observations from Capital Financing Overview

Metropolitan has maintained a highly-rated and notably successful bond program over its history. To achieve this, Metropolitan has:

- Adopted prudent debt policies and comprehensive financial best practices
- Issued a variety of debt instruments to lower its cost of capital
- Balanced key financial metrics consistently in each biennial budget
- Managed its relationship with the rating agencies and investors proactively

Debt Capacity Analysis. Metropolitan's 10-Year Financial Forecast, as confirmed by the LRFP-NA's debt capacity analysis, estimates that Metropolitan has a range of revenue bond debt capacity between \$3.6 billion and \$5.1 billion through 2032. This range assumes that Metropolitan's debt service coverage target would not fall below 1.50x and water transactions would average around 1.7 MAF per year. With an estimate of \$5.5 billion to \$6.0 billion in capital need under IRP scenario D, financing alone is insufficient to fund the needed capital during this forecast period. However, with an assumption of 40 percent PAYGO, this results in a debt financing need of \$3.3 to \$3.6 billion. Based on staff's preliminary analysis of 2032 debt capacity, there is barely sufficient revenue bond debt capacity to accommodate this new projected capital financing need (in accordance with the delineated assumptions). Still, the funding of costs associated with the deferred refurbishment and replacement of Metropolitan's existing facilities need to be considered. In addition, there is the potential for projected capital cost estimates to push the upper limits of Metropolitan's debt capacity, not to mention the exposure risk to member agency demands (i.e., water sales) not occurring as projected. This would negatively impact net operating revenues and potentially debt service coverage. Although Metropolitan may be able to finance these capital needs by maximizing its revenue bond capacity, this may not be the only or most advisable approach.

A different story concerning debt capacity emerges, however, when looking at the longer forecasted timeline through 2045 for IRP D. As Metropolitan's existing outstanding debt is paid down, additional debt capacity is made available for new capital infrastructure investment. That said, it is important to note that it is difficult to project Metropolitan's Net Position. Hence, in lieu of attesting this projected result as revenue bond capacity, it is more conservative to reference this result as improved cashflow leverage. For IRP D (250 TAF Storage), we estimate that Metropolitan could realize up to \$15.9 billion of cashflow leverage capacity at the board's 2.00x debt service coverage target. Depending on Metropolitan's Net Position in the future, the components of the cashflow leverage may vary but most likely they would include a mix of potential debt instruments such as revenue bonds, WIFIA, COPs and/or CA SRF loans.

Bond Financing Considerations. Metropolitan has broad authority to issue debt for the purposes of funding the governmental purposes authorized for special purpose districts under state statute. While there are some statutory constraints on the issuance of revenue bonds, Metropolitan can otherwise employ a broad array of financing tools and structures. The key considerations for using debt for future CIP projects include:

- Projected revenue stream (either existing or new) to support future debt
- On-balance sheet or off-balance sheet capital placement
- Use of existing or new credit liens for specific project(s)

External Funding and/or Other Financing Options. Historically, Metropolitan has developed its capital infrastructure predominantly through its own revenues and financing tools. Given the significant investment required to address the impacts of climate change on top of the existing requirements to maintain Metropolitan's core system infrastructure, it is critical for Metropolitan to explore opportunities for funding from federal and state grant and loan programs:

- Metropolitan has identified up to \$6 billion in grant funding opportunities through the federal Bipartisan Infrastructure Law (BIL) and Infrastructure and Investment Jobs Act (IIJA). The opportunities can support a wide array of projects and programs that include water storage, aging infrastructure, water recycling, Colorado River drought contingency planning and WaterSMART grants.
- At the state level, Metropolitan already has received \$130 million in discretionary budget funding for planning related to PWSC (\$80 million) and various drought mitigation projects in the CIP (\$50 million). Given the large swings the CA state budget experiences, it is difficult for Metropolitan to depend on significant multi-year commitments. That said, Governor Newsom has prioritized programs related to climate change, as well as initiatives that could provide cost-offsetting benefits to water supply and resource projects, including \$5.2 billion for emergency drought projects, long-term water resilience, sustainable groundwater management, and other climate associated projects.
- Our new grants team in Metropolitan's Sustainability, Resiliency and Innovation Office will provide a coordinated approach to analyzing, helping secure and complying with grant funding requirements.
- Federal WIFIA loans through the U.S. EPA provide another external funding source that utilizes the opportunity to finance capital infrastructure up to 49% of the Eligible Project Costs. While WIFIA loans have mostly been used for specific projects, there are opportunities for funding qualifying expenditures for a combination of eligible projects through a Master Loan Agreement with EPA.
- Based on the maximum estimate of capital infrastructure needs in Scenario D (\$15.3 billion), a WIFIA loan, if awarded, could provide up to \$7.5 billion in loan authorization, depending upon the project(s) submitted.
- Lastly, there is an opportunity to pursue new federal legislation to restore Tax Credit Bonds. This financing
 tool, if tailored for water infrastructure with a climate adaptation focus and provide a full subsidy in the form
 of a tax-credit to private investors, could save Metropolitan billions in financing costs for some of the large
 infrastructure projects it is considering.

Metropolitan Board Direction

Given the preliminary findings of the LRFP-NA and as the board continues to engage in the CAMP4W planning process, Metropolitan staff seeks board feedback on three important topics that are critical to the undertaking of Phase 2 of the Long Range Finance Plan:

- 1. In the CAMP4W process, Individual project data will be collected and analyzed pursuant to a host of evaluative criteria related to the five foundational themes: reliability, resilience, financial sustainability, affordability and equity. How does the board wish to prioritize financial metrics at the project and portfolio levels?
- 2. Assuming there could be multiple alternative CAMP4W portfolio configurations of projects and programs to meet the estimated resource needs in IRP D, what are the potential alternative portfolio preferences that staff might consider?
- 3. What alternative financing approaches interest the board either singularly or in combination to address funding of future capital investments?



Appendix.

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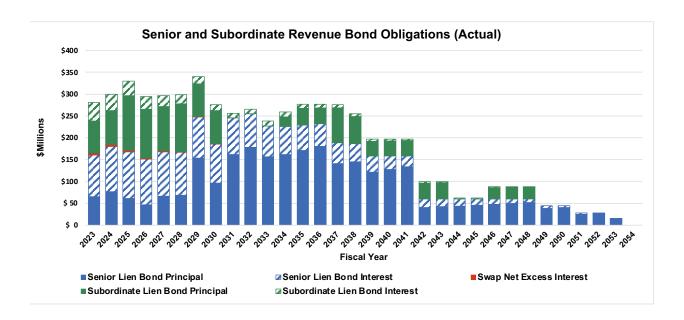


11/14/2023 Board Meeting 8-7 Attachment 1, Page 93 of 148 Appendix A. Current Debt Portfolio & Projected Debt Portfolio Costs

Outstanding Long-Term Debt as of 6/30/2023		Amount	
Series	Amount Issued	Outstanding	Maturity
Senior Lien Revenue Bonds:			
Water Revenue Refunding Bonds, 2011 Series C	\$157,100,000	\$29,315,000	10/1/2036
Water Revenue Refunding Bonds, 2014 Series E	\$86,060,000	\$33,910,000	7/1/2024
Water Revenue Bonds, 2015 Authorization, Series A	\$208,255,000	\$54,880,000	7/1/2045
Water Revenue Refunding Bonds, 2016 Series A	\$239,455,000	\$112,415,000	7/1/2037
Variable Rate Water Revenue Refunding Bonds, 2016 Series B−2	\$51,835,000	\$25,325,000	7/1/2037
Water Revenue Bonds, 2017 Authorization, Series A	\$80,000,000	\$24,275,000	7/1/2047
Water Revenue Refunding Bonds, 2018 Series B	\$137,485,000	\$119,690,000	1/1/2039
Water Revenue Refunding Bonds, 2019 Series A	\$218,090,000	\$218,090,000	7/1/2039
Water Revenue Bonds, 2020 Series A	\$207,355,000	\$207,355,000	10/1/204
Variable Rate Water Revenue Refunding Bonds, 2020 Series B	\$271,815,000	\$271,815,000	7/1/2035
Water Revenue Refunding Bonds, 2020 Series C	\$267,995,000	\$263,230,000	7/1/2040
Water Revenue Bonds, 2021 Series A	\$188,890,000	\$188,890,000	10/1/205
Water Revenue Refunding Bonds, 2021 Series B	\$98,410,000	\$87,810,000	10/1/203
Water Revenue Refunding Bonds, 2022 Series A	\$279,570,000	\$279,570,000	10/1/203
Water Revenue Refunding Bonds, 2022 Series B	\$253,365,000	\$253,365,000	7/1/2040
Variable Rate Water Revenue Refunding Bonds, 2022 Series C−1	\$147,650,000	\$147,650,000	7/1/2037
Variable Rate Water Revenue Refunding Bonds, 2022 Series C−2	\$134,625,000	\$134,625,000	7/1/2046
Water Revenue & Refunding Bonds, 2023 Series A	\$258,410,000	\$258,410,000	4/1/2053
Subordinate Lien Revenue Bonds:			
Water Revenue Refunding Bonds, 2017 Series A	\$238,015,000	\$204,760,000	7/1/2027
Water Revenue Refunding Bonds, 2017 Series B	\$178,220,000	\$35,640,000	8/1/2024
Water Revenue Bonds, 2017 Series C	\$80,000,000	\$80,000,000	7/1/2047
Water Revenue Refunding Bonds, 2017 Series D	\$95,630,000	\$95,630,000	7/1/2037
Water Revenue Refunding Bonds, 2017 Series E	\$95,625,000	\$95,625,000	7/1/2037
Water Revenue Refunding Bonds, 2018 Series A	\$99,075,000	\$10,865,000	7/1/2023
Water Revenue Bonds, 2018 Series B	\$64,345,000	\$64,345,000	9/1/2028
Water Revenue Bonds, 2019 Series A	\$241,530,000	\$209,060,000	7/1/2029
Water Revenue Bonds, 2020 Series A	\$152,455,000	\$152,455,000	7/1/2029
Water Revenue Refunding Bonds, 2021 Series A	\$222,160,000	\$222,160,000	7/1/2042
Total Revenue Bonds	\$4,753,420,000	\$3,881,160,000	
General Obligation Bonds:			
Waterworks Refunding Bonds, 2019 Series A	\$16,755,000	\$5,550,000	3/1/2028
Waterworks Refunding Bonds, 2020 Series A	\$13,665,000	\$13,665,000	3/1/2037
Total Long-Term Debt Obligations	\$4,783,840,000	\$3,900,375,000	
Outstanding Swap Obligations as of 6/30/2023	4 1,1 0 0,0 10,0 0	, , , , , , , , , , , , , , , , , , , ,	
Fixed Payor Swaps:	Original Notional	Notional Outstanding	Terminatio Date
2002A / Morgan Stanley	\$96,235,500	\$34,553,750	7/1/2025
2002B / JPMorgan Chase Bank	\$32,880,600	\$12,926,250	7/1/2025
2003 / Wells Fargo Bank	\$158,597,500	\$131,912,500	7/1/2030
2003 / JPMorgan Chase Bank	\$162,585,000	\$131,912,500	7/1/2030
2004C-1 / Morgan Stanley Capital Services, Inc.	\$74,849,500	\$4,672,250	10/1/2029
2004C-2 / Citigroup Financial Products, Inc.	\$61,240,500	\$3,822,750	10/1/2029
2005 / JPMorgan Chase Bank	\$58,547,500	\$26,445,000	7/1/2030
2005 / Citigroup Financial Products, Inc.	\$58,547,500	\$26,445,000	7/1/2030
Total Fixed Payor Swaps	\$703,483,600	\$372,690,000	, ,, _000

Appendix B.

Projected Debt Portfolio Payments by Lien



Appendix C.
Proposed Metropolitan
Debt Management Policy

Introduction

The Metropolitan Water District of Southern California ("Metropolitan", "MWD" or "District") finances the ongoing requirements of its capital program, in part, through the issuance of debt. Metropolitan's debt policies were established to provide the framework and guidance for incurring, managing, structuring, and administering Metropolitan's debt management program. The debt policies are consistent with the requirements of the Metropolitan Act ("MWD Act") and have been adopted in the form of the Metropolitan Administrative Code, Master Revenue Bond Resolution, Master Subordinate Revenue Bond Resolution, Supplemental Revenue Bond Resolutions, the Short-Term Certificate and Commercial Paper Resolutions, and related Board adopted policies. The Board (or the Ad Hoc Committee or Chief Financial Officer ("CFO") on behalf of the Board, if so authorized) may waive elements of these policies in connection with individual financings as they deem necessary or advisable.

Purpose of Policy

The purpose of this debt management policy is to:

- · To establish parameters for issuing debt;
- Provide guidance to decision makers with respect to options available to finance infrastructure, projects, and other needs;
- · Promote objectivity in the decision-making process; and
- · Comply with State laws governing the issuance of bonds.

Metropolitan will adhere to the following legal requirements for the issuance of public debt:

- · The state law which authorizes the issuance of the debt
- The federal and State laws which govern the eligibility of the debt for tax-exempt status
- · The federal and State laws which govern the issuance of taxable debt
- The federal disclosure laws of the debt both before and after issuance
- Generally Accepted Accounting Principles ("GAAP")

Purpose for Which Debt May Be Issued

Metropolitan's Capital Investment Plan (the "Capital Investment Plan" or "CIP") involves expansion and rehabilitation of existing facilities and construction of new facilities to meet future water demands, ensure system reliability as well as enhance operational efficiency and flexibility, and comply with water quality regulations. Metropolitan's CIP is regularly reviewed and updated.

Metropolitan's Capital Investment Plan requires funding from debt financing as well as from pay-as-you-go funding. The Board has adopted an internal target to fund 40 percent of capital program expenditures required for replacements and refurbishments of Metropolitan facilities from current revenues; however, the actual percentage is subject to change based on Board direction and approval during each budget cycle. The remainder of capital program expenditures will be funded through the issuance from time to time of water revenue bonds or notes, general obligation bonds and/or certificates of participation. However, pay-as-you-go funding may

be reduced or increased by the Board during the fiscal year. Moreover, Metropolitan currently does not have authorization to issue additional general obligation bonds to fund the capital program. Without additional authorization, requiring an election with approval by at least 2/3 of the qualified electors, general obligation bonds can only be issued to refund existing general obligation bonds.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized by the Board and in compliance with allowable legal uses. Debt may only be issued under Board authorization and when Metropolitan has identified sufficient funds to pay the obligation of principal and interest. No debt shall be issued with a maturity date greater than the expected useful life of the facilities or improvements being financed. Generally, the final maturity of a bond or State Revolving Fund (SRF) loan debt shall be limited to 30 years after the date of issuance, while the final term of a Water Infrastructure Finance and Innovation Act ("WIFIA") loan may be up to 35 years. For certain long-life assets, specific longer duration obligations such as Century Bonds may be analyzed for their applicability and fit within Metropolitan's long-term capital financing strategy and objectives.

For more information regarding debt issuance and capital funding, see Metropolitan's most recently adopted biennial budget.

Within the funding of the CIP, there are several types of and purposes for which debt can be issued.

A. Long-term Borrowing. Long-term borrowing may be used to finance the acquisition or improvement of land, facilities, or equipment for which it is appropriate to spread these costs over more than one budget year. Long-term borrowing may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs which may be legally capitalized.

For more information on the purposes for which Metropolitan's long-term debt may be issued, please refer to Resolution 8329 adopted on July 9, 1991, as amended and supplemented (the "Master Resolution") and Resolution 9199 adopted on March 8, 2016, as amended and supplemented (the "Master Subordinate Resolution" and, together with the Master Resolution, the "Master Resolutions").

- **B. Short-term Borrowing.** Short-term borrowing, such as notes, commercial paper and lines of credit, may be issued as an interim source of funding in anticipation of long-term borrowing, or for any purpose for which long-term debt may be issued, including refunding outstanding debt, capitalized interest and other financing-related costs. Additionally, short-term borrowing may be considered if available cash is insufficient to meet short-term operating needs. For more information on the purposes for which Metropolitan's short-term debt may be issued, please refer to Resolution 8322 adopted on April 8, 1991, as amended and supplemented (the "Master Commercial Paper Resolution") and Resolution 9201 adopted on March 8, 2016 (the "Short-Term Certificate Resolution").
- **C. Refunding.** A refunding is a transaction in which Metropolitan issues new obligations to refinance or restructure outstanding obligations. Periodic reviews of outstanding debt will be undertaken to identify refunding opportunities. Refundings will be considered if and when there is a benefit of the refunding. Refundings which are non-economic may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, the debt service profile or for other benefits to Metropolitan. For more information on the purposes for which Metropolitan's debt may be refunded, please refer to Resolution 8387 adopted on January 12, 1993, (the "Fourth Supplement to the Master Resolution") and Resolution 9104 adopted on December 8, 2009 (the "Nineteenth Supplement to the Master Resolution").

Debt Management

Metropolitan will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting process. Necessary appropriations for annual debt service requirements will be routinely included in Metropolitan's budget. Metropolitan will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

Metropolitan's Debt Management Policy, Reserve Policy, Swap Policy and Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline Metropolitan's approach to debt management:

- Metropolitan will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with existing debt service covered by such existing revenues, or (ii) additional revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- · Metropolitan will not issue debt to cover operating needs, unless specifically approved by the Board.
- Borrowings by Metropolitan will be of a duration that does not exceed the useful life of the improvement that it finances. The standard term of long-term borrowing is typically 20-35 years.
- Metropolitan currently issues debt instruments on a fixed and variable interest rate basis. Fixed rate debt
 ensures budget certainty through the life of the obligation. When appropriate, Metropolitan may choose
 to incur debt that pays a rate of interest that varies according to a predetermined index or results from a
 periodic remarketing of the securities.

The proceeds of the bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. Metropolitan's Investment Policy and the Master Resolution and supplements thereto govern objectives and criteria for investment of bond proceeds. The CFO will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage, while complying with arbitrage and tax provisions.

Bond proceeds will be deposited and recorded in separate accounts. Metropolitan's Treasurer will act as Fiscal Agent and administer the disbursement of bond proceeds pursuant to the Master Resolution and supplements thereto. Disbursement of bonds funds will be approved by Metropolitan's CFO.

The CFO, MWD staff and MWD's municipal advisor will monitor opportunities for the prepayment or refunding of related debt. The financial advantages of a refunding must outweigh the cost of issuing new debt, except in situations where the obligations need to be refinanced to remove specific legal provisions, terms or covenants or to meet other objectives of the District. A potential refunding can be assessed in combination with any new capital projects requiring financing, and the benefits of the refunding will be evaluated in relation to its costs and risks.

Debt will primarily be refunded to achieve one or more of the following objectives:

- · Reduce future debt service costs;
- · Restructure the legal requirements, terms, and/or covenants of the original issue; and/or
- Achieve other debt-related objectives of benefit to Metropolitan.

Debt Management Policy Goals

In general, Metropolitan's debt management policy is to:

- Maintain an annual revenue bond debt service coverage ratio of at least 2.0 times coverage;
- Maintain an annual fixed charge coverage ratio of at least 1.2 times coverage;
- Fund replacements and refurbishments, capital projects costing less than \$1 million, or capital projects with useful lives less than the typical bond terms, and reimbursable capital projects from annual revenues;
- Limit debt-funded capital to no more than 60 percent of the total capital program over the ten-year planning period; and
- Limit variable rate debt to 40 percent of outstanding revenue bond debt (excluding variable rate bonds associated with interest rate swap agreements).

The Act also provides two additional limitations on indebtedness. The Act provides for a limit on general obligation bonds, water revenue bonds and other indebtedness at 15 percent of the assessed value of all taxable property within Metropolitan's service area. The second limitation under the Act specifies that no revenue bonds may be issued, except for the purpose of refunding, unless the amount of equity of Metropolitan, as shown on its balance sheet as of the end of the last fiscal year prior to the issuance of the bonds, equals at least 100 percent of the aggregate amount of revenue bonds outstanding following the issuance of the bonds.

For more information regarding Metropolitan's debt management policy goals, see Administrative Code section 5109 and Metropolitan's most recently adopted biennial budget.

Types of Debt

Part 5 of the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and sPart 5 of the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented, including by the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1, Division 2, Title 5 of the Government Code) (the "Act"), authorizes Metropolitan's Board to issue general obligation bonds, revenue bonds, substitute bonds, electric revenue bonds, bonds for repair or replacement of damaged or demolished works of the District, bonds supported by annexation charges, bond anticipation notes, refunding bonds and short-term revenue certificates. Bonds or other forms of indebtedness issued pursuant to Part 5 of the MWD Act may bear interest at a fixed or variable rate and be issued in the form of notes, bonds, or other evidences of indebtedness.

In accordance with the terms and conditions of the Metropolitan's Master Resolution and supplements thereto, Metropolitan is authorized to issue from time to time a variety of tax-exempt and taxable debt instruments, including but not limited to the following:

- Water Revenue Bonds
- · General Obligation Bonds
- Certificates of Participation
- · Refunding Bonds
- Commercial Paper

- · Short-Term Credit Facilities
- Medium-Term Fixed and Floating Rate Notes
- · Notes and Anticipation Notes
- · Tax-Credit Bonds
- Federal Loans (e.g., Water Infrastructure Finance and Innovation Act ("WIFIA"))
- State Loans
- Other types of bonded indebtedness as authorized by the Metropolitan Act and the Metropolitan Board of Directors

In addition to the aforementioned long- and short-term financing instruments, Metropolitan may also consider joint arrangements with other governmental agencies. Communication and coordination will be made with local governments regarding cost sharing in potential joint projects, including leveraging grants and funding sources.

Metropolitan is authorized to join with other special districts and/or municipal agencies to create a separate entity, such as a Joint Powers Authority (JPA), to issue debt on behalf of Metropolitan, the special district or municipality. Metropolitan will only be liable for its share of debt service, as specified in a contract executed in connection with the joint venture debt.

Credit Enhancement

Credit enhancement may be used to improve or establish a credit rating on a Metropolitan debt obligation. Types of credit enhancement include, but are not limited to, Letters of Credit, bond insurance or surety policies. The CFO will recommend to the Board the use of credit enhancement if it reduces the overall cost of the proposed financing or if, in the opinion of the CFO, the use of such credit enhancement furthers Metropolitan's overall financial objectives.

Debt Service Reserve Fund/Surety Policy

The CFO, with counsel from Metropolitan's municipal advisor, bond counsel, and underwriter, will determine whether it is prudent and cost-effective to fund a debt service reserve fund. Metropolitan may issue debt without a funded debt service reserve fund if market pricing will not be negatively impacted.

Capitalized Interest

Generally, interest may be capitalized for the construction period of a revenue-producing project, such that debt service expense does not begin until the project is expected to be operational and producing revenues. Only under extraordinary circumstances, interest may be capitalized for a period longer than the construction period, if compliant with tax law.

Credit Ratings

Metropolitan will seek to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising Metropolitan's policy objectives. Ratings are one reflection of the general fiscal soundness of Metropolitan and the capabilities of its management. By maintaining the highest possible credit ratings, Metropolitan can issue its debt at a lower interest cost. To enhance creditworthiness, Metropolitan is committed to prudent financial management, systematic capital planning, and long-term financial planning.

The CFO in consultation with Metropolitan's municipal advisor, shall be responsible for determining whether a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

Metropolitan recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Each proposal for additional debt will be analyzed for its impact upon Metropolitan's credit ratings.

Rating Agency Relationships

The CFO shall be responsible for maintaining relationships with the rating agencies; S&P Global Ratings, Moody's Investors Service, Fitch Ratings and other nationally recognized statistical rating organizations (NRSROs), as appropriate. This effort shall include providing periodic updates, both formal and informal, on Metropolitan's general financial condition and coordinating meetings and presentations in conjunction with a new debt issuance, as appropriate.

The retention of a rating agency relationship will be based on a determination of the potential for more favorable interest costs as compared to the direct and indirect cost of maintaining that relationship.

Method of Sale

Metropolitan will select the method of sale that best fits the type of bonds being sold, market conditions, and the desire to structure bond maturities to enhance the overall performance of the entire debt portfolio. Three general methods exist for the sale of municipal bonds:

- 1. Competitive sale. Bonds will be marketed to a wide audience of investment banking (underwriting) firms. Metropolitan will award the sale of the competitively sold bonds to the underwriter who places the compliant bid with the lowest true interest cost (TIC). Pursuant to this policy, the CFO is hereby authorized to sign the bid form on behalf of Metropolitan fixing the interest rates on bonds sold on a competitive basis.
- 2. Negotiated sale. The CFO selects the underwriter, or team of underwriters, of its securities in advance of the bond sale. The primary role of the underwriter is leading the investor marketing process ahead of sale and taking orders from investors at pricing. Metropolitan and its municipal advisor will work with the underwriter to bring the issue to market and negotiate all rates and terms of the sale. In advance of the sale, the CFO will determine compensation for and liability of each underwriter employed and the designation rules and priority of orders under which the sale will be conducted. Pursuant to this policy, the CFO is hereby authorized to sign the bond purchase agreement on behalf of Metropolitan.
- 3. Private placement/ direct purchase. Metropolitan may elect to issue debt on a private placement / direct purchase basis. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or of it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

In addition to accessing capital through the public markets and private placements, Metropolitan can also fund its capital needs through State and federal loan programs, mainly the State SRF loan program and the federal WIFIA loan program.

Swap Policy

It is the policy of Metropolitan to utilize swap instruments to better manage its assets and liabilities. Metropolitan may execute a Swap transaction if Metropolitan expects the Swap Transaction to result in any of the following:

- Reduce exposure to changes in interest rates on a particular financial transaction or in the context of the management of interest rate risk derived from Metropolitan's overall assets and liabilities;
- Result in a lower net cost of borrowing with respect to Metropolitan's debt or achieve a higher net rate
 of return on investments made in connection with, or incidental to the issuance, incurring, or carrying of
 Metropolitan's obligations or other Metropolitan investments; or
- Manage variable interest rate exposure consistent with prudent debt practices and guidelines approved by the Board.

Metropolitan shall not enter into any Swap Transaction for speculative purposes.

For more information regarding Metropolitan's Swap Policy, please refer to Resolution 8773 adopted September 11, 2001, as amended (the "Master Swap Resolution") and to Metropolitan's Master Swap Policy, as amended and restated.

Roles & Responsibilities

The primary responsibility for developing debt financing recommendations rests with the CFO. In developing such recommendations, the CFO shall consider the need for debt financing and assess progress on the current capital improvement program or plan (CIP) and any other program/improvement deemed necessary by Metropolitan. The Board authorizes and approves debt financing and/or debt service related recommendations and proposals.

All proposed debt financings shall be presented to and approved by the Board. Debt financings are typically issued directly by Metropolitan, but from time to time, debt may be issued through a Joint Powers Authority if applicable. Any debt issued through a Joint Powers Authority will be presented to and approved by the Board.

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of California Government Code (CGC) §54300 et seq.

Bond Counsel. Metropolitan will retain external bond counsel for all debt issues. The CFO and General Counsel shall make recommendations on the retention of bond counsel.

Bond counsel will prepare the necessary authorizing resolutions, agreements and other documents necessary to execute the financing. All debt issued by Metropolitan will include a written opinion by bond counsel affirming that Metropolitan is authorized to issue the debt, stating that Metropolitan has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

Disclosure Counsel. Metropolitan will retain external disclosure counsel for debt issues requiring public disclosure. The CFO and General Counsel shall make recommendations on the retention of disclosure counsel.

Disclosure Counsel will prepare the necessary disclosure documents such as the preliminary official statement and official statement and assist Metropolitan in applicable disclosure related matters.

Municipal Advisor. Metropolitan will select a municipal advisor who is an independent municipal advisor. While serving as Metropolitan's municipal advisor, a firm may not also engage in the underwriting of Metropolitan bond issues. A firm may also not switch roles (i.e., from municipal advisor to underwriter) after a financial transaction has begun. Municipal advisors shall be selected through a competitive process after a review of proposals by the CFO and/or other staff.

The municipal advisor will advise Metropolitan on refunding opportunities for current outstanding debt, as well as assist in evaluating the merits of competitive, negotiated or private placement of new debt, and determining the most appropriate structure to ensure effective pricing that meets Metropolitan's near-term and long-term cash flow needs. The municipal advisor will work with all parties, as required, in a financing transaction, including Metropolitan's bond counsel, trustee, underwriters, and credit liquidity providers, to develop and monitor the financing schedule and preparation of the Official Statement.

Underwriters. For negotiated sales, Metropolitan will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds. The CFO will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis. Metropolitan will not be bound by the terms and conditions of any underwriting agreement; oral or written, to which it was not a party.

Other Third-Party Service Providers. Depending on the nature of the transaction, Metropolitan may wish or need to engage other third-party service providers such as trustee and/or paying agent, verification agent, printing, remarketing and credit liquidity service provider, among others. Metropolitan and its municipal advisor will determine when and if these third parties are necessary and manage the engagement process accordingly.

