

The Metropolitan Water District of Southern California

Agenda

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

L&C Committee

A. Kassakhian, Chair
J. McMillan, Vice Chair
M. Camacho
J. Crawford
D. De Jesus
C. Douglas
M. Katz
C. Kurtz
C. Miller
M. Ramos
G. Shepherd Romey

Legal and Claims Committee - Final - Revised 2

Meeting with Board of Directors *

March 10, 2026

12:00 p.m.

**Tuesday, March 10, 2026
Meeting Schedule**

**08:30 a.m. FAAME
11:30 a.m. BREAK
12:00 p.m. LEGAL
02:00 p.m. BOD**

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

The listen-only phone line is available at 1-877-853-5257; enter meeting ID: 862 4397 5848.

Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference and in-person. To provide public comment by teleconference dial 1-833-548-0276 and enter meeting ID: 815 2066 4276 or to join by computer [click here](#).

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

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

Teleconference Locations:

3008 W. 82nd Place • Inglewood, CA 90305

11973 Fuerte Drive • El Cajon, CA 92020

Allendale Insurance Agency • 337 West Foothill Boulevard • Glendora, CA 91740

Conference Room • 1545 Victory Boulevard, 2nd Floor • Glendale, CA 91201

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

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

2. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

A. General Counsel's report of monthly activities [21-5513](#)

Attachments: [03102026 LC 2A Report](#)

**** CONSENT CALENDAR ****

3. COMMITTEE ACTION (ONLY)

A. Approval of the Minutes of the Legal and Claims Committee of February 9, 2026 [21-5462](#)

Attachments: [03102026 LC 3A \(02092026\) Minutes](#)

4. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

7-1 Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-5446](#)

Attachments: [03102026 LC 7-1 B-L](#)
[03102026 LC 7-1 Presentation](#)

7-2 Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-5507](#)

Attachments: [03102026 LC 7-2 B-L](#)
[03102026 LC 7-2 Presentation](#)

- 7-3 Authorize an increase in the maximum amount payable under contract with Van Ness Feldman, LLP, for legal advice on Colorado River matters by \$250,000 to an amount not-to-exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-5450](#)

Attachments: [03102026 LC 7-3 B-L](#)
[03102026 LC 7-3 Presentation](#)

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

5. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

- 8-2 Report on litigation in Systems Integrated, LLC v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 21STCV18292 and consider authorizing settlement [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Government Code Section 54956.9(d)(1)] [21-5518](#)
- 8-3 Report on litigation in Encarnacion Gutierrez v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 23STCV11052; and authorize an increase in the maximum amount payable under contract for legal services with BDG Law Group, APLC, in the amount of \$400,000 for a total amount not to exceed \$900,000; 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 Government Code Section 54956.9(d)(1)]. [SUBJECT REVISED on 3/3/2026] [21-5506](#)
- 8-4 Report on litigation in Katano Kasaine v. Metropolitan Water District of Southern California; Adel Hagekhalil, an individual; Los Angeles Superior Court Case No. 25STCV05250, and authorize increase in the maximum amount payable under a contract for legal services with Davis Wright Tremaine LLP in the amount of \$500,000 for a total amount not to exceed \$750,000; 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)]. [SUBJECT ADDED on 3/6/2026] [21-5692](#)

6. COMMITTEE ITEMS (INFORMATIONAL FOR BOARD CONSIDERATION)

NONE

7. COMMITTEE ITEMS (INFORMATIONAL)

NONE

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

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.



Matters Concluded and/or Terminated

**Ryan Tiegs v. Metropolitan
(California Court of Appeal; Riverside County
Superior Court)**

appeal of the Riverside County Superior Court’s grant of summary judgment in Metropolitan’s favor. The parties completed the settlement and on February 3, 2026, the Court of Appeal issued its order dismissing the appeal.

As previously reported, in November 2025, the parties agreed to settle this case following plaintiff’s

Matters Received

<u>Category</u>	<u>Received</u>	<u>Description</u>	
Government Code Claims	2	Claims relating to: (1) Subrogation claim relating to an accident involving an MWD vehicle; and (2) Indemnity claim relating to structure damage to homes caused by sinking of the properties from potential leak in the pipe.	
Subpoenas	1	Workers’ Compensation subpoena for employee’s personnel, wage, medical, schedule and workers’ comp records	
Requests Pursuant to the Public Records Act	37	<u>Requestor</u>	<u>Documents Requested</u>
		22nd Century Technologies	Vendor spending for Skilled/Technical Staffing contract for Skilled/Technical Staffing
		Center for Contract Compliance (5 requests)	Contract/bid information for: (1) Landscape Maintenance Tree Maintenance at Yorba Linda; (2) Landscape Maintenance and Tree Maintenance Services; (3) Diemer reinforcing steel install project; and Certified payroll records for work by: (1) Priority Landscape Services for work on Mills Plant Tree Clean Up Services; and (2) Legacy Tree Care and Landscape Inc for work on Eagle Rock Tree Maintenance Services
		City of Los Angeles	Real estate ownership information (APN 4324019013)
		Clearlake Plaza	MWDH's policies for turning on water to existing residences after the water has been turned off
		Deltek, Inc.	Specifications for Analytical Laboratory Services

Date of Report: March 9, 2026



<u>Requestor</u>	<u>Documents Requested</u>
Executive Facility Services, Inc.	Winning proposal and evaluation matrix for Janitorial Services at Lake Mathews Reservoir
Sewerage & Water Board of New Orleans	Reference for work done by Abacus Service Corporation and 22nd Century Technologies, Inc. regarding skilled and unskilled labor
Graduate Student at California State University, San Bernardino (3 requests)	Water quality data for: (1) Lake Mathews and Diamond Valley Lake; (2) indicators for the time period between January 2023 to December 2023; and (3) rough coordinates of East Basin Center, West Basin Center, and Constriction for Diamond Valley Lake, and Outlet Sample Tap - Tower #2, Outlet Structure, Drain Plug, and Inlet for Lake Matthews
LA Regional Water Control Board	MWD's Service Agreement with Las Virgenes Water District
Labor Management Compliance Council (3 requests)	(1) Notice of Recorded Completion; (2) daily logs; and (3) certified payroll records (March 23, 2025 - current) for work on Wadsworth Pumping Plant Eastside Pipeline Intertie
MWD Supervisors Association	Communications between HR and chain of commands for the C&D Team Manager IV, Water Treatment O&M Team Manager VI, and O&M Supervisors regarding classification and compensation job descriptions
NCS Credit	Job information and payment bonds relating to Project No. 0527-767357/3
Nextera Energy Resources	Vendor list for RFP notifications for competitive solicitations for new capacity, renewables or energy resources



<u>Requestor</u>	<u>Documents Requested</u>
Private Citizens (7 requests)	(1) Any and all proposals submitted by any contractor including TCS Risk Management (Agreement No. 230035); (2) GC Quarterly Report December 31, 2025; (3) information pertaining to the use restrictions for the reservoirs and lakes that led to the "no-body contact rules"; (4) MWD historical population from 1970 to 2025 and water demand data; (5) clarification regarding regional fluoridation operations; (6) information re Iron Mountain landing strip; (7) bid tabulation for Riverside County Fencing and Site Clean Up
San Diego County Water Authority	MWD testing positive for PFAS in the supply source for our region
SJV Water	Update on status of MWD's groundwater banking programs in the San Joaquin Valley, and 1, 2, 3 - TCP impacts
SoCal Title	Perris property boundaries in relation to the MWD area
Tryfacta (4 requests)	Proposal and contract documents related to: (1) Skilled/Technical Temp Labor Staffing; (2) Temporary Labor Services - Professional/Administrative, Scientific and Technical; (3) MWD Information Technology Cybersecurity Services; and (4) MWD Information Technology (IT) Application Support Services
Visual Edge IT, Inc.	Bid and contract documents for district-wide copiers and printers
Zenith Engineers	Subcontract awards of the Contracts Disclosure Statement for Eagle Mountain and Julian Hinds Pumping Plants Utility Replacement Project on August 26, 2025

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

Subject	Status
<p>Delta Conveyance Project CEQA Cases</p> <p><i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> (case name for the consolidated cases)</p> <p><i>City of Stockton v. California Department of Water Resources</i></p> <p><i>County of Butte v. California Department of Water Resources</i></p> <p><i>County of Sacramento v. California Department of Water Resources</i></p> <p><i>County of San Joaquin et al. v. California Department of Water Resources</i></p> <p><i>Sacramento Area Sewer District v. California Department of Water Resources</i></p> <p><i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i></p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i></p> <p><i>South Delta Water Agency and Rudy Mussi Investment L.P. v. California Department of Water Resources</i></p> <p><i>Sacramento County Superior Ct.</i> (Judge Acquisto)</p> <p>3d District Court of Appeal Case No. C101878</p> <p>Supreme Court Case No. S294127</p>	<ul style="list-style-type: none"> • DWR is the only named respondent/defendant • All alleged CEQA violations • Most allege violations of the Delta Reform Act, Public Trust Doctrine and Delta and Watershed Protection Acts • Two allege violations of the fully protected bird statute • One alleges violations of Proposition 9 (1982) and the Central Valley Project Act • Deadline for DWR to prepare the administrative record extended to March 2, 2026 • Aug. 19, 2024 DWR appealed the injunction • Oct. 24, 2024 cases ordered consolidated for all purposes under <i>Tulare Lake Basin Water Storage District v. California Department of Water Resources</i> • Oct. 17, 2025, court of appeal reversed the trial court's grant of an injunction halting preconstruction geotechnical soil testing • Nov. 14, 2025 petition for rehearing denied • Nov. 26, 2025 plaintiffs filed a petition for review in the California Supreme Court • Jan. 16, 2025 hearing on State Water Contractors' and certain members' motion to intervene • Jan. 28, 2026 petition for Supreme Court review and request for depublication of the opinion overturning the preconstruction soil testing injunction denied • <u>Feb. 6, 2026 next case management conference</u> • <u>Feb. 9, 2026 order imposing a limited stay until March 27, 2026</u> • <u>March 20, 2026 hearing on DWR's motion to disqualify Somach, Simmons & Dunn law firm</u> • <u>Deadline for DWR to prepare the administrative record stayed to March 27, 2026</u>
<p><i>Sierra Club et al. v. California Department of Water Resources</i></p> <p>Sacramento County Super. Ct. (Judge Stephen P. Acquisto)</p>	<ul style="list-style-type: none"> • Filed July 18, 2025 • Alleges DWR unlawfully "piecemealed" CEQA review of the Delta Conveyance Project and its petition to the State Water Resources Control Board for a time extension of its



	<ul style="list-style-type: none"> existing State Water Project water right permits Seeks an order requiring DWR to withdraw its time extension petition, decertify the DCP EIR, rescind the CEQA findings and project approval, prepare a subsequent EIR for the DCP, and prohibiting DWR from issuing revenue bonds until it has certified a subsequent EIR Jan. 5, 2026 judgment sustaining DWR’s demurrer without leave to amend, resulting in dismissal with prejudice March 6, 2026 deadline to file Notice of Appeal
<p>Consolidated DCP Revenue Bond Validation Action and CEQA Case</p> <p><i>Sierra Club, et al. v. California Department of Water Resources</i> (CEQA, designated as lead case)</p> <p><i>DWR v. All Persons Interested</i> (Validation)</p> <p>Sacramento County Superior Ct. (Judge Kenneth C. Mennemeier)</p> <p>3d District Court of Appeal Case No. C100552</p>	<ul style="list-style-type: none"> Validation Action Final Judgment and Final Statement of Decision issued January 16, 2024 ruling the bonds are not valid DWR, Metropolitan and other supporting public water agencies filed Notices of Appeal on or before the February 16, 2024 deadline Eight opposing groups filed Notices of Cross Appeals by March 27, 2024 Appeals and cross-appeals fully briefed as of May 12, 2025 November 19, 2025 oral argument Dec. 31, 2025 Court of Appeal opinion filed upholding trial court ruling the bonds are not valid Jan. 15, 2026 DWR filed a petition for rehearing Jan. 28, 2026 petition for rehearing denied, opinion modified to correct factual errors and add citations without changing the judgment Feb. 9, 2026 DWR and supporting SWP contractors filed a petition for California Supreme Court review and request to depublish the Dec. 31, 2025 opinion March 2, 2026 deadline to file an answer to the petition for review March 12, 2026 deadline to file a reply in support of petition for review April 10, 2026 deadline for Supreme Court to act on petition for review unless extended up to an additional 30 days
<p>2025 Delta Conveyance Program Revenue Bond Validation</p>	<ul style="list-style-type: none"> Jan. 6, 2025, the Department of Water Resources (DWR) adopted a new bond resolution



