



Regular Board of Directors Meeting

July 13, 2021

12:00 PM

Tuesday, July 13, 2021 Meeting Schedule
09:00 a.m. L&C
10:00 a.m. RP&AM
11:30 a.m. Break
12:00 p.m. Board

Teleconference meetings will continue until further notice. Live streaming is available for all board and committee meetings on mwdh2o.com ([Click Here](#))

A listen only phone line is also available at 1-800-603-9516; enter code: 2176868#. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and enter Code: 9601962.

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

1. Call to Order

1.1 Invocation: Raymond E. Townsend Jr, Administrative Assistant II, Guest Services Team, Water System Operations Group [Revised 7/8/2021]

1.2 Pledge of Allegiance: Director Quinn, City of Los Angeles

2. Roll Call

3. Determination of a Quorum

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

5. OTHER MATTERS AND REPORTS

A. Report on Directors' events attended at Metropolitan expense

[21-241](#)

Attachments: [07132021 BOD 5A Report.pdf](#)

B. Chairwoman's Monthly Activity Report

[21-247](#)

Attachments: [07132021 BOD 5B Report](#)

- C. General Manager's summary of activities [21-242](#)
Attachments: [07132021 BOD 5C Report](#)
- D. General Counsel's summary of activities [21-243](#)
Attachments: [07132021 BOD 5D Report](#)
- E. General Auditor's summary of activities [21-244](#)
Attachments: [07132021 BOD 5E Report](#)
- F. Ethics Officer's summary of activities [21-245](#)
Attachments: [07132021 BOD 5F Report](#)

**** CONSENT CALENDAR OTHER ITEMS -- ACTION ****

6. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Meeting for June 8, 2021 (Copies have been submitted to each Director) Any additions, corrections, or omissions [21-246](#)
Attachments: [BOD June 8 Approved minutes](#)
- B. Approve Committee Assignments

7. CONSENT CALENDAR ITEMS - ACTION

- 7-1 Authorize extending Agreement No. 177666 for one year with KPMG LLP to continue engagement for external audit services for fiscal year 2021/22, for an amount not to exceed \$465,500; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (AE) [21-214](#)
Attachments: [07132021 BOD 7-1 B-L.pdf](#)
- 7-2 Item Withdrawn [21-300](#)

- 7-3** Authorize four actions for the Desert region communication system including: (1) an agreement with Nokia of America Corporation in an amount not to exceed \$5,297,000 for equipment procurement and design support to upgrade the wide area network; (2) an amendment to an agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 to provide specialized technical support for the upgrade; (3) an amendment to the Capital Investment Plan for fiscal years 2020/2021 and 2021/2022 to include additional communication system improvements at the Colorado River Aqueduct's Gene Pumping Plant; and (4) an agreement in an amount not to exceed \$275,000 with HDR Engineering, Inc. for design services related to the construction of a communication line; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA (EO) **21-248**

Attachments: [07132021 BOD 7-3 B-L.pdf](#)
[07122021 EO 7-3 Presentation.pdf](#)

- 7-4** Adopt amendments to Metropolitan's Administrative Code to move certain responsibilities for annexations from the Finance and Insurance Committee to Real Property and Asset Management Committee; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (RPAM) **21-265**

Attachments: [07132021 BOD 7-4 B-L.pdf](#)
[07132021 RPAM 7-4 Presentation.pdf](#)

- 7-5** Authorize the General Manager to grant a permanent easement to the State of California Department of Transportation (Caltrans) on Metropolitan fee-owned property in the City of Los Angeles; Metropolitan previously reviewed and considered Caltrans' Environmental Impact Report/Environmental Impact Statement and took related CEQA actions (RPAM) **21-266**

Attachments: [07132021 BOD 7-5 B-L.pdf](#)
[07132021 RPAM 7-5 Presentation.pdf](#)

- 7-6** Authorize an increase of \$3 million to an agreement with Roesling Nakamura Terada Architects for a new not-to-exceed amount of \$5 million for preliminary design and architectural services in support of the District Housing and Property Improvement Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (RPAM) **21-267**
- Attachments:** [07132021 BOD 7-6 B-L.pdf](#)
[07132021 RPAM 7-6 Presentation.pdf](#)
- 7-7** Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide assistance on water deliveries; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (WPS) **21-269**
- Attachments:** [07132021 BOD 7-7 B-L.pdf](#)
[07122021 WPS 7-7 Presentation.pdf](#)
- 7-8** Authorize payments, by a two-thirds vote, of up to \$3.56 million for participation in the State Water Contractors for fiscal year 2021/22; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (WPS) **21-270**
- Attachments:** [07132021 BOD 7-8 B-L.pdf](#)
[07122021 WPS 7-8 Presentation.pdf](#)
- 7-9** Adopt amendment to the Administrative Code establishing Metropolitan-specific parliamentary procedures; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC) **21-263**
- Attachments:** [12142021 BOD 7-9 B-L](#)
- 7-10** Authorize increase of \$100,000, to a maximum amount payable of \$300,000, for existing General Counsel contract with Olson Remcho LLP to provide general government law advice related to the Political Reform Act, the Fair Political Practices Commission regulations, conflict of interest law and other legislative and ethics matters; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA (LC) **21-278**
- Attachments:** [07132021 BOD 7-10 B-L.pdf](#)

- 7-11** Report on existing litigation OHL USA, Inc. v. The Metropolitan Water District of Southern California, Los Angeles Superior Court Case No. 19STCV27689; and authorize increase of maximum amount payable under contract with Theodora Oringer PC for legal services by \$200,000 to an amount not to exceed \$900,000 (Approp. 154170); 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)] (LC) [21-261](#)
- 7-12** Report on Baker Electric, Inc. v. Metropolitan Water District of Southern California, et al., (Los Angeles Superior Court Case No. 21STCV15612) regarding Metropolitan's CRA 6.9 kV Power Cables Replacement Project, Contract No. 1915; authorize filing cross-complaints; and authorize an increase in the maximum amount payable under contract with Musick, Peeler & Garrett LLP, for legal services by \$200,000 to an amount not-to-exceed \$300,000; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA. [Conference with legal counsel - existing litigation and initiating litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1) and 54956.9(d)(4)] [Revised closed session language 7/8/2021] (LC) [21-262](#)