Federal Arbitrage & Rebate Compliance

Metropolitan will fully comply with federal arbitrage and rebate regulations. Concurrent with this policy, the CFO will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues. All of Metropolitan's tax-exempt issues, including lease purchase agreements, are subject to arbitrage compliance regulations.

Division 5, Chapter 2 of the Administrative Code establishes funds and parameters to provide for accountability of public moneys in accordance with applicable federal and state law and regulations and Board policies. Additionally, the Controller's Section of the Office of the CFO implements Metropolitan's Internal Control Process 3.2, "Acquisition, Tracking and Disposition of Plant Assets." A copy of this process is on file with the Controller.

The Office of the CFO shall be responsible for the following:

- 1. Monitoring the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued.
- 2. Administering Metropolitan's Procedures and Guidelines Regarding Compliance With Federal Tax Requirements Applicable to Tax-Exempt Bonds and Other Tax-Favored Obligations (the "Procedures and Guidelines") including (a) the interest on which is excluded from gross income for federal income tax purposes or (b) that are eligible for a federal subsidy in the form of a tax credit to bondholders or payments to Metropolitan.
- 3. Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
- 4. Contracting the services of outside arbitrage consultants to establish and maintain a system of record

keeping and reporting to meet the arbitrage rebate compliance requirements of federal tax code.

To the extent any arbitrage rebate liability exists, Metropolitan will report such liability in its Annual Comprehensive Financial Report (ACFR).

Continuing Disclosure

Metropolitan will comply with disclosure requirements in a timely and comprehensive manner, as stipulated by the Securities Exchange Commission (SEC) Rule 15c2-12. The CFO shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system, the central depository designated for ongoing disclosures by municipal issuers. Metropolitan will provide financial information and operating data no later than 180 days following the end of Metropolitan's fiscal year each year, and will provide notice of certain enumerated events with respect to the bonds, if material, as defined in Metropolitan's bond covenants.

Metropolitan will also comply with annual State reporting requirements pertaining to its outstanding debt.

Metropolitan will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, Metropolitan will ensure information flows to the appropriate disclosure notification parties.

Policy Review

On an as needed basis, the CFO will be responsible for updating and revising this Policy which shall be reviewed and adopted by the Board.



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AMENDED AND RESTATED MASTER SWAP POLICY

May 11, 2010

1. Authority

A Master Swap Resolution ("Master Swap Resolution") of the Board of Directors of the Metropolitan Water District of Southern California ("Metropolitan") authorizing the execution and delivery of interest rate swap transactions ("Swap Transactions") and related agreements ("Swap Agreements") was approved on September 11, 2001 and amended on July 14, 2009 and May 11, 2010. The Master Swap Resolution authorizes Metropolitan to enter into Swap Transactions from time to time to better manage assets and liabilities and to take advantage of market conditions to lower overall costs and reduce interest rate risk.

The Master Swap Resolution authorizes the execution of Swap Transactions and Swap Agreements, provides for security and payment provisions, and sets forth certain other provisions related to Swap Agreements between Metropolitan and qualified swap counterparties. In the event of a conflict between the terms of the Master Swap Resolution and the terms of this Master Swap Policy (the "Swap Policy"), the terms and conditions of the Master Swap Resolution shall control.

2. Purpose

The incurring or carrying of obligations and management of investments by Metropolitan involves a variety of interest rate payments and other risks that a variety of financial instruments are available to offset, hedge, or reduce. It is the policy of Metropolitan to utilize such financial instruments to better manage its assets and liabilities. Metropolitan may execute a Swap Transaction if Metropolitan expects the Swap Transaction to result in any of the following:

- Reduce exposure to changes in interest rates on a particular financial transaction or in the context of the management of interest rate risk derived from Metropolitan's overall asset / liability balance;
- Result in a lower net cost of borrowing with respect to Metropolitan's debt or achieve a higher net rate
 of return on investments made in connection with, or incidental to the issuance, incurring, or carrying of
 Metropolitan's obligations or other Metropolitan investments; or
- Manage variable interest rate exposure consistent with prudent debt practices and guidelines approved by the Board.

Metropolitan shall not enter into any Swap Transaction for speculative purposes.

3. Form of Swap Agreements

Each Swap Transaction and Swap Agreement executed by Metropolitan shall contain terms and conditions as set forth in an ISDA Master Agreement (as such term is defined in the Master Swap Resolution). Subject to the Approval Requirements (as defined below in Section 4), the Swap Agreements between Metropolitan and each Qualified Swap Counterparty (as defined below) shall include payment, term, security, collateral, default, remedy,

termination, and other terms, conditions and provisions as the Chief Financial Officer, in consultation with the General Counsel, deems necessary or desirable.

4. Swap Transaction Approval Requirements

The Chief Financial Officer, the Ad Hoc Committee (as such term is defined in the Master Swap Resolution) or the Board of Directors of Metropolitan shall approve each Swap Transaction in accordance with the approval requirements set forth in Article II, Section 2.01(a)(iii) of the Master Swap Resolution and in this Section 4. The approval requirements of any Swap Transaction will be based upon the notional amount and average life of the Swap Transaction. The following table sets forth the approval requirements for each Swap Transaction (the "Approval Requirements"):

Approval Requirements

	Notional Amount				
Average Life of Swap Transaction	Board Approval	Ad Hoc Committee	CFO Approval		
5 years or less	greater than \$300M	>\$50M, up to \$300M	\$50M or less		
>5 years <10 years	greater than \$250M	>\$50M, up to \$250M	\$50M or less		
10 years or greater	greater than \$200M	>\$50M, up to \$200M	\$50M or less		

If Metropolitan proposes to enter into any Swap Transaction, then Metropolitan shall satisfy the Approval Requirements with respect to such Swap Transaction based on the average life and notional amount of such Swap Transaction and all other Swap Transactions Metropolitan has entered into over the immediately preceding three-month period (without regard to any Replacement Swap Transactions (as defined below), Offsetting Swap Transactions (as defined below) and any amendments, assignments or novations of existing Swap Transactions for which the requirements for approval are specified in Section 10 hereof).

For example, if Metropolitan enters into a \$50 million Swap Transaction for 15 years, approval for this Swap Transaction would be required from the Chief Financial Officer only. However, if within the same three-month period Metropolitan proposes to enter into a second 15-year Swap Transaction for \$50 million, then approval for the second Swap Transaction (and only the second Swap Transaction) would be required by the Ad Hoc Committee.

Notwithstanding the foregoing, the Chief Financial Officer may execute and deliver any Swap Agreement (including an ISDA Master Agreement and a Schedule and Credit Support Annex thereto) so long as the terms and conditions of each Swap Transaction entered thereunder is approved and authorized in accordance with this Section 4.

5. Qualified Swap Counterparties

Metropolitan shall be authorized to enter into Swap Transactions only with Qualified Swap Counterparties. The term "Qualified Swap Counterparty" shall mean any commercial or investment bank or any other financial institution that (a) has a demonstrated record of successfully executing swap transactions, (b) is rated, or has its

payment obligations under a Swap Agreement guaranteed by an entity which is rated, in each case at least "Aa3" or "AA-", or equivalent by any two of the nationally recognized rating agencies (i.e., Moody's, Standard and Poor's, or Fitch

Metropolitan may enter into Swap Transactions with existing swap counterparties whose credit ratings have dropped below the required levels if the additional Swap Transaction is an Offsetting Swap Transaction (as such term is defined in Section 8 of this Swap Policy). For example, if Metropolitan has \$100 million of floating to fixed interest rate swaps with an existing swap counterparty whose rating has dropped below qualified levels, then Metropolitan may enter into up to \$100 million of fixed to floating interest rate Swap Transactions to "offset" the risk to Metropolitan with the swap counterparty. The Chief Financial Officer has discretion to determine the tenor of such Offsetting Swap Transaction, but in no case may the final maturity be longer than the existing Swap Transaction which is being offset.

Metropolitan may negotiate or competitively bid any Swap Transaction based on a review of the costs and benefits to Metropolitan of such approach.

6. Termination Provisions

All Swap Transactions shall contain provisions granting Metropolitan the right to optionally terminate a Swap Transaction at any time over the term of the Swap Transaction.

Optional Termination. Metropolitan may exercise the right to optionally terminate a Swap Transaction if it determines that it will (1) produce a benefit to Metropolitan, either through receipt of a payment from a termination, or if a termination payment is made by Metropolitan, in conjunction with a conversion to a more beneficial (desirable) debt obligation of Metropolitan or as otherwise determined by Metropolitan, (2) result in a more beneficial mix of fixed and variable rate debt consistent with prudent debt practices and guidelines approved by the Board, or (3) otherwise reduce risk as determined by the Chief Financial Officer or the Ad Hoc Committee. The Chief Financial Officer or the Ad Hoc Committee is authorized to terminate any Swap Transaction on behalf of Metropolitan as provided by Section 2.04 of the Master Swap Resolution.

Mandatory Termination: A termination payment to or from Metropolitan may be required in the event of termination of a Swap Transaction due to the occurrence and continuance of an event of default or termination event (including, but not limited to, a decrease in credit rating below an established level of either Metropolitan or the swap counterparty). If the event of default or termination event is due to the swap counterparty and a termination payment would be owed by Metropolitan, before deciding to exercise its right to terminate a Swap Transaction, the Chief Financial Officer shall evaluate whether it is financially advantageous for Metropolitan to enter into a Replacement Swap Transaction (as defined and for the purposes specified below) to avoid making such termination payment or so that the swap counterparty to the Replacement Swap Transaction will make an up-front payment to Metropolitan upon entering into the Replacement Swap Transaction in an amount that will offset the termination payment that Metropolitan will be making to the original swap counterparty. As used herein, the term "Replacement Swap Transaction" shall mean any Swap Transaction that Metropolitan enters into for the purpose of replacing an existing Swap Transaction that has been or is expected to be terminated (either by Metropolitan or the counterparty thereto).

Upon the occurrence and continuance of an event of default by a swap counterparty or a termination event related to a swap counterparty whereby Metropolitan would be required to make a termination payment, Metropolitan shall proceed as follows:

• In order to mitigate the financial impact of making such payment at the time such payment is due; Metropolitan will seek to enter into a Replacement Swap Transaction such that the swap counterparty to the Replacement Swap Transaction would make an upfront payment to Metropolitan in an amount that would offset the termination payment obligation of Metropolitan under the existing Swap Transaction or the swap counterparty to the Replacement Swap Transaction will make a payment directly to the counterparty of the existing Swap Transaction pursuant to a novation agreement and Metropolitan will no longer have a payment obligation with respect to the swap counterparty to the existing Swap Transaction.

Authorization for Replacement Swap Transactions. Notwithstanding any other provision of this Swap Policy to the contrary (including, but not limited to, this Section 6 and Section 4 and Section 8 of this Swap Policy), the Chief Financial Officer shall be authorized to execute and deliver on behalf of Metropolitan any Replacement Swap Transaction so long as the counterparty of such Replacement Swap Transaction is a Qualified Swap Counterparty.

7. Term and Notional Amount of Swap Agreement

Metropolitan shall determine the appropriate term for any Swap Transaction on a case by case basis. The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, and the impact that the term of the swap has on the overall exposure of Metropolitan shall be considered in determining the appropriate term of any swap agreement. In connection with the issuance or carrying of bonds, the term of a Swap Transaction between Metropolitan and a Qualified Swap Counterparty shall not extend beyond the latest final maturity date of existing water revenue bonds of Metropolitan. At no time shall the total notional amount of all swaps exceed the total amount of outstanding water revenue bonds.

8. Swap Counterparty Maximum Net Exposure Limits

To diversify Metropolitan's swap counterparty risk and to limit Metropolitan's credit exposure to any one swap counterparty, Metropolitan hereby establishes limits for each swap counterparty based upon both the credit rating of the swap counterparty and the relative level of Maximum Net Exposure (as defined below). Metropolitan shall not enter into any Swap Transaction if after giving effect to, and as of the date of the entering into of, such Swap Transaction both of the following would occur: (a) the Maximum Net Exposure for such swap counterparty would exceed \$50 million and (b) the Maximum Net Exposure for such swap counterparty exceeds 50% of the total Maximum Net Exposure of all Swap Transactions (regardless of swap counterparty) of Metropolitan as of such date.

As an example of how to calculate the Maximum Net Exposure of Metropolitan to a swap counterparty, assume Metropolitan has executed a 30-year \$150 million notional amount Swap Transaction with a swap counterparty and the Termination Exposure to that swap counterparty for Metropolitan is \$40 million and Metropolitan wants to enter into another \$150 million notional amount Swap Transaction with such swap counterparty. Now assume that if the yield curve moved 50 basis points Metropolitan's aggregate Termination Exposure to this swap counterparty on the existing Swap Transactions would increase by \$10 million and Metropolitan's Termination Exposure on the new Swap Transaction would be \$10 million. The Maximum Net Exposure of Metropolitan to such swap counterparty would equal \$60 million. Therefore, since the Maximum Net Exposure of Metropolitan to such swap counterparty would exceed \$50 million, Metropolitan would be authorized to enter into such new Swap Transaction only if the \$60 million in Maximum Net Exposure represents 50% or less of the total Maximum Net Exposure of all Swap Transactions of Metropolitan as of such date.

In addition, additional exposure provisions are as follows:

- The sum total notional amount per swap counterparty may not exceed 25 percent of Metropolitan's total
 revenue bond indebtedness; provided, however, that Metropolitan shall not take into consideration into the
 total notional amount per swap counterparty any Offsetting Swap Transactions entered into with a swap
 counterparty which offset other Swap Transactions entered into with the same swap counterparty; and
- The appropriate collateral thresholds in the Swap Agreement will be determined on a case by case basis, and approved by the Chief Financial Officer in consultation with the General Counsel.

If at any time the mark-to-market exposure under all Swap Transactions with a swap counterparty exceeds the limits described above, then Metropolitan shall conduct a review of its risk to that swap counterparty. The Chief Financial Officer shall evaluate appropriate strategies in consultation with the Office of the General Counsel to mitigate this exposure. Notwithstanding the foregoing, Metropolitan shall only be required to satisfy the provisions of this Section 8 at the time that it enters into a Swap Transaction.

As used in this Section 8:

The term "Termination Exposure" shall mean the total amount of mark-to-market termination payment exposure of Metropolitan under a Swap Transaction or Swap Transactions, calculated assuming market quotation/second method on a mid-market basis.

The term "Potential Termination Exposure" shall mean the total estimated additional amount of mark-to-market termination exposure of a Swap Transaction that would be caused by a change of 50 basis points in the swap curve (in the direction that would cause the greatest increase in such Termination Exposure to Metropolitan).

The term "Maximum Net Exposure" shall mean, in connection with any proposed Swap Transaction with a swap counterparty, that amount equal to the sum of (a) the aggregate amount of Termination Exposure on the date of determination for all existing Swap Transactions with such swap counterparty, (b) the aggregate amount of Potential Termination Exposure for the proposed new Swap Transaction, plus (c) the Potential Termination Exposure for all existing Swap Transactions with the swap counterparty of the new Swap Transaction; provided, however, that in calculating such Termination Exposure and Potential Termination Exposure, Metropolitan shall take into consideration the impact of any Offsetting Swap Transactions.

The term "Offsetting Swap Transaction" shall mean any Swap Transaction that Metropolitan enters into that directly or indirectly has the effect of offsetting Metropolitan's interest rate exposure under one or more other Swap Transactions, including, but not limited to, basis risk swap transactions.

9. Collateral Requirements

As part of any Swap Agreement, unless otherwise approved by the Ad Hoc Committee, Metropolitan shall require collateralization or other credit enhancement to secure any or all swap payment obligations. As appropriate, the Chief Financial Officer, in consultation with the General Counsel may require collateral or other credit enhancement to be posted by each swap counterparty. Unless the Ad Hoc Committee otherwise authorizes or requires, each Swap Agreement that Metropolitan executes and delivers after the date hereof shall be required or may be permitted to, as applicable, contain the following terms and conditions:

• Each swap counterparty to Metropolitan may be required to post collateral subject to negotiated thresholds if the credit rating of the swap counterparty or parent falls below the "AA" category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each swap counterparty in

accordance with the provisions contained in the collateral support agreement to each Swap Agreement with Metropolitan.

- Collateral may consist of cash, U.S. Treasury securities or Agencies.
- Collateral shall be deposited with a third party custodian, or as mutually agreed upon between Metropolitan and each swap counterparty.
- A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap counterparty.
- The market value of the collateral shall be determined on at least a weekly basis.
- Metropolitan will determine reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.
- The Chief Financial Officer shall determine on a case by case basis whether other forms of credit enhancement are more beneficial to Metropolitan.
- Metropolitan may, as part of the negotiation, be required to post collateral to the swap counterparty. The terms of such collateral posting by Metropolitan will not exceed the collateral posting requirements of the swap counterparty unless the Ad Hoc Committee has approved such terms.

10. Amendment or Assignment of Swap Transaction or Swap Agreement.

- a. Amendments. Notwithstanding any other provision of this Swap Policy, Metropolitan shall be authorized to enter into an amendment of any existing Swap Transaction
- (1) solely with the approval and the authorization of Metropolitan's Chief Financial Officer if such amendment does not cause an increase on the effective date of the amendment in the Termination Exposure of Metropolitan of more than \$2.5 million after adjusting for any up-front payments either made or received by Metropolitan (for example, if Metropolitan is paid

\$3 million by the counterparty as a result of the amendment and concurrently the Termination Exposure increases by \$3 million, the net impact of the amendment will be deemed to be zero) and (2) solely with the approval and the authorization of the Ad Hoc Committee if such amendment does not cause an increase on the effective date of the amendment in the Termination Exposure of Metropolitan of more than \$5 million after adjusting for any up-front payments either made or received by Metropolitan.

b. Assignments. Notwithstanding any other provision of this Swap Policy, Metropolitan shall be authorized to enter into any assignment or novation of a Swap Transaction from one swap counterparty to another swap counterparty solely with the approval and the authorization of Metropolitan's Chief Financial Officer if the swap counterparty to which such Swap Transaction is assigned is a Qualified Swap Counterparty. Notwithstanding any other provision of this Swap Policy (including Section 4 and Section 8 of this Swap Policy), Metropolitan shall be authorized to enter into a Swap Agreement with the swap counterparty to which any Swap Transaction is assigned pursuant to the immediately preceding sentence (or otherwise amend the terms and conditions of the assigned Swap Transaction) on such terms and conditions (1) as the Chief Financial Officer of Metropolitan shall authorize and approve so long as such terms and conditions do not have the impact of increasing on the effective date of such assignment or novation the Termination Exposure of Metropolitan under the assigned or

novated Swap Transactions of more than \$2.5 million and (2) solely with the approval and the authorization of the Ad Hoc Committee if such amendment does not cause an increase on the effective date of such assignment or novation the Termination Exposure of Metropolitan under the assigned or novated Swap Transactions of more than \$5 million.

11. Reporting Requirements

A written report providing the status of all Swap Transactions will be provided to the Board of Directors at least on a quarterly basis and shall include the following information:

- Highlights of all material changes to Swap Agreements and Swap Transactions or new Swap Agreements and Swap Transactions (including, but not limited to any amendments, assignments or novations to Swap Agreements or Swap Transactions) entered into by Metropolitan since the last report.
- Market value of each of Metropolitan's Swap Transactions.
- The net impact to Metropolitan of a 50 basis point movement (up or down) for each Swap Transaction with the appropriate swap index or curve.
- For each swap counterparty, Metropolitan shall provide the total notional amount position, the average life of each swap agreement, and the remaining term of each Swap Transaction.
- The credit rating of each swap counterparty and credit enhancer insuring or guaranteeing swap payments, if any.
- Actual collateral posting by swap counterparty, if any, per Swap Transaction and in total by swap counterparty.
- Actual collateral posting by Metropolitan, if any, per Swap Transaction and in total by swap counterparty.
- A summary of each Swap Transaction, including but not limited to the type of Swap Transaction, the rates paid by Metropolitan and received by Metropolitan, and other terms.
- Information concerning any default by a swap counterparty to Metropolitan, and the results of the default, including but not limited to the financial impact to Metropolitan, if any.
- A summary of any planned Swap Transactions and the expected impact of such Swap Transactions on Metropolitan.
- · A summary of any Swap Transactions that were terminated.

The Chief Financial Officer together with the General Counsel shall review the Swap Policy on an annual basis and recommend appropriate changes to the Board.

12. Calculations.

In calculating the Termination Exposure, Potential Termination Exposure, Maximum Net Exposure or any other calculation under this Swap Policy, Metropolitan may conclusively rely on calculations of employees of Metropolitan or on a certificate from its swap advisor certifying as to such calculation (in each case, in accordance with industry standards and customs) and any such calculation shall be conclusive for all purposes of the Master Swap Resolution and this Swap Policy.



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA STATEMENT OF INVESTMENT POLICY

FISCAL YEAR 2023/24

June 13, 2023

I. POLICY

This Statement of Investment Policy (Policy) is intended to outline the guidelines and practices to be used in managing the Metropolitan Water District of Southern California's (District) investment portfolio. District funds not required for immediate cash disbursements will be invested in compliance with the Government Code of the state of California (California Government Code).

II. INVESTMENT AUTHORITY

As authorized by Section 53607 of the California Government Code, authority to invest or reinvest funds of the District is hereby delegated by the Board of Directors to the Treasurer, for a period of one-year, who shall thereafter assume full responsibility for the investment program until the delegation of authority is revoked or expires. Subject to review, the Board of Directors may renew the delegation of authority each year. The Treasurer may delegate the day-to-day investment activities to their designee(s) but not the responsibility for the overall investment program.

The Treasurer may also delegate the day-to-day execution of investments to registered investment managers through written agreements. The investment manager(s), in coordination with the Treasurer, will manage on a daily basis the District's investment portfolio pursuant to the specific and stated investment objectives of the District. The investment manager(s) shall follow this Policy, the specific investment guidelines provided to each investment manager, and such other written instructions provided by the Treasurer or their designee(s). The investment manager(s) may be given discretion to acquire and dispose of assets in their designated account, but the investment manager(s) shall not be permitted to have custodial control over the District's investment portfolio.

III. STATEMENT OF OBJECTIVES

In accordance with California Government Code Section 53600.5, and in order of importance, the Treasurer shall adhere to the following three criteria:

- 1. Safety of Principal. Investments shall be undertaken which first seek to ensure the preservation of principal in the portfolio. The Treasurer shall ensure that each investment transaction is evaluated or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to loss. Diversification of the portfolio will be used in order to reduce exposure to principal loss.
- 2. Liquidity. Investments shall be made whose maturity date is compatible with cash flow requirements of the District and which will permit easy and rapid conversion into cash without substantial loss of principal.
- 3. Return on Investment. Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

IV. SCOPE

This Policy applies to all funds and investment activities under the direct authority of the District and accounted for in the Annual Comprehensive Financial Report (ACFR), except for the employee's retirement and deferred compensation funds. In addition, deposits with banks under the California Government Code's "Deposit of Funds" provisions are excluded from this Policy's requirements. Funds of the District will be invested in compliance with the provisions of, but not necessarily limited to securities specified in the California Government Code Section 53601 et seq. and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. Investment of the District's bond proceeds shall be subject to the conditions and restrictions of bond documents and are not governed by this Policy.

V. PRUDENT INVESTOR STANDARD

Pursuant to California Government Code Section 53600.3, all persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the "prudent investor standard". The prudent investment standard obligates a trustee to ensure that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

VI. SAFEKEEPING AND CUSTODY

To protect against potential losses caused by the collapse of individual securities dealers, all investment transactions involving deliverable securities will be conducted on a delivery versus payment (DVP) basis. All deliverable securities owned by the District, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department acting as agent for the District under the terms of a custody agreement executed by the bank and the District. All financial institutions that provide safekeeping services for the District shall be required to provide reports or safekeeping receipts directly to the Controller to verify securities taken into their possession. The Controller shall also maintain evidence of the District ownership in non-deliverable securities (e.g. LAIF, CAMP, and Time CDs).

VII. INVESTMENT TRANSACTIONS

Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community. Confirmations for investment transactions will be sent directly to the Controller for audit. When practical, the Treasurer shall solicit more than one quotation on each trade.

VIII. REPORTING

If the Board delegates responsibility of the investment program to the Treasurer, then in accordance with the Metropolitan Water District Administrative Code, Section 5114, the Treasurer shall submit a monthly report to the Executive Secretary of the Board of Directors via the General Manager indicating the types of investment by fund and date of maturity, and shall provide the current market value of all securities, rates of interest, and expected yield to maturity. The Treasurer shall also submit a monthly summary report to the Board of Directors via the General Manager showing investment activity, including yield and earnings, and the status of cash by depository.

In addition, the monthly report shall also include a statement denoting the ability to meet the District's expenditure requirements for the next six (6) months. The report shall also state compliance of the portfolio to this Policy, or manner in which the portfolio is not in compliance. In the event of non-compliance, staff will prepare a report for the Board that details the compliance issue, provides analysis, and provides a recommendation to bring the portfolio back into compliance with this Policy.

IX. PERFORMANCE STANDARDS

The investment portfolio shall be managed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the District. The District will employ an active management approach that allows for the sale of securities prior to their scheduled maturity dates. Securities may be sold for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. In no instance shall a transaction be used for purely speculative purposes. The District recognizes that in a diversified portfolio occasional measured losses are inevitable and must be considered within the context of the overall portfolio's structure and expected investment return, with the proviso that adequate diversification and credit analysis have been implemented.

Because the composition of the portfolio fluctuates, depending on market and credit conditions, various appropriate indices selected by the Treasurer will be used to monitor performance.

X. INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES

The District is governed by the California Government Code, Sections 53600 et seq. Within the context of these limitations, the investments listed below are authorized.

The District is prohibited from investing in any investment authorized by the California Government Code but not explicitly listed in this Policy without the prior approval of the Board of Directors. Some of the limitations on investments set forth below are more stringent than required by the California Government Code and have been included to better manage the credit risks specific to the District's portfolio. Under the provisions of California Government Code Sections 53601.6, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, mortgage-derived, interest-only strips or any investment that may result in a zero interest accrual if held to maturity, except as authorized by Code Section 53601.6.

1. US Treasury Obligations

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

- · Maximum allocation: 100% of the portfolio
- Maximum maturity: Five (5) years, except as otherwise permitted by this Policy
- · Credit requirement: N.A.

2. Federal Agency Obligations

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- · Maximum allocation: 100% of the portfolio
- Maximum maturity: Five (5) years, except as otherwise permitted by this Policy
- · Credit requirement: N.A.

3. Banker's Acceptances

Bills of exchange or time drafts drawn on and accepted by a commercial bank, typically created from a letter of credit issued in a foreign trade transaction.

- Maximum allocation: Forty percent (40%) of the portfolio; five percent (5%) with any one issuer
- Maximum maturity: One-hundred eighty (180) days
- Credit requirement: A-1 or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).
- Issued by banks with total deposits of over one billion dollars (\$1,000,000,000)
- · Issued by banks from offices in the USA.

4. Commercial Paper

Commercial paper is defined as short-term, unsecured promissory notes issued by financial and non-financial companies to raise short-term cash. Financial companies issue commercial paper to support their consumer and/or business lending; non-financial companies issue for operating funds.

- · Maximum allocation: Forty percent (40%) of the portfolio; five percent (5%) with any one issuer
- · Maximum maturity: Two hundred seventy (270) days
- · Credit requirement: Highest ranking or highest letter and number rating as provided by an NRSRO.
- Entity issuing the commercial paper must meet the conditions of California Government Code Section 53601(h)(1) or (2).

5. Medium Term Corporate Notes

All corporate and depository institution debt securities (not to include other investment types specified in Code) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

- · Maximum allocation: Thirty percent (30%) of the portfolio; five percent (5%) with any one issuer
- Maximum maturity: Five (5) years
- Credit requirement: A or its equivalent or better by an NRSRO.

6. Negotiable Certificates of Deposit

Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

- Maximum allocation: Thirty percent (30%) of the portfolio, five percent (5%) with any one issuer
- Maximum maturity: Five (5) years
- Credit requirement: A (long-term) or A-1 (short-term) or their equivalents or better by an NRSRO
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

7. Bank Deposit

Insured or collateralized time certificates of deposits, saving accounts, market rate accounts, or other bank deposits.

- Maximum limit: Thirty percent (30%) of the portfolio for all deposits
- · Maximum maturity: Five (5) years
- Credit requirement: All deposits must be collateralized as required by California Government Code Sections 53630 et seq. The Treasurer may waive collateral for the portion of any deposits that is insured pursuant to federal law.
- Deposits are limited to a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company, located in California.
- · Deposits must meet the conditions of California Government Code Sections 53630 et seq.

Pursuant to Government Code 53637, the District is prohibited from investing in deposits of a state or federal credit union if a member of the District's Board of Directors, or any person at the District with investment decision-making authority, serves on the board of directors or committee of the state or federal credit union.