<p><i>Department of Water Resources v. All Persons Interested, etc.</i></p> <p>Sacramento County Superior Court (Judge Kenneth C. Mennemeier)</p>	<ul style="list-style-type: none"> • Jan. 7, DWR filed a complaint seeking a judgment validating its authority to issue the bonds under the CVP Act • 15 answers filed, 10 in opposition and 5 in support • June 12, 2025 two motions to dismiss denied • Aug. 15, 2025 case assigned to Judge Mennemeier for all purposes • Sept.23, 2025 Case Management Conference • Dec. 5, 2025 opening trial briefs • Jan. 14, 2026 DWR filed a motion to stay the case pending exhaustion of appellate remedies in the 2020 bond validation case • Jan. 21, 2026 hearing on motion for stay and stay granted pending formal order •
<p>2024 CESA Incidental Take Permit Consolidated Cases</p> <p><i>California Sportfishing Protection Alliance, et al. v. California Department of Water Resources, et al.</i> (CEQA, CESA, Delta Reform Act, Public Trust Doctrine)</p> <p>Sacramento County Superior Ct. Case No. 24WM000181 (Judge Arguelles) (Designated lead case for the consolidated cases)</p> <p><i>San Francisco Baykeeper, et al. v. California Department of Water Resources</i> (CEQA, Delta Reform Act, Public Trust Doctrine)</p> <p><i>Tehama-Colusa Canal Authority, et al. v. California Department of Water Resources, et al.</i> (CEQA)</p> <p><i>Central Delta Water Agency and South Delta Water Agency v. California Department of Water Resources</i> (CEQA, Delta Reform Act, Watershed Protection Acts, Public Trust Doctrine)</p>	<p>Cases challenge DWR’s Final EIR and the California Department of Fish and Wildlife’s California Endangered Species Act Incidental Take Permit for the updated Long Term Operations plan for the State Water Project</p> <ul style="list-style-type: none"> • Oct. 8, 2025 minute order consolidating cases under the <i>California Sportfishing Protection Alliance</i> case name • Dec. 12, 2025, case management conference in the consolidated cases • June 12, 2026 case management conference
<p>CDWR Environmental Impact Cases Sacramento Superior Ct. Case No. JCCP 4942, 3d DCA Case No. C100302 (20 Coordinated Cases)</p> <p>Validation Action <i>DWR v. All Persons Interested</i></p> <p>CEQA 17 cases</p> <p>CESA/Incidental Take Permit 2 cases</p>	<ul style="list-style-type: none"> • 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 • May 11, 2022, court of appeal reversed the trial court’s denial of attorney fees and costs



(Judge Arguelles)

- Coordinated cases remitted to trial court for rehearing of fee motions consistent with the court of appeal's opinion
- Dec. 26, 2023 order denying fee motions
- Six notices of appeal filed
- Appeals fully briefed as of June 6, 2025
- Nov. 21, 2025 oral argument
- Dec. 9, 2025 Court of Appeal decision upholding trial court denial of attorney fee motions
- Dec. 24, 2025 three petitions for rehearing filed by losing appellants
- Jan. 07, 2026 petition for rehearing denied, opinion modified with no change in judgment
- Jan. 20, 2026 losing appellants filed three petitions for review in the California Supreme Court
- March 22, 2026 deadline for Supreme Court to grant or deny review

Water Management Tools Contract Amendment

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

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

- 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



Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Anzel Galvan LLP	Bond Issues	220411	07/24	N/A
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,316,937
	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
	MWD MOU Negotiations**	201893	10/05/21	\$100,000
	Ethics and EEO Investigation	222534	01/25	\$50,000
	PRA Issues	222539	02/25	\$110,000
	Sanchez Job Audit Appeal	222551	03/25	\$50,000
	Gutierrez Job Audit Appeal	222552	03/25	\$50,000
	RFIs by AFSCME Local 1902	222554	03/25	\$20,000
	EEO Investigation	226516	05/25	\$25,000
	Advice and Counsel – AB399 Issues	226533	01/26	\$50,000
	Employment Matter	226534	01/26	\$50,000
	<u>Team Manager Leave Premiums Denial HO Appeal</u>	<u>226539</u>	<u>01/26</u>	<u>\$50,000</u>
	<u>Temporary Upgrade Assignment Denial HO Appeal</u>	<u>226540</u>	<u>01/26</u>	<u>\$50,000</u>
<u>Temporary Upgrade Assignment Standby Denial HO Appeal</u>	<u>231484</u>	<u>01/26</u>	<u>\$50,000</u>	
<u>Desert Medical Credit HO Appeal</u>	<u>231487</u>	<u>01/26</u>	<u>\$50,000</u>	



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
BDG Law Group, APLC	Gutierrez v. MWD	216054	03/24	\$250,000
	Hagekhalil Defense in Kasaine Litigation	222547	03/25	\$250,000
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	\$250,000
	Pure Water Southern California	207966	11/22	\$350,000
	Progressive Design Build	216053	04/24	\$250,000
	Pure Water – SB 149 CEQA Record Preparation	222526	02/25	\$150,000
	Rates and Taxes Advice	226517	05/25	\$50,000
	PWSC Construction Contracting Issues	226524	07/25	\$125,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
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	\$150,000
	Foothill Pump Station Condemnation	226522	06/25	\$100,000
	Fakhoury, et al. v. City of Rancho Cucamonga, et al.	226528	12/25	\$100,000
	<u>Ethics Office Investigations</u>	<u>226537</u>	<u>01/26</u>	<u>\$75,000</u>
Law Office of Alexis S.M. Chiu*	Bond Counsel	220409	07/24	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Castañeda + Heidelberg LLP	Employment Matter	216055	04/24	\$100,000
	Employment Matter	222530	11/24	\$100,000
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$100,000
Davis Wright Tremaine, LLP	Advice and Representation re Potential Litigation	220424	10/24	\$250,000
	Kasaine v. MWD	222543	03/25	\$250,000
	Advice and Representation re Employment -Related Claims	226526	08/25	\$200,000
Erin Joyce Law, PC	Ethics Advice	216058	05/24	\$100,000
Hackler Flynn & Associates	Government Code Claim Advice	216059	5/24	\$250,000
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	\$500,000
Hanson Bridgett LLP	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$600,000
	Alternative Project Delivery (ADP)	207961	10/22	\$250,000
Hausman & Sosa, LLP	Jones v. MWD	216056	05/24	\$250,000
	Villavicencio v. MWD	220426	10/24	\$100,000
	Jensen Operator Standby Removal	222522	10/24	\$100,000
	Villa NOIS Appeal	222553	03/25	\$50,000
	Alberto NOID Appeal	226523	06/25	\$100,000
Hawkins Delafield & Wood LLP*	Bond Counsel	220405	07/24	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Horvitz & Levy	General Appellate Advice	146616	12/15	\$200,000
	Colorado River	203464	04/22	\$100,000
	Delta Conveyance Bond Validation Appeal	216047	03/24	\$25,000
	PFAS Multi-District Litigation – Appeal	216050	03/24	\$200,000
Internet Law Center	Cybersecurity and Privacy Advice and Representation	200478	04/13/21	\$100,000
	Systems Integrated, LLC v. MWD	201875	05/17/21	\$500,000
	General Advice and Counsel	222544	02/25	\$25,000
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance	137992	02/14	\$45,000
Katten Muchin Rosenman LLP	Bond Counsel	220412	07/24	N/A
Kronenberger Rosenfeld, LLP	Systems Integrated, LLC v. MWD	211920	04/23	\$500,000
Kutak Rock LLP	Delta Islands Land Management	207959	10/22	\$160,000
Lesnick Prince Pappas & Alverson LLP	Kidde-Fenwal Bankruptcy	216061	06/24	\$50,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$244,741
	FLSA Audit	180199	02/19	\$50,000
	EEO Advice	216041	12/23	\$450,000
Lieff Cabraser Heimann & Bernstein, LLP	PFAS Multi-District Litigation	216048	03/24	\$200,000
Marten Law LLP	PFAS Multi-District Litigation	216034	09/23	\$550,000
	PFAS-Related Issues (PWSC)	220414	08/24	\$150,000
	Perris Valley Pipeline Project	220415	07/24	\$100,000
	PFAS-Related Issues (General)	220413	10/24	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Morgan, Lewis & Bockius	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Arvin-Edison v. Dow Chemical	203452	01/22	\$150,000
	Semitropic TCP Litigation	207954	09/22	\$75,000
	Employment Matter	220417	08/24	\$100,000
	Employment Matter	226535	01/26	\$50,000
Nixon Peabody LLP*	Bond Counsel	220404	07/24	N/A
Norton Rose Fulbright US LLP*	Bond Counsel	220407	7/24	N/A
	Pure Water Special Project Finance	226513	05/25	\$200,000
Olson Remcho LLP	Government Law	131968	07/14	\$600,000
	Advice/Assistance re Proposition 26/Election Issues	211922	05/23	\$100,000
Pearlman, Brown & Wax, L.L.P.	Workers' Compensation	216037	10/23	\$100,000
Redwood Public Law, LLP	PRA and Conflicts Issues	222540	02/25	\$150,000
Renne Public Law Group, LLP	Employee Relations and Personnel Matters	216045	01/24	\$50,000
	ACE v. MWD (PERB Case No. LA CE 1729 M)	220421	09/24	\$70,000
	AFSCME v. MWD (PERB Case No. LA-CE-1733-M)	220422	09/24	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1746-M)	222528	11/24	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1774-M)	226515	05/25	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1772-M)	226518	05/25	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1775-M)	226519	05/25	\$35,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
	AFSCME v. MWD (PERB Case No. LA-CE-1776-M)	226520	05/25	\$35,000
	AFSCME v. MWD (PERB Case No. LA-CE-1785-M)	226527	10/25	\$50,000
Ryan & Associates	Leasing Issues	43714	06/01	\$200,000
	Unlawful Encroachment on Metropolitan Rights-of-Way	216065	06/24	\$100,000
Seyfarth Shaw LLP	Phan v. MWD	201897	11/04/21	\$700,000
	Claim (Contract #203436)	203436	11/15/21	\$1,000,000
	General Labor/Employment Advice	211917	3/23	\$250,000
	Crawford v. MWD	216035	09/23	\$1,200,000
	Tiegs v. MWD	216043	12/23	\$1,075,000
Sheppard Mullin Richter & Hampton LLP	Iverson v. MWD	222532	12/24	\$250,000 <u>\$500,000</u>
Snell & Wilmer LLP	Public Records Act Requests	226531	12/25	\$150,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	220408	7/24	N/A
Theodora Oringher PC	Construction Contracts - General Conditions Update	185896	07/20	\$100,000
	Santa Monica Feeder Incident	226526	08/25	\$150,000
Thompson Coburn LLP	NERC Energy Reliability Standards	193451	08/20	\$600,000
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	\$250,000
	Cajalco Road Widening Project	226509	04/25	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Wesierski & Zurek LLP	Eight-Vehicle Pile-Up Claims, Rancho Cucamonga	226529	12/25	\$150,000
	General Tort Claims and Litigation Defense Advice	226530	12/25	\$150,000

*Expenditures paid by Bond Proceeds/Finance

**Expenditures paid by another group

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

LEGAL AND CLAIMS COMMITTEE

February 9, 2026

Chair Kassakhian called the meeting to order at 1:15 p.m.