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

8. OTHER BOARD ITEMS - ACTION

- 8-1** Effective July 23, 2021, waive attorney-client privilege and direct staff to publicly post the report by Shaw Law Group concerning allegations of systemic Equal Employment Opportunity-related discrimination, harassment and retaliation, and related concerns; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [Conference with legal counsel - potential litigation (unknown number of cases); may be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)] [Added Item 7/8/2021] [21-306](#)

Attachments: [07132021 BOD 8-1 B-L.pdf](#)

9. BOARD INFORMATION ITEMS

9-1 Update on Conservation Program

[21-276](#)

Attachments: [07132021 BOD 9-1 Report](#)

10. OTHER BOARD MATTERS

10-1 Discussion of Department Head Evaluation Process Guidelines and Department Head Evaluation Presentations

[21-259](#)

[Public employee's performance evaluations; General Counsel, General Auditor, and Ethics Officer, to be heard in closed session pursuant to Gov. Code Section 54957]

Attachments: [07132021 BOD 10-1 Presentation.pdf](#)

11. FOLLOW-UP ITEMS

None

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE:

At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item e.g. (E&O, BF&I). Committee agendas may be obtained from the Executive Secretary.

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 Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

July 13, 2021 Board Meeting

Item 5A



Metropolitan Water District of Southern California Summary of Events

Attended by Directors at Metropolitan's Expense in June 2021

Date(s)	Location	Meeting Hosted by:	Participating Director(s)
June 17	Virtual	Association of Water Agencies of Ventura County	Glen Peterson
June 23	Virtual	Association of California Water Agencies	David De Jesus



● Chairwoman of the Board Monthly Activity Report – June 2021

Summary

This report highlights activities of the Chairwoman of the Board during the month of June 2021 on matters relating to The Metropolitan Water District of Southern California's business.

Monthly Activities

June 1

- Participated via teleconference with Human Resources Group Manager Pitman to discuss Metropolitan's General Manager Recruitment process
- Participated via teleconference with General Manager Kightlinger to discuss matters of the Board

June 2

- Participated via teleconference in West Basin Municipal Water District's MWD Caucus meeting
- Participated via teleconference with General Manager Kightlinger to discuss matters of the Board

June 3

- Participated via teleconference with Human Resources Group Manager Pitman to discuss Metropolitan's General Manager Recruitment process
- Participated via teleconference with Executive Director Dale Hunter of the California African American Water Education Foundation (CAAWEF) to discuss matters of the CAAWEF Board
- Participated via teleconference with General Manager Kightlinger to discuss matters of the Board

June 4

- Participated via teleconference with Human Resources Group Manager Pitman and the Hawkins Company to discuss Metropolitan's General Manager Recruitment process

June 6

- Participated via teleconference with Human Resources Group Manager Pitman and the Hawkins Company to discuss Metropolitan's General Manager Recruitment process

June 7

- Participated via teleconference in Metropolitan's Finance and Insurance Committee meeting
- Participated via teleconference in Metropolitan's Engineering and Operations Committee meeting
- Participated via teleconference in Metropolitan's Water Planning and Stewardship Committee meeting
- Participated via teleconference in Metropolitan's Communications and Legislation Committee meeting
- Participated via teleconference with General Manager Kightlinger to discuss matters of the Board

June 8

- Participated via teleconference in Metropolitan’s Legal and Claims Committee meeting
- Participated via teleconference in Metropolitan’s Organization, Personnel and Technology Committee meeting
- Participated via teleconference in Metropolitan’s Real Property and Asset Management Committee meeting
- Participated via teleconference in Metropolitan’s Board meeting

June 9

- Participated in an informational tour of the new SoFi Stadium & Hollywood Park with General Manager Kightlinger, General Counsel Scully, and Assistant General Manager Upadhyay, Inglewood

June 10

- Participated via teleconference and provided remarks at Metropolitan’s Virtual Solar Cup event
- Participated via teleconference with General Manager Kightlinger regarding matters of the Board

June 11

- Participated via teleconference and provided remarks at the 2021 Los Angeles Business Council Annual Sustainability Summit: Accelerating California’s Climate Leadership
- Participated via teleconference with General Manager Kightlinger to discuss matters of the Board

June 14

- Participated via teleconference with Director Ramos to discuss ethics issues
- Participated via teleconference with Assistant General Manager Zinke and Human Resources Group Manager Pitman to discuss Metropolitan’s Equal Employment Opportunity Education Campaign
- Participated via teleconference with the Hawkins Company as a follow-up to the recently completed general manager recruitment

June 15

- Participated via teleconference with General Manager Kightlinger regarding matters of the Board

June 16

- Participated in a meeting and tour of the Regional Recycled Water Advance Purification Center with Netherlands Council General Dirk Janssen and his delegates, Assistant General Manager Upadhyay, Chief Engineer of the Los Angeles Sanitation District Robert Ferrante, General Manager of LADWP Martin Adams, and Director of LA County Public Works Mark Pestrella, Carson
- Participated via teleconference with General Manager Kightlinger to discuss matters of the Board

June 17

- Participated via teleconference with Human Resources Group Manager Pitman to discuss personnel related matters
- Participated via teleconference with General Manager Kightlinger regarding matters of the Board

June 18

- Participated via teleconference with City of Los Angeles Director of Infrastructure Rebecca Rasmussen, Deputy Mayor Barbara Romero, and Metropolitan's Los Angeles Delegation Directors to discuss water issues
- Participated in meet and greet business lunch with newly appointment General Manager Adel Hagekhalil, Los Angeles
- Participated via teleconference with Director Ramos to discuss ethics issues
- Participated via teleconference with Assembly Member Laura Friedman to provide a progress update regarding Metropolitan's independent review of workplace concerns

June 21

- Participated in a meeting with newly appointment General Manager Adel Hagekhalil to discuss water issues, Los Angeles
- Participated via teleconference with Ethics Officer Salinas to discuss the Shaw Law Group independent review of workplace concerns
- Participated via teleconference with Director De Jesus to discuss matters of the Board
- Participated via teleconference with Director Kurtz to discuss matters of the Board
- Participated via teleconference with General Manager Kightlinger regarding matters of the Board

June 22

- Participated via teleconference in Metropolitan's Integrated Resources Planning Committee meeting
- Participated via teleconference in Metropolitan's Bay-Delta Committee meeting
- Participated via teleconference in Metropolitan's Executive Committee meeting
- Participated via teleconference in Metropolitan's Audit and Ethics Committee meeting

June 24

- Participated via teleconference with Senator Steven Bradford regarding legislative matters

June 25

- Participated via teleconference with Assistant General Manager Zinke to discuss legislative matters
- Participated via teleconference Assembly Member Mike Gipson to provide a progress update regarding Metropolitan's independent review of workplace concerns

June 28

- Participated via teleconference with Assistant General Manager Zinke to prepare for the upcoming retirement tribute event for General Manager Kightlinger

June 30

- Participated via teleconference with General Manager Kightlinger regarding matters of the Board
- Participated via teleconference and provided remarks at the virtual Tribute to General Manager Kightlinger event to recognize and celebrate General Manager Kightlinger's career in water and upcoming retirement



The GENERAL MANAGER Monthly Report

**Activities for the Month of
June 2021**

This report identifies the actions and activities taking place during the month that support the objectives of the General Manager's Fiscal Year 2020/21 Strategic Priorities and the Core Business of the GM's work groups.