8. Money Market Mutual Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the SEC.

- · Maximum maturity: N/A
- Maximum allocation: Twenty percent (20%) of the portfolio
- Credit requirement: Highest ranking by not less than two NRSROs or must retain an investment advisor that meets specified requirements
- The use of money market funds is limited to Government money market funds that provide daily liquidity and seek to maintain a stable Net Asset Value (NAV)

9. State of California, Local Agency Investment Fund (LAIF)

LAIF is a pooled investment fund overseen by the State Treasurer, which operates like a money market fund, but is for the exclusive benefit of governmental entities within the state. The maximum investment amount authorized by the Local Agency Investment Fund (LAIF) is set by the California State Treasurer's Office. The LAIF is held in trust in the custody of the State of California Treasurer. The District's right to withdraw its deposited monies from LAIF is not contingent upon the State's failure to adopt a State Budget.

- · Maximum limit: The current limit set by LAIF for operating accounts
- Maximum maturity: N/A
- · Credit requirement: N/A

10. Municipal Bonds & Notes

Municipal obligations issued by the State of California, any other of the states in the union, or a local agency within the State of California. This may include bonds, notes, warrants, or other evidences of indebtedness including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by an authorized entity.

- Maximum limit: Thirty percent (30%) of the portfolio; five percent (5%) with any one issuer
- Maximum maturity: Five (5) years
- · Credit requirement: A (long-term) or A-1 (short-term) or their equivalents or better by an NRSRO
- Must be issued by State of California, any of the other 49 states, or a California local agency

11. Repurchase Agreement

A repurchase agreement is a purchase of authorized securities with terms including a written agreement by the seller to repurchase the securities on a future date and price.

- Maximum allocation: Twenty percent (20%) of the portfolio
- · Maximum maturity: Two hundred seventy (270) days
- · Master Repurchase Agreement must be on file
- Limited to primary dealers or financial institutions rated in a rating category of "A" or its equivalent or higher by an NRSRO.
- Fully collateralized at market value of at least one hundred two percent (102%) with US government or federal agency securities

12. California Asset Management Program (CAMP)

Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7.

- Maximum allocation: Forty percent (40%) of the portfolio
- Maximum maturity: N/A
- · Credit requirement: AAAm or its equivalent or better by an NRSRO
- Joint powers authority has retained an investment adviser that is registered or exempt from registration with the Securities and Exchange Commission, has five or more years of experience investing in the securities and obligations authorized under California Government Code Section 53601, and has assets under management in excess of five hundred million dollars (\$500,000,000).

13. Supranationals

Securities issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) and eligible for purchase and sale within the United States.

- Maximum allocation: Thirty percent (30%) of the portfolio
- Maximum maturity: Five (5) years
- · Credit requirement: AA or its equivalent or better by an NRSRO.

14. Asset-Backed Securities

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond

- Maximum allocation: Twenty percent (20%) of the portfolio, five percent (5%) with any one issuer
- Maximum maturity: Five (5) years
- · Credit requirement: AA or its equivalent or better by an NRSRO.

XI. DIVERSIFICATION

The District shall seek to diversify the investments within the investment portfolio to avoid incurring unreasonable risks inherent in concentrated holdings in specific instruments, individual financial institutions or maturities. To promote diversification, this Policy sets various percentage holding limits by investment type and issuer. Investment type and issuer percentage limitation listed in this Policy are calculated at the time the security is purchased. Per issuer limits, when listed, are calculated across investment types at the parent company level. Should an investment percentage be exceeded due to instances such as the fluctuation in overall portfolio size, or market valuation changes, the Treasurer is not required to sell the affected securities. However, no additional investments can be made in that investment type or issuer while it is above the limits established by this Policy.

XII. CREDIT RATINGS

Credit rating requirements for eligible securities in this Policy specify the minimum credit rating category required at the time of purchase without regard to +, -, or 1, 2, 3 modifiers, if any. The security, at the time of purchase, may not be rated below the minimum credit requirement by any of the NRSROs that rate the security.

If a security is downgraded below the minimum rating criteria specified in this Policy, the Treasurer shall determine a course of action to be taken on a case-by-case basis considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security. The Treasurer shall note in the monthly report any securities which have been downgraded below Policy requirements and the recommended course of action.

XIII. MATURITY

The Treasurer shall maintain a system to monitor and forecast revenues and expenditures so that the District's funds can be invested to the fullest extent possible while providing sufficient liquidity to meet the District's reasonably anticipated cash flow requirements.

The final maturity of any investment in the portfolios shall not exceed five (5) years with certain exceptions:

- The Treasurer is authorized to invest special trust funds in investment with a term to maximum maturity in
 excess of five years. These funds include, but are not limited to, the Water Revenue Bond Reserve Funds,
 Escrow Funds, Debt Service Funds, the Iron Mountain Landfill Closure/Post-closure Maintenance Trust Fund,
 and the Lake Mathews Multi-Species Reserve Trust Fund.
- The core portfolio may hold United States Treasury and Federal Agency securities with maturities in excess of five years.

XIV. DURATION

Duration is a measure of a security's price sensitivity to interest rate changes. It indicates the approximate percentage change of a security's value given a 1% change in interest rates. A portfolio's duration is the weighted average of the individual security durations held in the portfolio.

The investment portfolio is divided into liquidity, core, and endowment fund portfolios. The Policy's duration limits only apply to the liquidity and core portfolios. The duration of the liquidity portfolio is limited to the duration of the benchmark index plus or minus 0.5 years. The duration of the core portfolio will be limited to the duration of the benchmark index plus or minus 1.5 years. The appropriate benchmark indices will be set by the Treasurer and reported to the Board in the Monthly Treasurer's Report.

XV. ADMINISTRATION

The Treasurer may, at any time, establish more restrictive requirements for securities approved for investment as deemed appropriate in this Policy. These restrictions may include, but are not limited to, higher credit ratings, lower percentage limits by security type or issuer, shorter maturities and additional collateral requirements for collateralized investments.

XVI. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

For investments not purchased directly from the issuer, the Treasurer shall select only brokers/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA) or other applicable self-regulatory organizations. Before engaging in investment transactions with a broker/dealer, the Treasurer shall obtain a signed verification form that attests the individual has reviewed the District's Policy, and intends to present only those investment recommendations and transactions to the District that is appropriate under the terms and conditions of the Policy.

The District's external investment manager(s) may be granted discretion to purchase and sell investment securities in accordance with this Policy. Investment managers may also use their own list of internally-approved issuers, broker-dealers and other financial firms, so long as such managers are registered under the Investment Advisers Act of 1940.

XVII. INTERNAL CONTROLS

The Treasurer or designee shall maintain a system of internal control procedures designed to ensure compliance with the Policy and to prevent losses due to fraud, employee error, and misrepresentations by third parties or unanticipated changes in financial markets. The internal control procedures shall apply to the investment activities of any person with investment decision-making authority acting on behalf of the District. Procedures should include references to individuals authorized to execute transactions or transfers, safekeeping agreements, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgement by management. As part of the annual audit, the District's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

XVIII. ETHICS AND CONFLICT OF INTEREST

The Treasurer and designees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions.

The Treasurer and designees shall disclose to the Ethics Officer and General Counsel any personal financial interests that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

XVIX. INVESTMENT POLICY

This Policy shall be reviewed periodically by the Treasurer with any and all modifications made thereto approved by the Board of Directors at a public meeting.

SUMMARY TABLE OF INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES

The following table is intended to be a summary of the Policy's requirements in Section X of this Policy. If there is a discrepancy between Section X and this table, the requirements listed in Section X take precedence.

Authorized Investments	Maximum % Holdings	Purchase Restrictions	Maximum Maturity	Credit Quality
US Treasury Obligations	100%	N/A	5 Years1	N/A
Federal Agency Obligations	100%	N/A	5 Years1	N/A
Bankers' Acceptance	40%	5% per issuer2	180 days	"A-1" or its equivalent or higher by an NRSRO.
Commercial Paper	40%	5% per issuer2	270 days	Highest ranking or of the highest letter and number rating as provided for by an NRSRO.
Medium Term Corporate Notes	30%	5% per issuer2. US licensed and operating corporations	5 years	"A" or its equivalent or higher by an NRSRO.
Negotiable CD	30%	5% per issuer2, National or state charted bank, S&L, or branch of foreign bank	5 years	"A-1" (short-term) or "A" (long-term) or their equivalents or higher by an NRSRO.
Bank Deposit	30%	See California Government Code Section 53637	5 Years	Collateralized/ FDIC Insured in accordance with California Government Code
Money Market Mutual Funds	20%	Gov't MMF. Stable NAV	Daily Liquidy	Highest ranking by two NRSROs or advisor requirements
Local Agency Investment Fund ("LAIF")	LAIF limit for operating accounts	Subject to California Government Code Section 16429.1 limitations	N/A	N/A

SUMMARY TABLE OF INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES

The following table is intended to be a summary of the Policy's requirements in Section X of this Policy. If there is a discrepancy between Section X and this table, the requirements listed in Section X take precedence.

Authorized Investments	Maximum % Holdings	Purchase Restrictions	Maximum Maturity	Credit Quality
Municipal Bonds and Notes	30%	5% per issuer2. State of California or California agencies or other 49 states	5 Years1	"A" or its equivalent or higher by an NRSRO.
Repurchase Agreements ("REPO")	20%	Limited to primary dealers or financial institutions rated "A" or better by a NRSROs	270 days	Collateralized (min 102% of funds invested) with US Government or federal agency securities with maximum 5 year maturities
California Asset Management Program ("CAMP")	40%	N/A	Daily Liquidity	"AAAm" or its equivalent or higher by a NRSRO
Supranationals	30%	Limited to IBRD, IFC, IADB	5 Years	"AA" or its equivalent or higher by an NRSRO.
Asset-Backed Securities	20%	5% per issuer2	5 Years	"AA" or its equivalent or higher by an NRSRO.

Notes:

1. The Treasurer is authorized to invest special trust funds in investment with a term to maximum maturity in excess of five years. These funds include, but are not limited to, the Water Revenue Bond Reserve Funds, Escrow Funds, Debt Service Funds, the Iron Mountain Landfill Closure/Post-closure Maintenance Trust Fund, and the Lake Mathews Multi-Species Reserve Trust Fund.

The core portfolio may be invested in United States Treasury and Federal Agency securities with maturities in excess of five years.

2. Per issuer limits, when listed, are calculated across investment types at the parent company level.

GLOSSARY

The glossary is provided for general information only. It is not to be considered a part of the Policy for determining Policy requirements or terms.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises (GSEs), also known as U.S. Government instrumentalities. Securities issued by Government National Mortgage Association (GNMA) are considered true agency securities, backed by the full faith and credit of the U.S. Government. GSEs are financial intermediaries established by the federal government to fund loans to certain groups of borrowers, for example homeowners, farmers and students and are privately owned corporations with a public purpose. The most common GSEs are Federal Farm Credit System Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Association, and Federal National Mortgage Association.

ASSET BACKED: Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt..

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. This money market instrument is used to finance international trade.

BASIS POINT: One-hundredth of one percent (i.e., 0.01%).

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investment.

BOND: A financial obligation for which the issuers promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

BROKER: A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

CALLABLE SECURITIES: A security that can be redeemed by the issuer before the scheduled maturity date.

CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP): A local government investment pool organized as joint powers authority in which funds from California local agency investors/participants are aggregated together for investment purposes.

CASH EQUIVALENTS (CE): Highly liquid and safe instruments or investments that can be converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

CASH FLOW: An analysis of all changes that affect the cash account during a specified period.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called trances. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus.

COMMERCIAL PAPER: Short-term, unsecured, negotiable promissory notes of corporations.

CORPORATE NOTE: Debt instrument issued by a private corporation.

COUPON: The annual rate at which a bond pays interest.

CREDIT RATINGS: A grade given to a debt instrument that indicates its credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these

CREDIT RISK: The risk that an obligation will not be paid and a loss will result due to a failure of the issuer of a security.

CUSIP: Stands for Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most securities, including: stocks of all registered U.S. and Canadian companies, and U.S. government and municipal bonds. The CUSIP system—owned by the American Bankers Association and operated by Standard & Poor's—facilitates the clearing and settlement process of securities. The number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security.

CURRENT YIELD: The annual interest on an investment divided by the current market value. Since the calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own risk and account or inventory.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVES: A financial instrument that is based on, or derived from, some underlying asset, reference date, or index.

DIRECT ISSUER: Issuer markets its own paper directly to the investor without use of an intermediary.

DISCOUNT: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns and risk profiles.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. Duration measures the price sensitivity of a bond to changes in interest rates.

EFFECTIVE RATE OF RETURN: The annualized rate of return on an investment considering the price paid for the investment, its coupon rate, and the compounding of interest paid. (Total Earnings / Average daily balance) x (365/ # of days in the reporting period)

FACE VALUE: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

FAIR VALUE: The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

FANNIE MAE: Trade name for the Federal National Mortgage Association (FNMA), a U.S. Government sponsored enterprise.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that provides insurance on bank deposits, guaranteeing deposits to a set limit per account, currently \$250,000.

FEDERAL FARM CREDIT BANK (FFCB): Government-sponsored enterprise that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U.S. government guarantees.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

FEDERAL GOVERNMENT AGENCY SECURITIES: Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GUARANTEED INVESTMENT CONTRACTS (GICS): An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

INDEX: An index is an indicator that is published on a periodic basis that shows the estimated price and/or yield levels for various groups of securities. Examples of relevant indices for Metropolitan include, but not limited to, ICE BofAML, 3-Month Treasury Bill Index, and ICE BofAML, 1 - 5 years AAA-A US Corporate and Government Index

INTEREST RATE: The annual yield earned on an investment, expressed as a percentage.

INTEREST RATE RISK: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

INVESTMENT AGREEMENTS: A contract providing for the lending of issuer funds to a financial institution that agrees to repay the funds with interest under predetermined specifications.

INVESTMENT GRADE (LONG TERM RATINGS): The minimum, high-quality ratings for long-term debt such as corporate notes. Investment Grade ratings are as follows: A3 (Moody's), A- (S&P), and A- (Fitch).

INVESTMENT PORTFOLIO: A collection of securities held by a bank, individual, institution or government agency for investment purposes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash with minimum risk of principal. LOCAL AGENCY INVESTMENT FUND (LAIF): An investment pool sponsored by the State of California and administered/managed by the State Treasurer. Local government units, with consent of the governing body of that Agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a guarterly basis.

LOCAL AGENCY INVESTMENT POOL: A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates. Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

MARKET VALUE: The price at which a security is currently being sold in the market. See FAIR VALUE.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date that the principal or stated value of a debt instrument becomes due and payable.

MEDIUM-TERM CORPORATE NOTES (MTNs): Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100 basis point change in yields. This is a measure of a portfolio's or security's exposure to market risk.

MONEY MARKET: The market in which short-term debt instruments (Treasury Bills, Discount Notes, Commercial Paper, Banker's Acceptances and Negotiable Certificates of Deposit) are issued and traded.

MORTGAGED BACKED SECURITIES: A type of security that is secured by a mortgage or collection of mortgages. These securities typically pay principal and interest monthly.

MUNICIPAL BONDS: Debt obligations issued by states and local governments and their agencies, including cities, counties, government retirement plans, school Agencies, state universities, sewer agency, municipally owned utilities and authorities running bridges, airports and other transportation facilities

MUTUAL FUND: An entity that pools money and can invest in a variety of securities that are specifically defined in the fund's prospectus.

NEGOTIABLE CERTIFICATE OF DEPOSIT: A large denomination certificate of deposit that can be sold in the open market prior to maturity.

NET PORTFOLIO YIELD: Calculation in which the 365-day basis equals the annualized percentage of the sum of all Net Earnings during the period divided by the sum of all Average Daily Portfolio Balances.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): is a credit rating agency that issues credit ratings that the U.S Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes.

PAR VALUE: The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond. See FACE VALUE.

PORTFOLIO: The collection of securities held by an individual or institution.

PREMIUM: The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. These dealers are authorized to buy and sell government securities in direct dealing with the Federal Reserve Bank of New York in its execution of market operations to carry out U.S. monetary policy. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

PRIME (SHORT TERM RATING): High-quality ratings for short-term debt such as commercial paper. Prime ratings are as follows: P1 (Moody's), A1 (S&P), and F1 (Fitch).

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRIVATE PLACEMENTS: Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

PROSPECTUS: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the Securities and Exchange Commission that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

PRUDENT INVESTOR STANDARD: A standard of conduct for fiduciaries. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

PUBLIC DEPOSIT: A bank that is qualified under California law to accept a deposit of public funds.

PURCHASE DATE: The date in which a security is purchased for settlement on that or a later date. Also known as the "trade date".

RATE OF RETURN: 1) The yield which can be attained on a security based on its purchase price or its current market price. 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

REALIZED GAIN (OR LOSS): Gain or loss resulting from the sale or disposal of a security.

REPURCHASE AGREEMENT (RP or REPO): A transaction in which a counterparty or the holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the District) with a simultaneous agreement to repurchase them at a fixed date. The security "buyer" (e.g. the District) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this.

Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): The opposite of a repurchase agreement. A reverse repo is a transaction in which the District sells securities to a counterparty (e.g. investment dealer) and agrees to repurchase the securities from the counterparty at a fixed date. The counterparty in effect lends the seller (e.g. the District) money for the period of the agreement with terms of the agreement structured to compensate the buyer.

RISK: Degree of uncertainty of return on an asset.

SAFEKEEPING: A service that banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As an agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or on the call date, if called.

SECURITIES AND EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SECONDARY MARKET: A market for the repurchase and resale of outstanding issues following the initial distribution.

SECURITIES: Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness or equity.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds.

SPREAD: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

STRUCTURED NOTE: A complex, fixed-income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include "inverse floating rate" notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising and "dual index floaters", which pay interest based on the relationship between two other interest rates, for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONALS: International institutions that provide development financing, advisory services and/or financial services to their member countries to achieve the overall goal of improving living standards through sustainable economic growth. The California Government Code allows local agencies to purchase the United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

TIME DEPOSIT: A deposit with a California bank or savings and loan association for a specific amount and with a specific maturity date and interest rate. Deposits of up to \$250,000 are insured by FDIC. Deposits over \$250,000 are collateralized above the insurance with either government securities (at 110% of par value), first trust deeds (at 150% of par value), or letters of credit (at 105% of par value).

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return that equates the beginning value of the portfolio with the ending value, and includes interest earnings and realized and unrealized gains and losses on the portfolio. For bonds held to maturity, total return is the yield to maturity. (Net Invested Income/Time Weighted Invested Value) X (365/ # of days in the reporting period)

TRUSTEE OR TRUST COMPANY OR TRUST DEPARTMENT OF A BANK: A financial institution with trust powers that acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER: A dealer which purchases a new issue of municipal securities for resale.

U.S. GOVERNMENT AGENCY SECURITIES: Securities issued by U.S. government agencies, most of which are secured only by the credit worthiness of the particular agency. See AGENCIES.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are the benchmark for interest rates on all other securities in the U.S. The Treasury issues both discounted securities and fixed coupon notes and bonds. The income from Treasury securities is exempt from state and local, but not federal, taxes.

TREASURY BILLS: Securities issued at a discount with initial maturities of one year or less. The Treasury currently issues three-month and six-month Treasury bills at regular weekly auctions. It also issues very short-term "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES: Intermediate-term coupon-bearing securities with initial maturities of one year to ten years.

TREASURY BOND: Long-term coupon-bearing securities with initial maturities of ten years or longer.

UNREALIZED GAIN (OR LOSS): Gain or loss that has not become actual. It becomes a realized gain (or loss) when the security in which there is a gain or loss is actually sold. See REALIZED GAIN (OR LOSS).

VOLATILITY: Characteristic of a security, commodity or market to rise or fall sharply in price within a short-term period.

WEIGHTED AVERAGE MATURITY: The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

YIELD: The annual rate of return on an investment expressed as a percentage of the investment. See CURRENT YIELD; YIELD TO MATURITY.

YIELD CURVE: Graph showing the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

YIELD TO MATURITY: Concept used to determine the rate of return if an investment is held to maturity. It takes into account purchase price, redemption value, time to maturity, coupon yield, and the time between interest payments. It is the rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

	RATING DESCR	RIPTION TABLE			
	Long Term Debt Ratings				
Credit Quality	Moody's	S&P	Fitch		
Strongest Quality	Aaa	AAA	AAA		
Strong Quality	Aa1/Aa2/Aa3	AA+/AA/AA-	AA		
Good Quality	A1/A2/A3	A+/A/A-	А		
Medium Quality	Baa1/Baa2/Baa3	BBB+/BBB/BBB-	BBB		
Speculative	Ba1/Ba2/Ba3	BB+/BB/BB-	BB		
Low	B1/B2/B3	B+/B/B-	В		
Poor	Caa	CCC+	CCC		
Highly Speculative	Ca/C	CCC/CCC-/CC	CC		
	Short Term I	Debt Ratings			
Credit Quality	Moody's	S&P	Fitch		
Strongest Quality	P-1	A-1+	F1		
Strong Quality		A-1			
Good Quality	P-2	A-2	F2		
Medium Quality	P-3	A-3	F3		

Note: Investment Grade ratings apply to securities with at least a medium credit quality or higher by one of the nationally recognize statistical rating organization; anything below the medium credit quality is non-investment grade.

Appendix F.

Metropolitan Debt Capacity
Supportive Analysis

Debt capacity analyses were performed as part of LRFP-NA for the two forecast timeframes contained in the report. It is important to note that these capacity analyses do not factor in other constraints limiting Metropolitan's issuance of Revenue Bonds such as: i) the limitation of the amount of debt not exceeding 15% of total taxable assessed value in Metropolitan's service area and ii) the limitation of revenue bond par not exceeding Metropolitan's equity (or net position). It is also important to note that debt capacity in future years is subject to actual Metropolitan Net Revenues, actual Metropolitan approved rates as well as future bond interest rate levels.

The analysis for the timeframe through 2032 uses the revenue projections as provided in Metropolitan's 10-year Financial Forecast and utilized different constraints by which to measure capacity under three scenarios:

- 1. Capacity under Metropolitan's Senior and Subordinate Additional Bonds Tests
- 2. Capacity solving for aggregate debt service coverage of 1.50x
- 3. Capacity solving for aggregate debt service coverage of 1.75x
- 4. Capacity solving for aggregate debt service coverage of 2.00x

The analysis for the timeframe through 2045 uses the revenue projections as developed in Metropolitan's IRP D (250 TAF Storage Capacity) and utilized different constraints by which to measure capacity under three scenarios:

- 1. Capacity under Metropolitan's Senior and Subordinate Additional Bonds Tests
- 2. Capacity solving for aggregate debt service coverage of 1.75x
- 3. Capacity solving for aggregate debt service coverage of 2.00x

2032 Debt Capacity Analysis: Cumulative Debt Issuance by Coverage Test									
	(Dollars in Millions)								
	2024	2025	2026	2027	2028	2029	2030	2031	2032
200% Additional Capacity (Par) ¹	\$-	\$-	\$-	\$-	\$88	\$608	\$1420	\$2200	\$2770
175% Additional Capacity (Par) ²	\$-	\$-	\$-	\$470	\$759	\$1351	\$2246	\$3095	\$3767
150% Additional Capacity (Par) ³	\$-	\$357	\$610	\$1310	\$1653	\$2342	\$3347	4288	\$5095
ABT Additional Capacity (Par) ⁴	\$2017	\$2552	\$3187	\$3874	\$4784	\$5796	\$7200	\$8463	\$9745

¹ Capacity calculated targeting 175% coverage of Adjusted Net Operating Revenues to Senior + Subordinate Debt Service based on actual projected debt service.

Note: All scenarios utilize projected Net Operating Revenues in the 10-Year Financial Forecast

² Capacity calculated targeting 150% coverage of Adjusted Net Operating Revenues to Senior + Subordinate Debt Service based on actual projected debt service.

³ Capacity calculated targeting 150% coverage of Adjusted Net Operating Revenues to Senior + Subordinate Debt Service based on actual debt service.

⁴ Capacity under Senior and Subordinate Lien Additional Bonds Tests..

Appendix G.

Program Summary of Water Infrastructure Finance & Innovation Act

Program Summary of the Water Infrastructure Finance & Innovation Act

The Water Infrastructure Finance and Innovation Act (WIFIA) is a competitive federal loan program for eligible water and wastewater projects. WIFIA loans can provide a cost-effective and flexible financing tool for eligible projects. However, as with any financing tool, in addition to the benefits, there are also considerations which should be factored into the determination of whether to pursue WIFIA funding.

WIFIA Loan Structure and Terms

WIFIA loans have several parameters outlining the structure of repayment for loans:

- Minimum project size of \$20 million for large communities
- WIFIA Loans may fund up to 49% of Eligible Project Costs (as long as total Federal funding does not exceed 80% for the Project(s))
- Maximum loan repayment term of 35 years after substantial completion

WIFIA is able to finance up to 49% of Eligible Project Costs which can include costs in addition to construction costs. The defined term eligible project costs may include all or a portion of certain costs as outlined by EPA and subject to negotiation, including:

- · Development and planning costs;
- · Construction costs;
- Contingency;
- Interest on interim financing during construction;
- · Debt Service Reserve Funds; and
- Issuance costs

WIFIA Loan Benefits and Considerations

There are several potential benefits associated with the WIFIA loan program, and as mentioned before, several considerations as outlined below:

Potential Benefit	Description		
Low cost of capital	Interest rate is roughly equivalent to that of US Treasury rates (1 basis point is added to the SLGS rate of a comparable average life)		
Reduced interest rate risk	Interest rate is fixed at loan closing, potentially prior to draws on the loan		
Flexible draw terms	Ability to draw funds and accrue interest based on actual, rather than projected, spending; thereby reducing the cost of carry		

Potential Benefit	Description
Flexible repayment terms	Ability to defer repayment until five years following substantial completion of the project(s)
	Ability to customize loan repayment structure
	Final loan maturity may be up to 35 years from the substantial completion of the project(s)
Potential loan repayment at any time, without penalty	Provides flexibility to reduce loan balance, at any time, without penalties typically associated with publicy sold debt
	Partial optional prepayment can typically be negotiated to occur on a pro-rata basis
Loan refinancing	Ability to refinance the loan rate one time under certain circumstances

Potential Consideration	Description		
Federal project requirements	WIFIA financing subjects project(s) to federal requirements (unless specific waivers are received), including Davis-Bacon, NEPA, and American Iron and Steel requirement		
Loan terms and covenants	Loan terms and covenants may be more onerous than Metropolitan's publicly issued obligations		
Lien priority	WIFIA credit assistance may be subordinate to the project's other debt obligations in the priority of its lien on the project's cash flow, but in the event of bankruptcy, insolvency, or liquidation, the WIFIA credit instrument will have a parity lien with respect to the project's senior creditors		
Continuing disclosure and monitoring	 Ongoing continuing disclosure obligations to EPA for life of the loan Annual submission of updated financial pro-forma 		
Project completion timing	 Loan agreement will contain specific dates for project substantial completion which are not as flexible as alternative borrowing methods Care must be taken in setting Project Substantial Completion Date and Project Substantial Completion Default Date 		



ACRONYMS

AADS: Average Annual Debt Service

ABT: Additional Bonds Test

AF: Acre-Feet

ANOR: Annual Net Operating Revenues

CAMP4W: Climate Adaptation Master Plan for Water

CIP: Capital Improvement Plan

COP: Certificate of Participation

CP: Commercial Paper

EPA: U.S. Environmental Protection Agency

FEMA: Federal Emergency Management Agency

G.O. Bonds: General Obligation Bonds

IEDB: California Infrastructure and Economic Development Bank

IRP: Integrated Water Resources Plan

JPA: Joint Powers Authority

LOC: Letter of Credit

LRFP: Long-Range Finance Plan

O&M: Operating and Maintenance

PAYGO: Pay-As-You-Go

SIFMA: Securities Industry and Financial Markets Association

SRF: State Revolving Fund

TAF: Thousand Acre-Feet

VRDO: Variable Rate Demand Obligation

WIFIA: Water Infrastructure Finance and Innovation Act

GLOSSARY:

Additional Bonds Test: The financial test that must be satisfied under the bond contract securing outstanding revenue bonds or other types of bonds as a condition to issuing additional bonds.

Ad Valorem Tax: A direct tax calculated "according to value" of property.

Assessed Value: The appraised value of a property as set for purposes of assessing property taxes.

Bond Covenant: Contractual obligations set forth in a bond contract.

BVAL: Indicative interest rate curve published by Bloomberg using yields from senior unsecured bonds with the same industry sector and credit rating category. Utilized in a similar manner to MMD, but differing in the approach in which the interest rate curves are determined.

CAMP4W: A master planning process to set a long-term vision for Metropolitan that will address critical policy issues driven by climate change. Specifically through CAMP4W, Metropolitan seeks to evaluate resource development objectives through a climate adaptation lens.

Capital Improvement Plan: Metropolitan's CIP is designed to refurbish existing facilities needed to ensure a reliable distribution system, expand treatment facilities to meet current and future water quality regulations, and expand storage and conveyance facilities to meet current and future storage requirements.

Certificate of Participation: Obligation whereby investors purchase a share of some form of an installment payment rather than the obligation being secured by a pledge of system Net Revenues.

Commercial Paper: Short-term obligations issued by municipal entities usually backed by a line of credit with a bank that mature within 270 days.