Members present: Directors Camacho, Crawford, De Jesus (teleconference posted location), Douglas (teleconference posted location), Kassakhian, Kurtz (entered after roll call), McMillan, Miller, Ramos (teleconference posted location), and Shepherd Romey (entered after roll call).

Members absent: Director Katz.

Other Board Members present: Directors Ackerman, Alvarez, Bryant, Cordero, Crane, Denham, Dennstedt, Erdman, Faessel, Fellow, Fong-Sakai, Jay, Lewitt, Paule, Pressman (teleconference posted location), Seckel, and Sutley.

Committee Staff present: Beatty, Deshmukh, Gaxiola, Hudson, Rubin, and Scully.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE’S JURISDICTION

None

2. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

A. Subject: General Counsel’s report of monthly activities

General Counsel Scully provided an update on the deferral of Item 8-5.

Chair Kassakhian announced that there would be a reordering of the meeting agenda. Item 8-4 would be heard and voted on before going into closed session to hear Items 8-3 and 7a.

Director Shepherd Romey entered the meeting.

CONSENT CALENDAR ITEMS – ACTION

3. COMMITTEE ACTION ONLY

A. Subject: Approval of the Minutes of the Legal and Claims Committee for January 13, 2026.

4. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

7-4 Subject Amend the Metropolitan Water District Administrative Code to conform Employer-Paid Member Contributions for unrepresented employees to CalPERS requirements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Marianne Greene, Senior Deputy General Counsel

Motion Amend the Metropolitan Water District Administrative Code to conform Employer-Paid Member Contributions for unrepresented employees to CalPERS requirements

Director Kurtz entered the meeting.

Motion by Director Miller, seconded by Director Shepherd Romey, to approve the consent calendar items 3A and 7-4.

The vote was:

Ayes: Directors Camacho, Crawford, De Jesus, Douglas, Kassakhian, Kurtz, McMillan, Miller, Ramos, and Shepherd Romey
Noes: None
Abstentions: None
Absent: Director Katz

The motion for Items 3A and 7-4 passed by a vote of 10 ayes, 0 noes, 0 abstentions, and 1 absent.

END OF CONSENT CALENDAR ITEMS

5. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

- 8-4** Subject Amend the Metropolitan Administrative Code regarding contracting provisions and reporting requirements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
- Presented by: Marianne Greene, Senior Deputy General Counsel
- Motion Amend the Metropolitan Administrative Code regarding contracting provisions and reporting requirements.

The following Director provided comments or asked questions:

1. Miller

Staff responded to the Director's questions and comments.

Motion by Director Camacho, seconded by Director Crawford, to approve Item 8-4.

The vote was:

- Ayes: Directors Camacho, Crawford, De Jesus, Douglas, Kassakhian, Kurtz, McMillan, Miller, Ramos, and Shepherd Romey
- Noes: None
- Abstentions: None
- Absent: Director Katz

The motion for Item 8-4 passed by a vote of 10 ayes, 0 noes, 0 abstentions, and 1 absent.

Chair Kassakhian called the meeting into closed session.

- 8-3** Subject Report on litigation in Daffney Iverson v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. 24STCV29984; and authorize an increase in the maximum amount payable under contract for legal services with Sheppard Mullin Richter & Hampton, in the amount of \$250,000 for a total amount not to exceed \$500,000; 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)]
- Presented by: Tony Zepeda, Sr. Deputy General Counsel

7. COMMITTEE ITEMS (INFORMATIONAL)

- a.** Subject: Conference with legal counsel—anticipated litigation; based on existing facts and circumstances of receipt of a claim pursuant to the Government Claims Act (Government Code Section 910 et seq.) threatening litigation, there is significant exposure to litigation against Metropolitan; one potential case; to be heard in closed session pursuant to Government Code Section 54956.9(d)(2)
- Presented by: Tony Zepeda, Sr. Deputy General Counsel

Chair Kassakhian reported there was no action taken in closed session on Items 8-3 and 7a.

In open session, Director Camacho made a motion, seconded by Director Kurtz, to approve the contract increase in Item 8-3.

- Item 8-3** Motion: Authorize an increase in the maximum amount payable under contract for legal services with Sheppard Mullin Richter & Hampton, in the amount of \$250,000 for a total amount not to exceed \$500,000

The vote was:

- Ayes: Directors Camacho, Crawford, De Jesus, Douglas, Kassakhian, Kurtz, McMillan, Miller, and Shepherd Romey
- Noes: None
- Abstentions: None
- Absent: Directors Katz, Ramos

The motion for Item 8-3 passed by a vote of 9 ayes, 0 noes, 0 abstentions, and 2 absent.

6. COMMITTEE ITEMS (INFORMATIONAL FOR BOARD CONSIDERATION)

None

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Meeting adjourned at 2:24 p.m.

Ardy Kassakhian
Chair



- **Board of Directors**
Legal and Claims Committee

3/10/2026 Board Meeting

7-1

Subject

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The proposed amendments to the Metropolitan Administrative Code (Administrative Code) will update the Administrative Code to conform it to current policy, law, and practice, and make other minor, non-substantive changes. The amendments will accomplish the following:

- Streamline Consent Calendar provision and, consistent with existing practice which preserves full discretion to each director to move an item off the Consent Calendar, delete the requirement to remove an item from consent if the committee reviewing the item does not adopt the staff recommendation.
- Add a procedure for the new statutory requirement to file a written, signed proxy vote authorization with the Board Executive Secretary.
- Update the annual reporting by the General Manager (GM) to the Community and Workplace Culture Committee (CWC Committee) on the status of the Equal Employment Opportunity (EEO) policy and affirmative action program.
- Change “raw water” references to “untreated water” to match these terms as used elsewhere in the Code.
- Remove references to water rate elements, services and programs that are no longer applicable resulting from various board actions.
- Add a description of new rate elements, such as the “Treatment Fixed Charges” recently approved by the Board of Directors.
- Add portions of the financial reserves and budgeting policies adopted by the Board on July 8, 2025, that were (inadvertently) not shown as redlines in the board letter.
- Upgrade the salary schedule for the Board Executive Secretary based on the position’s responsibilities.

The proposed amendments are to Division II (Procedures Pertaining to Board, Committees, and Directors), Division III (Annexation), Division IV (Water Service Policies), Division V (Financial Matters) and Division VI (Personnel Matters).

See **Attachment 1** and **Attachment 2**

Proposed Action/Recommendation and Options

Staff Recommendation: Option #1

Option #1

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will be amended to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Option #2

Do not amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will not be amended to conform to current policy, law and practice, and to make other minor, non-substantive changes

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 2100: Board of Directors

Metropolitan Water District Administrative Code Section 2410: Duties and Functions [Executive Committee]

Metropolitan Water District Administrative Code Section 2431: Engineering, Operations and Technology Committee

Metropolitan Water District Administrative Code Section 2441: Finance, Affordability, Asset Management, and Efficiency Committee

Metropolitan Water District Administrative Code Section 2451: Duties and Functions [Legal and Claims Committee]

Metropolitan Water District Administrative Code Section 2600: Directors

Metropolitan Water District Administrative Code Section 2700: General Manager's Annual Reports

Metropolitan Water District Administrative Code Section 2720: Quarterly Reports

Metropolitan Water District Administrative Code Section 2750: Miscellaneous Reports

Metropolitan Water District Administrative Code Section 3100: Annexation Procedure

Metropolitan Water District Administrative Code Section 4100: Definitions [Water Service Policies]

Metropolitan Water District Administrative Code Section 4300: Water Transaction Revenues

Metropolitan Water District Administrative Code Section 4400: Classification and Rates

Metropolitan Water District Administrative Code Section 5200: Financial Policies

Metropolitan Water District Administrative Code Section 5300: Short-Term Certificates

Metropolitan Water District Administrative Code Section 6500: Unrepresented Classifications (Including Management and Confidential)

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

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

CEQA determination for Option #2:

None required

Details and Background

Background

This letter proposes amendments to the Administrative Code to conform it to current policy, law, and practice, and to make other minor, non-substantive changes. The Administrative Code is proposed to be amended, as follows:

Consent Calendar. Amendments clarify the purpose of the Consent Calendar and eliminate the requirement for removal of an item from consent if the reviewing committee does not adopt the staff recommendation. There is no change to the ability of any member of the Board to request removal of an item for any reason from the Consent Calendar at board meetings.

Proxy Votes. Section 2601 is added to provide a procedure to conform to the new Metropolitan Water District Act Section 52 requirement for filing with the Board Executive Secretary a written, signed proxy vote authorization.

General Manager's Annual Reports. Section 2700(c) is amended to update reporting by the GM on the status of the EEO policy and affirmative action program from the Finance, Affordability, Asset Management, and Efficiency Committee (FAAME) to the CWC Committee. (Metropolitan, as a federal contractor, has certain affirmative action program obligations under federal law.)

Annexation Water Use Efficiency Guidelines. Section 3107 is amended to change "raw water" references to "untreated water" to match these terms as used elsewhere in the Administrative Code.

Water Service Policies

Water Service Definitions

- Section 4114 is amended to delete an obsolete reference to water replenishment service that delivered water for long-term storage in groundwater basins and surface reservoirs.
- Section 4120 is amended to delete an obsolete reference to purchase orders and purchase order commitments from member agencies that expired on December 31, 2024.
- Section 4121 is amended to update the definition "supply rates" to reflect current policy and practice, based on a dollar per acre-foot water rate charged to recover District costs, as specified.
- Section 4126 is renamed "Treatment Charges," and new subsections (a) and (b) are added to define and distinguish the "Treatment Surcharge" (new subsection (a)) from "Treatment Fixed Charges" (new subsection (b)). These amendments now encompass the current treatment charge categories.

Water Transaction Revenues

- Section 4304(a)(2) is amended to delete an obsolete reference to the Water Stewardship Rate.
- Section 4304(b) is amended to add "Treatment Fixed Charges" to the set of recommendations the GM presents annually to FAAME.

Classification and Rates

- Section 4404 is amended to delete an obsolete reference to purchase orders and purchase order commitments from member agencies that expired on December 31, 2024.
- Section 4405 is amended to add “Treatment Fixed Charges” to the District’s water rates.

Financial Matters.

- Section 5200 is amended to delete subsection (i), the Water Treatment Surcharge Stabilization Fund No. 5502. Accordingly, subsequent subsections are renumbered from (j) through (r) to (i) through (q). Subsequent references to this fund are deleted in Section 5202(c), (d), and (e).
- Section 5200(r) is added and Section 5202 subsections (a) and (e) are amended, and subsections (f) and (g) are added, together to provide the financial policies adopted by the Board on July 8, 2025, but (inadvertently) not shown in Attachment A (to that item) when the Board approved the action. Refer to Minute Item 54190.

Unrepresented Classifications. The hourly pay rate schedule at Section 6500(a) is amended to increase the Board Executive Secretary's salary grade from 72 to 74 based on the GM’s review of the position’s responsibilities.

Other Minor, Non-Substantive Changes.

- Section 2146 is amended to correct the records preservation citation from Section 10205 to 10204.
- Sections 2416(f)(3) and 2431(f)(3)(i) are amended to correct the citations from Section 8150(a) to 8151(b), and Sections 2431(b) and 2431(b)(1) from Section 8150(a) to 8151(a) regarding appeals of protest denials of Purchasing Contracts and Professional and Technical contracts.
- Sections 2441, 2701, 2720(b)-(c), 2750, and 2751 are amended to correctly refer to the FAAME Committee.
- Section 2600 is amended to change the title from “Directors” to “Assumption of Office” for greater accuracy.