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ADMINISTRATIVE SERVICES SECTION/CAO

CORE BUSINESS: Business Processes Advance value-added business process improvements to increase effectiveness and efficiency while striving for innovation, flexibility, and integration with technology.

Objective #2 SUSTAINABILITY - Develop, promote and support sustainable business practices.

1. The fourth quarterly Rideshare employee newsletter was distributed to all employees. The e-newsletter raises awareness of Metropolitan's Rideshare Program and events with relevant new information from other transit agencies and various fun facts. The issue featured:
 - An update on the various programs within Rideshare
 - Rideshare alerts and announcements on transit (bus and train) and bike
 - Quotes by our participants
 - A fun recipe by Jeannette Correa featuring a traditional Peruvian rice dish with beef and tomatoes
2. Enterprise Content Management (ECM) Information Governance Phase II is complete. Over 6,893,727 pages of vital documents were collected from the field sites and Union Station. The scanning created over 647 GB of electronic records that will be migrated to the ECM system.

Accomplishments

1. Administrative Services Q4 Water Talk Article, A Sustainable & Resilient Imaging Services—"Copy That" was completed. The article provides an overview of the services Records Management and Imaging Services provides in-house, embracing modern and challenging times, including innovation, resiliency, and sustainability.



**Imaging Services Team—Raul Valdez, Juan Espinoza and Oscar Real
A Sustainable & Resilient Imaging Services—"Copy That"**

2. Administrative Services rolled out a new agreement database that houses agreements not stored in Oracle. Staff partnered with key employees throughout Metropolitan to identify agreement administrators for over 3,050 agreements. The system will send reminder notifications to the identified agreement administrator when an agreement is expiring. The database is a great resource to search for non-Oracle agreements.

BAY-DELTA INITIATIVES

GM STRATEGIC PRIORITY #1: Resiliency

Objective # 1 Pursue the development of adaptive management decision processes, governance, and funding mechanisms that would provide effective and stable means of meeting State Water Project (SWP) regulatory requirements.

Staff continued to participate in the collaborative groups called for in the 2019 Biological Opinions (BiOp) for the State Water Project (SWP) and Central Valley Project, and in the 2020 Incidental Take Permit (ITP) for Long-term Operation of the SWP to address science needs and inform management and operation of the water projects. In June, staff worked with state and federal agencies to develop a Juvenile Production Estimate (JPE) for Spring-run Chinook salmon, a requirement of the ITP. The JPE would be the basis for managing take levels at the export. Anything to add regarding the federal BO implementation?

GM STRATEGIC PRIORITY #2: Sustainability

Objective # 1 Pursue completion of the planning and permitting process for the single tunnel Delta Conveyance Project (DCP).

Delta Conveyance

The California Department of Water Resources (DWR) is continuing to develop an Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA). DWR is planning four technical webinars to inform the public and interested stakeholders about the current progress related to the preparation of the Draft EIR. Each webinar will feature presentations from technical staff about the approaches, methodologies, and assumptions to be used in conducting impact analyses in the Draft EIR. Information about impact findings and specific mitigation measures are not available at this time but will be included in future outreach efforts following the publication of the public Draft EIR.

DWR conducted a survey in November and December 2020 to collect information on how low-income, minority, and other underserved communities rely on resources in the Delta. This information will help assess potential impacts and benefits to these communities. The report documenting the survey results has been posted on DWR's website: https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/DCP_EJ-Survey-Report-5-28-2021_Final_508.pdf.

Joint Powers Authorities

During the June 17, Delta Conveyance Design and Construction Authority (DCA) Board of Directors Meeting, the board approved the \$21.5 million budget for fiscal year (FY) 2021/22. There is currently an underspend of approximately \$2 million for the current fiscal year which is anticipated to roll over into the budget for next year following the closeout of the current fiscal year in August 2021. If the DCA Board subsequently approves this added roll over amount, it would increase the overall budget for FY 2021/22 by about \$2 million. Planned technical work in the upcoming year will largely be focused on studies to support preparation of the Draft CEQA documents, continued execution of the geotechnical program, and consideration of a range of project refinements to be further evaluated during final design.

The DCA Board adopted the DCA Investment Policy for fiscal year 2021-22 and delegated to the DCA's Treasurer the authority to invest or to reinvest funds of the DCA, or to sell or exchange securities so purchased for FY 2021/22 in compliance with the Investment Policy and applicable law.

BAY-DELTA INITIATIVES *continued*

The DCA Board also adopted the resolution updating the Ethics and Protest Policies to: update the DCA's address, update of the non-discrimination language to include gender identity, revise the conflict of interest language to align with applicable law, and provide other formatting and language changes. They also took action to alter the DCA Board meetings to a schedule of every other month, starting in September after the regularly scheduled July 2021 meeting. Special meetings could be scheduled or regular meetings could be cancelled as needed with proper public notice.

John Weed, Vice-President of the Board of Directors of the Alameda County Water District, was introduced as a DCA Alternate Director for Class 2.

The DCA Stakeholder Engagement Committee (SEC) met on June 23 where an update on DCA design changes and an update on DWR's efforts regarding the Community Benefits Program were presented. DWR also presented the results of the recent Environmental Justice survey.

The Delta Conveyance Finance Authority regularly scheduled June meeting was cancelled.

Objective # 2 Support environmental restoration project opportunities that meet the goals of the California EcoRestore program.