Credit Rating: An opinion by a rating agency of the creditworthiness of a bond or obligation.

Credit Spread: A spread to an index (typically MMD or BVAL for tax-exempt municipal bonds) which results in a yield at which municipal investors are willing to purchase bonds. The credit spread can be affected by numerous factors including: i) rating on the bonds, ii) coupon of the bond, iii) market conditions, iv) maturity of the bonds, v) other characteristics of the bonds (such as call features). Higher rated bonds will typically have lower credit spreads versus comparable lower rated credits.

Debt Capacity: The amount of debt mathematically able to be issued under a defined set of constraints. Often, a debt capacity is run based on the constraint of an Additional Bonds Test or a targeted Debt Service Coverage ratio.

Debt Policy: Policy approved by the Board which outlines key parameters and considerations for the incurrence of obligations and the issuance of debt. Typically a Debt Policy will contain information on the types of debt and obligations allowed to be issued or incurred, the structuring considerations of debt, use of debt proceeds, continuing disclosure obligations and the responsibilities of various parties (both internal and external) related to the issuance of new debt and maintenance of existing debt. Within the State of California, municipal entities are required to have a Board approved debt policy prior to the issuance of public bonds.

Debt Service: The amount of money necessary to pay the principal and interest on outstanding debt obligations. Annual debt service refers to the total principal and interest required to be paid in a calendar or fiscal year. Total debt service refers to the total principal and interest paid throughout the life of a debt obligation.

Debt Service Coverage: The ratio of available pledged revenues (typically Net Revenues) available annually to pay debt service over the annual debt service requirement.

Fixed Charge Coverage: Fixed Charge Coverage is a method of calculating debt service coverage which includes certain O&M obligations related to debt in the denominator of the calculation. For Metropolitan this is typically calculated as Net Operating Revenues / (Debt Service + SWP Capital Payments).

General Obligation Bond: A bond issued by a state or local government that is payable from general funds of the issuer, although the precise source and priority of payment may vary considerably from issuer to issuer depending on applicable state or local law.

Integrated Resources Plan: A program in which Metropolitan provides financial assistance to its member agencies for the development of local groundwater recycling and groundwater recovery projects.

Joint Powers Authority: A municipal entity created by two or more public authorities.

Liquidity: The relative ability of a security to be readily converted into cash.

Maximum Annual Debt Service: The amount of Debt Service for the year in which the greatest amount of debt service payments are required.

MMD: Representative tax-exempt interest rates utilized in the municipal market as a benchmark for pricing tax-exempt bonds. The MMD index is an interest rate curve released by Municipal Market Data for its AAA General Obligation Yields. Municipal bonds are typically sold at spreads to AAA MMD rates.

Net Operating Revenues: Operating Revenues remaining after the payment of O&M expenses.

0&M: Expenses associated with the operating and maintenance of Metropolitan's system.

PAYGO: The practice of funding capital expenditures from current operating revenues in lieu of using debt proceeds.

Rate Covenant: Covenant to set rates and charges sufficient to provide required pledged revenues to meet a minimum Debt Service Coverage ratio.

Revenue Bond: A bond that is payable from a specific source of revenue. Pledged revenues may be derived from operation of the financed project, grants or excise or other specified non-ad-valorem taxes.

State Revolving Fund: SRF loans are loans through the State Water Resources Control Board for certain eligible Clean and Drinking Water projects.

Variable Rate Demand Obligation: Obligations that do not have a fixed interest rate, but rather have an interest rate that is reset periodically by either a remarketing agent or through an industry index such as SIFMA.

Unit Costs: For purposes of this LRFP, the unit costs are calculated on a dollar per acre foot basis including both O&M and capital financing costs (Debt Service) based on a survey of recent projects and studies.

WIFIA: Federal loan program









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Finance, Audit, Insurance, and Real Property Committee

Adopt the 2023 Long-Range Finance Plan Needs Assessment

Item 8-7 November 14, 2023

Item 8-7

Long-Range Finance Plan Needs Assessment

Subject

Adopt the 2023 Long Range Finance Plan Needs Assessment

Purpose

Adopt the 2023 Long Range Finance Plan Needs Assessment, which

- Provides a high-level estimate of rate impacts of the four Integrated Resource Plan Needs Assessment Scenarios;
- Provides an overview of capital financing and funding considerations for Metropolitan's future capital investments; and
- Provides a summary of key finance policies

Recommendation and Fiscal Impact

Staff recommends approval of Option #1:

• Adopt the 2023 Long-Range Finance Plan Needs Assessment

Fiscal Impact: No Fiscal Impact

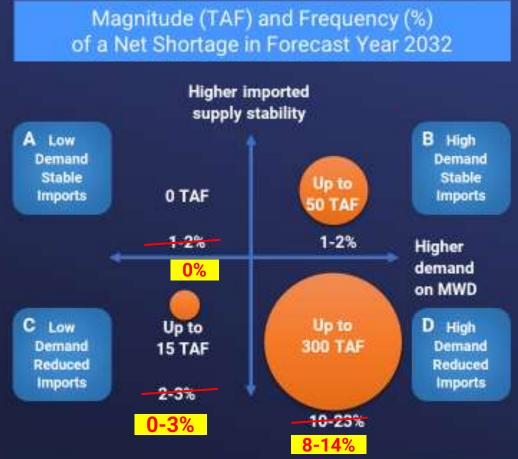
Agenda

- Correction to Draft LRFP-NA report and PPT
- Financial Analysis Extended to 2045
- Debt Capacity Analyses
- Frequently Asked Questions
- Board Options and Staff Recommendation
- Appendix: LRFP-NA board presentation on Aug 15, 2023

Correction

Net Shortage Assessment in 2020 IRP

Plan for IRPA (no additional resources developed) but experience the higher demands from IRPD.

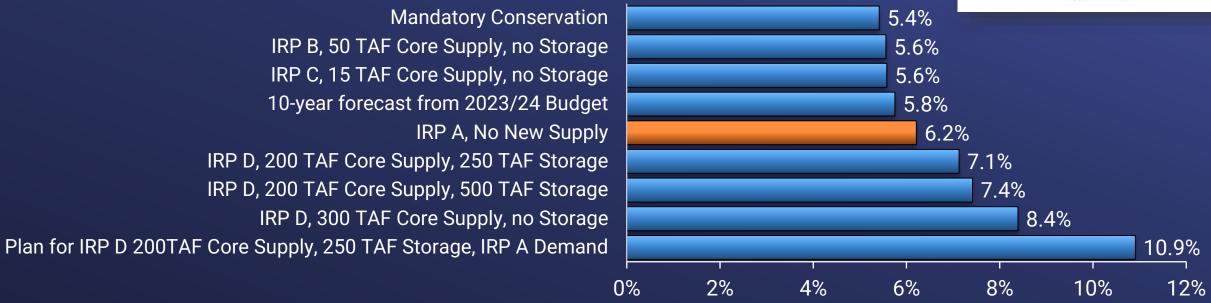


- Water supply shortages will incur economic costs
- 2. What level of resource development does the Board want to pursue in light of reliability, resilience, and affordability objectives?

em # 5-8

Summary of 2032 Scenarios

Overall Annual Rate Increases (%) 2025-2032*



^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.



Financial Analysis Extended to 2045

Extending the Analyses to 2045 Approach

- Similar to the 2032 Analysis:
 - The model assumes that costs are recovered exactly as anticipated, allowing the model to focus on the impacts of resource development costs without introducing additional variation from reserves, debt coverage considerations, and other items that will be incorporated into the final LRFP

Resource Development (AF)*



Resource Unit Cost (\$/AF)**

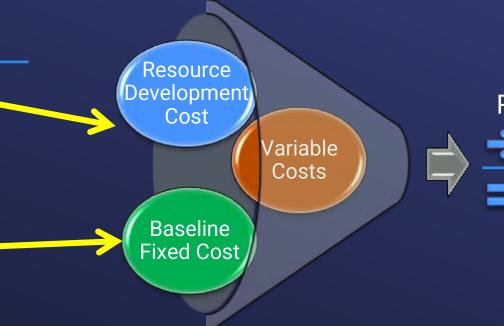


Resource Development Cost

*Based on 2020 IRP Need Assessment Targets
** Unit costs are escalated 3% per year



Extended with Escalation Factors through 2045



Revenue Requirement (\$)



Overall Rate (\$/AF)

Extending the Analyses to 2045

Financial forecasts are inherently uncertain, and more so as a forecast extends farther out into the future

• 10-year forecast incorporates more known events whereas long-term cost escalation factors trend toward moderate inflationary increases (3-5%)

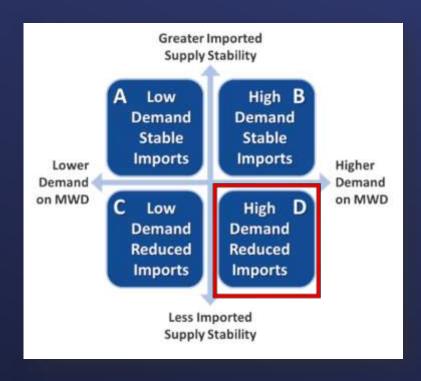
Base Cost Assumptions Common to All Scenarios

- Cost escalation factors based on the trends in the 10-Year Financial Forecast and relevant data inputs
 - Fixed Costs
 - Departmental O&M: average increases within the 10-year Financial Forecast
 - State Water Contract (excluding Power): average increase within the 10-year Financial Forecast
 - CIP, Supply and Demand Management: long-term average of the CPI-U
 - Variable Costs = Variable Average Unit Cost x Quantity
 - Variable treatment unit cost: long-term average increase of the CPI-U
 - Average Power unit costs: Long-term average increase of Energy in US city average in CPI-U

Annual Cost Escalations	%
Department & Other O&M	4.5%
State Water Contract (excluding power costs)	4.0%
Supply and Demand Management	3.0%
PAYGO CIP	3.0%
Variable Treatment Unit Costs	3.0%
Average Power Unit Costs	5.0%

Resource Portfolios Example

IRP Scenario D



	Additional storage: 0 AF		Additional storage: 250 TAF		Additional storage: 500 TAF		
	Storage	Core Supply	Storage	Core Supply	Storage	Core Supply	
2025	0 TAF	100 TAF	23 TAF	100 TAF	45 TAF	100 TAF	
2026	0 TAF	150 TAF	45 TAF	150 TAF	91 TAF	150 TAF	
2027	0 TAF	150 TAF	68 TAF	150 TAF	136 TAF	150 TAF	
2028	0 TAF	150 TAF	91 TAF	150 TAF	182 TAF	150 TAF	
2029	0 TAF	150 TAF	114 TAF	150 TAF	227 TAF	150 TAF	
2030	0 TAF	150 TAF	136 TAF	150 TAF	273 TAF	150 TAF	
2031	0 TAF	300 TAF	159 TAF	200 TAF	318 TAF	200 TAF	
2032	0 TAF	300 TAF	182 TAF	200 TAF	364 TAF	200 TAF	
2033	0 TAF	300 TAF	205 TAF	200 TAF	409 TAF	200 TAF	
2034	0 TAF	300 TAF	227 TAF	200 TAF	455 TAF	200 TAF	
2035	0 TAF	300 TAF	250 TAF	200 TAF	500 TAF	200 TAF	
2036	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2037	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2038	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2039	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2040	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2041	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2042	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2043	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2044	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2045	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	

Overall Rate Impact of IRP Scenarios

No additional storage option



Observations: Consistent trend with results in the 2032 Analysis

- 1. Developing core supply to meet demands identified in IRP D will have the largest rate impacts.
- 2. The rate impact shown in IRP A results from lower water sales.

Impacts of extending to 2045:

- Long-term cost escalation factors trend towards moderate inflationary increases (3%-5%)
- Calculated averages for all modeled scenarios are approximately 2% lower than results in 2032 analysis due to longer time to reach the resource development targets (2025 2032 vs. 2033 2045) and only inflationary increases for other fixed and variable costs

*Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

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em 8-/ Slide 10

Greater Imported Supply Stability

Less Imported Supply Stability

Demand Stable

Imports

Low Demand

Reduced Imports

Demand on MWD Demand

Stable

Imports

High D

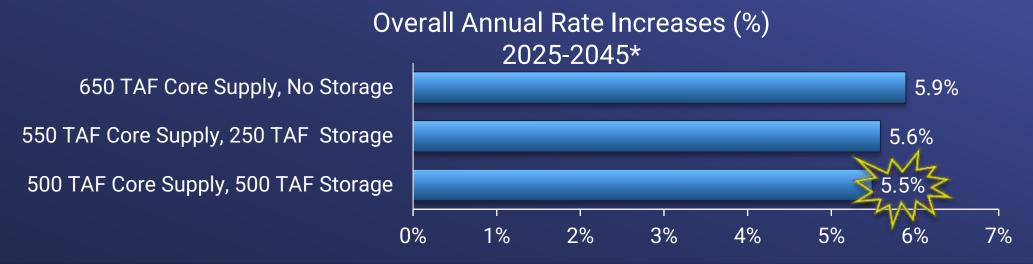
Demand

Reduced

Imports

on MWD

Effect of Adding Storage for IRP D Scenario



Observations

- To meet the projected water demand in IRP D, development of 500 TAF of core supply and 500 TAF of storage capacity has lower rate impacts (5.5%) due to benefits of lower core supply when adding additional 250 TAF storage
- Extension to 2045 shows lower average increases than 2032 results by approximately 2%
 - Note: long-term forecast trends more toward inflationary increases (3-5%) whereas short term forecast includes more known events with more available information

^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Sensitivity Analysis for Lower Demand

Plan for IRP D Resource Needs with 500 TAF Storage but realize the lower water demands from IRP A



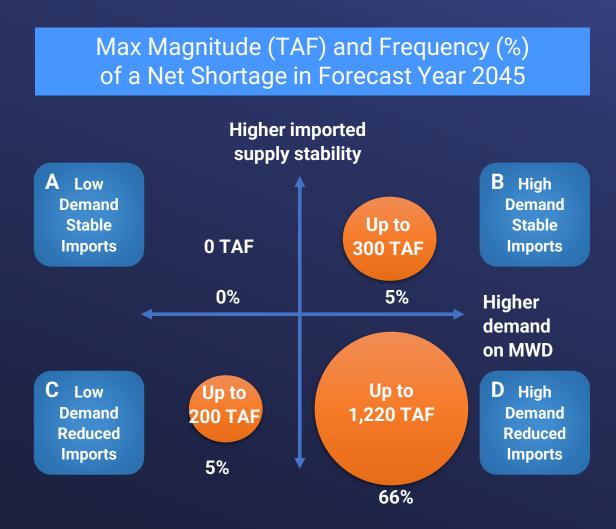
Observations:

- If water demand does not materialize as projected in IRP D and instead occurs as projected in IRP A, development of core supply and storage to meet projected demand in IRP D could result in substantially higher rates (2-3% higher annual rate increases)
- Extending to 2045: the calculated averages are lower but the trend is consistent with the 2032 analysis

^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Net Shortage Assessment in 2020 IRP

Plan for IRPA (no additional resources developed) but experience the higher demands from IRPD.



- 1. Water supply shortages will incur economic costs
- 2. What level of resource development does the Board want to pursue in light of reliability, resilience, and affordability objectives?

Estimated Capital Investment Examples for IRP D Scenario by 2045

Resource D	evelopment	Estimated Capital *	
Core Supply	Storage Capacity		
550 TAF	250 TAF **	\$14.6 Billion – \$15.3 Billion	
500 TAF	500 TAF***	\$14.0 Billion - \$15.3 Billion	

Engineering challenge

3.5x PWSC completed by 2045

~1/3-2/3 of Diamond Valley Lake completed by 2035

Financial Considerations

- Net Position to support revenue bond capacity
- More cashflow available for higher debt coverage

* Assumptions: \$3,000/AF for core supply (2023 \$), 50% costs from O&M

\$300/AF for storage capacity (2023 \$), 0-50% costs from O&M

Capital financing @ 4%, 30-yr, 2% debt issuance cost

** 250 TAF in 2035

*** 500 TAF in 2035

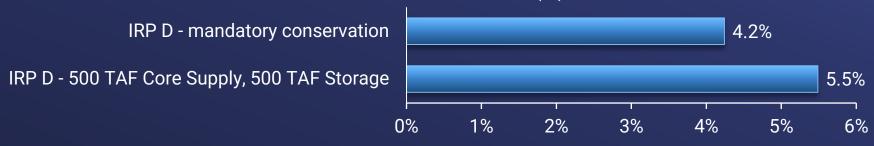
Mandatory Conservation Scenario

Mandatory conservation in response to long-term structural imbalance between supply and demand

Scenario Assumptions

- Assumes regulatory action mandating conservation
- No new resource development new supply or incentivized conservation
- Mandatory conservation is no cost to Metropolitan (\$0/AF in the model)
- Begin with projected demand in IRP D and reduce gradually to meet 2045 resource development goal 650 TAF





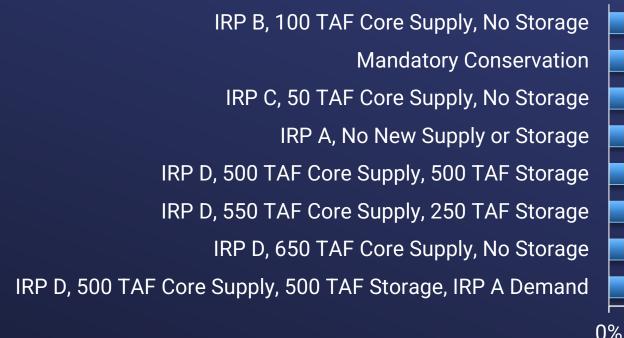
Observations:

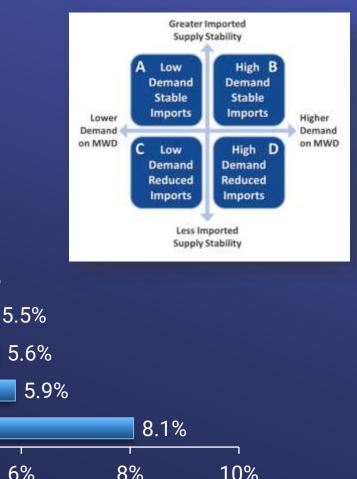
- Lowest rate impact as there is no financial cost to Metropolitan for mandatory conservation. However, member agencies and their customers will incur compliance and enforcement costs.
- 2. What are the implications of mandatory conservation on economic growth and quality of life for region?

^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Summary of 2045 Scenarios







4.1%

4%

4.2%

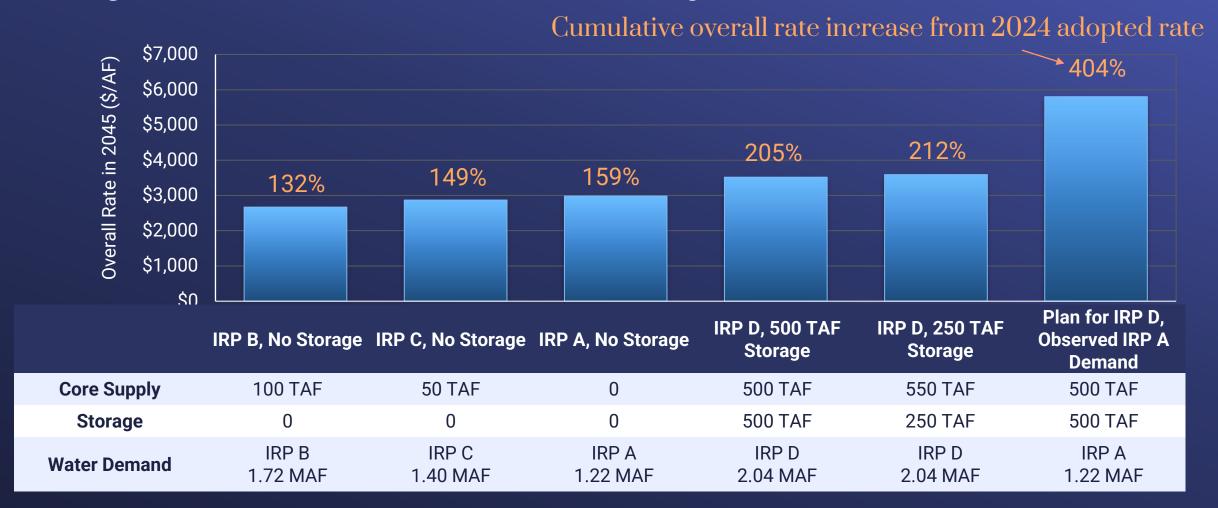
4.4%

4.7%

2%

^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Projected 2045 Overall Rate by IRP Scenario



^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Debt Capacity Analyses

- FY 2024 Through FY 2032
- FY 2024 Through FY 2045

Metropolitan will be constrained in revenue bond debt capacity over the next nine years to meet projected capital investments under the current 10-Year Financial Forecast Assumptions

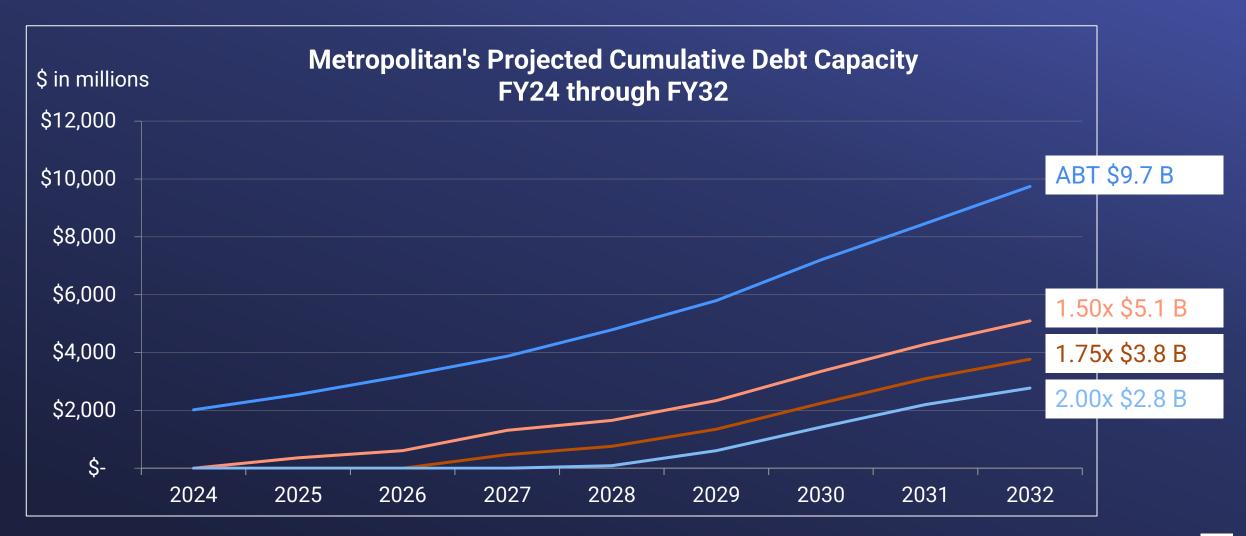
- With an estimate of \$5.5 billion to \$6.0 billion in capital need under IRP D, revenue bond financing alone is insufficient to fund the needed capital
- Even if we assume a 40% PAYGO target ratio of this capital expense, IRP D has a range of \$3.3 billion to \$3.6 billion in bonding requirement
- We use four alternative projections of debt capacity: ABT, 1.50x DSC, 1.75x DSC and 2.00x DSC

	Current ABT (max senior and sub liens)		1.75x Debt Service Coverage	2.00x Debt Service Coverage
Additional Debt Capacity	\$9.7 billion	\$5.1 billion	\$3.8 billion	\$2.8 billion

^{*}Debt capacity calculated using 5% interest rates and as of June 30, 2023

^{**}Debt service coverage calculated for each respective scenario to estimate the debt capacity available while targeting the minimum target coverage ratio based on current year revenues.

Remaining Capacity using the 10-Year Financial Forecast



Metropolitan will have more revenue bond debt capacity over the next 20 years to meet projected capital investments under the IRP D (250 TAF Storage Capacity) scenario

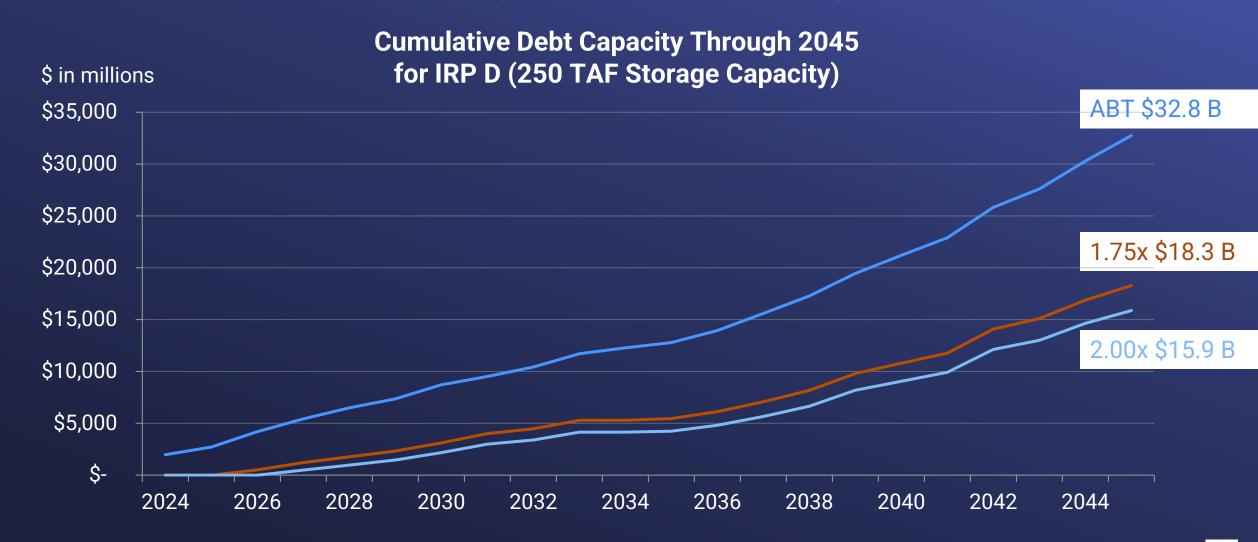
- With an estimate of \$14.6 billion to \$15.3 billion in capital need under IRP D, cashflow leverage appears sufficient to fund the needed capital investments
- This analysis assumes a funding of R&R at \$300 million per year (inflated)
- We use three alternative projections of debt capacity: ABT, 2.00x DSC and 1.75x DSC

	Current ABT (max senior and sub liens)	1.75x Debt Service Coverage	2.00x Debt Service Coverage
Additional Debt Capacity	\$32.8 billion	\$18.3 billion	\$15.9 billion

^{*}Debt capacity calculated using 5% interest rates and as of June 30, 2023

^{**}Debt service coverage calculated for each respective scenario to estimate the debt capacity available while targeting the minimum target coverage ratio based on current year revenues.

Remaining Capacity using the IRP D (250 TAF Storage Capacity)





Question 1: Considering Metropolitan's revenue bond capacity constraints, what are the benefits of WIFIA loans?

<u>Answer:</u>

BACKGROUND

 Water Infrastructure Finance and Innovation Act (WIFIA) loans are managed by the U.S. Environmental Protection Agency (EPA).

WIFIA can provide loan funding up to 49 percent of Eligible Project Costs at competitively low rates, currently around 4 percent, with certain beneficial repayment provisions. While WIFIA loans have mostly been used for specific projects, there are opportunities for funding qualifying expenditures for a combination of eligible projects through a Master Loan Agreement with EPA. Based on the maximum estimate of capital infrastructure needs in IRP D scenario (\$6.0 billion), a WIFIA loan, if awarded, could provide approximately \$3 billion in loan authorization, depending upon the project(s) submitted and qualifying eligibility under the WIFIA program. Importantly, WIFIA loans are not subject to Metropolitan's borrowing limitations. Detailed information on WIFIA loans are included in Appendix G of the LRFP-NA written report (p. 129).

Question 3: What is the status of the discussion on Affordability and how will it be incorporated into CAMP4W?

Answer:

- Metropolitan staff is engaged in a collaborative initiative with Eastern MWD and UC Riverside to develop a research report focused on water rate affordability in the Metropolitan Water District of Southern California service area.
- Furthermore, the affordability discussion has been and will continue to be part of the CAMP4W process.
- To date, the topic has included a discussion of terminology and working definitions as well as a
 panel of Metropolitan member agencies to provide context for the issues faced.
- Staff supports the continuation and expansion of the conversation on affordability; however, it is in staff's view that this conversation will occur outside of the LRFP-NA document.

Question 4: Is Metropolitan considering other potential actions in addition to core supply and storage resources?

<u>Answer:</u>

BACKGROUND

- The IRP-NA was the basis of the financial analysis of the LRFP-NA
- The IRP-NA assumed that additional resource needs would be met with additional core supplies and storage. The broad definition of core supplies included conservation.