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.



 Marcia Scully
 General Counsel

3/3/2026

 Date

Attachment 1 - The Administrative Code of The Metropolitan Water District of Southern California (with changes marked)

Attachment 2 - The Administrative Code of The Metropolitan Water District of Southern California (clean copy)

Ref# I12713190LC

Division II
PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS

Chapter 1
BOARD OF DIRECTORS

Article 2
CONSENT CALENDAR

§ 2120. __ Purpose and Scope.

It is the purpose of the Consent Calendar procedure to expedite Board consideration of non-controversial non-controversial matters ~~to enable the Board to devote added time to other matters. The procedure ensures that if any item on the calendar is disputed, individual consideration will be given to it.~~

§ 2122. __ Committee Procedure.

~~(a)~~ Matters recommended by a Department Head for inclusion on the Consent Calendar shall be so identified on the committee agendas.

~~(b) A Consent Calendar matter shall may be removed if the standing committee to which it has been submitted does not recommend approval with a quorum of the committee present or if it recommends approval only after making changes to the recommendation of the Department Head.~~

Article 4
MISCELLANEOUS BOARD RULES

§ 2146. __ Availability for Public Inspection of Certain Board and Committee Material.

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10205~~4~~ and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

Chapter 4
STANDING COMMITTEES

Article 2

EXECUTIVE COMMITTEE

§ 2416. Duties and Functions. [Executive Committee]

[SUBSECTIONS (a) through (e) OMMITTED]

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on appeals of protest denials involving Purchasing Contracts and Professional and Technical Services Contracts pursuant to Section 81510(b).

(i) Hearings shall be held by the committee at its next regular meeting to be held at least 72 hours after the filing of the notice of appeal of the General Manager's determination under Section 81510(b). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

[SUBSECTIONS (f)(3)(ii) through (f)(3)(viii) OMMITTED.]

Article 4

ENGINEERING, OPERATIONS AND TECHNOLOGY COMMITTEE

§ 2431. Duties and Functions.

[SUBSECTION (a) OMMITTED.]

(b) The Engineering, Operations and Technology Committee shall also conduct hearings on appeals of protest denials involving Public Works Contracts pursuant to Section 81510(a).

(1) Hearings shall be held by the committee at its next regular meeting, at least 72 hours after the filing of the notice of appeal of the General Manager's determination under Section 81510(a). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(2) The Chair of the Engineering, Operations and Technology Committee may re-delegate duties provided for under subparagraph (1) above to a minimum of three members of the Engineering, Operations and Technology Committee who shall act in place of the committee.

Article 5

**FINANCE, AFFORDABILITY, ASSET MANAGEMENT,
AND EFFICIENCY COMMITTEE**

§ 2441. Duties and Functions.

The Finance, Affordability, ~~and~~ Asset Management, and Efficiency Committee shall study, advise and make recommendations with regard to:

[SUBSECTIONS (a) through (dd) OMMITTED]

**Chapter 6
DIRECTORS**

**Article 1
GENERAL**

Sec.

2600. ~~Directors~~-Assumption of Office.

2601. Proxy Vote.

§ 2601. Proxy Vote.

Proxy vote authorization shall be filed concurrently with the Board Executive Secretary, in addition to the district’s board secretary as required by Metropolitan Water District Act Section 52. The written instrument must be signed, dated, and received by 3:00 p.m. one business day in advance of the meeting. The written instrument shall be in the form as designated by the Board Executive Secretary.

**Chapter 7
PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES**

**Article 1
ANNUAL REPORTS**

§ 2700. General Manager’s Annual Reports.

The General Manager shall annually make the following reports:

[SUBSECTIONS (a) and (b) OMMITTED]

(c) To the ~~Equity, Inclusion and Affordability~~Community and Workplace Culture Committee on the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

[SUBSECTION (d) OMMITTED]

§ 2701. Treasurer's Reports

(a) The Treasurer shall annually report to the Board on the investment policy of the District.

(b) The Treasurer shall report to the Finance, ~~and Affordability~~, Asset Management, ~~and Efficiency~~ Committee:

(1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and

(2) All issuances of duplicate bonds made pursuant to Section 5105.

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

[SUBSECTION (a) OMMITTED]

(b) To the Finance, ~~and Affordability~~, Asset Management, ~~and Efficiency~~ -Committee: A summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates;

(c) To the Finance, ~~and Affordability~~, Asset Management, ~~and Efficiency~~ Committee:

(1) Deeds or grants accepted during the preceding quarter;

(2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;

(3) All leases made during the preceding quarter under the authority of Sections 8222, 8223, 8230 and 8232;

(4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and

(5) Property sold pursuant to the authority granted by Section 8240 et seq.

[SUBSECTIONS (d) and (e) OMMITTED]

§ 2750. Escheat to District of Unclaimed Funds.

The Controller shall file a report with the Finance ~~and Affordability~~, Asset Management, ~~and Efficiency~~ Committee after each publication made pursuant to Section 5113 regarding moneys unclaimed in the District treasury.

Division III

ANNEXATIONS

§ 3107. Water Use Efficiency Guidelines.

[SUBSECTION (a) OMMITTED]

(b) Reporting to District. The annexing member agency shall be responsible for assuring compliance with these provisions and shall report to the District annually for five years following annexation of the new territory regarding such compliance or until the new territory is included in the annexing member agency's Urban Water Management Plan (UWMP). Annual reports shall include all of the following information regarding the annexing member agency:

- (1) Conservation measures incorporated in the new territory;
- (2) Total annual production of local water supplies including, but not limited to, recycled water, groundwater, and local surface water use;
- (3) Evidence of sufficient resources to sustain interruptions of District deliveries of seven-to 21 –days, as described in MWD Administrative Code Section 4503(b). Specifically, each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections, or alternate supply source to sustain:
 - i. A seven-day interruption in District deliveries from ~~raw~~-untreated and treated water distribution facilities based on average annual demand of the affected facility
 - ii. For service connections installed or modified after December 31, 2008, on raw water conveyance facilities, a seven-to 21-day interruption in District ~~raw~~-untreated water deliveries based on average annual demand of the affected facility;

[SUBSECTIONS (b)(4), (b)(5), (c) and (d) OMMITTED.]

Division IV WATER SERVICE POLICIES

Chapter 1 DEFINITIONS

- Sec.
4100. General
 4101. Colorado
 4102. State
 4103. Treated Water
 4104. Untreated Water
 4105. Domestic and Municipal Purposes
 4106. Agricultural Purposes

- 4107. Groundwater Replenishment by Spreading
- 4108. Groundwater Replenishment by Injection
- 4109. In-Lieu Groundwater Replenishment
- 4110. Direct Reservoir Replenishment
- 4111. In - Lieu Reservoir Replenishment
- [4112. Repealed]
- [4113. Repealed]
- [4114. ~~Repealed Replenishment Service~~]
- [4115. Repealed]
- [4116. Repealed]
- 4117. Cooperative Storage Program
- 4118. Cooperative Storage Program Sale
- [4119. Repealed]
- [4120. ~~Repealed Purchase Order; Purchase Order Commitment~~]
- 4121. Supply Rates
- 4122. Base Firm Demand; Initial Base Firm Demand
- 4123. System Access Rate
- [4124. ~~Repealed Water Stewardship Rate~~]
- 4125. System Power Rate
- 4126. Treatment ~~Surcharge~~Charges
- 4127. Emergency Storage Program Purposes

~~§ 4114. — Replenishment Service.~~

~~“Replenishment Service” shall mean delivery of water for long term storage in either groundwater basins or surface reservoirs by direct or in lieu means. Direct means shall be either through groundwater spreading or through injection. The Replenishment Service Program was discontinued after December 31, 2012.~~

~~§ 4120. Purchase Order; Purchase Order Commitment.~~

~~“Purchase Order” shall mean a member agency’s written commitment to purchase a specified total volume of water from the District during a specified period, as provided in Section 4404. “Purchase Order commitment” shall mean the amount of system water a member agency commits to purchase over the term of the Purchase Order.~~

§ 4121. Supply Rates.

“Supply Rate” shall mean a dollar per acre-foot water rate charged (i) the Tier 1 Supply Rate and (ii) the Tier 2 Supply Rate, as applicable to a particular purchase of water pursuant to Section 4404. The Tier 1 and Tier 2 Supply Rate shall be set from time to time by the District to recover the cost of maintaining existing supplies, ~~and~~ developing additional supplies of water, and demand management.

~~§ 4124. Water Stewardship Rate.~~

~~“Water Stewardship Rate” shall mean a dollar per acre-foot water rate charged by the District to recover a portion of the costs of the District’s financial commitment to conservation, water recycling, groundwater recovery and other water management programs approved by the Board.~~

§ 4126. **Treatment ~~Surchage~~Charges.**

(a) “Treatment Surchage” means a dollar per acre-foot water rate charged by the District to recover the District’s costs of providing water treatment capacity and operations.

(b) “Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.

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, Affordability, Asset Management, and Efficiency (FAAME) 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 Surchage, 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 FAAME 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, and Treatment Fixed Charges), 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 said committee has determined to be necessary.

Chapter 4

CLASSIFICATION AND RATES

Sec.

4400. Basic Statement

4401. Rates

4402. Readiness-to-Serve Charge

4403. Capacity Charge

~~[4404. Repealed] Purchase Orders~~~~[4405. Repealed] Treatment Fixed Charges~~~~§ 4404. Purchase Orders.~~

~~— (a) The General Manager shall establish and make available to member public agencies the form of the Purchase Order and procedures for its administration. The General Manager shall establish a deadline by which all Purchase Orders shall be executed by member public agencies that desire to enter into such agreements with the District. Following the deadline established by the General Manager, no member public agencies will be allowed to execute Purchase Orders.~~

~~— (b) The term of the Purchase Orders shall be specified in the Purchase Order. All Purchase Orders in effect for the same time period shall be on substantially the same terms. All amendments to Purchase Orders require approval by the Board.~~

~~— (c) Each member public agency executing a Purchase Order shall commit to purchase at least its Purchase Order Commitment during the term of the Purchase Order.~~

~~— (d) Purchase Orders shall permit a member public agency to purchase up to 90 percent of its Base Period Demand at the Tier 1 Supply Rate for the term of the Purchase Order.~~

~~— (e) All water deliveries under a Purchase Order shall be subject to the operational conditions and constraints contained in this Division. In addition, all billings and payments for such water shall be subject to the provisions of this Division in the same manner as other water delivered by Metropolitan.~~

~~§ 4405. Treatment Fixed Charges.~~

~~“Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.~~

Division V**FINANCIAL MATTERS****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:

[SUBSECTIONS (a) through (h) OMMITTED]

~~(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~~i) 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~~j) 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).

(~~h~~k) 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~~l) 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~~m) 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~~n) Lake Mathews Multi Species Reserve Trust Fund (Fund No. 6101, established 1997.) Used as set forth in agreement between Metropolitan and the Riverside County Habitat Conservation Agency for the Southwest Riverside County Multi-Species Reserve.

(~~p~~o) 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.

(~~p~~) Reclamation Fund 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, §3808.3.

(q) Reserve calculations shall exclude variable costs, such as power and supply costs that are not directly tied to water demand, and shall exclude uncertain or non-recurring revenue sources, such as unawarded grants or one-time revenues.

§ 5202. Fund Parameters.

The minimum cash and securities to be held in the various ledger funds as of June 30 of each year shall be as follows:

(a) For the Revenue Remainder Fund cash and securities on hand of June 30 of each year shall be equal to the portion of fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, for the eighteen months beginning with the immediately succeeding July, based on the level of demand exceedance used in the water rate process. Such funds are to be used in the event that revenues are insufficient to pay the costs of the District, as follows:

(1) At an eighty percent exceedance level, the reserve target shall be fifteen percent of the District's net revenue requirement;

(2) At a seventy percent exceedance level, the reserve target shall be nineteen percent;

(3) At a fifty percent exceedance level, the reserve target shall be twenty-five percent;
and,

(4) The reserve target calculation shall incorporate treatment-related revenue requirements into the minimum and target levels of the Revenue Remainder Fund. This integration is intended to replace the previously separate Treatment Surcharge Stabilization Fund and streamline financial planning.