Yolo Bypass Salmonid Habitat and Adult Passage (Fremont Weir Notch)

Staff continues to participate on the Fisheries and Engineering Technical Team for the Yolo Bypass Salmonid Habitat and Adult Passage (Fremont Weir Notch) project. The purpose of the project is to remove barriers to migration for salmonids and sturgeon between the Sacramento River and the Yolo Bypass. DWR proposes to install operable gates in the concrete Fremont Weir to provide access to 17,000 acres of floodplain rearing habitat for out-migrating juvenile salmon and allow passage and prevent stranding of adult salmonids and sturgeon at flows below crest height of the weir. DWR has obtained permits from the State Water Resources Control Board (Section 401 Water Quality Certification), and California Department of Fish and Wildlife (draft ITP and Section 1600 Streambed Alteration Agreement). Moving forward, DWR will continue efforts to obtain necessary permits for the project and complete final design. Project construction is scheduled to begin May 2022, and operations are expected to commence in 2023.

Objective # 3 Engage in planning and permitting activities for the Sites Reservoir.

In the joint Sites Project Authority Board (Authority Board) and the Sites Reservoir Committee (Reservoir Committee) meeting on June 23, the Authority Board and Reservoir Committee accepted the updated Sites Reservoir Project cost estimate. The updated feasibility-level cost estimate is for the "right sized" project and is intended to provide potential participants with a higher degree of certainty for project affordability. The feasibility cost estimate for a 1.5 million acre-foot reservoir (Alternative 1) is estimated at approximately \$3.93 billion (2021 dollars), and the feasibility cost estimate for a 1.3 million acre-foot reservoir (Alternative 2) is estimated at approximately \$3.87 billion (2021 dollars).

The Authority Board and Reservoir Committee also directed staff to prepare the Amendment 3 Work Plan on a 36 month work plan period, which includes a description of cash call options.

BAY-DELTA INITIATIVES *continued*

GM STRATEGIC PRIORITY #3: Innovation

Objective # 1 Provide leadership through advancing scientific knowledge that promotes opportunities for the improvement of SWP supply reliability through the improvement and protection of estuarine processes, native species, and Delta ecosystem health.

Staff is leading a Collaborative Science and Adaptive Management Program (CSAMP) effort to collaboratively develop a scientific definition of salmon recovery, expressed as a suite of clear, measurable objectives and landscape level quantitative targets. Staff is planning and participating in a series of technical workshops to develop this definition. The first set of workshops, which are currently underway, are focused on the following tasks: (1) exploring different case studies and examples for structuring and defining salmon recovery, (2) working toward consensus on a draft framework and key elements needed for a definition of salmon recovery, (3) exploring and framing measurable draft objective(s) for salmon recovery, and (4) discussing the approach(es) for defining quantitative landscape targets and thresholds. After the first workshop, the facilitators for this effort (Compass and Kearns and West) will review and organize the key elements, measurable draft objective(s) and approaches for defining quantitative landscape targets and thresholds into a draft framework to be presented to workshop participants in the late fall for review. This effort includes the participation of state and federal resource agencies, public water agencies, and non-governmental organizations.

On June 24, the Delta Stewardship Council approved the 2021 Delta Science Proposal Solicitation Awards for 16 proposals selected through a competitive process. One of the proposals selected for funding is the proposal submitted by Trout Unlimited titled *Developing an Inclusive, Landscape Scale Process for Central Valley Salmonids*. The funding awarded to this proposal will support phases 2 and 3 of the CSAMP Salmon Recovery Project (Project). Phase 1 of the Project is funded by the State Water Contractors Science Program.

CHIEF FINANCIAL OFFICER

CFO STRATEGIC PRIORITY: Maintain Strong Financial Position.

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

Objective #2 Manage risk to protect Metropolitan's assets against exposure to loss.

The Risk Management Unit completed 42 incident reports communicating instances of Metropolitan property damage, liability, workplace injuries, regulatory visits, and spills.

Risk Management completed 47 risk assessments on contracts, including professional service agreements, construction contracts, entry permits, special events, and film permits.

CORE PRIORITY: Business Continuity

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

Objective #1 Manage the Business Continuity Management Program in accordance with Operating Policy A-06.

- Continued working with Metropolitan on updates and approvals for Business Continuity Plans.
- Participated in planning meetings for the Employee Innovation Council program.
- Continued participating in the COVID-19 task force bi-weekly meetings, planning for return to work.
- Attended the three-day Fusion Risk Management annual user conference. The conference was virtual, no cost, and packed with useful information on how to more effectively use the business continuity management software.
- Initiated design for Business Continuity exercises, using a cyber-attack scenario.
Conducted MetAlert refresher training for EOC Duty Officer staff.

CORE BUSINESS: Financial Management

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

Objective #1 Record and report the financial activities of Metropolitan in a timely, accurate, and transparent manner to the Board, executive management, member agencies, and the financial community.

- Water Transactions for May 2021 totaled 141.6 thousand acre-feet (TAF), which was 4.4 TAF higher than the budget of 137.2 TAF. This translates to \$137.4 million in revenues for May 2021, which were \$11.6 million higher than the budget of \$125.8 million.
- Year-to-date water transactions through May 2021 were 1,420.1 TAF, which was 33.7 TAF lower than the budget of 1,453.8 TAF. Year-to-date water transactions through May 2021 were \$1,264.8 million, which were \$30.6 million lower than the budget of \$1,295.4 million.
- In May 2021, Accounts Payable processed approximately 3,300 vendor invoices for payment and took advantage of about \$29,000 in discounts.

Objective #4 Update capital financing plans and work with rating agencies and investors to communicate financial needs and capabilities, ensure cost-effective access to capital markets, and maintain long-term bond ratings of AA or better.

On May 18, 2021, Metropolitan priced \$271,255,000 of Subordinate Water Revenue Refunding Bonds, 2017 Series C, D, and E. The bonds were initially offered to investors at a rate of SIFMA plus 22 basis points, for a three-year term (SIFMA is an index of weekly tax-exempt variable-rate bonds). This initial pricing met with strong demand with over \$2.1 billion in orders from 23 different accounts. Because of this strong demand, the price was reduced to SIFMA plus 14 points. The transaction closed on May 19, 2021.

Objective #5 Prudently manage the investment of Metropolitan's funds in accordance with policy guidelines and liquidity considerations.

- As of May 31, 2021, Metropolitan's investment portfolio balance was \$1,379.6 million; for the month of May 2021, Metropolitan's portfolio managers executed 27 trades.
- During the month of May 2021, Treasury staff processed 1,070 disbursements by check, 19 disbursements by Automated Clearing House (ACH), and 100 disbursements by wire transfer. Treasury staff also processed 78 receipts by check, 47 receipts by ACH, and 49 receipts by incoming wires and bank transfers.