While the IRP-NA analysis provided useful results and insights, it was not intended to cover all possible approaches and projects. For example, some known projects like Sites Reservoir and PWSC may not clearly fit the IRP definition of core supplies, flex supplies or storage. As such, specific projects will require additional IRP analysis as part of the CAMP4W process.

Additionally, while the LRFP-NA analysis proved a useful benchmark, other projects and combinations of projects will likely prove to be more cost-effective and require additional analysis. For example, the combination of adding additional storage to the east branch plus the purchase of flex supplies during average and wet years will require additional analysis as part of the CAMP4W process.

Question 5: How can we use the 4 IRP scenarios to zero in on a base case financial forecast?

Answer:

The LRFP-NA provides an initial look at ranges of estimated rate impacts based on the work done in the IRP-NA. These tools can be used to evaluate projects and portfolios of projects in the CAMP4W process that will help the Board make resource development decisions to pursue while weighing resiliency, reliability, financial sustainability, and affordability objectives.

As specific projects are identified that meet Board-approved objectives, a more refined rate impact and financing options can be developed, including phased project financing, cost recovery methodology, and reserve requirements that will roll into a detailed Long-Range Financial Plan.

Also, in the meantime, the biennial budget process, which includes a 10-year forecast, will continue to be updated every other year. The budget is a base case financial forecast. The base case financial forecast will fall into the range of the 4 IRP scenarios and provide one estimate representing a reasonable expectation of where conditions are currently heading.

With each budget update, we will update the projection based on estimates for water transactions and include any Board approved projects/objectives/plans as well as changes in underlying conditions.

Question 6: Does the LRFP-NA take into consideration the impacts of the "Making Conservation a California Way of Life" framework?

Answer:

BACKGROUND

"Making Conservation a California Way of Life" ("Way of Life") is a new regulatory framework
proposed by State Water Board staff that establishes individualized efficiency goals for each
Urban Retail Water Supplier. State Water Board staff expects these goals to reduce urban water
use across California by more than 400-thousand-acre feet by 2030, helping California adapt to
the water supply impacts brought on by climate change.

The LRFP-NA included rate impact analysis from mandatory conservation, which the "Way of Life" framework falls under. The analysis acts as a bookend on the lower bound of average annual overall rate increases, showing the results on Metropolitan's rates from having the IRP supply gaps met entirely from regulatory action. The CAMP4W process will help Metropolitan select a mix of resources to meet the demands in Phase 2 of the LRFP, incorporating regulatory action such as the "Way of Life" framework.

Board Options

Option #1

Adopt the 2023 Long-Range Finance Plan Needs Assessment

Fiscal Impact: No fiscal impact

Business Analysis: Provides an important foundation and context for future decisions impacting Metropolitan's financial sustainability

Option #2

Do not adopt the 2023 Long-Range Finance Plan Needs Assessment

Fiscal Impact: No fiscal impact

Business Analysis: Without adoption of the LRFP-NA, the Board will not have a foundation for discussions in Phase 2 of the LRFP through the CAMP4W process.

Recommendation

Option #1

Adopt the 2023 Long-Range Finance Plan Needs Assessment

Fiscal Impact: No fiscal impact

Business Analysis: Provides an important foundation and context for future decisions impacting Metropolitan's financial sustainability



APPENDIX

Review Draft 2023 Long-Range Finance Plan Needs Assessment

Presentation in FAIRP Committee on August 15, 2023

With minor corrections on slide "Net Shortage Assessment in 2020 IRP"



Finance, Audit, Insurance, and Real Property Committee

Review Draft FY 2023/24 Long-Range Finance Plan Needs Assessment

Item 9-2 August 15, 2023

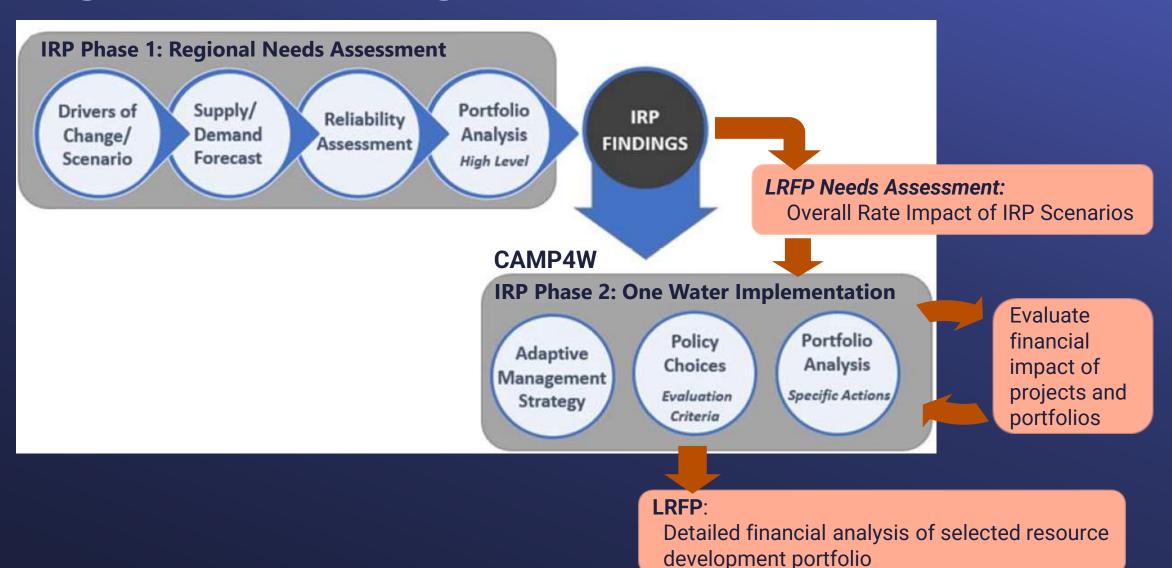
Agenda

- Overview of LRFP Process
- Rate Impact Modeling Analysis
- Capital Financing Considerations
- Conclusions & Next Steps

Long-Range Finance Plan Needs Assessment

Overview of LRFP Process

Integrated Planning Processes



Long-Range Financial Plan

<u>LRFP Needs Assessment:</u> Overall Rate Impact of IRP Scenarios and Capital Financing Considerations

- 1. Estimate the <u>rate impact</u> of various resource development scenarios identified in the IRP needs assessment
- 2. Discuss the primary capital financing and funding tools Metropolitan has at its disposal, describe the key finance policy considerations, and review alternative financial approaches

Results: Inform the CAMP4W process and assist the Board in selecting the resource development portfolio to pursue while weighing resiliency, reliability, financial sustainability, and affordability objectives

LRFP: Detailed Long-Range Financial Plan

As specific projects are identified that meet Board-approved objectives, a more refined rate impact can be developed, including phased project financing, cost recovery methodology, and reserve requirements

Long-Range Finance Plan Needs Assessment

Rate Impact Modeling Analysis

Modeling Overview

LRFP Needs Assessment



Modeling Period

- Starts with the adopted rates for calendar year 2023 and 2024 and project overall annual rate increases to 2032
- Public agencies and water utilities commonly use 5 or 10-year financial forecasts. Beyond a 10-year horizon, forecasts become highly uncertain
- The intent of the LRFP Needs Assessment is to estimate average annual overall rate increases over the 10-year forecast period and provide an indication of the trajectory of rates in the longer-term
- The model assumes that costs are recovered <u>exactly</u> as anticipated, allowing the model to focus on the impacts of resource development costs without introducing additional variation from reserves, debt coverage considerations, and other items that will be incorporated into the final LRFP

Modeling Overview

LRFP Needs Assessment

Modeling Process

For each IRP Scenario for each year:

Resource Development (AF)

Resource Unit Cost (\$/AF)



Resource Development Cost

Resource Development Cost

> Baseline **Fixed Cost**

*Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.



Revenue Requirement (\$)



Water Transactions (\$/AF)



Overall Rate (\$/AF)



Variable

Costs

2020 IRP Needs Assessment Scenarios

Scenario Descriptions

Scenario A – Low Demand/Stable Imports:

Gradual climate change impacts, low regulatory impacts, and slow economic growth.

Scenario B – High Demand/Stable Imports:

Gradual climate change impacts, low regulatory impacts, high economic growth.

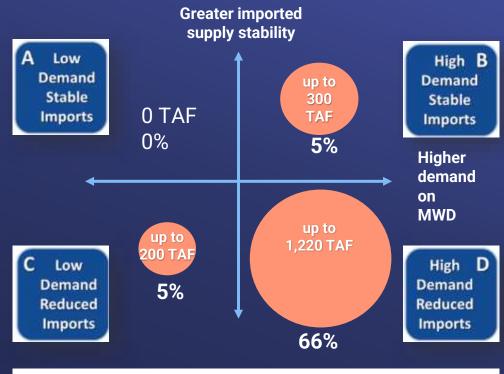
Scenario C – Low Demand/Reduced Imports:

Severe climate change impacts, high regulatory impacts, slow economic growth.

Scenario D – High Demand/Reduced Imports:

Severe climate change impacts, high regulatory impacts, and high economic growth.

Summary Matrix of IRP Scenario Results*



*Max Magnitude of Supply Gap (TAF) and Frequency (%) of a Net Shortage in 2045

2020 IRP Needs Assessment Scenarios

Max Magnitude of Supply Gap (TAF) and Frequency (%) of a Net Shortage in 2045

Scenario A

0 AF

No additional resource development required

Scenario C

up to 200 TAF 5%

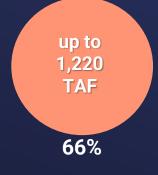
Minimal resource development required

Scenario B

up to 300 TAF 5%

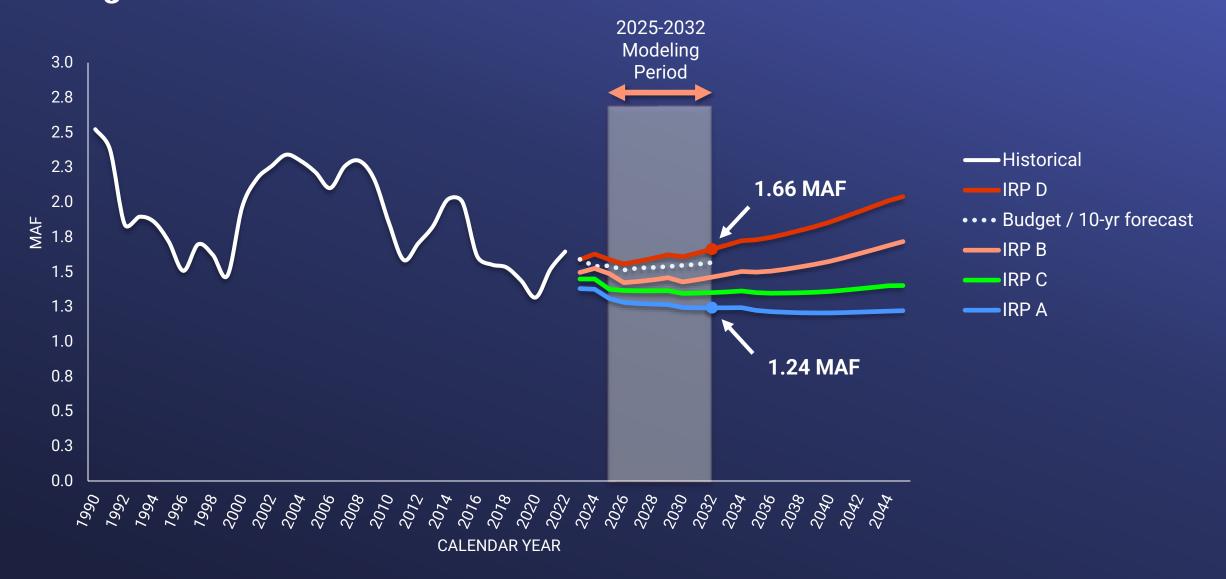
Moderate resource development required

Scenario D



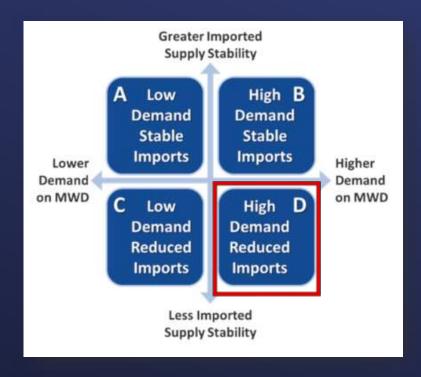
Significant resource development required

Projected Water Demands



Resource Portfolios Example

IRP Scenario D



	Additional storage: 0 AF			storage: 250 AF	Additional storage: 500 TAF		
	Storage	Core Supply	Storage	Core Supply	Storage	Core Supply	
2025	0 TAF	100 TAF	23 TAF	100 TAF	45 TAF	100 TAF	
2026	0 TAF	150 TAF	45 TAF	150 TAF	91 TAF	150 TAF	
2027	0 TAF	150 TAF	68 TAF	150 TAF	136 TAF	150 TAF	
2028	0 TAF	150 TAF	91 TAF	150 TAF	182 TAF	150 TAF	
2029	0 TAF	150 TAF	114 TAF	150 TAF	227 TAF	150 TAF	
2030	0 TAF	150 TAF	136 TAF	150 TAF	273 TAF	150 TAF	
2031	0 TAF	300 TAF	159 TAF	200 TAF	318 TAF	200 TAF	
2032	0 TAF	300 TAF	182 TAF	200 TAF	364 TAF	200 TAF	
2033	0 TAF	300 TAF	205 TAF	200 TAF	409 TAF	200 TAF	
2034	0 TAF	300 TAF	227 TAF	200 TAF	455 TAF	200 TAF	
2035	0 TAF	300 TAF	250 TAF	200 TAF	500 TAF	200 TAF	
2036	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2037	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2038	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2039	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2040	0 TAF	450 TAF	250 TAF	400 TAF	500 TAF	400 TAF	
2041	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2042	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2043	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2044	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	
2045	0 TAF	650 TAF	250 TAF	550 TAF	500 TAF	500 TAF	

Resource Portfolios Summary IRP Scenarios



Core Supply Needs in 2032						
	No Storage	250 TAF Storage (182 TAF storage in 2032)	500 TAF Storage (364 TAF storage in 2032)			
IRP A	0 TAF	O TAF	0 TAF			
IRP B	50 TAF	30 TAF	30 TAF			
IRP C	15 TAF	15 TAF	15 TAF			
IRP D	300 TAF	200 TAF	200 TAF			

Resource Unit Costs

Resource	Range from sources	Modeled Unit Cost ¹
Core Supply ²	Carlsbad Desal = \$2,975/AF Santa Barbara Desal = \$3,126/AF Venture Water Pure = \$3,266/AF	\$3,000/AF
Storage	DVL ³ = \$269/AF (\$3.8B @ 30yrs 4%, 800 TAF capacity) Chino Basin Storage Study ⁴ ~ \$275-325/AF	Annual cost = \$300/AF storage capacity
Flex Supply ⁵	SWP Transfer = \$605/AF Yuba Accord Transfer = \$400/AF	\$600/AF

¹ 2023 unit costs are escalated at 3% to future costs

² From SDCWA publication dated February 2023, Santa Barbara Recycled Water Assessment Oct 2022 Staff Report

Ventura PW cost was estimated by Metropolitan staff assuming \$206 million in total capital costs, \$6.7 million in annual O&M costs, and \$18.2 million in grants, with the remaining capital costs funded from the EPA's WIFIA loan program at a rate of 2.5% for a 30-year term. Sources: 2019-Ventura-Water-Supply-Projects-Final-EIR (civicplus.com); 3069 (ca.gov). Prices were escalated to 2023 dollars from 2019 with 3% escalator.

³ Annual financing cost per AF of capacity constructed based on project cost in today's dollars of \$3.8 billion. Assumes 30-year financing at 4%.

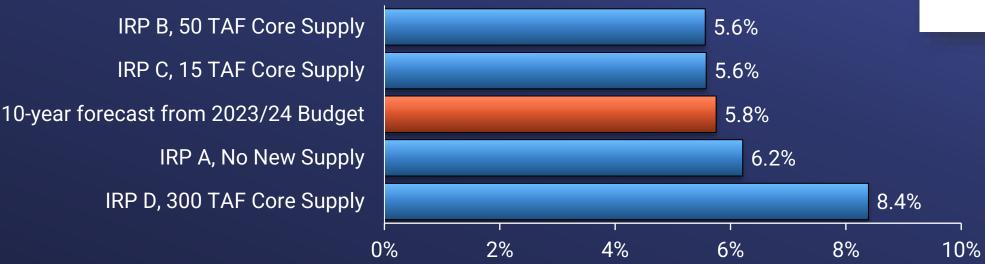
⁴ Annual financing cost per AF of capacity constructed and projected annual O&M costs based on average of Chino Basin Storage Study options. Assumes 30-year financing at 4% for capital costs

⁵ SWP and Yuba Accord transfers based on 2022 prices escalated to 2023 dollars.

Overall Rate Impact of IRP Scenarios

No additional storage option





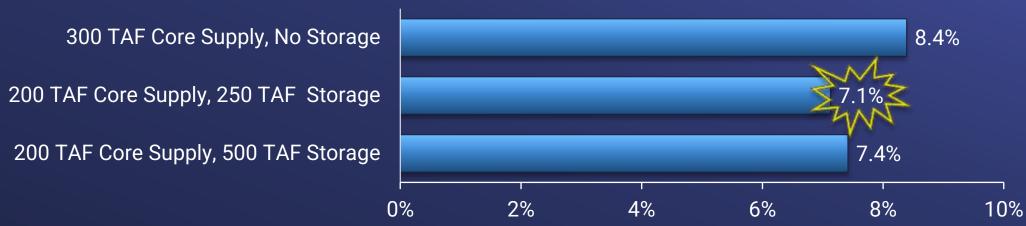
Observations:

- 1. Developing core supply to meet demands identified in IRP D will have the largest rate impacts.
- 2. The rate impact shown in IRP A results from lower water sales.

^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Effect of Adding Storage for IRP D Scenario





Observations:

To meet the projected water demand in IRP D, development of 200 TAF of core supply and 250 TAF of storage capacity has lower rate impacts (7.1%) than the no storage and 500 TAF storage options.

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Sensitivity Analysis for Lower Demand

Plan for IRPD Resource Needs with 250 TAF Storage but realize the lower water demands from IRPA



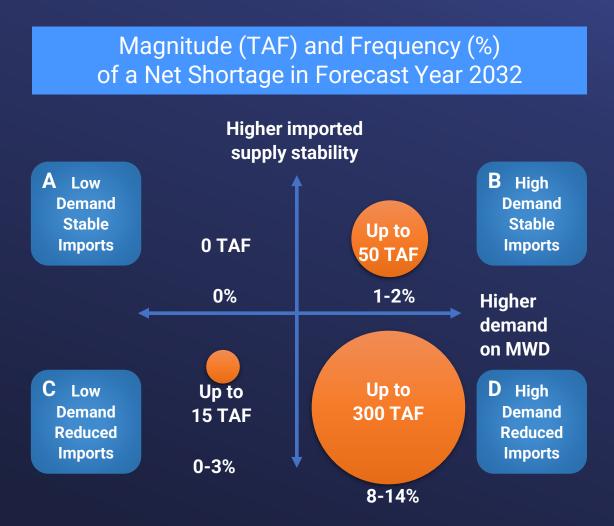
Observations:

If water demand does not materialize as projected in IRP D and instead occurs as projected in IRP A, development of core supply and storage to meet projected demand in IRP D could result in substantially higher rates.

^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Net Shortage Assessment in 2020 IRP

Plan for IRPA (no additional resources developed) but experience the higher demands from IRPD.



- 1. Water supply shortages will incur economic costs
- 2. What level of resource development does the Board want to pursue in light of reliability, resilience, and affordability objectives?

Estimated Capital Investment Examples for IRP D Scenario by 2032

Resource D	evelopment	Estimated Capital *		
Core Supply Storage Capacity		Estillateu Capital "		
200 TAF	250 TAF **	\$5.5 Billion – \$6.0 Billion		

Engineering challenge

1.5x PWSC completed by 2032

~1/3 of Diamond Valley Lake completed by 2032

Financial challenge

- Available revenue bond capacity
- Cashflow constraints for debt coverage

* Assumptions: \$3,000/AF for core supply (2023 \$), 50% costs from O&M

\$300/AF for storage capacity (2023 \$), 0-50% costs from O&M

Capital financing @ 4%, 30-yr, 2% debt issuance cost

** 182 TAF in 2032

CAMP4W process Example of projects to consider

- Pure Water of Southern California Project
- Delta Conveyance Project
- Sites Reservoir
- PVID Land Purchases

Can we meet the additional supply needs in IRP D with conservation?

Current Conservation Initiatives

Most Utilized in 2022

Devices	Water Savings (GPD)	Life (Yrs)	Life AF Savings	Rebate	Rate (\$/AF)	2022 Quantity (Units)	Total Lifetime AF Savings	Total \$
	А	В	C = A x B / 892.74*	D	E = D / C	F	G = C x F	H = D x F
High Efficiency Nozzles	2.36	5	0.0132	\$2	\$152	22,312	295 AF	\$44,624
High Efficiency Washer	29.32	14	0.4598	\$85	\$185	11,762	5,408 AF	\$999,770
High Efficiency Toilets	9.37	20	0.2100	\$40	\$190	22,625	4,752 AF	\$905,000
Showerheads	3.76	5	0.0211	\$12	\$570	5,029	106 AF	\$60,348
Flow Control	7.50	10	0.0840	\$5	\$60	5,223	439 AF	\$26,115
Weather Based Irrigation Controller	36.99	10	0.4143	\$80	\$193	9,337	3,869 AF	\$746,960
Weather Based Controller by Station	15.98	10	0.1790	\$35	\$196	19,264	3,448 AF	\$674,240
Commercial Turf Replacement	0.12	30	0.0041	\$2	\$494	2,933,030	11,883 AF	\$5,866,060
Residential Turf Replacement	0.09	30	0.0032	\$2	\$631	3,814,405	12,081 AF	\$7,628,810
Rain Barrel	1.70	5	0.0095	\$35	\$3,676	2,452	23 AF	\$85,820
Total / Weighted Average					\$403 / AF		42,301	\$17,037,747

^{*892.74} is conversion factor for GPD to AFY

How much conservation is available and at what price?

Conservation Price Elasticity



- Insufficient data on availability of additional conservation and at what price.
- Further study needed to identify the available capacity and price elasticity of conservation.

Nature of Conservation Investment

Front-loaded expenditures for water savings over the lifetime

Example: Meeting IRP D core supply needs (300 TAF) with turf removal

- Assumes 300 TAF of conservation is available at \$4/sq ft (or ~\$1,000/AF of lifetime savings)
- Cumulative savings must grow by 37,500 AF/yr from 2025 2032 to meet 2032 target of 300 TAF
- \$1,000 saves 1 AF of water over the next 30 years, or 0.033 AF/year. \$30,000 saves 1 AF/yr for the next 30 yrs.
- To achieve 300 TAF of annual water savings by 2032, annual conservation expenditure would be ~\$1.1B/yr through 2032



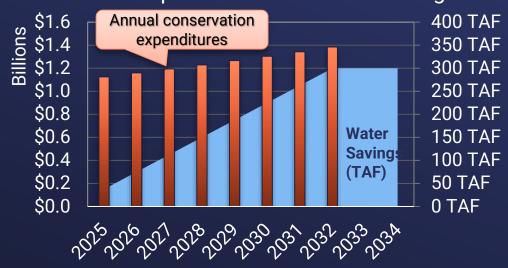
Nature of Conservation Investment ...cont.

Front-loaded expenditures for water savings over the lifetime

If the water demand are lower than the projected, or the water supply situation improves, MWD can adjust or remove the conservation program along the way.

ORIGINAL CONSERVATION PLAN

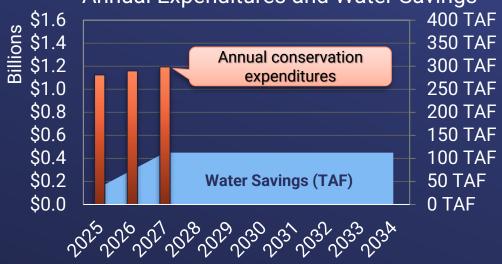
Annual Expenditures and Water Savings





ADJUSTED CONSERVATION PLAN

Annual Expenditures and Water Savings



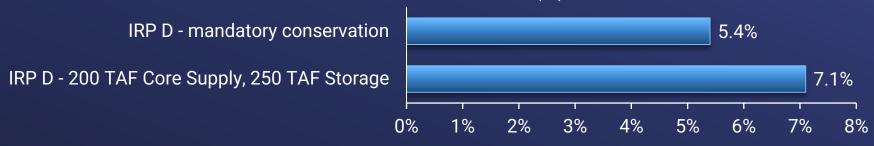
Mandatory Conservation Scenario

Mandatory conservation in response to long-term structural imbalance between supply and demand

Scenario Assumptions

- Assumes regulatory action mandating conservation
- No new resource development new supply or incentivized conservation
- Mandatory conservation is no cost to Metropolitan (\$0/AF in the model)
- Begin with projected demand in IRP D and reduce gradually to meet 2032 resource development goal 300 TAF



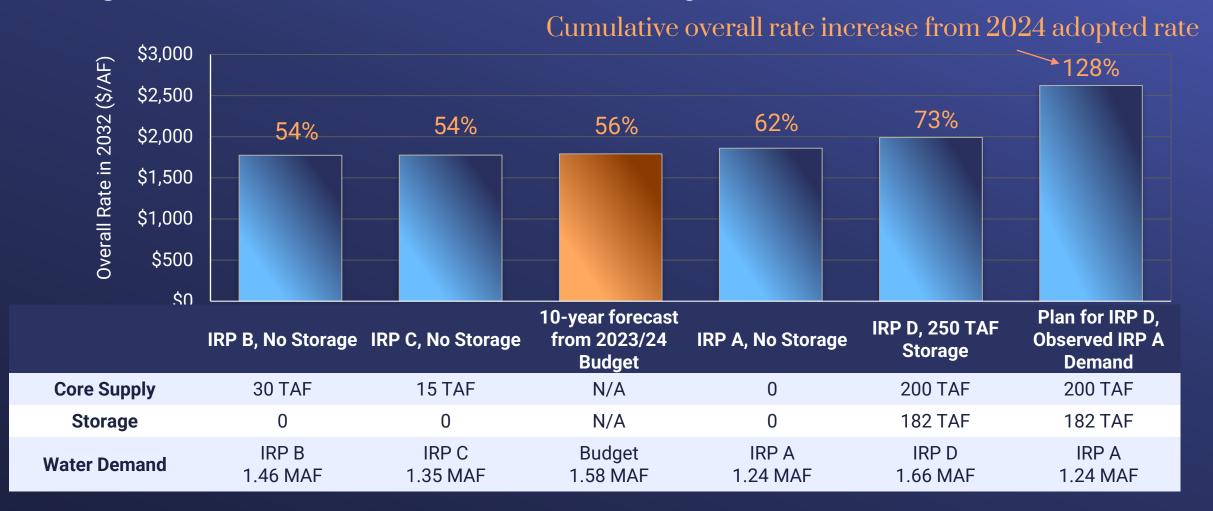


Observations:

- 1. Lowest rate impact as there is no financial cost to Metropolitan for mandatory conservation. However, member agencies and their customers will incur compliance and enforcement costs.
- 2. What are the implications of mandatory conservation on economic growth and quality of life for region?

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Projected 2032 Overall Rate by IRP Scenario



^{*}Increases in different rate elements may vary as a result of the cost-of-service allocation and cost recovery approach for each project. Impacts on a member agency will depend on how and when they take water. For example, the more a project is allocated to supply then the full-service water rate will increase higher than the price for SDCWA exchange agreement deliveries.