(b) For the Replacement and Refurbishment Fund, any unexpended monies shall remain in the Fund for purposes defined in Section 5109, or as otherwise determined by the Board. The end-of-year fund balance may not exceed \$160 million. Available monies in excess of \$160 million at June 30 shall be transferred to the Water Rate Stabilization Fund, unless otherwise determined by the Board.

(c) Amounts remaining in the Revenue Remainder on June 30 of each year after meeting the requirements set forth in Section 5202(a) shall be transferred to the Water Rate Stabilization Fund ~~and to the extent required under Section 5202(d), to the Water Treatment Surcharge Stabilization Fund.~~

(d) After making the transfer of funds as set forth in Section 5202(c), a determination shall be made to substantially identify the portion, if any, of such transferred funds attributable to collections of treatment surcharge revenue in excess of water treatment cost and to collections of water stewardship rate revenue in excess of costs of the Conservation Credits Program, Local Resources Program seawater desalination and similar demand management programs, including the departmental operations and maintenance costs of administering these programs. Such funds shall be transferred to the ~~Water Treatment Surcharge Stabilization Fund and the~~ Water Stewardship Fund, ~~respectively,~~ to be available for the principal purpose of mitigating required increases in the ~~treatment surcharge and~~ water stewardship rates. If such determination indicates a deficiency in ~~treatment surcharge or~~ water stewardship rate revenue occurred during the fiscal year, a transfer of funds shall be made from the ~~Water Treatment Surcharge Stabilization Fund or the~~ Water Stewardship Fund, as needed and appropriate, to reimburse funds used for the deficiency. Notwithstanding the principal purpose of the ~~Water Treatment Surcharge~~

~~Stabilization Fund and the~~ Water Stewardship Fund, amounts assigned to the ~~se~~ fund shall be available for any other lawful purpose of the District.

(e) Amounts in the Water Rate Stabilization Fund shall be held for the principal purpose of maintaining stable and predictable water rates and charges. The amount to be held in the Water Rate Stabilization fund shall be targeted to be equal to the portion of the fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the two years immediately following the eighteen-month period referenced in Section 5202(a).

Funds in excess of such targeted amount shall only be used at the direction of the Board and for the following purposes: utilized for capital expenditures of the District in lieu of the issuance of additional debt, or for the redemption, defeasance or purchase of outstanding bonds or commercial paper of the District as determined by the Board. Provided that the District's fixed charge coverage ratio is at or above 1.2 amounts in the Water Rate Stabilization Fund may be expended for any lawful purpose of the District, as determined by the Board of Directors, provided that any funds distributed to member agencies shall be allocated on the basis of water revenues during the previous fiscal year, such sales to include sales under the Interim Agricultural Water Program, Replenishment Service Program and all Full Service water sales.

(i) Funding capital expenditures of the District in lieu of the issuance of additional debt;

(ii) Redemption, defeasance, or purchase of outstanding bonds or commercial paper of the District; or,

(ii) Funding of pension or Other Post-Employment Benefit (OPEB) liabilities, including contributions to a trust fund; Legal or financial obligations as determined by the Board.

(f) Variable costs not directly tied to water sales, including supply and power, and uncertain revenues such as unawarded grants or other non-recurring funding sources shall be excluded from Revenue Remainder Fund requirement calculation.

(g) Reserves shall be treated as one-time resources and shall not be used to support ongoing operational expenditures.

Notwithstanding the fund parameters set forth in this Section 5202, including, but not limited to, any minimum fund balances or specified uses and purposes, all amounts held in the foregoing funds shall be available to pay interest on and Bond Obligation (including Mandatory Sinking Account Payments) of Water Revenue Bonds issued pursuant to Resolution 8329 adopted by the Board on July 9, 1991, as amended and supplemented (the Master Resolution), and Parity Obligations, and Subordinate Water Revenue Bonds, issued pursuant to Resolution 9199 adopted by the Board on March 8, 2016, as amended and supplemented (the Master Subordinate Resolution). Capitalized terms not defined in this paragraph shall have the meanings assigned to such terms in the Master Resolution and the Master Subordinate Resolution.

Division VI
PERSONNEL MATTERS

Chapter 5
UNREPRESENTED CLASSIFICATIONS (INCLUDING MANAGEMENT AND
CONFIDENTIAL)

§ 6500. Hourly Pay Rate Schedule.

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
[GRADES 14 through 71 OMMITTED]		
72	\$71.-98.01 (\$149,198-203,861)	Board Executive Secretary Special Assistant to the GM Staff Assistant to General Manager
73	\$73.70-100.65 (\$153,296-209,352)	Senior Audit Manager
74	\$75.74-103.33 (\$157,539-214,926)	Board Executive Secretary Program Manager III

[GRADES 75 through 97 OMMITTED]

() Shows approximate annual salary range for convenience; Board approved rates are hourly. Asterisk * positions are Fair Labor Standards (FLSA) “non-exempt” (i.e., eligible for overtime).

[SUBSECTIONS (b) through (d) OMMITTED.]

Division II
PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS

Chapter 1
BOARD OF DIRECTORS

Article 2
CONSENT CALENDAR

§ 2120. Purpose and Scope.

It is the purpose of the Consent Calendar procedure to expedite Board consideration of non-controversial matters to enable the Board to devote added time to other matters.

§ 2122. Committee Procedure.

Matters recommended by a Department Head for inclusion on the Consent Calendar shall be so identified on the committee agendas.

Article 4
MISCELLANEOUS BOARD RULES

§ 2146. Availability for Public Inspection of Certain Board and Committee Material.

The Board Executive Secretary shall make available, for inspection by the public prior to commencement of and during a Board or Board committee meeting, copies of the meeting agenda and of any written or videotaped materials that are not exempt from public disclosure under Sections 10200 - 10204 and that have been distributed in advance to the Board or committee members for discussion or consideration at the meeting. If non-exempt written or videotaped materials are distributed to the members during their discussion at the meeting, copies thereof shall be made available for public inspection at the same time or as soon thereafter as practicable. Upon request, the District shall provide facilities for public viewing of videotaped materials distributed to Board members.

Chapter 4
STANDING COMMITTEES

Article 2
EXECUTIVE COMMITTEE

§ 2416. Duties and Functions. [Executive Committee]

[SUBSECTIONS (a) through (e) OMMITTED]

(f) The Executive Committee shall also:

(1) Act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law.

(2) Provide policy guidance where appropriate to those directors and District staff members who are associated with organizations in which the District has membership.

(3) Conduct hearings on appeals of protest denials involving Purchasing Contracts and Professional and Technical Services Contracts pursuant to Section 8151(b).

(i) Hearings shall be held by the committee at its next regular meeting to be held at least 72 hours after the filing of the notice of appeal of the General Manager’s determination under Section 8151(b). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

[SUBSECTIONS (f)(3)(ii) through (f)(3)(viii) OMMITTED.]

Article 4

ENGINEERING, OPERATIONS AND TECHNOLOGY COMMITTEE

§ 2431. Duties and Functions.

[SUBSECTION (a) OMMITTED.]

(b) The Engineering, Operations and Technology Committee shall also conduct hearings on appeals of protest denials involving Public Works Contracts pursuant to Section 8151(a).

(1) Hearings shall be held by the committee at its next regular meeting, at least 72 hours after the filing of the notice of appeal of the General Manager’s determination under Section 8151(a). The decision of the committee shall be final unless the committee chooses to refer the notice of protest to the Board.

(2) The Chair of the Engineering, Operations and Technology Committee may re-delegate duties provided for under subparagraph (1) above to a minimum of three members of the Engineering, Operations and Technology Committee who shall act in place of the committee.

Article 5
FINANCE, AFFORDABILITY, ASSET MANAGEMENT,
AND EFFICIENCY COMMITTEE

§ 2441. Duties and Functions.

The Finance, Affordability, Asset Management, and Efficiency Committee shall study, advise and make recommendations with regard to:

[SUBSECTIONS (a) through (dd) OMMITTED]

Chapter 6
DIRECTORS

Article 1
GENERAL

- Sec.
- 2600. Assumption of Office.
- 2601. Proxy Vote.

§ 2601. Proxy Vote.

Proxy vote authorization shall be filed concurrently with the Board Executive Secretary, in addition to the district’s board secretary as required by Metropolitan Water District Act Section 52. The written instrument must be signed, dated, and received by 3:00 p.m. one business day in advance of the meeting. The written instrument shall be in the form as designated by the Board Executive Secretary.

Chapter 7
PERIODIC STAFF REPORTS TO BOARD AND COMMITTEES

Article 1
ANNUAL REPORTS

§ 2700. General Manager’s Annual Reports.

The General Manager shall annually make the following reports:

[SUBSECTIONS (a) and (b) OMMITTED]

(c) To the Community and Workplace Culture Committee on the status of the equal employment opportunity policy and affirmative action program as required by Section 6304.

[SUBSECTION (d) OMMITTED]

§ 2701. Treasurer's Reports

(a) The Treasurer shall annually report to the Board on the investment policy of the District.

(b) The Treasurer shall report to the Finance, Affordability, Asset Management, and Efficiency Committee:

(1) All payments after loss of a bond interest coupon made pursuant to Section 5104; and

(2) All issuances of duplicate bonds made pursuant to Section 5105.

§ 2720. General Manager's Quarterly Reports.

The General Manager shall quarterly make the following reports:

[SUBSECTION (a) OMMITTED]

(b) To the Finance, Affordability, Asset Management, and Efficiency Committee: A summary of financial performance including Comparative Statements of Operations and Comparative Balance Sheets and variances thereof from estimates;

(c) To the Finance, Affordability, Asset Management, and Efficiency Committee:

(1) Deeds or grants accepted during the preceding quarter;

(2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;

(3) All leases made during the preceding quarter under the authority of Sections 8222, 8223, 8230 and 8232;

(4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and

(5) Property sold pursuant to the authority granted by Section 8240 et seq.

[SUBSECTIONS (d) and (e) OMMITTED]

§ 2750. Escheat to District of Unclaimed Funds.

The Controller shall file a report with the Finance Affordability, Asset Management, and Efficiency Committee after each publication made pursuant to Section 5113 regarding moneys unclaimed in the District treasury.

Division III**ANNEXATIONS****§ 3107. Water Use Efficiency Guidelines.**

[SUBSECTION (a) OMMITTED]

(b) **Reporting to District.** The annexing member agency shall be responsible for assuring compliance with these provisions and shall report to the District annually for five years following annexation of the new territory regarding such compliance or until the new territory is included in the annexing member agency's Urban Water Management Plan (UWMP). Annual reports shall include all of the following information regarding the annexing member agency:

- (1) Conservation measures incorporated in the new territory;
- (2) Total annual production of local water supplies including, but not limited to, recycled water, groundwater, and local surface water use;
- (3) Evidence of sufficient resources to sustain interruptions of District deliveries of seven-to 21 –days, as described in MWD Administrative Code Section 4503(b). Specifically, each member agency shall have sufficient resources such as local reservoir storage, groundwater production capacity, system interconnections, or alternate supply source to sustain:
 - i. A seven-day interruption in District deliveries from untreated and treated water distribution facilities based on average annual demand of the affected facility
 - ii. For service connections installed or modified after December 31, 2008, on raw water conveyance facilities, a seven-to 21-day interruption in District untreated water deliveries based on average annual demand of the affected facility;

[SUBSECTIONS (b)(4), (b)(5), (c) and (d) OMMITTED.]