ENGINEERING SERVICES

GM STRATEGIC PRIORITY #1: Enhance Infrastructure Safety, Security, and Resiliency

Objective #1: Manage and execute Board-authorized projects within the Capital Investment Plan (CIP) to ensure the reliable delivery of water to Metropolitan's member agencies.

Distribution System Reliability Program

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

- **Garvey Reservoir Rehabilitation**—This project rehabilitates Garvey Reservoir by replacing the reservoir cover, liner, junction structure valves, and standby generator; relocates the outdated WQ lab; makes structural improvements to the inlet/outlet tower; assesses the need for subdrain systems below the reservoir liner; and evaluates the feasibility of making modifications inside the reservoir to improve mixing within the reservoir. The existing reservoir cover, liner, and supporting facilities have deteriorated and need rehabilitation to protect water quality and maintain reliable water deliveries. Preliminary design will be performed jointly by Metropolitan staff and a consultant. Preliminary design is 5 percent complete and is scheduled to be complete in June 2022.
- **Garvey Reservoir Hypochlorite System Replacement**—This project ensures that a continuous and reliable chlorine residual can be maintained in the water that enters and exits Garvey Reservoir. The project replaces the existing hypochlorite feed pumps, reconfigures the system piping, and upgrades the control systems and automatic process controls to allow remote control from the SCADA system. The contractor has mobilized, started to clear the area for the temporary feed system installation, and is preparing contract submittals. Construction is 10 percent complete and is scheduled to be complete in July 2022.
- **Garvey Reservoir Erosion Improvements Areas 6, 7, 8, 10, and 11**—This project will install a permanent drainage system and erosion control features to ensure that storm runoff leaves the Garvey Reservoir site in a controlled manner. The project includes new drainage piping, concrete ditches, stem walls, flow detention, and dissipation structures. The contractor has completed drainage and erosion improvements in Area 8 and is currently performing work in Areas 6, 7, 10, and 11. Current contract work includes site grading, compacting fill for the earthen berm, and installing a new fence. Construction is 45 percent complete and is scheduled to be complete in November 2021.

Prestressed Concrete Cylinder Pipe (PCCP) Reliability Program

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

- **Second Lower Feeder PCCP Rehabilitation**—This project rehabilitates the remaining 28 miles of PCCP segments within the Second Lower Feeder and will enhance delivery reliability to member agencies. Long-term rehabilitation of the Second Lower Feeder will be staged over a period of eight to ten years, with multiple construction and procurement contracts. Approximately 10 miles of PCCP on the Second Lower Feeder have been relined. Construction for Reach 2 is complete. Final design of Reach 3 is 97 percent complete and is scheduled to be complete by September 2021. Preliminary design continues for Reach 9, which includes a section of pipeline that will be tunneled under the Los Angeles River.

ENGINEERING SERVICES *continued*

- **Second Lower Feeder Isolation Valve Procurement**—This contract provides 13 conical plug isolation valves for the Second Lower Feeder rehabilitation. These valves range in diameter from 48 inches to 54 inches and provide primary isolation for maintenance activities, inspections, and repairs required to maintain reliable water deliveries with Metropolitan’s distribution system. Fabrication of the first three 48-inch conical plug valves is 95 percent complete. Two valves were delivered in June 2021, and the third valve is scheduled to be delivered in October 2021. Fabrication of the first two 54-inch conical plug valves is 45 percent complete, and they are scheduled to be delivered in October 2021.
- **Sepulveda Feeder PCCP Rehabilitation**—This project rehabilitates the remaining 35 miles of PCCP segments within the Sepulveda Feeder and will enhance delivery reliability to member agencies. Long-term rehabilitation of the Sepulveda Feeder will be staged over multiple years with multiple construction and procurement contracts. Final design of Reach 1 is 9 percent complete and is scheduled to be complete by February 2023. Preliminary design to rehabilitate the remaining reaches of the feeder continues.

Colorado River Aqueduct (CRA) Reliability Program

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

- **CRA Radial Gates Replacement**—This project replaces eight deteriorated radial gates along the aqueduct in two stages. The radial gates are used to dewater the aqueduct on an as-needed basis. Construction of Stage 1 to replace a radial gate at Eagle Mountain Pumping Plant is complete. Stage 2 work includes replacement of seven radial gates at seven facilities along the CRA. Construction of Stage 2 is 99 percent complete. The contractor has completed the punch list items and is installing new transformer containment pads at Iron Mountain and Hinds pump plants. Construction is scheduled to be complete by July 2021.
- **CRA Sumps Rehabilitation**—This project replaces the sump pumps, which are circulating water pumps integral to CRA pumping plants’ operation. In March 2020, under Metropolitan’s response to Covid-19, the on-site construction activities were suspended. Hence, the construction contract scope was limited to only fabrication, furnishing, and delivery of new pumps, valves, and other contract specified materials. Those will be installed under a new contract at a later date. Procurement is currently 19 percent complete. The contractor has completed delivery of valves to all plants. The first pumps are scheduled to arrive July 2021.
- **Gene Wash Reservoir Discharge Structure Rehabilitation**—This project replaces the existing deteriorated discharge valve and refurbishes the valve house and discharge structure at the base of the Gene Wash Reservoir dam. If the reservoir needed to be drained rapidly in the event of an emergency, the valve would be opened to safely release the water. The contractor has completed installation of the electrical equipment at the crest of the dam and is preparing for the installation of the temporary underwater device to isolate the reservoir from the discharge structure during the rehabilitation work. Construction is 43 percent complete and is scheduled to be complete by October 2021.



Gene Wash Reservoir Discharge Structure Rehabilitation—New control panel at the crest of the dam

Treatment Plant Reliability Program

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

Weymouth Plant

- **Weymouth Chlorination System Upgrades**—This project expands the existing chlorine building to house additional chlorination feed equipment and instrumentation at the Weymouth plant. The chlorination system at the Weymouth plant is a critical component of the plant's disinfection process. The contractor is currently working on instrumentation and electrical equipment installation, wire terminations, point-to-point checking, and commissioning. Construction is 93 percent complete and is scheduled to be complete by October 2021.
- **Weymouth Water Quality Instrumentation Improvements**—This project will improve monitoring and rapid response to changing water quality conditions at the Weymouth plant, by adding required sample piping, pumps and housing for water quality analyzers. The contractor is currently installing analyzer panels, sample lines to the analyzer panels, and stainless steel piping for sampling pumps; performing terminations of electrical equipment wiring within the building; and preparing the testing plan. Construction is 95 percent complete and is scheduled to be complete by September 2021.