Long-Range Finance Plan Needs Assessment

Capital Financing Considerations

Development of Financial Plans

- A financial plan needs to consider all of Metropolitan's key financial tenets for success:
 - Affordability
 - Flexibility
 - Compliance with financial policies
 - Financial sustainability
- Feasibility of financial plans is determined by:
 - Fully-funding Metropolitan's CIP
 - Maintenance of minimum credit rating levels
 - Meeting debt service coverage ratio targets
 - Meeting liquidity / reserve targets

Primary means of funding capital

	Benefits	Considerations
Grant Funding	"Free" money often the cheapest form of funding	 Typically paid on a reimbursement basis Often contain a local-match requirement Federal grants may "federalize" the project receiving grant funds
PAYGO Funding	 Flexible Avoids bond interest expense; but has an opportunity cost of investment earnings No contractual obligations with lenders Lowers rates over time 	 Project costs borne entirely by existing or past customers Project delivery delays may occur if insufficient PAYGO funding exists
Debt Funding	Allows acceleration of future funds for project capital fundingIntergenerational equity	 Cost of borrowing is interest Contractual obligations to lenders Reduced future flexibility

Debt Financing Overview

Metropolitan has or can issue several types of debt:

- Revenue Bonds (primary means of debt financing)
- General Obligation Bonds (historically issued for SWP costs)
- Certificates of Participation (JPA financings and/or if Revenue Bond capacity is unavailable)

When issuing debt, Metropolitan takes into consideration several factors:

- Amount and timing of when debt is needed
- Impact on credit ratings
- Current market interest rates
- Compliance with rate covenants and additional bonds tests
- Overall Metropolitan debt capacity

Rating Agency Considerations

- Rating are perhaps the single-most important element of determining borrowing costs
- With strong credit ratings, MWD borrows at cost- effective interest rates
- Ratings are assigned by independent Rating Agencies that analyze the fundamentals of a debt issuance representing the likelihood of timely repayment of debt service
- Each Rating Agency has its own specific criteria to measure creditworthiness

MWD's Credit Ratings					
	S&P	Moody's	Fitch		
Senior Lien	AAA	Aal	AA+		
Subordinate Lien	AA+	-	AA+		
GO Bonds	AAA	Aaa	-		

S&P's Water Utility Scorecard						
Enterprise Risk Prof		Financial Risk Profile				
(50% of Final Rating)		(50% of Final Rating)				
Factor	Weight	Factor	Weight			
Economic Fundamentals	45%	All-in Coverage	40%			
Industry Risk	20%	Liquidity & Reserves	40%			
Market Position	25%	Debt & Liabilities	10%			
Operational Management	10%	Financial Management	10%			

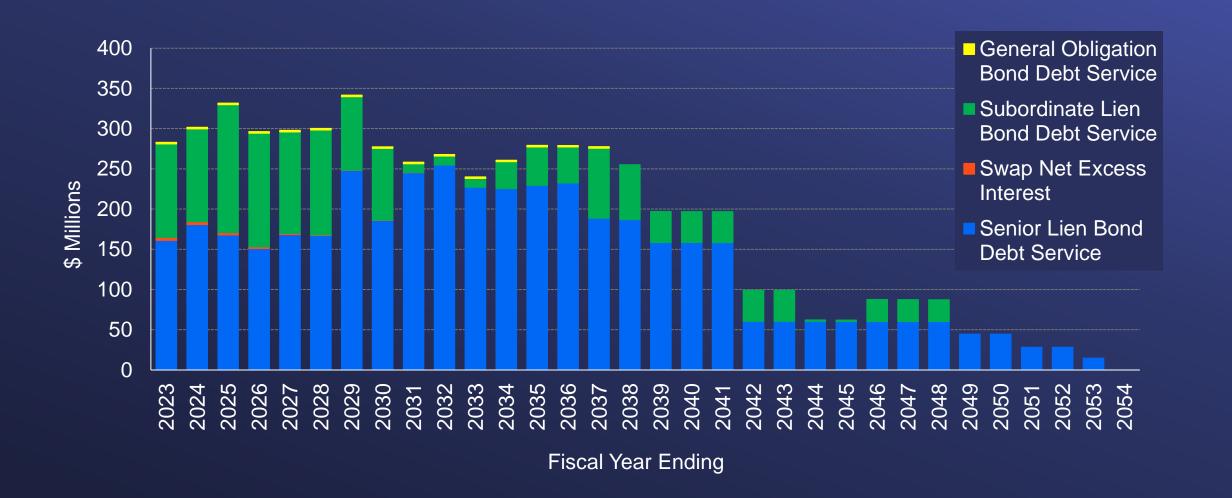
Debt Service Coverage

Debt service coverage is important to ratings, compliance with legal covenants, and financial health

- Debt service coverage is an important calculation measuring the robustness of Metropolitan's ability to repay debt
 - Debt service coverage is calculated as Net Operating Revenues

 Debt Service
 - Fixed charge coverage is calculated as $\frac{Net Operating Revenues}{All Debt Service + SWP Capital Payments}$
 - Metropolitan targets debt service coverage of 2.0x and fixed charge coverage of 1.2x to support maintenance of strong credit ratings
- Additional Bonds Test ("ABT")
 - In order to issue new money debt, Metropolitan must demonstrate that it will at least meet certain minimum debt service coverage ratios post-issuance

Metropolitan Existing Debt Portfolio



Other Funding Options & Approaches

	Description
Federal and State Grants	 Grant funds can potentially be used to offset costs that otherwise would be recovered through rates and charges
	 Most grants are dispensed on a reimbursement basis; hence, cashflow liquidity is a potential concern for many smaller governmental entities
	 Some federal and state programs require a local match, which may vary by program but generally range between 10 percent to 50 percent of the eligible project costs for reimbursement
	 Some federal and state programs provide a matching subsidy to the ultimate customer, such as with conservation programs
Federal and State Loans •	WIFIA funding provides low-cost, flexible funding for eligible projects
	State loans such as SRF and IEDB loans can provide low-cost funding
	Benefits and considerations should be weighed carefully
Voter Approved General Obligation Bonds	 Voter-approved general obligation bond would provide property tax secured debt to fund capital projects Alleviate future pressure on rates
Set MWD Property Tax Rate to Fund a Higher Targeted Amount of SWP Costs	 MWD is authorized to levy a property tax to fund State Water Contract (SWC) obligations Current rate of 0.0035% is the lowest tax rate ever levied but only fund 30% of MWD's SWC expenditures MWD can explore options of funding more SWC costs with property taxes, as originally intended and approved by voters

Long-Range Finance Plan Needs Assessment

Conclusions & Next Steps

LRFP Needs Assessment

Conclusions

- Developing additional core supply and storage to meet higher supply reliability identified in Scenario D will result in higher rate increases than the adopted FY 2022/23 and FY 2023/24 budget 10-year forecast
- Underdevelopment of water supply resources while experiencing high water demand will result in water supply shortages
 - Up to 300 TAF with 10-23% probability of shortage in Scenario D
 - Water supply shortages will incur economic costs
- Development of core supply and storage to meet projected demand could result in substantially higher rates if future water demand does not materialize

LRFP Needs Assessment

Conclusions... cont.

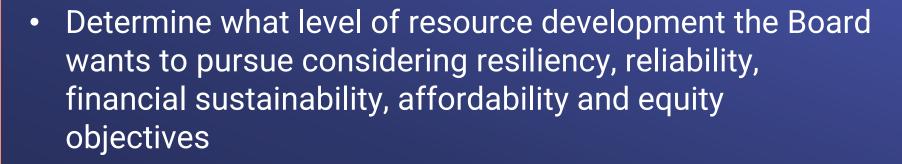
- A preliminary estimate places annual conservation costs at greater than \$1 billion per year through 2032 to be 100% reliable under IRP D scenario
 - Metropolitan's ability to fund this level of conservation is questionable, given financing limitations and potential rate burdens
 - Moreover, it is not clear if the amount of conservation required can be realized at the incentive level assumed
- Investing in conservation also locks in lower water demands that will increase water rates
- However, unlike the construction of additional resources conservation spending does not create a new fixed cost so if Metropolitan observes a natural reduction in demands conservation spending can be reduced
- Mandatory conservation would result in the lowest average rate impacts for IRP D scenario, but member agencies would incur compliance and enforcement costs

LRFP Needs Assessment

Conclusions... cont.

- In contrast, capital project investments for core supply and storage can:
 - (1) take many years to complete
 - (2) have significant upfront costs (although typically can be bond financed to spread these costs over time)
 - (3) often have ongoing O&M expenses
 - (4) Incur refurbishment and replacement costs over time
- However, capital project investments typically offer predictable supply reliability enhancement opportunities that can be indispensable in periods of protracted drought

Next Steps: LRFP & CAMP4W Process



- Evaluate rate impacts for specific projects and portfolios of projects that meet the Board-approved reliability objectives
- Through PWSC lens, evaluate business model options and financing strategies that help to meet Board objectives



Updated LRFP Timeline

- August 2023
 - Draft LRFP Needs Assessment introduced at FAIRP

LRFP Needs Assessment

- September 2023
 - Member Agency Manager Meeting
 - CAMP4W workshop on LRFP & business model
- October 2023
 - Incorporate feedback and bring revised LRFP Needs Assessment to FAIRP & Board
- October 2023 & beyond
 - Continued feedback loop with CAMP4W & finalize LRFP in FY 2024/25



Water Resource Management Group

Conservation Board Report November 2023

Summary

This report provides a summary of conservation activity and expenditures for September 2023

Purpose

Informational

Detailed Report

Conservation Expenditures – FY2022/23 & FY2023/24 (1)

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$8.9 M	\$4.3 M
Member Agency Administered	\$8.9 M	\$4.4 M
Turf Replacement	\$29.7 M	\$29.3 M
Advertising	\$7.4 M	\$3.1 M
Other	\$2.7 M	\$1.5 M
TOTAL	\$57.6 M	\$42.6 M

- (1) The Conservation Program biennial expenditure authorization is \$86 million.
- (2) Paid as of 7/1/2022 9/30/2023. Financial reporting on cash basis.
- (3) Committed dollars as of October 10, 2023

Summary of Expenditures in September 2023: \$4,828,229 (1)

Lifetime Water Savings to be achieved by all rebates in September 2023: 5,826 AF FY2022/23-FY2023/24: 81,346 AF lifetime water savings



Turf Replacement Rebates:





Clothes Washers:

September: 772 units rebated

FY2022/23-FY2023/24: 15,587 units rebated



Smart Controllers:

September: 1,109 units rebated

FY2022/23-FY2023/24: 12,556 units rebated



Toilets:

September: 3,014 units rebated

FY2022/23-FY2023/24: 29,704 units rebated



Rain Barrels and Cisterns:

September: 29 units rebated

FY2022/23-FY2023/24: 3,613 units rebated



Sprinkler Nozzles:

September: 1,448 units rebated

FY2022/23-FY2023/24: 29,958 units rebated

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

INFORMATION



Board of Directors

Communications and Legislation Committee

11/14/2023 Board Meeting

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Subject

Updated Legislative Priorities and Principles for 2024

Executive Summary

This letter presents the 2024 legislative priorities and principles recommended by staff for the Board of Directors' consideration and discussion.

Details

This board letter presents the 2024 Legislative Priorities and Principles as recommended by staff for the Board's consideration. It lays out an integrated "One Water" collaborative approach on legislatively active issues related to managing Southern California's watersheds, water resources, and water infrastructure to ensure long-term resilience and reliability for communities and ecosystems. Once adopted, staff uses this document to determine Metropolitan's positions and advocate for these priorities and principles at the state and federal level through Metropolitan-sponsored legislation, engaging on bills, or pursuing state and federal funding. Updated legislative priorities and principles are presented annually to the Board of Directors. The current 2023 version was adopted in December 2022 (Attachment 1). Final, board-approved annual legislative priorities and principles are publicly available on the Metropolitan Legislative Services website.

For the coming year, which is year two of the two-year state and federal legislative cycles, staff updated the document to reflect developments and new laws on the state and federal arenas, and to be consistent with internal Metropolitan initiatives, including the GM Business Plan, the Metropolitan Climate Action Plan, and the new Board-led planning effort on the Climate Adaptation Master Plan for Water. The draft 2024 Legislative Priorities and Principles was presented to the Member Agency Legislative Coordinators Annual Planning Meeting on November 2, 2023, and to the Member Agency Managers' Meeting on November 3, 2023.

Recommended updates to the language can be seen in the attached redline of the 2023 Legislative Priorities and Principles (**Attachment 2**). This board action letter presents a clean version of the legislative priorities and principles for 2024 with staff's recommended revisions, incorporating technical and policy input received. The Board will be considering a new bill proposal for 2024 regarding an amendment to the Surface Mining and Reclamation Act; that item is included as a priority, although sponsorship of a bill is contingent on receiving the necessary Board authorization.

The 2024 Legislative Priorities and Principles below are respectfully submitted for consideration and discussion; input from the Board will be incorporated into the final draft, which will be coming back in January 2024 for adoption by the Board.

2024 LEGISLATIVE PRIORITIES AND PRINCIPLES

2024 Legislative Priorities

To help adapt to a changing climate, protect water resources, and partner with communities we serve, Metropolitan will work to support administrative/legislative actions and federal and state funding for the following priorities in 2024:

I. Top Legislative Priorities

- A. Continue support for imported water supply resiliency and reliability, including progress on the Delta Conveyance Project, Sites Reservoir Project, Agreements to Support Healthy Rivers and Landscapes (Voluntary Agreements), and development of near-term and post-2026 Colorado River operating guidelines.
- B. Conserve existing water supplies and prepare for climate change by supporting demand management and water use efficiency, long-term non-functional turf conversion, and a federal tax exemption for water conservation rebates.
- C. Advance Pure Water Southern California and other water recycling projects and long-term supply reliability improvements.
- D. Support funding for regional conveyance improvements to ensure the region's water storage is equitably accessible to all member agencies.
- E. Protect drinking water quality and ensure access to safe and reliable drinking water for all Californians, including upholding the polluter pays principle and ensuring the continued cleanup of sites along the Colorado River.
- F. Support adaptive management for ecosystem restoration in the Bay-Delta and Colorado River watersheds that takes into consideration evolving climate conditions, risk analyses, and best available science.
- G. Improve water affordability throughout the region at both the individual and water system level without burdening existing ratepayers.
- II. Metropolitan-Sponsored State Bill (contingent upon separate board authorization)
 - 1. Support administrative/legislative actions to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan.

2024 Legislative Policy Principles

The 2024 Legislative Policy Principles will guide and inform Metropolitan's engagement on state and federal legislative and regulatory activities. They were developed in consultation with subject matter experts at Metropolitan. The principles holistically address six strategic areas of policy that inform Metropolitan's One Water Vision and the Board-led process for developing the Climate Adaptation Master Plan for Water (CAMP4W). These policy areas include: (1) drinking water; (2) regional water resource management; (3) imported water supply; (4) sustainability, resiliency, and innovation; (5) infrastructure; and (6) system resiliency.

I. Drinking Water – Metropolitan provides to the Southern California region high-quality, reliable drinking water in an economically responsible way that surpasses all federal and state drinking water regulations.

A. Water Quality and Treatment

1. Support administrative/legislative actions that utilize best available science, occurrence and health effects data, and appropriate cost-benefit analyses or economic feasibility to

- protect public health and improve water quality. Apply these principles when setting maximum contaminant levels, health advisories, or notification/response levels, in addition to assessing laboratory capacity, analytical methods, and other regulatory standards or guidance levels.
- 2. Support application of the "polluter pays" principle such that parties responsible for introducing contaminants in or near drinking water sources are held liable for cleanup, and not drinking water and wastewater facilities that subsequently store, transport, or treat the water.
- 3. Support administrative/legislative actions and funding for treatment and mitigation measures to comply with any new regulatory standards, develop risk communication tools, as well as provide adequate time for implementation.
- 4. Support administrative/legislative actions and funding to protect source water quality, reduce threats from invasive species, and mitigate harmful algal blooms.
- 5. Support administrative/legislative actions and funding for the constituents of emerging concern (CEC) Action Fund to improve the State Water Resource Control Board's knowledge of CEC in waters of the state and drinking water.
- B. Water Governance, Affordability, and Funding Metropolitan supports efforts to provide access to safe, reliable, and affordable drinking water to all residents.
 - 1. Support administrative/legislative actions that prioritize providing safe, reliable and affordable drinking water to disadvantaged communities.
 - 2. Support administrative/legislative actions and funding that improve water affordability throughout the region at both the individual and the water system level, especially for disadvantaged communities, without burdening existing ratepayers.
 - 3. Support funding to help water systems provide low-income ratepayer assistance programs.
 - 4. Support administrative/legislative actions that improve governance and long-term sustainability of non-compliant water systems and provide assistance for voluntary consolidations that improve their technical, managerial, or financial capacity, while ensuring that all receiving public water systems are consulted on changes of organization, including proposed consolidations or extensions of service area.
 - 5. Support administrative/legislative actions that provide local agencies flexibility in determining fees for service and assessment amounts.
 - 6. Support administrative/legislative actions that ensure the limited resources of the Safe and Affordable Drinking Water Fund are allocated to advance projects, operation and maintenance costs, infrastructure improvements, and/or consolidation actions that will achieve long-term sustainability for water systems and the communities that rely on those systems.

II. Regional Water Resource Management – Metropolitan's One Water Vision and the Board-led CAMP4W process promote collaboration with member agencies to plan for future water supply needs and the challenges ahead in a reliable, cost-effective, and environmentally responsible manner. This involves protecting imported water supplies and quality, supporting local resource development, advancing water use efficiency, and supporting ecosystem protection and restoration.

A. Conservation

1. Support tax exemptions and/or credits for water conservation or efficiency incentives, including but not limited to long-term conversion of non-functional turf (NFT), local

- stormwater capture, and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.
- 2. Support administrative/legislative actions and federal/state funding to encourage equitable water use efficiency and recycled water use among agricultural, industrial, and urban sectors.
- 3. Support administrative/legislative actions and funding to advance conservation as a California Way of Life in a manner that maintains flexibility and local control. Support efforts to ensure new statutes and regulations are based on science; recognize regional distinctions (i.e., climate, land use, population, and hydrology); and potential impacts to wastewater operations and recycled water projects.
- 4. Support administrative/legislative actions and federal/state funding for leak detection and water loss reduction. Support the development and implementation of flexible water loss standards for both retail and wholesale water systems.
- 5. Support administrative/legislative actions and federal/state funding for the long-term conversion of NFT in residential, commercial, industrial, and institutional landscapes and ban installation of NFT in new construction.

B. Desalination & Groundwater Remediation

- 1. Support administrative/legislative actions, funding, and partnerships for brackish groundwater and seawater desalination projects, consistent with the Governor's Water Resilience Portfolio and 2022 Water Supply Strategy and Metropolitan's CAMP4W goals.
- 2. Support administrative/legislative actions and funding for salinity control projects, including but not limited to source control, treatment, and concentrate management.
- 3. Support administrative/legislative actions and funding for research, pilot tests, and demonstration studies to encourage the development of environmentally sustainable and climate-resilient desalination technologies.

C. Recycled Water

- 1. Support actions to advance and secure funding for the Pure Water Southern California Program and related projects.
- 2. Support efforts to improve flexibility of the State's water recycling grant program.
- 3. Support implementation of the National Water Reuse Action Plan and California Water Reuse Action Plan while protecting local flexibility and encouraging local, state, and federal coordination, research, and innovation.
- 4. Support administrative/legislative actions and funding that facilitate the adoption of direct potable reuse regulations by December 31, 2023. These actions include but are not limited to planning, development, and implementation of local and regional potable reuse projects and initiatives to fill research gaps and advance the science to promote the further development of potable reuse.
- 5. Support administrative/legislative actions to promote voluntary on-site water treatment systems if they maintain compliance with Title 22 and do not negatively affect municipal water recycling systems.
- 6. Support administrative/legislative actions that maximize voluntary use of recycled water.

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D. Local Supply Development

- 1. Support administrative/legislative actions that protect and advance local flexibility and responsiveness in developing locally appropriate, climate-resilient, diverse resource portfolios.
- 2. Continue to support and promote integrated water resources development by advocating for clear, concise, and expedited regulations/policies that are easily understandable by the regulated community and public.
- 3. Support administrative/legislative actions and funding to expedite the development of new local resources (including recycled water, direct potable reuse, groundwater, stormwater, desalination projects, and groundwater remediation) without compromising the operational, financial, water quality, regulatory, environmental, and customer interests of Metropolitan and other water and wastewater agencies.
- 4. Support administrative/legislative actions that advance stormwater as a beneficial resource and facilitate the funding and permitting of stormwater capture projects to augment local and regional water supplies and promote holistic watershed health.
- 5. Support administrative/legislative actions and funding that advance Metropolitan's groundwater storage and/or recovery programs with member agencies.

E. Watershed Management

- Support administrative/legislative actions and funding to enhance watershed
 management in Southern California, the Bay-Delta, and Colorado River watersheds
 that provide broad public benefits, including water quality and water supply
 reliability, reduced wildfire risks, greater scientific understanding, and other
 environmental improvements.
- 2. Support administrative/legislative actions that help advance implementation of watershed management plans, including watershed research and multi-benefit forestry management projects.
- 3. Support implementation of the California Water Resiliency Portfolio and the Water Supply Strategy, as consistent with Metropolitan goals and objectives, to ensure improved watershed-scale coordination, watershed management and planning, and programs and funding that provide water resilience and improve watershed functions.

III. Imported Water Supply – Metropolitan provides imported water supplies to its member agencies from two primary sources: the Colorado River via the Colorado Aqueduct and Northern California watersheds via the Sacramento-San Joaquin Delta and the State Water Project.

- A. Bay-Delta Initiatives— Metropolitan is involved in several key regulatory and planning processes in the Sacramento-San Joaquin Delta related to the operation of the State Water Project (SWP). The goal is to advance water supply reliability and ecosystem restoration concurrently by modernizing the state's water infrastructure with the proposed Delta Conveyance Project and improving the habitat and function of the Delta estuary for the benefit of threatened and endangered species. To advance these goals, Metropolitan supports collaborative scientific efforts to better understand how to restore and manage the Bay-Delta while reducing reliance consistent with the 2009 Delta Reform Act (Delta Reform Act).
 - 1. Support administrative/legislative actions to advance Delta Conveyance and EcoRestore in support of California's coequal goals of water supply reliability and Delta ecosystem restoration and the Governor's California Water Resilience Portfolio.

- 2. Support administrative/legislative actions and funding to improve scientific understanding of listed Delta fish and wildlife species and water project operations in the Delta, including data collection, real-time monitoring, and modeling. Promote the use of best available science to protect and restore aquatic species and habitats, and enhance flexibility for water project operations while maintaining regulatory and statutory protections for species listed under the state and federal Endangered Species Act.
- 3. Continue support for implementation of state policies adopted as part of the Delta Reform Act and water management package, including clarification of the monitoring, reporting, and enforcement provisions related to in-Delta diversions.
- 4. Support administrative/legislative actions to consolidate review and oversight of anadromous species protection under the U.S. Department of the Interior.
- 5. Support administrative/legislative actions that protect water quality for beneficial uses and that are implemented consistent with California water rights priorities.
- 6. Support administrative/legislative actions and funding to advance the Delta Freshwater Pathway, levee improvements (including levee modernization for the existing Delta levee system), levee maintenance programs (including real-time monitoring for the existing Delta levee system), and secure Delta flood-fighting materials and stockpiles.
- 7. Support administrative/legislative actions in the Delta watershed to account for and administer the California water rights system, including protecting stored water releases.
- 8. Support administrative/legislative actions and funding to advance Sites Reservoir and the Agreements to Support Healthy Rivers and Landscapes (Voluntary Agreements), consistent with the Board's action to advance these efforts.
- B. Colorado River Resources The Colorado River is a critical resource for the entire Southwest and many diverse ecosystems. Degradation of the Colorado River's water quality can cause significant economic, environmental, and human health impacts across the West. Metropolitan and other interested parties work to ensure we can continue to supply our communities with a safe and reliable water supply.
 - Support administrative/legislative actions and funding of conservation and efficiency projects to enhance the resiliency of the Colorado River System and Metropolitan's Colorado River Aqueduct.
 - 2. Support administrative/legislative actions and funding to ensure that sufficient water is stored and delivered from Lake Mead to meet human health and safety needs.
 - 3. Support administrative/legislative actions and funding for the cleanup of contaminated sites along the Colorado River. This includes, but is not limited to, uranium remediation in Moab, Utah; perchlorate remediation in Henderson, Nevada; hexavalent chromium remediation near Topock, Arizona; and a waste disposal site near Hoover Dam.
 - 4. Promote continued coordination between states and federal agencies to further the Colorado River Basin Salinity Control Program (Program). Support actions to stabilize the financial position of the Program.
 - 5. Support efforts to maintain and enhance the operation of the United States Bureau of Reclamation's Paradox Valley Unit salinity control project at a safe level while

- working to develop a viable alternative that provides long-term reductions in salt loads to the Colorado River.
- 6. Support legislative efforts to revise the salinity standard for Colorado River water delivered under the U.S. treaty with Mexico to increase water conservation.
- 7. Support legislative action to include water conservation as a criterion for selecting salinity control projects in the upper Colorado River Basin.
- 8. Secure funding and support administrative/legislative actions for the implementation of the Lower Colorado River Multi-Species Conservation Program to promote the recovery of threatened and endangered species in a manner that allows the Lower Basin States to conserve Colorado River water.
- 9. Support administrative/legislative actions and funding that advance binational water conservation programs that benefit Colorado River supply augmentation and habitat restoration objectives.
- 10. Support administrative/legislative actions and funding for the U.S. Bureau of Reclamation to update and apply reasonable and beneficial use determinations.
- C. State Water Project About 30 percent of Southern California's water comes from the SWP in an average year. Metropolitan works with state and federal agencies as well as other SWP contractors to manage threats to the project and address environmental needs and augment water supplies through existing and potential collaborative transfers and groundwater banking agreements.
 - Support administrative/legislative actions and funding to address the impacts of subsidence on the SWP and prevent future damage caused by unsustainable groundwater pumping.
 - 2. Support funding for joint state and federal facility repairs, rehabilitation, and improvements, and ensure funding is equitably distributed between partners while maintaining SWP supply reliability.
 - 3. Support administrative/legislative actions and funding for the cleanup of contaminated groundwater storage basins used for Metropolitan water banking programs along the California Aqueduct.
 - 4. Support funding for the public share of costs, including recreation, flood protection, mitigation, environmental enhancement, and rehabilitation for multi-purpose SWP facilities.
- IV. Sustainability, Resiliency, and Innovation Metropolitan supports policies and funding that encourage sustainable practices that improve water and power system resilience and adapt to a rapidly changing environmental landscape. Metropolitan strives to fulfill the needs of the current generation without compromising the needs of future generations in an environmentally and economically responsible way.

A. Carbon Neutrality

- 1. Support administrative/legislative actions and funding to implement Metropolitan's Climate Action Plan to reduce Metropolitan's greenhouse gas emissions and reach carbon neutrality by 2045.
- 2. Support administrative/legislative actions and funding to assist the Department of Water Resources in reaching carbon neutrality for the State Water Project by 2045 in a cost-effective and environmentally responsible manner.

- 3. Support administrative/legislative actions and funding to improve, develop, and promote innovative climate adaptation solutions and support science-based strategies and tools that benefit the environment by restoring healthy soils, conserving water, and capturing and/or sequestering carbon.
- 4. Support administrative/legislative actions and funding that assists public agencies in the transition to zero-emission fleets and equipment.

B. Water/Energy Nexus

- Support administrative/legislative actions and funding for energy efficiency and storage projects, and programs to reduce greenhouse gases and develop renewable resources.
- 2. Support administrative/legislative actions that remove barriers and encourage energy sector investments in water conservation and energy management programs.
- 3. Support administrative/legislative or regulatory activities that preserve Metropolitan's ability to pursue a diverse set of supply options and oppose constraints on supply development, such as water resource loading orders based solely on energy intensity.
- 4. Support efforts to ensure power costs are appropriate and proportional to the benefits received and that water system operations are not adversely affected by power-related legislation/administrative actions.
- 5. Support administrative/legislative actions that provide state funding from the Greenhouse Gas Reduction Fund for water/energy nexus projects and maintain Capand-Trade allowances for Metropolitan and Department of Water Resources (i.e., State Water Contractors).
- 6. Support administrative/legislative actions that maintain Board authority over energy-related matters (e.g., system reserve margin or resource adequacy requirements).

C. Renewable Energy

- 1. Support administrative/legislative actions that define hydropower generation as renewable energy irrespective of a facility's nameplate generating capacity and include the provision of renewable energy credits for hydroelectric generation.
- 2. Work to ensure that administrative/legislative actions seeking to enhance or expand hydropower at existing dams do not adversely impact those dams, either financially or operationally, or entities with rights to the power from the existing resources that directly or indirectly impact Metropolitan's service area.
- 3. Support administrative/legislative actions to improve federal hydropower relicensing for existing facilities, including SWP resources.
- 4. Support administrative/legislative actions and funding for the SWP and the Colorado River Aqueduct (CRA) to incorporate renewable energy resources, such as pumped hydroelectric energy, that contribute to the state's climate goals without impacting the projects' primary purpose, provided consideration is given to transmission limitations, cost and portfolio availability, and unrelated impacts are not shifted to SWP or CRA facilities.