Division IV
WATER SERVICE POLICIES

Chapter 1
DEFINITIONS

Sec.

- 4100. General
- 4101. Colorado
- 4102. State
- 4103. Treated Water
- 4104. Untreated Water
- 4105. Domestic and Municipal Purposes
- 4106. Agricultural Purposes
- 4107. Groundwater Replenishment by Spreading
- 4108. Groundwater Replenishment by Injection
- 4109. In-Lieu Groundwater Replenishment
- 4110. Direct Reservoir Replenishment
- 4111. In - Lieu Reservoir Replenishment
- [4112. Repealed]
- [4113. Repealed]
- [4114. Repealed]
- [4115. Repealed]
- [4116. Repealed]
- 4117. Cooperative Storage Program
- 4118. Cooperative Storage Program Sale
- [4119. Repealed]
- [4120. Repealed]
- 4121. Supply Rates
- 4122. Base Firm Demand; Initial Base Firm Demand
- 4123. System Access Rate
- [4124. Repealed]
- 4125. System Power Rate
- 4126. Treatment Charges
- 4127. Emergency Storage Program Purposes

§ 4121. Supply Rates.

“Supply Rate” shall mean a dollar per acre-foot water rate charged by the District to recover the cost of maintaining existing supplies, developing additional supplies of water, and demand management.

§ 4126. Treatment Charges.

(a) “Treatment Surcharge” means a dollar per acre-foot water rate charged by the District to recover the District’s costs of providing water treatment capacity and operations.

(b) “Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.

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, Affordability, Asset Management, and Efficiency (FAAME) 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, 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 FAAME 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, capacity charge, and Treatment Fixed Charges), 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 said committee has determined to be necessary.

Chapter 4

CLASSIFICATION AND RATES

Sec.

- 4400. Basic Statement
- 4401. Rates
- 4402. Readiness-to-Serve Charge
- 4403. Capacity Charge
- [4404. Repealed]
- 4405. Treatment Fixed Charges

§ 4405. Treatment Fixed Charges.

“Treatment Fixed Charges” include a Peaking Capacity Charge, Standby Capacity Charge, and Remaining Standby Capacity Charge, and collectively, recover a portion of the fixed costs incurred for peaking and standby capacity to meet the potential demands of member agencies connected to the treatment system. Collectively, the Treatment Fixed Charges recover up to 30% of total treatment costs but are limited at the actual amount associated with peaking and standby capacity.

Division V

FINANCIAL MATTERS

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:

[SUBSECTIONS (a) through (h) OMMITTED]

(i) 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).

(j) 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).

(k) 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.

(l) 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.

(m) 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).

(n) Lake Mathews Multi Species Reserve Trust Fund (Fund No. 6101, established 1997.) Used as set forth in agreement between Metropolitan and the Riverside County Habitat Conservation Agency for the Southwest Riverside County Multi-Species Reserve.

(o) 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.

(p) Reclamation Fund 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, §3808.3.

(q) Reserve calculations shall exclude variable costs, such as power and supply costs that are not directly tied to water demand, and shall exclude uncertain or non-recurring revenue sources, such as unawarded grants or one-time revenues.

§ 5202. Fund Parameters.

The minimum cash and securities to be held in the various ledger funds as of June 30 of each year shall be as follows:

(a) For the Revenue Remainder Fund cash and securities on hand of June 30 of each year shall be equal to the portion of fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, for the eighteen months beginning with the immediately succeeding July, based on the level of demand

exceedance used in the water rate process. Such funds are to be used in the event that revenues are insufficient to pay the costs of the District, as follows:

- (1) At an eighty percent exceedance level, the reserve target shall be fifteen percent of the District's net revenue requirement;
- (2) At a seventy percent exceedance level, the reserve target shall be nineteen percent;
- (3) At a fifty percent exceedance level, the reserve target shall be twenty-five percent; and,
- (4) The reserve target calculation shall incorporate treatment-related revenue requirements into the minimum and target levels of the Revenue Remainder Fund. This integration is intended to replace the previously separate Treatment Surcharge Stabilization Fund and streamline financial planning.

(b) For the Replacement and Refurbishment Fund, any unexpended monies shall remain in the Fund for purposes defined in Section 5109, or as otherwise determined by the Board. The end-of-year fund balance may not exceed \$160 million. Available monies in excess of \$160 million at June 30 shall be transferred to the Water Rate Stabilization Fund, unless otherwise determined by the Board.

(c) Amounts remaining in the Revenue Remainder on June 30 of each year after meeting the requirements set forth in Section 5202(a) shall be transferred to the Water Rate Stabilization Fund.

(d) After making the transfer of funds as set forth in Section 5202(c), a determination shall be made to substantially identify the portion, if any, of such transferred funds attributable to collections of treatment surcharge revenue in excess of water treatment cost and to collections of water stewardship rate revenue in excess of costs of the Conservation Credits Program, Local Resources Program seawater desalination and similar demand management programs, including the departmental operations and maintenance costs of administering these programs. Such funds shall be transferred to the Water Stewardship Fund to be available for the principal purpose of mitigating required increases in the water stewardship rates. If such determination indicates a deficiency in water stewardship rate revenue occurred during the fiscal year, a transfer of funds shall be made from the Water Stewardship Fund, as needed and appropriate, to reimburse funds used for the deficiency. Notwithstanding the principal purpose of the Water Stewardship Fund, amounts assigned to this fund shall be available for any other lawful purpose of the District.

(e) Amounts in the Water Rate Stabilization Fund shall be held for the principal purpose of maintaining stable and predictable water rates and charges. The amount to be held in the Water Rate Stabilization fund shall be targeted to be equal to the portion of the fixed costs of the District estimated to be recovered by revenues from water transactions, including, but not limited to, sales, exchanges, and wheeling, during the two years immediately following the eighteen-month period referenced in Section 5202(a).

Funds in excess of such targeted amount shall only be used at the direction of the Board and for the following purposes:

- (i) Funding capital expenditures of the District in lieu of the issuance of additional debt;
- (ii) Redemption, defeasance, or purchase of outstanding bonds or commercial paper of the District; or,
- (ii) Funding of pension or Other Post-Employment Benefit (OPEB) liabilities, including contributions to a trust fund; Legal or financial obligations as determined by the Board.

(f) Variable costs not directly tied to water sales, including supply and power, and uncertain revenues such as unawarded grants or other non-recurring funding sources shall be excluded from Revenue Remainder Fund requirement calculation.

(g) Reserves shall be treated as one-time resources and shall not be used to support ongoing operational expenditures.

Notwithstanding the fund parameters set forth in this Section 5202, including, but not limited to, any minimum fund balances or specified uses and purposes, all amounts held in the foregoing funds shall be available to pay interest on and Bond Obligation (including Mandatory Sinking Account Payments) of Water Revenue Bonds issued pursuant to Resolution 8329 adopted by the Board on July 9, 1991, as amended and supplemented (the Master Resolution), and Parity Obligations, and Subordinate Water Revenue Bonds, issued pursuant to Resolution 9199 adopted by the Board on March 8, 2016, as amended and supplemented (the Master Subordinate Resolution). Capitalized terms not defined in this paragraph shall have the meanings assigned to such terms in the Master Resolution and the Master Subordinate Resolution.

Division VI

PERSONNEL MATTERS

Chapter 5

UNREPRESENTED CLASSIFICATIONS (INCLUDING MANAGEMENT AND CONFIDENTIAL)

§ 6500. Hourly Pay Rate Schedule.

(a) The hourly pay rate (as that term is defined in subdivision (h) of Section 6200) and schedule of positions occupied by unclassified service employees not in an appropriate unit recognized pursuant to Section 6108 shall be as follows:

<u>Grade</u>	<u>Range</u>	<u>Title</u>
[GRADES 14 through 71 OMMITTED]		
72	\$71.-98.01 (\$149,198-203,861)	Special Assistant to the GM Staff Assistant to General Manager
73	\$73.70-100.65 (\$153,296-209,352)	Senior Audit Manager
74	\$75.74-103.33 (\$157,539-214,926)	Board Executive Secretary Program Manager III

[GRADES 75 through 97 OMMITTED]

() Shows approximate annual salary range for convenience; Board approved rates are hourly. Asterisk * positions are Fair Labor Standards (FLSA) “non-exempt” (i.e., eligible for overtime).

[SUBSECTIONS (b) through (d) OMMITTED.]



Legal and Claims Committee

Amend the Metropolitan Administrative Code – Annual Cleanup

Item 7-1

March 10, 2026

Presented by: Marianne Greene

Item # 7-1

Amend the Administrative Code

Subject

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

Annual cleanup of the Administrative Code

Item # 7-1

Conform to
Current Policy,
Law, and
Practice

Recommendation

Approve amendments to the MWD Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Fiscal Impact: None

Budgeted: N/A

Presentation Length: 10 minutes

Sections 2120 and 2122

Consent Calendar

- Amends Section 2120 to clarify that the purpose of the Consent Calendar is to expedite consideration of certain matters
- Amends Section 2122 to delete the requirement to remove an item from consent if the reviewing committee does not adopt (or makes adoption contingent on changes to) the staff recommendation
- In accord with current practice, any director may pull any item off consent for any reason

Proxy Votes

Section 2601

Adds Section 2601 to implement the new MWD Act Section 52 requirement for filing a written, signed proxy vote authorization with the Board Executive Secretary

Section 2700

General Manager's Annual Reports

- Amends Section 2700(c) to update reporting by the GM from FAAME to CWC on the status of the EEO policy and affirmative action program
- As a federal contractor, Metropolitan has certain affirmative action program obligations under federal law

Water Use Efficiency Guidelines

Section 3107

Amends Annexation Section 3107(b) to change “raw water” references to “untreated water” to align with this change throughout the Code

Water Service Policies

Water Service Definitions

Section 4100

- Repeals Sections 4114, 4120 and 4124 to remove references no longer applicable
- Amends Section 4121 to update the definition of “Supply Rates”
- Adds Section 4126 (b) to define “Treatment Fixed Charges”

Water Service Policies (cont'd)

Water Transaction Revenues

Section 4304

- Amends Section 4304(a)(2) to delete obsolete Water Stewardship Rate
- Amends Section 4304(b) to add “Treatment Fixed Charges” to the annual set of recommendations the GM makes to FAAME

Water Service Policies (cont'd)

Classification and Rates

Sections 4404 and 4405

- Repeals Section 4404 to remove obsolete references to Purchase Orders
- Adds Section 4405 to add “Treatment Fixed Charges” to District rates

Financial Matters

Financial Policies

Sections 5200 and 5202

- Deletes Section 5200(i) and Section 5202(c), (d), and (e) to remove obsolete Water Treatment Surcharge Stabilization Fund references
- Adds Section 5200(r) and amends Section 5200(a) and (e) to add financial policies adopted by the Board July 8, 2025

Section 6500

Unrepresented Salary Schedule

- Increases the pay grade for the Board Executive Secretary
- Based on GM review of job duties and responsibilities
- Grade increased from 72 to 74

Other Non-Substantive Changes

Sections 2146, 2416, 2431, 2441, 2701, 2710, 2750

Other Minor Amendments

- Corrects citations to records preservation and contract appeals of protest denials
- Corrects various references to FAAME
- Generalizes a section title to clarify the content refers to “Directors”
- Capitalizes “Memorandum of Understanding”

Board Options

Option #1

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Option #2

Do not amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes

Staff
Recommendation

Option #1

Amend the Metropolitan Administrative Code to conform to current policy, law, and practice, and to make other minor, non-substantive changes





- **Board of Directors**
Legal and Claims Committee

3/10/2026 Board Meeting

7-2

Subject

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The proposed amendments to the Metropolitan Water District Administrative Code (Administrative Code) will modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes. The proposed changes include:

- Modifying the Audit Committee meeting schedule to hold meetings when needed instead of quarterly.
- Modifying the Community and Workplace Culture Committee (CWC Committee) by shifting its ethics-related duties to a new Ethics Committee, modifying its meeting schedule to hold meetings when needed instead of monthly, and adding the Chief Equal Employment Opportunity Officer to make recommendations.
- Establishing the new Ethics Committee as a Standing Committee to perform the ethics-related duties formerly performed by the CWC Committee; the new committee will hold meetings when necessary.
- Ensuring the three Standing Committees whose meetings are changing from regular frequency to as needed maintain their subject matter jurisdiction to remain as Standing Committees under the Brown Act.
- Changing reporting duties related to the Ethics Officer from the CWC Committee to the Ethics Committee.
- Make other minor, non-substantive changes.