Diemer Plant

- **West Basin and Filter Building Rehabilitation**—This project rehabilitates the west flocculation/sedimentation basins and filter building at the Diemer plant, including replacement of treatment basin equipment and filter valves, abatement of hazardous materials, and seismic strengthening of the filter building. Reliable operation of the flocculation, sedimentation, and filtration processes is essential for a surface water treatment plant to comply with its operating permit and produce water that meets federal and state drinking water regulations. The contractor has completed installation of all new valves and actuator in the west filters and has completed rehabilitation work for all west basins. Construction is substantially complete and final functional testing activities are scheduled to be complete by July 2021.
- **Diemer Water Sampling System Improvements**—This project upgrades the existing Diemer water sampling system, comprising 13 sample locations, and will improve the accuracy and timeliness of collected data. At each location, the sample pump, piping, and field analyzers will be upgraded by Metropolitan staff. All materials and equipment have been procured for this project, and Metropolitan staff continues installation and commissioning activities for water quality field analyzers. Construction is 89 percent complete and is scheduled to be complete by August 2021.

Jensen Plant

- **Jensen Electrical Upgrades, Stage 2**—This three-stage project upgrades the electrical system with dual power feeds to key process equipment to comply with current codes and industry practice and improves plant reliability and enhances worker safety. Stage 1 work is complete. Stage 2 improvements will upgrade Unit Power Controllers 7 and 9 and their associated motor control centers (MCCs) to support critical process equipment. The contractor has completed commissioning of new MCCs at the Module No. 1 filter gallery and energizing new MCCs at the Dry Polymer Building and is currently transitioning existing dry polymer equipment to the new MCCs. Construction is 80 percent complete and is scheduled to be complete by August 2022.

System Reliability Program

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

- **Headquarters Building Improvements**—This project provides seismic upgrades and other needed improvements to the Metropolitan Headquarters Building. Construction related to the original contract scope is 98 percent complete. The contractor is currently working on Floors 10 through 12 and continuing electrical work for the power door-assist devices. Staff is working with the contractor to advance additional work while the building remains lightly occupied. Construction is anticipated to be complete by December 2021.
- **Board and Committee Room Upgrades**—This project upgrades and enhances the reliability of the A/V systems in the Boardroom, three Committee rooms, and the Rotunda at the Metropolitan Headquarters Building. Engineering Services, IT, and Facilities Management are working collaboratively on this technology replacement project. Installation of the A/V equipment has been included as a board-approved change order to the original Headquarters Building Improvement contract, described in the previous paragraph. The contractor completed energizing new LED displays in the Rotunda and the Boardroom and is currently installing A/V equipment and media desks in the committee rooms and the Boardroom. Construction is 80 percent complete and is scheduled to be complete by August 2021.
- **Headquarters Physical Security Upgrades**—This project implements comprehensive security upgrades for the Metropolitan Headquarters Building. These upgrades are consistent with federally recommended best practices for government buildings. This work has been prioritized and staged to minimize rework and impacts on day-to-day operations within the building. Stage 1 work enhances security related to perimeter windows and doors. Stage 2 improvements will provide security system upgrades inside the building with a focus on the main entry rotunda area, board room, executive dining lounge, and security control room. Stage 3 improvements will provide security system upgrades around the perimeter of the building. Construction of Stage 1 is 99 percent complete and is scheduled to be complete by August 2021. Construction of Stage 2 improvements is 45 percent complete and is scheduled to be complete by April 2022. The contractor is installing electrical lines for the security equipment on Floors 2 through 8. Stage 3 improvements are currently in the design phase.
- **Headquarters Building Fire Alarm and Smoke Control System Upgrades**—This project upgrades the Metropolitan Headquarters Building fire life safety systems, which includes replacement of the fire detection and alarm system and HVAC system improvements for smoke control. The fire alarm and smoke control systems in the Metropolitan Headquarters Building provide detection, notification, and control of building functions so that occupants and visitors can safely exit in the event of a fire. The contractor is performing utility research, continuing the permit approval process, electrical closet installation, and revising construction sequence in accordance with the Fire Department's request. Construction is 15 percent complete. The anticipated project completion date is being reassessed in order to better sequence testing and commissioning of system components.

ENGINEERING SERVICES *continued*



Headquarters Building Improvements—Contractor routing low voltage cables

ENVIRONMENTAL PLANNING SECTION/CAO

GM STRATEGIC PRIORITY #1: Resiliency

Objective #1 Provide planning, California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA), and regulatory permitting support for programs and projects that focus on infrastructure reliability and redundancy.

Regulatory Permitting

- Completed biological survey and jurisdictional delineation reports in support of the Copper Basin Road Access Road Repairs project regulatory permitting analysis.
- Received Draft Waste Discharge Requirements from the Colorado River Regional Water Quality Control Board for the Colorado River Aqueduct (CRA) Structural Protection Project.
- Executed California Department of Fish and Wildlife (CDFW) Streambed Alteration Agreement (SAA) for CRA Exposed Barrel Repairs.
- Conducted the first annual maintenance and monitoring report for Whitewater River Rehabilitation Project in compliance with project regulatory permits.

Objective #2 Emphasize employee development and recruitment, knowledge capture, cross-training, management/leadership training, and succession planning.

Webinars attended by staff:

- Southern California Regulatory Update
- Regulatory Permitting for Southern California Aquatic Resources Projects
- Linear Infrastructure Redux: Adapting Your Projects to Meet the New Regulatory Climate
- Expanded Climate Action Through Nature-Based Solutions Workshop
- Working Group participant in the Carbon Capture Storage Reconnaissance Study—Working Session No. 3

Recruitment

- Began onboarding and training of new Associate Environmental Specialist.

GM STRATEGIC PRIORITY #2: Sustainability

Objective #2 Provide planning, CEQA/NEPA, and regulatory permitting support for projects and activities that address the challenges of sustainability, including aging infrastructure, contaminants of concern, and affordability of water supplies.

Delta Conveyance Project

- Participated in meeting with stakeholders and reviewed draft environmental impact report (EIR) cultural resources chapter.