- D. Environmental Stewardship
 - 1. Support administrative/legislative actions for environmental compliance to improve clarity and workability of the requirements, and promote consistency and reduce regulatory duplication, while protecting public health and the environment.
 - 2. Support administrative/legislative actions and funding to facilitate non-mitigation habitat restoration projects that benefit endangered and threatened species.
 - 3. Support administrative/legislative actions and funding for research and partnerships on water science, including snowpack and streamflow monitoring, runoff, drinking water quality, salinity control, source water protection, soil moisture monitoring, healthy soils, and watershed research.
- E. Workforce Development Metropolitan is committed to ensuring the resiliency of its workforce and to advancing diversity, equity, and inclusion to promote the physical and mental safety and well-being of its workforce and the communities it serves.
 - 1. Support administrative/legislative actions, funding, and partnerships to improve educational opportunities in the water sector, including career technical education and workforce development.
 - 2. Support administrative/legislative actions and funding that improve water system staff training and certification processes.
- F. Innovation Supporting and promoting innovation and emerging technologies continues Metropolitan's long tradition of creatively solving difficult challenges.
 - Support administrative/legislative actions and funding for the research and
 development of new and emerging technologies such as satellite- and computerbased technologies to monitor source water quality, ecosystem health, state- and
 federal-threatened and endangered fish species; measure and predict agricultural
 water use, urban outdoor water use, and reservoir evaporation; and expand
 coordination with technology incubators, research institutions, and other stakeholder
 groups.
 - 2. Support administrative/legislative actions and funding to promote open water data platforms and sharing, including improving access to agency data, streamlining the collection and submission of water agency data, and promoting collaboration among federal, state, and local stakeholders.
- V. Infrastructure Metropolitan has a strategic priority to invest in key capital projects in our region to enable long-term, reliable water deliveries. Key capital projects identified in Metropolitan's Capital Investment Plan focus on improvements to the CRA, treatment plants, and distribution systems.
 - A. Support administrative/legislative actions to initiate, expedite, and secure funding to defray the costs of planning, financing, constructing, repairing, and rehabilitating water infrastructure projects, including but not limited to general obligation bonds, tax-exempt municipal bonds, grants, low-interest loans, and direct appropriations. Ensure equitable cost-sharing of water infrastructure projects.
 - B. Support administrative/legislative efforts to expand funding programs, expedite project approval and reporting processes, and prevent project backlogs in state and federal funding or financing.
 - C. Support the "beneficiaries pay" approach as a financing mechanism for statewide projects and programs and oppose public goods charges, or other charges levied on water agencies for funding broader public benefits.

- D. Support funding for the public share of costs, including mitigation, rehabilitation, and recreation, for multi-purpose water infrastructure.
- E. Support administrative/legislative actions and funding for new or expanded water infrastructure or programs that complement existing water supplies to ensure reliability for all member agencies.

VI. System Resiliency – Metropolitan diligently maintains and significantly invests to safeguard a region-wide water supply system that is a cornerstone of Southern California's \$1.6 trillion economy. Changes in the climate and accompanying weather extremes are serious challenges facing Metropolitan. Additionally, Metropolitan needs to be prepared to respond rapidly to natural disasters and security threats. Resiliency ensures the water supply and delivery system is strong, can return to service quickly, and is prepared to address future challenges

A. Climate Resiliency

- 1. Support legislative/administrative actions and funding for local and regional drought resiliency projects to improve system flexibility.
- 2. Support legislative/administrative actions and funding for planning and research into the potential water resource and quality effects of climate change.
- 3. Support administrative/legislative actions and funding for imported source watershed protection and enhancement of water quality, supply, and demand-side management actions to help offset the effects of climate change.
- 4. Support administrative/legislative actions and pursue funding opportunities that recognize and help mitigate the significant differences in the capability and needs of communities and regions to withstand the impacts of climate change.
- 5. Support administrative/legislative actions and funding for local drought contingency planning areas in the state that have increased concern about wholesale water system delivery constraints.
- 6. Support administrative/legislative actions and funding that facilitate the integration of existing and planned local water supply, distribution systems, and regional water facilities.

B. Emergency Preparedness

- Support administrative/legislative actions that assist the water industry in preparing
 for, responding to, and recovering from extreme weather events and natural disasters,
 including earthquakes and wildfires, catastrophic accidents, and physical or cyber
 sabotage. These actions may include, but are not limited to, actions to provide
 funding for emergency responses and planning and post-emergency restoration of
 service.
- 2. Support administrative/legislative actions that assist the water industry to address the effects of wildfires and power outages, including the impacts of public safety power shutoff events.
- 3. Support additional funding for the Federal Emergency Management Agency programs to assist with emergency repairs and improvements, including but not limited to dam safety, spillway improvements, and erosion control repairs.

C. Physical and Cyber Security

1. Support continued U.S. Environmental Protection Agency oversight of water system security in coordination with other federal and state agencies with expertise in

- security, including the Governor's Office of Emergency Services, the Cybersecurity and Infrastructure Security Agency, and the Chemical Security Analysis Center.
- 2. Support administrative/legislative actions that would provide funding or reimbursement for enhanced physical security and cybersecurity for water and power infrastructure.
- 3. Support trade associations and coalition efforts to share information and develop standard guidance and best management practices to protect water and power critical infrastructure from cyber vulnerabilities.
- 4. Support administrative/legislative actions that ensure Metropolitan's ability to reliably operate and maintain its facilities, infrastructure, and real estate assets, including rights of way, and to protect against encroachment.

D. Chemical Security

- 1. Support administrative/legislative actions to improve supply chain reliability, achieve tax-exempt status for water treatment chemicals, and ensure access to water treatment chemicals.
- 2. Support administrative/legislative actions to ensure the continued use of gaseous chlorine to protect public health.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Fiscal Impact

No direct fiscal impact.

Susan Sims Group Manager, External Affairs

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10/26/2023

Ædel Hagekhalil General Manager Date

10/25/2023

Date

Attachment 1 – 2023 Legislative Priorities and Principles

Attachment 2 - Final Redline of 2023 Legislative Priorities and Principles v October 18, 2023

Ref# ea12698566



2023 LEGISLATIVE PRIORITIES AND PRINCIPLES

The 2023 Legislative Priorities and Principles lay out an integrated "One Water" collaborative approach to managing Southern California's watersheds, water resources, and water infrastructure to ensure long-term resilience and reliability for communities and ecosystems. Staff use this document to advocate for these priorities and principles at the state and federal levels through advancing Metropolitan-sponsored legislation, engaging on bills or pursuing funding.

Adopted December 13, 2022



2023 Legislative Priorities

To help adapt to a changing climate, protect water resources, and partner with communities we serve, Metropolitan will work to support administrative/legislative actions and funding for the following priorities in 2023:

A. Top Legislative Priorities:

- 1. Continue support for imported water supply resiliency and reliability, including progress on the Delta Conveyance Project, Sites Reservoir Project, Voluntary Agreements, and protecting critical elevations in Lake Powell and Lake Mead.
- 2. Conserve existing water supplies and prepare for climate change by supporting demand management and water use efficiency, long-term non-functional turf conversion, and a federal tax exemption for water conservation rebates.
- 3. Advance Pure Water Southern California and other water recycling projects and long-term supply reliability improvements.
- 4. Protect drinking water quality and ensure access to safe and reliable drinking water for all Californians, including upholding the polluter pays principle and ensuring the continued cleanup of sites along the Colorado River.
- 5. Support adaptive management for ecosystem restoration in the Bay-Delta and Colorado River watersheds that takes into consideration evolving climate conditions, risk analyses, and best available science.
- 6. Implement Metropolitan's Climate Action Plan to reduce Metropolitan's greenhouse gas emissions and reach carbon neutrality by 2045.
- 7. Support administrative/legislative actions that meaningfully improve water affordability throughout the region at both the individual and the water system level without burdening existing ratepayers.
- B. Metropolitan-Sponsored State Bill (contingent upon separate board authorization)
 - 1. Support administrative/legislative actions and funding for the long-term conversion of non-functional turf (NFT) in residential, commercial, industrial, and institutional (CII) existing landscapes and ban the installation of NFT in new construction.



2023 Legislative Policy Principles

The 2023 Legislative Policy Principles will guide and inform Metropolitan's engagement on state and federal legislative and regulatory activities. They were developed in consultation with subject matter experts at Metropolitan. The principles described below holistically address seven strategic areas of policy that inform Metropolitan's One Water Vision: (1) drought response; (2) drinking water; (3) regional water resource management; (4) imported water supply; (5) sustainability, resiliency, innovation; (6) infrastructure; and (7) system resiliency.

- I. Drought Response –Southern California's two main sources of imported water are currently in severe drought conditions. Investments in additional conservation and local supplies are necessary as drought conditions continue or worsen and the impacts of climate change are accelerating.
 - A. Support legislative/administrative actions and funding for local and regional drought resiliency projects and to improve system flexibility.
 - B. Support legislative/administrative actions and funding to accelerate new local supply development, including but not limited to recycled water, stormwater, groundwater remediation, water loss detection and repair, long-term conversion of non-functional turf, and other water conservation measures.
 - C. Support administrative/legislative actions and funding for imported source watershed protection and enhancement of water quality, supply, and demand-side management actions to help offset the effects of extended drought conditions.
 - D. Support administrative/legislative actions and pursue funding opportunities that recognize and help mitigate the significant differences in the capability and needs of communities and regions to withstand the impacts of ongoing drought.
 - E. Support administrative/legislative actions and funding for local drought contingency planning areas in the state that have increased concern about wholesale water system delivery constraints.
- II. Drinking Water Metropolitan provides to the Southern California region high-quality, reliable drinking water in an economically responsible way that surpasses all federal and state drinking water regulations.
 - A. Water Quality and Treatment
 - 1. Support administrative/legislative actions that utilize best available science, occurrence and health effects data, and appropriate cost-benefit analyses or economic feasibility to protect public health and improve water quality. Apply these principles when setting maximum contaminant levels, health advisories, or notification/response levels, in addition to assessing laboratory capacity, analytical methods, and other regulatory standards or guidance levels.
 - 2. Support administrative/legislative actions, consistent with Board direction, to identify, evaluate, and prioritize constituents of emerging concern in drinking water
 - 3. Support application of the "polluter pays" principle such that parties responsible for introducing contaminants in or near drinking water sources are held liable for



- cleanup, and not drinking water and wastewater facilities that subsequently store, transport, or treat the water.
- 4. Support administrative/legislative actions and funding for treatment and mitigation measures to comply with any new regulatory standards, develop risk communication tools, as well as provide adequate time for implementation.
- 5. Support administrative/legislative actions and funding to protect source water quality, reduce threats from invasive species, and mitigate harmful algal blooms.
- B. Water Governance and Funding: Metropolitan supports statewide efforts to provide access to safe and affordable drinking water to all residents.
 - 1. Support administrative/legislative actions that prioritize providing safe and affordable drinking water to disadvantaged communities.
 - 2. Support administrative/legislative actions that meaningfully improve water affordability throughout the region at both the individual and the water system level without burdening existing ratepayers.
 - 3. Support funding to help water systems provide low-income ratepayer assistance programs.
 - 4. Support administrative/legislative actions that improve governance and long-term sustainability of non-compliant water systems and provide assistance for consolidations that improve their technical, managerial, or financial capacity, while ensuring that all receiving public water systems are consulted on changes of organization, including proposed consolidations or extensions of service area.
 - 5. Support administrative/legislative actions that ensure the limited resources of the Safe and Affordable Drinking Water Fund are allocated to advance projects, operation and maintenance costs, infrastructure improvements, and/or consolidation actions that will achieve long-term sustainability for water systems and the communities that rely on those systems.
- III. Regional Water Resource Management Metropolitan's One Water Vision promotes collaboration with member agencies to plan for future water supply needs and the challenges ahead in a reliable, cost-effective, and environmentally responsible manner. This involves protecting imported water supplies and quality, supporting local resource development, advancing water use efficiency, and supporting ecosystem protection and restoration.
 - A. Continue to support and promote integrated water resources development by advocating for clear, concise, and expedited regulations/policies that are easily understandable by the regulated community and public.
 - B. Support administrative/legislative actions and funding to expedite the development of new local resources (including recycled water and direct potable reuse, groundwater, stormwater, and desalination projects) without compromising the operational, financial, water quality, regulatory, environmental, and customer interests of Metropolitan and other water and wastewater agencies.
 - C. Support administrative/legislative actions and funding to facilitate the implementation of the Sustainable Groundwater Management Act and assist local agencies in



maintaining long-term groundwater supply reliability, while upholding Metropolitan's investments in groundwater banking partnerships.

D. Conservation

- 1. Support tax exemptions and/or credits for water conservation or efficiency incentives, including but not limited to long-term conversion of NFT, local stormwater capture, and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.
- 2. Support administrative/legislative actions and funding to encourage equitable water use efficiency and recycled water use among agricultural, industrial, and urban sectors.
- 3. Support administrative/legislative actions and funding to advance Conservation as a California Way of Life in a manner that maintains flexibility and local control. Support efforts to ensure new statutes and regulations are based on science; recognize regional distinctions (i.e., climate, land use, population, and hydrology); and potential impacts to wastewater operations and recycled water projects.
- 4. Support administrative/legislative actions and funding for leak detection and water loss reduction. Support the development and implementation of flexible water loss standards for both retail and wholesale water systems.
- 5. Support administrative/legislative actions and funding for the long-term conversion of NFT in residential, commercial, industrial, and institutional landscapes and ban installation of NFT in new construction.

E. Desalination & Groundwater Remediation

- 1. Support administrative/legislative actions, funding and partnerships for brackish groundwater and seawater desalination projects, consistent with the Governor's Water Resilience Portfolio and Water Supply Strategy and Metropolitan's Climate Action Plan.
- 2. Support administrative/legislative actions and funding for salinity control projects, including but not limited to source control, treatment, and concentrate management.
- 3. Support administrative/legislative actions and funding that advance Metropolitan's groundwater storage and/or recovery programs with member agencies.
- 4. Support administrative/legislative actions and funding for desalination research and technology development projects, and initiatives that encourage stakeholder coordination on these investments, such as with the National Alliance for Water Innovation.



F. Recycled Water

- 1. Support actions to advance and secure funding for the Pure Water Southern California Program and related projects.
- 2. Support efforts to improve flexibility of the State's water recycling grant program.
- 3. Support implementation of the National Water Reuse Action Plan and California Water Reuse Action Plan while protecting local flexibility and encouraging local, state and federal coordination, research, and innovation.
- 4. Support administrative/legislative actions that facilitate the adoption of practical uniform water recycling criteria for direct potable reuse through raw water augmentation by December 31, 2023. These actions include but are not limited to funding: (a) for the planning, development, and implementation of local and regional potable reuse projects; and (b) initiatives to fill research gaps and advance the science to promote the further development of potable reuse.
- 5. Support administrative/legislative actions to promote voluntary on-site water treatment systems if they maintain compliance with Title 22 and do not negatively affect municipal water recycling systems.
- 6. Support administrative/legislative actions that maximize voluntary use of recycled water.

G. Stormwater Capture

1. Support administrative/legislative actions that advance stormwater as a beneficial resource and facilitate the funding and permitting of stormwater capture projects to augment local and regional water supplies and promote holistic watershed health.

H. Watershed Management

- Support administrative/legislative actions and funding to enhance watershed
 management in Southern California, the Bay-Delta, and Colorado River
 watersheds that provide broad public benefits, including water quality and water
 supply reliability, reduced wildfire risks, greater scientific understanding, and
 other environmental improvements.
- 2. Support administrative/legislative actions that help advance implementation of watershed management plans, including watershed research and multi-benefit forestry management projects.
- 3. Support implementation of the California Water Resiliency Portfolio and the Water Supply Strategy, as consistent with Metropolitan goals and objectives, to ensure improved watershed-scale coordination, watershed management and planning, and programs and funding that provide water resilience and improve watershed functions.



- IV. Imported Water Supply Metropolitan provides imported water supplies to its member agencies from two primary sources, the Colorado River via the Colorado Aqueduct and Northern California watersheds via the Sacramento-San Joaquin Delta and the State Water Project.
 - A. Bay-Delta Initiatives Metropolitan is involved in several key regulatory and planning processes in the Sacramento-San Joaquin Delta related to the operation of the State Water Project (SWP). The goal is to advance water supply reliability and ecosystem restoration concurrently by modernizing the state's water infrastructure with the proposed Delta Conveyance Project and improving the habitat and function of the Delta estuary for the benefit of threatened and endangered species. To advance these goals, Metropolitan supports collaborative scientific efforts to better understand how to restore and manage the Bay-Delta while reducing reliance consistent with the Delta Reform Act.
 - 1. Support administrative/legislative actions to advance Delta Conveyance and EcoRestore in support of California's coequal goals of water supply reliability and Delta ecosystem restoration and the Governor's California Water Resilience Portfolio.
 - 2. Support administrative/legislative actions and funding to improve scientific understanding of listed Delta fish and wildlife species and water project operations in the Delta, including data collection, real-time monitoring, and modeling. Promote the use of best available science to protect and restore aquatic species and habitats, and enhance flexibility for water project operations while maintaining regulatory and statutory protections for species listed under the state and federal Endangered Species Act.
 - 3. Continue support for implementation of state policies adopted as part of the 2009 Delta Reform Act and water management package, including clarification of the monitoring, reporting, and enforcement provisions related to in-Delta diversions.
 - 4. Support administrative/legislative actions to consolidate review and oversight of anadromous species protection under the U.S. Department of the Interior.
 - 5. Support administrative/legislative actions that protect water quality for beneficial uses and that are implemented consistent with water rights priorities.
 - 6. Support administrative/legislative actions and funding to advance the Delta Freshwater Pathway, levee improvements, and secure flood-fighting materials and stockpiles.
 - 7. Support administrative/legislative actions in the Delta watershed to account for and administer the water rights system, including protecting stored water releases.
 - 8. Support administrative/legislative actions and funding to advance Sites Reservoir and the Voluntary Agreements, consistent with the Board's action to advance these efforts.



- B. Colorado River Resources The Colorado River is a critical resource for the entire Southwest and many diverse ecosystems. Degradation of the River's water quality can cause significant economic, environmental, and human health impacts across the West. Metropolitan and other interested parties work to ensure we can continue to supply our communities with a safe and reliable water supply.
 - 1. Support administrative/legislative actions and funding of conservation and efficiency projects to enhance the resiliency of the Colorado River System and Metropolitan's Colorado River supplies that reduces the risk of Lake Mead and Lake Powell falling below critical elevations.
 - 2. Support administrative/legislative actions and funding for the cleanup of contaminated sites along the Colorado River. This includes, but is not limited to, uranium remediation in Moab, Utah; perchlorate remediation in Henderson, Nevada; hexavalent chromium remediation near Topock, Arizona; and a waste disposal site near Hoover Dam.
 - 3. Promote continued coordination between states for the Colorado River Basin Salinity Control Program. Support efforts to maintain and enhance the operation of the United States Bureau of Reclamation's Paradox Valley salinity control project at a safe level while working to develop a viable alternative that can provide long-term reductions in salt loads to the Colorado River.
 - 4. Secure funding and support administrative/legislative actions for the implementation of the Lower Colorado River Multi-Species Conservation Program to promote the recovery of threatened and endangered species in a manner that allows the Lower Basin States to conserve Colorado River water.
 - 5. Support administrative/legislative actions and funding that advance binational water conservation programs that benefit Colorado River supply augmentation and habitat restoration objectives.
- C. State Water Project About 30 percent of Southern California's water comes from the SWP in an average year. Metropolitan works with state and federal agencies as well as other SWP contractors to manage threats to the project and address environmental needs and augment water supplies through existing and potential collaborative transfers and groundwater banking agreements.
 - 1. Support administrative/legislative actions and funding to address the impacts of subsidence on the SWP and prevent future damage caused by unsustainable groundwater pumping.
 - 2. Support administrative/legislative actions and funding for new or expanded water infrastructure or programs that complement the SWP.
 - 3. Support funding for joint state and federal facility repairs, rehabilitation, and improvements, and ensure funding is equitably distributed between partners while maintaining SWP supply reliability.
 - 4. Support administrative/legislative actions and funding for the cleanup of contaminated groundwater storage basins used for Metropolitan water banking programs along the California Aqueduct.



- 5. Support funding for the public share of costs, including recreation, flood protection, mitigation, environmental enhancement, and rehabilitation for multipurpose SWP facilities.
- V. Sustainability, Resiliency, and Innovation Metropolitan supports policies and funding that encourage sustainable practices that improve water and power system resilience and adapt to a rapidly changing environmental landscape. Metropolitan strives to fulfill the needs of the current generation without compromising the needs of future generations in an environmentally and economically responsible way.

A. Climate Action and Adaptation

- 1. Support administrative/legislative actions and funding to implement Metropolitan's Climate Action Plan to reduce Metropolitan's greenhouse gas emissions and reach carbon neutrality by 2045.
- 2. Support administrative/legislative actions and funding to assist the Department of Water Resources to reach carbon neutrality by 2045 in a cost-effective and environmentally responsible manner.
- 3. Support administrative/legislative actions and funding to improve, develop and promote innovative climate adaptation solutions and support science-based strategies and tools that benefit the environment by restoring healthy soils, conserving water, and capturing and/or sequestering carbon.
- 4. Support research into the potential water resource and quality effects of climate change.
- 5. Support administrative/legislative actions and funding that facilitate the integration of existing and planned local water supply, distribution systems, and regional water facilities.

B. Water/Energy Nexus

- 1. Support administrative/legislative actions and funding for energy efficiency and storage projects, and programs to reduce greenhouse gases and develop renewable resources.
- 2. Support administrative/legislative actions that remove barriers and encourage energy sector investments in water conservation and energy management programs.
- 3. Support administrative/legislative or regulatory activities that preserve Metropolitan's ability to pursue a diverse set of supply options and oppose constraints on supply development, such as water resource loading orders based solely on energy intensity.
- 4. Support efforts to ensure power costs are appropriate and proportional to the benefits received and that water system operations are not adversely affected by power-related legislation/administrative actions.
- 5. Support administrative/legislative actions that provide state funding from the Greenhouse Gas Reduction Fund for water/energy nexus projects and maintain



- Cap-and-Trade allowances for Metropolitan and Department of Water Resources (i.e., State Water Contractors).
- 6. Support administrative/legislative actions that maintain Board authority over energy-related matters (e.g., system reserve margin or resource adequacy requirements).

C. Renewable Energy

- 1. Support administrative/legislative actions that define hydropower generation as renewable energy irrespective of a facility's nameplate generating capacity and includes the provision of renewable energy credits for hydroelectric generation.
- 2. Work to ensure that administrative/legislative actions seeking to enhance or expand hydropower at existing dams do not adversely impact those dams, either financially or operationally, or entities with rights to the power from the existing resources that directly or indirectly impact Metropolitan's service area.
- 3. Support administrative/legislative actions to improve federal hydropower relicensing for existing facilities, including SWP resources.
- 4. Support administrative/legislative actions and funding for the SWP and the Colorado River Aqueduct (CRA) to incorporate renewable energy resources, such as pumped hydroelectric energy, that contribute to the state's climate goals without impacting the projects' primary purpose, provided consideration is given to transmission limitations, cost and portfolio availability, and unrelated impacts are not shifted to SWP or CRA facilities.

D. Environmental Stewardship

- 1. Support administrative/legislative actions for environmental compliance to improve clarity and workability of the requirements and promote consistency and reduce regulatory duplication, while protective of public health and the environment.
- 2. Support administrative/legislative actions and funding to facilitate non-mitigation habitat restoration projects that benefit endangered and threatened species.
- 3. Support administrative/legislative actions and funding for research and partnerships on water science, including snowpack and streamflow monitoring, runoff, drinking water quality, salinity control, source water protection, soil moisture monitoring, healthy soils, and watershed research.
- 4. Support administrative/legislative actions and funding that assists public agencies in the transition to zero-emission fleets and equipment.
- E. Workforce Development Metropolitan is committed to ensuring the resiliency of its workforce and to advancing diversity, equity, and inclusion to promote the physical and mental safety and well-being of its workforce and the communities it serves.
 - 1. Support administrative/legislative actions, funding, and partnerships to improve educational opportunities in the water sector, including career technical education and workforce development.



- 2. Support administrative/legislative actions and funding that improve water system staff training and certification processes.
- F. Innovation Supporting and promoting innovation and emerging technologies continues Metropolitan's long tradition of creatively solving difficult challenges.
 - Support administrative/legislative actions and funding for the research and development of new and emerging technologies such as satellite- and computerbased technologies to monitor source water quality, ecosystem health, state- and federal-threatened and endangered fish species; measure and predict agricultural water use, urban outdoor water use and reservoir evaporation; and expand coordination with technology incubators, research institutions, and other stakeholder groups.
 - 2. Support administrative/legislative actions and funding to promote open water data platforms and sharing, including improving access to agency data, streamlining the collection and submission of water agency data, and promoting collaboration among federal, state, and local stakeholders.
- VI. Infrastructure Metropolitan has a strategic priority to invest in key capital projects in our region to enable long-term, reliable water deliveries. Key capital projects identified in Metropolitan's Capital Investment Plan focus on improvements to the CRA, treatment plants, and distribution systems.
 - A. Support administrative/legislative actions to initiate, expedite and secure funding to defray the costs of planning, financing, constructing, repairing, and rehabilitating water infrastructure projects, including but not limited to general obligation bonds, taxexempt municipal bonds, grants, low-interest loans, and direct appropriations. Ensure equitable cost-sharing of water infrastructure projects.
 - B. Support administrative/legislative efforts to expand funding programs, expedite project approval and reporting processes, and prevent project backlogs in state and federal funding or financing.
 - C. Support the "beneficiaries pay" approach as a financing mechanism for statewide projects and programs and oppose public goods charges, or other charges levied on water agencies for funding broader public benefits.
 - D. Support funding for the public share of costs, including mitigation, rehabilitation, and recreation, for multi-purpose water infrastructure.
- VII. System Resiliency Metropolitan diligently maintains and significantly invests to safeguard a region-wide water supply system that is a cornerstone of Southern California's \$1.6 trillion economy. Resiliency ensures the water supply and delivery system is strong, can return to service quickly, and is prepared to address future challenges.
 - A. Emergency Preparedness
 - 1. Support administrative/legislative actions that assist the water industry to prepare for, respond to, and recover from extreme weather events and natural disasters, including earthquakes and wildfires, catastrophic accidents, and physical or cyber sabotage. These actions may include, but are not limited to, actions to provide



- funding for emergency responses and planning and post-emergency restoration of service.
- 2. Support administrative/legislative actions to secure and disburse funding to help public water systems defray the costs associated with COVID-19 (e.g., loss of revenue, deferred infrastructure maintenance, personal protective equipment, workplace health and safety improvements, and on-site testing) and for direct financial relief to low-income households facing substantial utility bill arrearages post COVID-19.
- 3. Support administrative/legislative actions that assist the water industry to address the effects of wildfires and power outages, including the impacts of public safety power shutoff events.
- 4. Support additional funding for the Federal Emergency Management Agency programs to assist with emergency repairs and improvements, including but not limited to dam safety, spillway improvements, and erosion control repairs.

B. Physical and Cyber Security

- Support continued U.S. Environmental Protection Agency oversight of water system security in coordination with other federal and state agencies with expertise in security, including the Governor's Office of Emergency Services, the Cybersecurity and Infrastructure Security Agency, and the Chemical Security Analysis Center.
- 2. Support administrative/legislative actions that would provide funding or reimbursement for enhanced physical security and cybersecurity for water and power infrastructure.
- 3. Support trade associations and coalition efforts to share information and develop standard guidance and best management practices to protect water and power critical infrastructure from cyber vulnerabilities.
- 4. Support administrative/legislative actions that ensure Metropolitan's ability to reliably operate and maintain its facilities, infrastructure, and real estate assets, including rights of way, and to protect against encroachment.

C. Chemical Security

- 1. Support administrative/legislative actions to improve supply chain reliability, achieve tax-exempt status for water treatment chemicals, and ensure access to water treatment chemicals.
- 2. Support administrative/legislative actions to ensure the continued use of gaseous chlorine to protect public health.



2024 LEGISLATIVE PRIORITIES AND& PRINCIPLES

The 2024 Legislative Priorities and Principles lay out an integrated "One Water" collaborative approach to managing Southern California's watersheds, water resources, and water infrastructure to ensure long-term resilience and reliability for communities and ecosystems.

Staff use this document to advocate for these priorities and principles at the state and federal levels through advancing Metropolitan-sponsored legislation, engaging on bills or pursuing <u>federal and state</u> funding.



2024 Legislative Priorities

To help adapt to a changing climate, protect water resources, and partner with communities we serve, Metropolitan will work to support administrative/legislative actions and <u>federal and state</u> funding for the following priorities in 2024:

A. Top Legislative Priorities:

- Continue support for imported water supply resiliency and reliability, including
 progress on the Delta Conveyance Project, Sites Reservoir Project, <u>Agreements to
 Support Healthy Rivers and Landscapes (Voluntary Agreements, and protecting
 critical elevations in Lake Powell)</u>, and <u>Lake Mead.development of near-term and
 post-2026 Colorado River operating guidelines.</u>
- 2. Conserve existing water supplies and prepare for climate change by supporting demand management and water use efficiency, long-term non-functional turf conversion, and a federal tax exemption for water conservation rebates.
- 3. Advance Pure Water Southern California and other water recycling projects and long-term supply reliability improvements.
- 4. Support funding for regional conveyance improvements to ensure the region's water storage is equitably accessible to all member agencies.
- 4.5. Protect drinking water quality and ensure access to safe and reliable drinking water for all Californians, including upholding the polluter pays principle and ensuring the continued cleanup of sites along the Colorado River.
- 5.6. Support adaptive management for ecosystem restoration in the Bay-Delta and Colorado River watersheds that takes into consideration evolving climate conditions, risk analyses, and best available science.
- Implement Metropolitan's Climate Action Plan to reduce Metropolitan's greenhouse gas emissions and reach carbon neutrality by 2045.
 - 7. Support administrative/legislative actions that meaningfully Improve water affordability throughout the region at both the individual and the water system level without burdening existing ratepayers.
- B. Metropolitan-Sponsored State Bill (contingent upon separate board authorization)
 - Support administrative/legislative actions and funding forto amend the long-term conversion of non-functional turf (NFT) in residential, commercial, industrial, and institutional (CII)Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing landscapes and ban the installation of NFT in new constructionmaster reclamation plan.