The proposed amendments are to the following: Articles 1, 3, and 10 of Chapter 4, and the addition of Article 11, of Division II (Standing Committees); Articles 2, 3, 4 and 5 of Chapter 4 of Division VI (Personnel Matters); and, to Articles 1 and 2 of Chapter 4 of Division VII (Governmental Ethics).

See **Attachment 1** and **Attachment 2**.

Proposed Action/Recommendation and Options

Staff Recommendation: Option #1

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will be amended to modify the structure and duties of existing committees to accommodate a new committee, and make other non-substantive changes

Option #2

Do not approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes.

Fiscal Impact: None

Business Analysis: The Administrative Code will not be amended to modify the structure and duties of existing committees to accommodate a new committee, and make other non-substantive changes

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 2400: Standing Committees

Metropolitan Water District Administrative Code Section 2451: Legal and Claims Committee

Metropolitan Water District Administrative Code Section 6410: General Manager

Metropolitan Water District Administrative Code Section 6430: General Counsel

Metropolitan Water District Administrative Code Section 6450: General Auditor

Metropolitan Water District Administrative Code Section 6470: Ethics Officer

Metropolitan Water District Administrative Code Section 7400: Investigations by the Ethics Officer

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action/Future Action

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

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

CEQA determination for Option #2:

None required

Details and Background

Background

This letter sets forth recommendations by the Chair of the Board for amendments to the Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes. The Administrative Code is proposed to be amended, as follows:


- Section 2400 is amended to add a new Ethics Committee to the cumulative list of Standing Committees.
- Section 2402 is amended to:
 - Change the section title to accommodate the three Standing Committees that will not have fixed meeting schedules as a result of proposed amendments.
 - Modify the meeting schedules of the Audit and CWC Committees to be scheduled when necessary.
 - Specify that the new Ethics Committee meetings will be scheduled when necessary.
 - Clarify that Standing Committees have continuing subject matter jurisdiction even if they do not have fixed meeting schedules.
- Section 2420 amends the Audit Committee meeting schedule from quarterly to when necessary.
- Section 2490 amends the CWC Committee meeting schedule from monthly to when necessary.
- Section 2491 is amended to delete the CWC Committee's five ethics-related duties in subsection (a). The remaining duties in subsection (b), related to equal employment opportunity (EEO) and diversity, equity and inclusion, are renumbered from Section 2491(b)(1) through (b)(7) to Section 2491(a) through (g). Renumbered subsection (b) is amended to add, consistent with current practice, the inadvertently omitted Chief EEO Officer to provide committee recommendations.
- Article 11 is added to establish the new Ethics Committee. New Section 2492 is added to define its meeting schedule. New Section 2493(a) through (e) is added to state the new committee's duties and functions, moved from CWC Committee Section 2491(a)(1) through (5).
- Sections 6416, 6436(b), 6450(b), 6470(a), (e) and (i), 6471(d), the title of 6472, 6472(a) and (b), 7405(a) and (b), and 7412(e) are amended to shift the Ethics Officers reporting responsibilities from the CWC Committee to the Ethics Committee.
- New Section 2493(c) and (d) and Section 6472(b) are amended for the Ethics Officer to provide the Ethics Committee monthly (instead of bi-monthly) status reports of pending investigations and monthly (instead of quarterly) reports on any engagement of professional and technical consultants.
- Other minor non-substantive changes include capitalizing Standing Committee in Section 2402 for internal consistency and adding "and" in the list of Ethics Officer-related items at Section 6470(e).

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.



Marcia Scully
General Counsel

3/4/2026
Date



Abel Salinas
Ethics Officer

3/4/2026
Date

Attachment 1 – The Administrative Code of The Metropolitan Water District of Southern California (with changes marked)

Attachment 2 – The Administrative Code of The Metropolitan Water District of Southern California (clean copy)

Ref# I12710709

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 4

STANDING COMMITTEES

Article	Sec.
1 General	2400
2 Executive Committee	2410
3 Audit Committee	2420
4 Engineering, Operations and Technology Committee	2430
5 Finance, Affordability, Asset Management, and Efficiency Committee	2440
6 Legal and Claims Committee	2450
7 Legislation and Communications Committee	2460
8 Organization, Personnel and Effectiveness Committee	2470
9 One Water and Adaptation Committee	2480
10 Community and Workplace Culture Committee	2490
11 Ethics Committee	2492

Article 1

GENERAL

Sec.
2400. Identification of Standing Committees
2401. Officers and Members of Standing Committees
2402. <u>Day of Regular Meetings and Meeting Frequency</u>

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

- Executive Committee (EXEC)
- Audit Committee
- Engineering, Operations and Technology Committee (EOT)
- Finance, Affordability, Asset Management, and Efficiency Committee (FAAME)
- Legal and Claims Committee (LC)
- Legislation and Communications Committee (LEG)
- Organization, Personnel and Effectiveness Committee (OPE)
- One Water and Adaptation Committee (OWA)

—Community and Workplace Culture Committee (CWC)

- Ethics Committee

§ 2402. Day of Regular Meetings and Meeting Frequency.

The regular meetings of Sstanding Ceommittees shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. The Audit Committee, Community and Workplace Culture Committee, and Ethics Committee shall meet when needed. ~~on a quarterly basis.~~ If a scheduled meeting falls on a holiday designated in Section 1106, the meeting will be rescheduled to the next business day unless the Board selects an alternate date. Staff will adjust its schedule accordingly. All Standing Committees have continuing subject matter jurisdiction as described in the Duties and Functions sections and as otherwise indicated in the Administrative Code.

Article 3

AUDIT COMMITTEE

§ 2420. Day of Regular Meetings and Meeting Frequency.

The regular meetings of the Audit Committee shall be held ~~on when needed a quarterly basis in the months of March, June, September and December~~ on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

Article 10

COMMUNITY AND WORKPLACE CULTURE COMMITTEE

§ 2490. Day of Regular Meeting and Meeting Frequency.

The regular meetings of the Community and Workplace Culture (CWC) Committee shall be held ~~on when needed on~~ the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2491. Duties and Functions.

The CWC Committee shall study, advise and make recommendations on community and workplace culture matters, as follows:

- (a) ~~With regards to ethics matters:~~
 - (1) ~~Periodic performance expectations discussions, including progress checks, with the Ethics Officer.~~

~~(2) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.~~

~~(3) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.~~

~~(4) Receive and review quarterly reports from the Ethics Officer on any engagement of professional and technical consultants.~~

~~(5) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.~~

~~(b) With respect to matters of equal employment opportunity and of diversity, equity and inclusion:~~

~~(1)(a) Direct and receive reports from, and be the home committee for, Metropolitan's Diversity, Equity and Inclusion Officer, and Metropolitan's Chief Equal Employment Opportunity Officer;~~

~~(2)(b) Receive input, policy and procedure recommendations from the Diversity, Equity and Inclusion Officer; and the Chief Equal Employment Opportunity Officer.~~

~~(3)(c) Study diversity, equity, and inclusion issues within Metropolitan to recommend ways to enhance and promote equal opportunity, affirmative action, increased diversity of the workforce and a culture of inclusion within Metropolitan;~~

~~(4)(d) Monitor performance of efforts to promote workforce development programs, including training and advancement opportunities at Metropolitan to increase diversity, equity and inclusion within Metropolitan and benefit the communities within Metropolitan's service area; and~~

~~(5)(e) Study areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity and affirmative action.~~

~~(6)(f) Study, advise and make recommendations on the ways the District can:~~

~~(i)(1) Better serve the disadvantaged and underserved communities within Metropolitan's service area, and mitigate issues of affordability;~~

~~(ii)(2) Improve the access of disadvantaged and underserved communities to reliable, high-quality drinking water supplies;~~

~~(iii)(3) Increase participation of currently underserved communities in Metropolitan's rebate, conservation, and other local resources programs; and~~

~~(iv)~~(4) Assist and support member agency programs and advocate for underserved communities, including providing communications, operational and technical assistance, with focus on consumer confidence in drinking water.

~~(7)~~(g) Monitor Metropolitan's compliance with laws governing equal opportunities and employment and the manner in which investigations are conducted in compliance with such laws.

Article 11

ETHICS COMMITTEE

Sec.

2492. Day of Regular Meeting and Meeting Frequency.

2493. Duties and Functions.

§ 2492. Day of Regular Meeting and Meeting Frequency.

The regular meetings of the Ethics Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2493. Duties and Functions.

The Ethics Committee shall study, advise and make recommendations with regards to ethics matters, as follows:

(a) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.

(b) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.

(c) Receive and review bi-monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.

(d) Receive and review quarterly monthly reports from the Ethics Officer on any engagement of professional and technical consultants.

(e) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

DIVISION VI
PERSONNEL MATTERS

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 Audit Committee and the Ethics Officer to the ~~Community and Workplace Culture Ethics~~ 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.

[SUBSECTION (a) OMMITTED]

(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 Audit Committee, and to the~~ Ethics Officer to the Ethics Committee ~~Community and Workplace Culture Committee.~~

Article 4
GENERAL AUDITOR

§ 6450. Powers and Duties.

[SUBSECTION (a) OMMITTED]

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Audit Committee an Audit business plan containing 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, the General Counsel to the Legal and Claims Committee and Ethics Officer to the ~~Community and Workplace Culture~~ Ethics Committee.

[SUBSECTIONS (c) and (d) OMMITTED]

Article 5**ETHICS OFFICER**

Sec.

6470. Powers and Duties

6471. Authority to Obtain Professional Services

6472. Reports to ~~Community and Workplace Culture~~ Ethics Committee

6473. Principal Assistant Ethics Officer

§ 6470. Powers and Duties.

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

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

[SUBSECTIONS (b) through (d) OMMITTED]

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

- (1) Regulation of lobbying activities;
- (2) Conflicts of interest and financial disclosure;
- (3) Public notice and approval procedures for contracts of \$50,000 or more;
- (4) Disclosure of campaign contributions related to potential conflicts of interest;

and,

(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

[SUBSECTIONS (f) through (h) OMMITTED]

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

[SUBSECTION (j) OMMITTED]

§ 6471. Authority to Obtain Professional Services.

[SUBSECTIONS (a) through (c) OMMITTED]

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

§ 6472. Reports to ~~the Ethics Community and Workplace Culture~~ Committee.

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the ~~Community and Workplace Culture (CWC)~~Ethics 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~~monthly reports to the ~~CWC~~Ethics 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 ~~Community and Workplace Culture (CWC)~~Ethics 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 ~~CWC~~Ethics Committee Chair.

Article 2

PROCEDURES FOR INVESTIGATIONS

§ 7412. Confidentiality of Investigations.

[SUBSECTIONS (a) through (d) OMMITTED]

(e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the ~~CWC~~Ethics 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).

[SUBSECTION (g) OMMITTED]

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 4

STANDING COMMITTEES

Article		Sec.
1	General	2400
2	Executive Committee	2410
3	Audit Committee	2420
4	Engineering, Operations and Technology Committee	2430
5	Finance, Affordability, Asset Management, and Efficiency Committee	2440
6	Legal and Claims Committee	2450
7	Legislation and Communications Committee	2460
8	Organization, Personnel and Effectiveness Committee	2470
9	One Water and Adaptation Committee	2480
10	Community and Workplace Culture Committee	2490
11	Ethics Committee	2492

Article 1

GENERAL

§ 2400. Identification of Standing Committees.