Regional Recycled Water Program

- Attended meetings with member agencies and local/regional jurisdictions.
- Coordinated with Los Angeles County Sanitation Districts for joint CEQA review for the Program EIR.

Lake Perris Seepage Recovery Project

- Coordinated with Department of Water Resources on joint CEQA review for the Draft Lake Perris Seepage Project EIR.

ENVIRONMENTAL PLANNING SECTION/CAO *continued*

Objective #3 Continue to actively manage Metropolitan's more than 30,000 acres of conservation lands through cooperative relationships with public agencies and non-governmental conservation organizations to promote sustainability of reserve resources.

Lake Mathews Multiple Species Reserve

- Conducted Stephens' kangaroo rat (SKR) monitoring and trapped seven individuals for species data collection.
- Continued invasive species mapping and management efforts throughout the reserve, including discovery of and eradication treatment of new populations of invasive Stinknet (*Oncosiphon piluliferum*).
- Mowed approximately 50 acres of grassland south of Cajalco Road to maintain SKR habitat.

Southwestern Riverside County Multi-Species Reserve

- Trapped over 40 non-native brown-headed cowbirds.
- CalFire conducted a prescribed burn on an approximately 40-acre site adjacent to Domenigoni Parkway.
- Conducted roadside weed abatement throughout the reserve and mowing of SKR habitat management units.
- Monitored translocated burrowing owls on the reserve. At least five nestlings have hatched and have been observed outside of the burrow (see photo).
- Continued operating wildlife cameras with observations of mountain lion, bobcat, and deer (see photo).



Deer observed by wildlife camera in Southwestern Riverside County Multi-Species Reserve



Translocated burrowing owls (chicks) on the Southwestern Riverside County Multi-Species Reserve

ENVIRONMENTAL PLANNING SECTION/CAO *continued*

Objective #4 Develop a Climate Action Plan (CAP) and prepare CEQA documentation to be used to offset greenhouse (GHG) emissions from future construction projects. Identify new and continuing conservation efforts for the purpose of reducing future GHG reductions, as well as highlighting Metropolitan's effort to achieve those reductions, and develop a tracking methodology to ensure Metropolitan is meeting its goal.

- Finalized the draft Climate Action Plan and Administrative Draft EIR.

GM STRATEGIC PRIORITY #3 Innovation

Objective #1 Pursue programmatic CEQA and regulatory permitting efforts for operations and maintenance activities throughout Metropolitan's service area to streamline clearances for capital projects and O&M activities.

Western San Bernardino Right of Way and Infrastructure Protection Program (RWIPP)

- Conducted protocol surveys for San Bernardino kangaroo rat in support of regulatory permits.

Surface Mining and Reclamation Act (SMARA) Compliance

- Completed review of Administrative Draft Program Initial Study/Mitigated Negative Declaration.

Objective #2 Develop and improve internal processes, procedures, systems, and databases to streamline and standardize environmental analysis and project clearance in support of customers.

- Attended monthly meeting of the Employee Innovation Council and Procurement Sub-Committee to develop Metropolitan-wide processes and procedures.
- Began partnership with Water Smart on pilot project to develop a regulatory permit database/management tool.

Objective #3 Partner and collaborate with regulatory and resources agencies, as well as other public agencies and external organizations, to build relationships and expedite/streamline environmental authorizations and clearances for Metropolitan projects.

- Attended monthly coordination meetings with Mountains Recreation Conservation Authority (MRCA) regarding Metropolitan permit activities and responsibilities at Stickleback River Ranch Mitigation Site (mitigation site for Foothill Feeder dewatering activities in the Santa Clara River).
- Attended meetings with U.S. Environmental Protection Agency regarding federal funding and National Environmental Policy Act (NEPA) compliance for the Regional Recycled Water Program.
- Participated in permittee meetings regarding the Upper Santa Ana River Habitat Conservation Plan (HCP) and draft EIR and participated in development of the Joint Powers Agreement.

CORE BUSINESS: Regulatory Compliance

Objective #1 Provide timely and professional environmental planning services and CEQA and regulatory permitting support to ESG, WSO, WRM, External Affairs, and Real Property groups.

Engineering Services

- Provided design phase support for:
 - Battery Energy Storage Systems (BESS) at Jensen and Skinner Water Treatment Plants
 - CRA Reliability Program
 - CRA Housing and Property Improvements Program
 - CRA Mile 12 Flow and Chlorine Station Upgrades
 - Copper and Gene Sluiceways Rehabilitation
 - CRA 69kV and 230kV Transformers Replacement Projects
 - Garvey Reservoir Rehabilitation Project (Michelle)

- Headquarters Second Floor North Wing TI Project
- Jensen Plant Vehicle Maintenance and Warehouse Building HVAC Rehabilitation
- Jensen Plant Vehicle Maintenance and Warehouse Building Roof Replacement
- Jensen Plant San Fernando Road Entrance Asphalt Pavement Rehabilitation
- Jensen Plant Ozone Power Supply Units Replacement
- Lake Perris Seepage
- Mills Plant Electrical Upgrades Stage 2
- Mills Plant Ozone PLC Replacement Project
- Palos Verdes Reservoir Sewer Line Connection
- Perris Valley Pipeline
- San Gabriel Tower Seismic Upgrades
- Upper Feeder Blow Off Structure Station 2858+91
- West Orange County Feeder Cathodic Protection System
- Western San Bernardino RWIPP
- Weymouth Plant Natural Gas System Improvement
- Weymouth Plant Basins 5–8 Rehabilitation
- Weymouth Plant Administration Building Seismic Upgrades
- Weymouth Plant Water Quality Building
- Provided CEQA analysis and environmental planning clearances for Safety of Dam maintenance activities for Lake Skinner, Cajalco Creek Dam and Detention Basin, and Cajalco Spillway.

Construction Monitoring

- Provided construction monitoring for the following projects:
 - Gene Wash Reservoir Discharge Valve Replacement
 - CRA 6.9kV Cable Replacement
 - CRA Overhead Cranes Replacement
 - CRA Discharge Line Isolation and Couplings Repair
 - Garvey Reservoir Permanent Drainage and Erosion Control Project
 - Orange County RWIPP
 - Santiago Lateral Station 280+85 Rehabilitation
 - Jensen Plant Flocculators Modules 2 and 3 Rehabilitation
- Completed Prestressed Concrete Cylinder Pipe (PCCP) Allen McColloch Pipeline Urgent Repair construction monitoring.