20232024 Legislative Policy Principles

The 20232024 Legislative Policy Principles will guide and inform Metropolitan's engagement on state and federal legislative and regulatory activities. They were developed in consultation with subject matter experts at Metropolitan. The principles described below holistically address sevensix strategic areas of policy that inform Metropolitan's One Water Vision and the Board-led process for developing the Climate Adaptation Master Plan for Water (CAMP4W). These policy areas include: (1) drought response; (2) drinking water; (32) regional water resource management; (43) imported water supply; (54) sustainability, resiliency, and innovation; (6)-5) infrastructure; and (76) system resiliency.

- I. Drought Response Southern California's two main sources of imported water are currently in severe drought conditions. Investments in additional conservation and local supplies are necessary as drought conditions continue or worsen and the impacts of climate change are accelerating.
 - A. Support legislative/administrative actions and funding for local and regional drought resiliency projects and to improve system flexibility.
 - B. Support legislative/administrative actions and funding to accelerate new local supply development, including but not limited to recycled water, stormwater, groundwater remediation, water loss detection and repair, long-term conversion of non-functional turf, and other water conservation measures.
 - C. Support administrative/legislative actions and funding for imported source watershed protection and enhancement of water quality, supply, and demand-side management actions to help offset the effects of extended drought conditions.
 - D. Support administrative/legislative actions and pursue funding opportunities that recognize and help mitigate the significant differences in the capability and needs of communities and regions to withstand the impacts of ongoing drought.
 - I. Support administrative/legislative actions and funding for local drought contingency planning areas in the state that have increased concern about wholesale water system delivery constraints. Drinking Water Metropolitan provides to the Southern California region high-quality, reliable drinking water in an economically responsible way that surpasses all federal and state drinking water regulations.

A. Water Quality and Treatment

 Support administrative/legislative actions that utilize best available science, occurrence and health effects data, and appropriate cost-benefit analyses or economic feasibility to protect public health and improve water quality. Apply these principles when setting maximum contaminant levels, health advisories, or notification/response levels, in addition to assessing laboratory capacity, analytical methods, and other regulatory standards or guidance levels.



- 1. Support administrative/legislative actions, consistent with Board direction, to identify, evaluate, and prioritize constituents of emerging concern in drinking water.
- 2. Support application of the "polluter pays" principle such that parties responsible for introducing contaminants in or near drinking water sources are held liable for cleanup, and not drinking water and wastewater facilities that subsequently store, transport, or treat the water.
- 3. Support administrative/legislative actions and funding for treatment and mitigation measures to comply with any new regulatory standards, develop risk communication tools, as well as provide adequate time for implementation.
- 4. Support administrative/legislative actions and funding to protect source water quality, reduce threats from invasive species, and mitigate harmful algal blooms.
- 5. Support administrative/legislative actions and funding for the constituents of emerging concern (CEC) Action Fund to improve the State Water Resource Control Board's knowledge of CEC in waters of the state and drinking water.
- B. Water Governance, <u>Affordability</u>, and Funding: Metropolitan supports statewide efforts to provide access to safe, reliable and affordable drinking water to all residents.
 - 1. Support administrative/legislative actions that prioritize providing safe, reliable and affordable drinking water to disadvantaged communities.
 - 2. Support administrative/legislative actions <u>and funding</u> that <u>meaningfully</u> improve water affordability throughout the region at both the individual and the water system level, <u>especially for disadvantaged communities</u>, without burdening existing ratepayers.
 - 3. Support funding to help water systems provide low-income ratepayer assistance programs.
 - 4. Support administrative/legislative actions that improve governance and long-term sustainability of non-compliant water systems and provide assistance for <u>voluntary</u> consolidations that improve their technical, managerial, or financial capacity, while ensuring that all receiving public water systems are consulted on changes of organization, including proposed consolidations or extensions of service area.
 - 5. Support administrative/legislative actions that provide local agencies flexibility in determining fees for service and assessment amounts.
 - 5.6. Support administrative/legislative actions that ensure the limited resources of the Safe and Affordable Drinking Water Fund are allocated to advance projects, operation and maintenance costs, infrastructure improvements, and/or consolidation actions that will achieve long-term sustainability for water systems and the communities that rely on those systems.



<u>II.</u> Regional Water Resource Management – Metropolitan's One Water Vision <u>promotes and the Board-led CAMP4W process promote</u> collaboration with member agencies to plan for future water supply needs and the challenges ahead in a reliable, cost-effective, and environmentally responsible manner. This involves protecting imported water supplies and quality, supporting local resource development, advancing water use efficiency, and supporting ecosystem protection and restoration.

- 1. Continue to support and promote integrated water resources development by advocating for clear, coneise, and expedited regulations/policies that are easily understandable by the regulated community and public.
- B. Support administrative/legislative actions and funding to expedite the development of new local resources (including recycled water and direct potable reuse, groundwater, stormwater, and desalination projects) without compromising the operational, financial, water quality, regulatory, environmental, and customer interests of Metropolitan and other water and wastewater agencies.
- C. Support administrative/legislative actions and funding to facilitate the implementation of the Sustainable Groundwater Management Act and assist local agencies in maintaining long-term groundwater supply reliability, while upholding Metropolitan's investments in groundwater banking partnerships.

B.A. Conservation

- Support tax exemptions and/or credits for water conservation or efficiency incentives, including but not limited to long-term conversion of NFT,non-functional turf (NFT), local stormwater capture, and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.
- 2. Support administrative/legislative actions and <u>federal/state</u> funding to encourage equitable water use efficiency and recycled water use among agricultural, industrial, and urban sectors.
- 3. Support administrative/legislative actions and funding to advance Conservation as a California Way of Life in a manner that maintains flexibility and local control. Support efforts to ensure new statutes and regulations are based on science; recognize regional distinctions (i.e., climate, land use, population, and hydrology); and potential impacts to wastewater operations and recycled water projects.
- 4. Support administrative/legislative actions and <u>federal/state</u> funding for leak detection and water loss reduction. Support the development and implementation of flexible water loss standards for both retail and wholesale water systems.
- 5. Support administrative/legislative actions and <u>federal/state</u> funding for the long-term conversion of NFT in residential, commercial, industrial, and institutional landscapes and ban installation of NFT in new construction.



C.B. Desalination & Groundwater Remediation

- Support administrative/legislative actions, funding, and partnerships for brackish groundwater and seawater desalination projects, consistent with the Governor's Water Resilience Portfolio and <u>2022</u> Water Supply Strategy and Metropolitan's <u>Climate Action PlanCAMP4W goals</u>.
- 2. Support administrative/legislative actions and funding for salinity control projects, including but not limited to source control, treatment, and concentrate management.
- 3.1.Support administrative/legislative actions and funding that advance
 Metropolitan's groundwater storage and/or recovery programs with member agencies.
- 4.3. Support administrative/legislative actions and funding for desalination research and technology development projects, and initiatives that, pilot tests, and demonstration studies to encourage stakeholder coordination on these investments, such as with the National Alliance for Water Innovation development of environmentally sustainable and climate-resilient desalination technologies.

D.C. Recycled Water

- 1. Support actions to advance and secure funding for the Pure Water Southern California Program and related projects.
- 2. Support efforts to improve flexibility of the State's water recycling grant program.
- 3. Support implementation of the National Water Reuse Action Plan and California Water Reuse Action Plan while protecting local flexibility and encouraging local, state and federal coordination, research, and innovation.
- 4. Support administrative/legislative actions and funding that facilitate the adoption of practical uniform water recycling criteria for direct potable reuse through raw water augmentation regulations by December 31, 2023. These actions include but are not limited to funding: (a) for the planning, development, and implementation of local and regional potable reuse projects; and (b) initiatives to fill research gaps and advance the science to promote the further development of potable reuse.
- 5. Support administrative/legislative actions to promote voluntary on-site water treatment systems if they maintain compliance with Title 22 and do not negatively affect municipal water recycling systems.
- 6. Support administrative/legislative actions that maximize voluntary use of



recycled water.

D. Stormwater Capture

D. Local Supply Development

- 1. Support administrative/legislative actions that protect and advance local flexibility and responsiveness in developing locally appropriate, climateresilient diverse resource portfolios.
- 2. Continue to support and promote integrated water resources development by advocating for clear, concise, and expedited regulations/policies that are easily understandable by the regulated community and public.
- 3. Support administrative/legislative actions and funding to expedite the development of new local resources (including recycled water, direct potable reuse, groundwater, stormwater, desalination projects, and groundwater remediation) without compromising the operational, financial, water quality, regulatory, environmental, and customer interests of Metropolitan and other water and wastewater agencies.
- 7.4. Support administrative/legislative actions that advance stormwater as a beneficial resource and facilitate the funding and permitting of stormwater capture projects to augment local and regional water supplies and promote holistic watershed health.
- Support administrative/legislative actions and funding that advance
 Metropolitan's groundwater storage and/or recovery programs with member agencies.

E. Watershed Management

- Support administrative/legislative actions and funding to enhance watershed
 management in Southern California, the Bay-Delta, and Colorado River
 watersheds that provide broad public benefits, including water quality and
 water supply reliability, reduced wildfire risks, greater scientific
 understanding, and other environmental improvements.
- 2. Support administrative/legislative actions that help advance implementation of watershed management plans, including watershed research and multi-benefit forestry management projects.
- 3. Support implementation of the California Water Resiliency Portfolio and the Water Supply Strategy, as consistent with Metropolitan goals and objectives, to ensure improved watershed-scale coordination, watershed management and planning, and programs and funding that provide water resilience and improve watershed functions.



<u>III.</u> Imported Water Supply – Metropolitan provides imported water supplies to its member agencies from two primary sources, the Colorado River via the Colorado Aqueduct and Northern California watersheds via the Sacramento-San Joaquin Delta and the State Water Project.

- A. Bay-Delta Initiatives—Metropolitan is involved in several key regulatory and planning processes in the Sacramento-San Joaquin Delta related to the operation of the State Water Project (SWP). The goal is to advance water supply reliability and ecosystem restoration concurrently by modernizing the state's water infrastructure with the proposed Delta Conveyance Project and improving the habitat and function of the Delta estuary for the benefit of threatened and endangered species. To advance these goals, Metropolitan supports collaborative scientific efforts to better understand how to restore and manage the Bay-Delta while reducing reliance consistent with the 2009 Delta Reform Act. (Delta Reform Act).
 - Support administrative/legislative actions to advance Delta Conveyance and EcoRestore in support of California's coequal goals of water supply reliability and Delta ecosystem restoration and the Governor's California Water Resilience Portfolio.
 - 2. Support administrative/legislative actions and funding to improve scientific understanding of listed Delta fish and wildlife species and water project operations in the Delta, including data collection, real-time monitoring, and modeling. Promote the use of best available science to protect and restore aquatic species and habitats, and enhance flexibility for water project operations while maintaining regulatory and statutory protections for species listed under the state and federal Endangered Species Act.
 - 3. Continue support for implementation of state policies adopted as part of the 2009 Delta Reform Act and water management package, including clarification of the monitoring, reporting, and enforcement provisions related to in-Delta diversions.
 - 4. Support administrative/legislative actions to consolidate review and oversight of anadromous species protection under the U.S. Department of the Interior.
 - 5. Support administrative/legislative actions that protect water quality for beneficial uses and that are implemented consistent with <u>California</u> water rights priorities.
 - 6. Support administrative/legislative actions and funding to advance the Delta Freshwater Pathway, levee improvements, and secure (including levee modernization for the existing Delta levee system), levee maintenance programs (including real-time monitoring for the existing Delta levee system), and secure Delta flood-fighting materials and stockpiles.



- 7. Support administrative/legislative actions in the Delta watershed to account for and administer the <u>California</u> water rights system, including protecting stored water releases.
- 8. Support administrative/legislative actions and funding to advance Sites Reservoir and the <u>Agreements to Support Healthy Rivers and Landscapes</u> (Voluntary Agreements,), consistent with the Board's action to advance these efforts.
- B. Colorado River Resources The Colorado River is a critical resource for the entire Southwest and many diverse ecosystems. Degradation of the <u>Colorado</u> River's water quality can cause significant economic, environmental, and human health impacts across the West. Metropolitan and other interested parties work to ensure we can continue to supply our communities with a safe and reliable water supply.
 - Support administrative/legislative actions and funding of conservation and
 efficiency projects to enhance the resiliency of the Colorado River System and
 Metropolitan's Colorado River supplies that reduces the risk of Lake Mead and
 Lake Powell falling below critical elevations Aqueduct.
 - Support administrative/legislative actions and funding to ensure that sufficient
 water is stored and delivered from Lake Mead to meet human health and safety
 needs.
 - 2.3. Support administrative/legislative actions and funding for the cleanup of contaminated sites along the Colorado River. This includes, but is not limited to, uranium remediation in Moab, Utah; perchlorate remediation in Henderson, Nevada; hexavalent chromium remediation near Topock, Arizona; and a waste disposal site near Hoover Dam.
 - 4. Promote continued coordination between states for and federal agencies to further the Colorado River Basin Salinity Control Program. (Program).
 Support actions to stabilize the financial position of the Program.
 - 3.5. Support efforts to maintain and enhance the operation of the United States Bureau of Reclamation's Paradox Valley <u>Unit</u> salinity control project at a safe level while working to develop a viable alternative that <u>can provide provides</u> long-term reductions in salt loads to the Colorado River.
 - 6. Support legislative efforts to revise the salinity standard for Colorado River water delivered under the U.S. treaty with Mexico to increase water conservation.
 - 7. Support legislative action to include water conservation as a criterion for selecting salinity control projects in the upper Colorado River Basin.



- 4.8. Secure funding and support administrative/legislative actions for the implementation of the Lower Colorado River Multi-Species Conservation Program to promote the recovery of threatened and endangered species in a manner that allows the Lower Basin States to conserve Colorado River water.
- 5.9. Support administrative/legislative actions and funding that advance binational water conservation programs that benefit Colorado River supply augmentation and habitat restoration objectives.
- 10. Support administrative/legislative actions and funding for the U.S. Bureau of Reclamation to update and apply 43 C.F.R. Part 417 reasonable and beneficial use determinations.
- C. State Water Project About 30 percent of Southern California's water comes from the SWP in an average year. Metropolitan works with state and federal agencies as well as other SWP contractors to manage threats to the project and address environmental needs and augment water supplies through existing and potential collaborative transfers and groundwater banking agreements.
 - Support administrative/legislative actions and funding to address the impacts
 of subsidence on the SWP and prevent future damage caused by unsustainable
 groundwater pumping.
 - 9. Support administrative/legislative actions and funding for new or expanded water infrastructure or programs that complement the SWP.
 - 2. Support funding for joint state and federal facility repairs, rehabilitation, and improvements, and ensure funding is equitably distributed between partners while maintaining SWP supply reliability.
 - 3. Support administrative/legislative actions and funding for the cleanup of contaminated groundwater storage basins used for Metropolitan water banking programs along the California Aqueduct.
 - 4. Support funding for the public share of costs, including recreation, flood protection, mitigation, environmental enhancement, and rehabilitation for multi-purpose SWP facilities.
- IV. Sustainability, Resiliency, and Innovation Metropolitan supports policies and funding that encourage sustainable practices that improve water and power system resilience and adapt to a rapidly changing environmental landscape. Metropolitan strives to fulfill the needs of the current generation without compromising the needs of future generations in an environmentally and economically responsible way.

E. Climate Action and Adaptation

A. Carbon Neutrality

1. Support administrative/legislative actions and funding to implement



- Metropolitan's Climate Action Plan to reduce Metropolitan's greenhouse gas emissions and reach carbon neutrality by 2045.
- Support administrative/legislative actions and funding to assist the
 Department of Water Resources to reachin reaching carbon neutrality for the
 State Water Project by 2045 in a cost-effective and environmentally
 responsible manner.
- 3. Support administrative/legislative actions and funding to improve, developand promote innovative climate adaptation solutions and support science-based strategies and tools that benefit the environment by restoring healthy soils, conserving water, and capturing and/or sequestering carbon.
- 1. Support research into the potential water resource and quality effects of climate change.
 - 4. <u>Support administrative/legislative actions and funding that assists public agencies in the transition to zero-emission fleets and equipment.</u>
 - 1. Support administrative/legislative actions and funding that facilitate the integration of existing and planned local water supply, distribution systems, and regional water facilities.

A.B. Water/Energy Nexus

- Support administrative/legislative actions and funding for energy efficiency and storage projects, and programs to reduce greenhouse gases and develop renewable resources.
- Support administrative/legislative actions that remove barriers and encourage energy sector investments in water conservation and energy management programs.
- 3. Support administrative/legislative or regulatory activities that preserve Metropolitan's ability to pursue a diverse set of supply options and oppose constraints on supply development, such as water resource loading orders based solely on energy intensity.
- 4. Support efforts to ensure power costs are appropriate and proportional to the benefits received and that water system operations are not adversely affected by power-related legislation/administrative actions.
- 5. Support administrative/legislative actions that provide state funding from the Greenhouse Gas Reduction Fund for water/energy nexus projects and maintain Cap-and-Trade allowances for Metropolitan and Department of Water Resources (i.e., State Water Contractors).



6. Support administrative/legislative actions that maintain Board authority over energy-related matters (e.g., system reserve margin or resource adequacy requirements).

B.C. Renewable Energy

- Support administrative/legislative actions that define hydropower generation as renewable energy irrespective of a facility's nameplate generating capacity and <u>includesinclude</u> the provision of renewable energy credits for hydroelectric generation.
- 2. Work to ensure that administrative/legislative actions seeking to enhance or expand hydropower at existing dams do not adversely impact those dams, either financially or operationally, or entities with rights to the power from the existing resources that directly or indirectly impact Metropolitan's service area.
- 3. Support administrative/legislative actions to improve federal hydropower relicensing for existing facilities, including SWP resources.
- 4. Support administrative/legislative actions and funding for the SWP and the Colorado River Aqueduct (CRA) to incorporate renewable energy resources, such as pumped hydroelectric energy, that contribute to the state's climate goals without impacting the projects' primary purpose, provided consideration is given to transmission limitations, cost and portfolio availability, and unrelated impacts are not shifted to SWP or CRA facilities.

C.D. Environmental Stewardship

- Support administrative/legislative actions for environmental compliance to improve clarity and workability of the requirements and promote consistency and reduce regulatory duplication, while protective of protecting public health and the environment.
- 2. Support administrative/legislative actions and funding to facilitate non-mitigation habitat restoration projects that benefit endangered and threatened species.
- 3. Support administrative/legislative actions and funding for research and partnerships on water science, including snowpack and streamflow monitoring, runoff, drinking water quality, salinity control, source water protection, soil moisture monitoring, healthy soils, and watershed research.
- D.E. Support administrative/legislative actions and funding that assists public agencies in the transition to zero emission fleets and equipment. Workforce Development Metropolitan is committed to ensuring the resiliency of its workforce and to advancing diversity, equity, and inclusion to promote the physical and mental safety and well-being of



its workforce and the communities it serves.

- 1. Support administrative/legislative actions, funding, and partnerships to improve educational opportunities in the water sector, including career technical education and workforce development.
- 2. Support administrative/legislative actions and funding that improve water system staff training and certification processes.
- E.F. Innovation Supporting and promoting innovation and emerging technologies continues Metropolitan's long tradition of creatively solving difficult challenges.
 - 1. Support administrative/legislative actions and funding for the research and development of new and emerging technologies such as satellite- and computer-based technologies to monitor source water quality, ecosystem health, state- and federal-threatened and endangered fish species; measure and predict agricultural water use, urban outdoor water use, and reservoir evaporation; and expand coordination with technology incubators, research institutions, and other stakeholder groups.
 - 2. Support administrative/legislative actions and funding to promote open water data platforms and sharing, including improving access to agency data, streamlining the collection and submission of water agency data, and promoting collaboration among federal, state, and local stakeholders.
- V. Infrastructure Metropolitan has a strategic priority to invest in key capital projects in our region to enable long-term, reliable water deliveries. Key capital projects identified in Metropolitan's Capital Investment Plan focus on improvements to the CRA, treatment plants, and distribution systems.
 - A. Support administrative/legislative actions to initiate, expedite, and secure funding to defray the costs of planning, financing, constructing, repairing, and rehabilitating water infrastructure projects, including but not limited to general obligation bonds, tax-exempt municipal bonds, grants, low-interest loans, and direct appropriations. Ensure equitable cost-sharing of water infrastructure projects.
 - B. Support administrative/legislative efforts to expand funding programs, expedite project approval and reporting processes, and prevent project backlogs in state and federal funding or financing.
 - C. Support the "beneficiaries pay" approach as a financing mechanism for statewide projects and programs and oppose public goods charges, or other charges levied on water agencies for funding broader public benefits.
 - D. Support funding for the public share of costs, including mitigation, rehabilitation, and recreation, for multi-purpose water infrastructure.
 - E. Support administrative/legislative actions and funding for new or expanded water



infrastructure or programs that complement existing water supplies to ensure reliability for all member agencies.

<u>VI.</u> System Resiliency – Metropolitan diligently maintains and significantly invests to safeguard a region-wide water supply system that is a cornerstone of Southern California's \$1.6 trillion economy. <u>Changes in the climate and accompanying weather extremes are serious challenges facing Metropolitan. Additionally, Metropolitan needs to be prepared to respond rapidly to natural <u>disasters and security threats</u>. Resiliency ensures the water supply and delivery system is strong, can return to service quickly, and is prepared to address future challenges.</u>

A. Climate Resiliency

- 1. Support legislative/administrative actions and funding for local and regional drought resiliency projects to improve system flexibility.
- Support legislative/administrative actions and funding for planning and research into the potential water resource and quality effects of climate change.
- 3. Support administrative/legislative actions and funding for imported source watershed protection and enhancement of water quality, supply, and demand-side management actions to help offset the effects of climate change.
- 4. Support administrative/legislative actions and pursue funding opportunities that recognize and help mitigate the significant differences in the capability and needs of communities and regions to withstand the impacts of climate change.
- 2.5. Support administrative/legislative actions and funding for local drought contingency planning areas in the state that have increased concern about wholesale water system delivery constraints.
 - Support administrative/legislative actions and funding that facilitate the integration of existing and planned local water supply, distribution systems, and regional water facilities.

B. Emergency Preparedness

- 1. Support administrative/legislative actions that assist the water industry to preparein preparing for, respondresponding to, and recoverrecovering from extreme weather events and natural disasters, including earthquakes and wildfires, catastrophic accidents, and physical or cyber sabotage. These actions may include, but are not limited to, actions to provide funding for emergency responses and planning and post-emergency restoration of service.
- 2. Support administrative/legislative actions to secure and disburse funding to help public water systems defray the costs associated with COVID-19 (e.g., loss of revenue, deferred infrastructure maintenance, personal protective equipment,



workplace health and safety improvements, and on-site testing) and for direct financial relief to low-income households facing substantial utility bill arrearages post COVID-19.

- 2. Support administrative/legislative actions that assist the water industry to address the effects of wildfires and power outages, including the impacts of public safety power shutoff events.
- 3. Support additional funding for the Federal Emergency Management Agency programs to assist with emergency repairs and improvements, including but not limited to dam safety, spillway improvements, and erosion control repairs.

C. Physical and Cyber Security

- Support continued U.S. Environmental Protection Agency oversight of water system security in coordination with other federal and state agencies with expertise in security, including the Governor's Office of Emergency Services, the Cybersecurity and Infrastructure Security Agency, and the Chemical Security Analysis Center.
- 2. Support administrative/legislative actions that would provide funding or reimbursement for enhanced physical security and cybersecurity for water and power infrastructure.
- 3. Support trade associations and coalition efforts to share information and develop standard guidance and best management practices to protect water and power critical infrastructure from cyber vulnerabilities.
- 4. Support administrative/legislative actions that ensure Metropolitan's ability to reliably operate and maintain its facilities, infrastructure, and real estate assets, including rights of way, and to protect against encroachment.

D. Chemical Security

- 1. Support administrative/legislative actions to improve supply chain reliability, achieve tax-exempt status for water treatment chemicals, and ensure access to water treatment chemicals.
- 2. Support administrative/legislative actions to ensure the continued use of gaseous chlorine to protect public health.



Legislation, Regulatory Affairs and Communication Committee

Legislative Priorities & Principles for 2024

Item 9-2 November 14, 2023

Item 9-2 Legislative Priorities & Principles for 2024

Subject

Legislative Priorities and Principles for 2024

Purpose

Annual review of updates

Next Steps

- Receive & review input from Member Agencies and other communities of interest
- Action item for Board consideration and adoption in January 2024

Purpose & Process

- Annual process
- Timely, relevant, topical
- Board guidance and direction
- Subject matter expert input
- 7 MWD and regional priorities
- I possible Metropolitan-sponsored legislative initiative
- 6 overarching **policy** areas

Current Actions & Next Steps

- Present to Member Agency Legislative Coordinators (Nov I)
- Board Information Item Posted (Nov l)
- Present to Member Agency General Managers (Nov 3)
- Information Item to Board (Nov 14)
- Action Item to Board (Jan 2024)

Summary of High-Level Changes

- Delete one priority (CAP); Add two new priorities
- Update MWD-sponsored bill concept
- Consolidate seven policy areas into six
- Revise WQ bullet to support SB 230 Implementation
- Add bullet protecting local flexibility recost of use and fee assessments (AB 755)

Summary of High-Level Changes

- Rename "Stormwater Capture" --> "Local Supply Development
- Updated Colorado River Resources
 - Provide for human health and safety deliveries
 - Stabilize the financial position of the salinity control program,
 - Initiate regulatory updates to and implementation of reasonable and beneficial use determinations

Summary of High-Level Changes

- Renamed section: Carbon Neutrality
- Update in Infrastructure: expanded to support water infrastructure that complements existing water supplies to ensure reliability for all MAs (formerly SWP focus)
- Climate Resiliency section
- Emergency Preparedness

Top Legislative Priorities

- A. Imported water supply resiliency & reliability
- B. Demand management and water use efficiency
- C. Pure Water Southern California & long-term supply reliability improvements
- D. Support funding for regional conveyance
- E. Drinking water quality & access to safe and reliable water for all Californians; polluter pays principle
- F. Ecosystem restorations accounting for evolving climate and risk analyses
- G. Improve water affordability without burdening existing ratepayers/customers
- H. Implement MWD Climate Action Plan

Possible MWD-sponsored Initiative

 Support administrative/legislative actions to amend the Surface Mining and Reclamation Act to eliminate the sunset date to allow Metropolitan to continue operating under its existing master reclamation plan.

Note: bill sponsorship contingent on explicit Board authorization

Strategic Policy Areas

- I. Drinking Water
- II. Regional Water Resource Management
- III. Imported Water Supply
- IV. Sustainability, Resiliency & Innovation
- V. Infrastructure
- VI. System Resiliency

I. Drinking Water

- A. Water Quality & Treatment
- Revised bullet (5) to support implementation of SB 230 (Portantino) goals
- B. Water Governance, **Affordability** & Funding
- New bullet (5) regarding ensuring local agency flexibility in determining fees for service and assessments

II. Regional Water Resource Management

- A. Conservation
 - minor clarifying updates
- B. Desalination and Groundwater Remediation
 - conforming changes
- C. Recycled Water
- D. <u>Local Supply Development</u>
 - formerly Stormwater Capture section
- includes bullets from former Drought section
- A. Watershed Management

III.

Imported Water Supply

- A. Bay Delta Initiatives
 - clarifying updates
- B. Colorado River Resources
 - Provide for human health and safety deliveries
 - Stabilize the financial position of the salinity control program,
 - Initiate regulatory updates to and implementation of reasonable and beneficial use determinations
- C. State Water Project
 - moved and expanded bullet to Infrastructure

IV.

Sustainability, Resiliency, & Innovation

- A. Renamed: Carbon Neutrality (formerly Climate Action and Adaptation)
 - Bullet (4) moved from Environmental Stewardship to support public agency transition to ZE fleet
- A. Water/Energy Nexus
- B. Renewable Energy
- C. Environmental Stewardship
- D. Workforce Development
- E. Innovation

V.

Infrastructure

- A. Funding and financing tools
- B. Equitable cost-sharing
- C. Expansion of funding; expedite approvals/reporting
- D. Funding for public share of costs
- E. Expanded water infrastructure principle to support infrastructure that complements existing water supplies to ensure reliability for all MAs (former SWP focus)

VI. System Resiliency

- A. New: <u>Climate Resiliency</u> section (former Drought section)
- B. Emergency Preparedness
 - delete COVID-19 bullet
- A. Physical and Cyber Security
- B. Chemical Security

Member Agency Legislative Coordinators Annual Planning Meeting

Legislative Priorities & Principles for 2024

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