The Standing Committees of the Board of Directors are:

- Executive Committee (EXEC)
- Audit Committee
- Engineering, Operations and Technology Committee (EOT)
- Finance, Affordability, Asset Management, and Efficiency Committee (FAAME)
- Legal and Claims Committee (LC)
- Legislation and Communications Committee (LEG)
- Organization, Personnel and Effectiveness Committee (OPE)
- One Water and Adaptation Committee (OWA)
- Community and Workplace Culture Committee (CWC)
- Ethics Committee

§ 2402. Regular Meetings.

The regular meetings of Standing Committees shall be held on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month. The Audit Committee, Community and Workplace Culture Committee, and Ethics Committee shall meet when needed.

If a scheduled meeting falls on a holiday designated in Section 1106, the meeting will be rescheduled to the next business day unless the Board selects an alternate date. Staff will adjust its schedule accordingly. All Standing Committees have continuing subject matter jurisdiction as described in the Duties and Functions sections and as otherwise indicated in the Administrative Code.

Article 3**AUDIT COMMITTEE****§ 2420. Day of Regular Meetings and Meeting Frequency.**

The regular meetings of the Audit Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

Article 10**COMMUNITY AND WORKPLACE CULTURE COMMITTEE****§ 2490. Day of Regular Meeting and Meeting Frequency.**

The regular meetings of the Community and Workplace Culture (CWC) Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2491. Duties and Functions

The CWC Committee shall study, advise and make recommendations on community and workplace culture matters, as follows:

(a) Direct and receive reports from, and be the home committee for, Metropolitan's Diversity, Equity and Inclusion Officer, and Metropolitan's Chief Equal Employment Opportunity Officer;

(b) Receive input, policy and procedure recommendations from the Diversity, Equity and Inclusion Officer; and the Chief Equal Employment Opportunity Officer;

(c) Study diversity, equity, and inclusion issues within Metropolitan to recommend ways to enhance and promote equal opportunity, affirmative action, increased diversity of the workforce and a culture of inclusion within Metropolitan;

(d) Monitor performance of efforts to promote workforce development programs, including training and advancement opportunities at Metropolitan to increase diversity, equity and inclusion within Metropolitan and benefit the communities within Metropolitan's service area; and

(e) Study areas of special concern to the District and its employees, including, but not limited to, equal employment opportunity and affirmative action.

(f) Study, advise and make recommendations on the ways the District can:

(1) Better serve the disadvantaged and underserved communities within Metropolitan's service area, and mitigate issues of affordability;

(2) Improve the access of disadvantaged and underserved communities to reliable, high-quality drinking water supplies;

(3) Increase participation of currently underserved communities in Metropolitan's rebate, conservation, and other local resources programs; and

(4) Assist and support member agency programs and advocate for underserved communities, including providing communications, operational and technical assistance, with focus on consumer confidence in drinking water.

(g) Monitor Metropolitan's compliance with laws governing equal opportunities and employment and the manner in which investigations are conducted in compliance with such laws.

Article 11

ETHICS COMMITTEE

Sec.

2492. Day of Regular Meeting and Meeting Frequency.

2493. Duties and Functions.

§ 2492. Day of Regular Meeting

The regular meetings of the Ethics Committee shall be held when needed on the Monday preceding regular board meetings or on the second or fourth Tuesday of each month.

§ 2493. Duties and Functions

The Ethics Committee shall study, advise and make recommendations with regards to ethics matters, as follows:

(a) Periodic performance expectations discussions, including progress checks, with the Ethics Officer.

(b) Monitoring and overseeing the duties and responsibilities of the Ethics Officer to ensure the independence of the Ethics Officer.

(c) Receive and review monthly status reports of pending investigations by the Ethics Officer. The reports shall include the general nature and status of the investigation, how long the investigation has been pending, when the investigation is expected to be completed and, when completed, resolution of the investigation.

(d) Receive and review monthly reports from the Ethics Officer on any engagement of professional and technical consultants.

(e) Review and approval of the business plan containing the key priorities for the coming year for the Ethics Office. It shall review and approve the business plan in advance of the July Board meeting.

DIVISION VI**PERSONNEL MATTERS****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 Audit Committee and the Ethics Officer to the Ethics 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.

[SUBSECTION (a) OMMITTED]

(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, the General Auditor to the Audit Committee, and the Ethics Officer to the Ethics Committee.

Article 4

GENERAL AUDITOR

§ 6450. Powers and Duties.

[SUBSECTION (a) OMMITTED]

(b) The General Auditor manages the District's Audit Department and is responsible for formulating departmental policies and procedures; directing and evaluating the performance of work done by employees within the department, administering the internal records of the department; and administering the District's contract for external audit services. The General Auditor shall, annually in advance of the July Board meetings, submit to the Audit Committee an Audit business plan containing 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, the General Counsel to the Legal and Claims Committee and Ethics Officer to the Ethics Committee.

[SUBSECTIONS (c) and (d) OMMITTED]

Article 5

ETHICS OFFICER

Sec.

6470. Powers and Duties

6471. Authority to Obtain Professional Services

6472. Reports to Ethics Committee

6473. Principal Assistant Ethics Officer

§ 6470. Powers and Duties.

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

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

[SUBSECTIONS (b) through (d) OMMITTED]

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

- (1) Regulation of lobbying activities;
- (2) Conflicts of interest and financial disclosure;
- (3) Public notice and approval procedures for contracts of \$50,000 or more;
- (4) Disclosure of campaign contributions related to potential conflicts of interest;

and,

(5) Such other ethics rules for application to board members, officers, employees, lobbyists, lobbying firms, and contractors as deemed appropriate.

[SUBSECTIONS (f) through (h) OMMITTED]

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

[SUBSECTION (j) OMMITTED]

§ 6471. Authority to Obtain Professional Services.

[SUBSECTIONS (a) through (c) OMMITTED]

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

§ 6472. Reports to the Ethics Committee.

(a) The Ethics Officer shall annually, in advance of the July Board meetings, submit to the Ethics 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 monthly reports to the Ethics Committee on activities concerning agreements executed pursuant to the authority given to the Ethics Officer in Section 6471, and 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 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 Committee Chair.

Article 2

PROCEDURES FOR INVESTIGATIONS

§ 7412. Confidentiality of Investigations.

[SUBSECTIONS (a) through (d) OMMITTED]

(e) The Ethics Officer may confer with the Chair of the Board and the Chair and Vice Chair of the Ethics 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).

[SUBSECTION (g) OMMITTED]



Legal and Claims Committee

Amend the MWD Administrative Code to Modify the Committees

Item 7-2

March 10, 2026

Presented by: Marianne Greene

Item # 7-2

Amend the Administrative Code

Subject

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

Add an Ethics Committee change the schedules of the Audit and CWC Committees to meet only when needed

Item # 7-2

Add a New Ethics
Committee

Recommendation

Approve amendments to the MWD Administrative Code to add an Ethics Committee and enable the CWC and Audit Committees to only meet when necessary

Fiscal Impact: None

Budgeted: N/A

Presentation Length: 5 minutes

Adds the New Committee

Sections 2400, 2491,
2492, 2493

New Ethics Committee

- Amends Section 2400 to add an Ethics Committee to the Standing Committees
- Amends Section 2491 by shifts the five ethics-related duties from CWC Committee to the new Ethics Committee
- Adds Ethics Committee Sections 2492 (for meetings) and 2493 (for duties and functions)

Ethics Officer Reporting Duties

Sections 6416, 6450(b), 6470(a), (e) and (i), 6471(d), 6472(a) and (b), 7405(a) and (b), and 7412(e)

Shifting Reports from CWCC to Ethics

- Section 6416 - Annual report
- Sections 6450, 6472 - Business plan, reports
- Section 6470 - Power and duties generally
- Section 6471 - Professional services contracts
- Section 7405 - Investigations of Officers
- Section 7412 - Conferring with Chairs

Pending investigation status reports and consultant contract reports will both change to monthly reports.

Meetings Only When Necessary

Sections 2420 and 2490

Audit and Workplace Culture Meetings

- Currently Audit Committee meetings are quarterly; and CWC Committee's are monthly.
- The amendments will allow these two committees to meet as needed thus replacing their fixed schedules
- These committees will still retain their subject matter jurisdiction thus maintaining them as Standing Committees

Other Changes

Minor Non-substantive Cleanups.

- Capitalizing Standing Committee in Section 2402 for internal consistency
- Adding “and” in the list of Ethics Officer related items at Section 6470(e).
- Include the Chief Equal Employment and Opportunity Officer in Section 2491(b)

Board Options

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes

Option #2

Do not approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes

Staff Recommendation

Option #1

Approve amendments to the Metropolitan Water District Administrative Code to modify the structure and duties of existing committees to accommodate a new committee, and make other minor non-substantive changes





● **Board of Directors**
Legal and Claims Committee

3/10/2026 Board Meeting

7-3

Subject

Authorize an increase in the maximum amount payable under contract with Van Ness Feldman LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Since 2023, Van Ness Feldman LLP (Van Ness) has provided Metropolitan with expert legal advice on Colorado River matters. The funding under the current agreement is running low, and additional funds are necessary to support current and anticipated needs.

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

Staff Recommendation: Option #1

Option #1

Authorize an increase in the maximum amount payable under contract with Van Ness Feldman LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000.

Fiscal Impact: \$250,000, authorized legal services funded within the FY 2026/27 budget

Business Analysis: Expert special counsel will assist staff with Colorado River matters.

Option #2

Do not authorize the contract increase.

Fiscal Impact: Additional \$250,000 will not be spent. It may be necessary to seek other assistance.

Business Analysis: Metropolitan will not have the continued assistance of special counsel on Colorado River matters.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 6431: Authority to Obtain Expert Assistance

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it 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(a)).

CEQA determination for Option #2:

None required


Details and Background

Background

Van Ness has extensive expertise in western water law as well as a variety of other substantive areas including constitutional law, federal law and regulation, environmental, including the National Environmental Policy Act and Endangered Species Act, and procedural law. Members of the firm have previously served as counsel to the House Committee on Interior and Insular Affairs (now the Committee on Natural Resources) and in the Department of the Interior.

In May 2023, the General Counsel engaged the firm to provide advice, assistance and potential litigation support for Colorado River matters. The firm works with Legal and other members of the Colorado River staff to provide information and analysis on specific legal issues as requested.

The costs are approaching the contract maximum. Staff anticipates that the work will increase during this year and requests authorization to increase the contract maximum by \$250,000 to a not-to-exceed amount of \$500,000.



Marcia Scully
General Counsel

3/3/2026

Date

Ref# I12709237



Legal & Claims Committee

Request to Authorize Increase for Special Counsel Contract with Van Ness Feldman, LLP

Item #7-3

March 10, 2026

Presented by: Marcia Scully

Item 7-3

Request for Contract Increase

Subject

Authorize an increase in the maximum amount payable under contract with Van Ness Feldman, LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Purpose

Request additional funds to continue engagement of counsel for legal services regarding Colorado River matters

Recommendation and Fiscal Impact

Authorize the requested contract increase

Budgeted

Background

Van Ness Feldman, LLP

Extensive expertise in the following areas of law:

- Western water
- Constitutional
- Federal and regulation
- Environmental
- Procedural

Background

Van Ness Feldman, LLP

- Retained in May 2023 to provide advice, assistance, and potential litigation support for Colorado River matters

Board Options

- **Option #1**
Authorize an increase in the maximum amount payable under contract with Van Ness Feldman LLP, for legal advice on Colorado River matters by \$250,000 to an amount not to exceed \$500,000
- **Option #2**
Do not authorize the contract increase

Staff Recommend- ation

- Option #1