Water System Operations

- Provided CEQA analysis and environmental planning support for:
 - Routine Road Grading and Vegetation Maintenance for Diemer Plant and Yorba Linda Feeder Patrol Roads (see photo)
 - Mills Equalization Basin Debris Cleanout
 - Mead Valley Fence Installation and K-Rail Laydown
 - K-rail Installation on Tin Mine Road
 - Iron Mountain Pump Plant Drainage Repairs
- Submitted extension request for the CDFW SAA for routine maintenance activities in Bull Creek (Jensen Plant).



Yorba Linda Feeder patrol road alignment during nesting bird surveys conducted in support of road maintenance activities

Legislative Support

- Provided support for Metropolitan-sponsored Assembly Bill (AB) 442 (Mayes) that proposes to amend the Surface Mining and Reclamation Act of 1975.

External Reviews

- Reviewed 12 notices for external projects and prepared comment letters for those that may affect Metropolitan.
- Provided Federal Register review and coordinated responses for those that may affect Metropolitan.
- Reviewed and provided comments on the Administrative Draft Cajalco Road Widening EIR/Environmental Impact Statement (EIS) and participated in meetings with resource agencies and other stakeholders.

Real Property Support

- Provided CEQA analysis and determinations in support of five real property agreements.

Miscellaneous

- Submitted and received approval for the Zero and Near-Zero Emissions Fleet Infrastructure Capital Improvement Program FY 22/23 budget cycle.

EXTERNAL AFFAIRS

EXTERNAL AFFAIRS PRIORITY: Advance Initiatives to Educate and Inform the Public, Elected Officials and Stakeholders on Water Supply Conditions and Important Water Management Decisions.

External Affairs will develop and maintain relationships with the public, legislative leaders, government officials, non-governmental organizations, and other stakeholders, and implement effective and diverse communication and outreach strategies on the value of water, current water supply conditions, innovative strategies to address current and future challenges, and the importance of Metropolitan actions and leadership to promote stewardship, planning and investments to benefit the region.

Objective #1 Recognizing there is a new normal that is directly impacting California water conditions driven, in part, by more volatile supply conditions due to climate change, and informing key stakeholders, news media, businesses and the public on the need for sustained conservation actions, support for new water supply projects and continued investment in imported water systems to maintain water supply reliability and protect the environment.

Multilingual Community Newspaper Advertising

Staff launched a multilingual community newspaper advertising campaign aimed at informing Southern Californians about the current drought conditions, encouraging them to keep conserving, and pointing them to bewaterwise.com as a resource. The full-page ads ran through June in more than 40 English-, Spanish-, and Mandarin-language publications throughout our six-county service area. Newspapers include the Los Angeles Times en español, San Diego Union-Tribune en español, Sing Tao, World Journal, Southern California News Group, Inglewood Today, Acorn Newspapers, and the San Diego Community Newspaper Group. (see images below)



CORE BUSINESS: Legislative, Communications, Community Relations, Public and Business Outreach

Engage the public, labor, business community, agriculture, government leaders, non-governmental organizations and other stakeholders in California's water issues, communicating Metropolitan's interests and Board-adopted policies through federal and state legislative strategies, multimedia and multi-cultural communications, and educational and other outreach programs. Inform the public about Metropolitan projects, facilities, operations and initiatives to gather input and support, foster competitive and diverse business opportunities, and facilitate innovation and technology sharing.

Objective #1 LEGISLATIVE SERVICES - Develop and implement local, state and federal legislative and regulatory strategies consistent with Board-adopted policies. Promote interaction between Metropolitan leadership and various stakeholders, including elected officials, to facilitate support for and garner greater understanding of water policy issues.

EXTERNAL AFFAIRS *continued*

Federal

The House Energy and Commerce Subcommittee on Climate Change and the Environment approved H.R. 3293, the Low-Income Water Customer Assistance Program of 2021. This bi-partisan bill, co-sponsored by Representatives Blunt Rochester (D-DE) and Katko (R-NY), establishes separate drinking water and wastewater ratepayer affordability programs at EPA. Metropolitan supports this bill, and our support letter was submitted into the Congressional record. (June 16)

AGM/COO Upadhyay testified at a House Natural Resources Subcommittee on Waters, Oceans, and Wildlife hearing. He provided feedback on draft legislation to create a new funding program at the Bureau of Reclamation for regional recycled water projects. (June 29).

The subcommittee also approved H.R. 2467, the PFAS Action Act of 2021 and H.R. 3291, the Assistance, Quality, and Affordability (AQUA) Act of 2021. While this legislation authorizes funding for a variety of EPA programs, it also overhauls the EPA's transparent and science-based approach to regulating drinking water contaminants and holds local water systems and their ratepayers responsible for cleaning up the pollution of per- and polyfluoroalkyl substances (PFAS) manufacturers. The American Water Works Association and Association of Metropolitan Water Agencies are leading the opposition against these.

State

The California Legislature passed a \$267.1 billion plan for the 2021-22 budget making this the largest budget in California's history and made possible \$76 billion surplus and an infusion of federal relief funds. The budget authorized \$3.465 billion for water and drought, \$1.255B climate resiliency, \$1 billion for wildfire mitigation, \$835 billion for clean energy, and \$1 billion for COVID-19 relief funds to pay down water and wastewater agency customer debts. However, the budget bill is short on details. There are no specific allocations to programs nor statutory language to guide implementation. These details will be forthcoming in a series of budget trailer bills as the negotiations between the Governor and the Legislature continue.

Metropolitan is part of a broad coalition of water agencies advocating for the water and drought funding and the arrearages relief. Staff have been meeting with Southern California legislators to urge support for funding recycled water projects, PFAS monitoring and treatment, investments in repairs to conveyance infrastructure and COVID-19 financial assistance for water agencies. Staff has also provided input on draft trailer bill language that would expedite drought relief grants and financial assistance.

On June 15, Governor Newsom lifted the COVID-19 restrictions, including physical distancing, capacity limits on businesses, the county tier system and masks for vaccinated Californians. And on June 17, Cal/OSHA adopted revised emergency temporary standards that align with the Governor's June 15 Executive Order and reflect the latest guidance from the Centers for Disease Control and Prevention and the California Department of Public Health. The Governor's Office sent a letter to several trade associations stating their intent to ensure an orderly return to business as they ease up on the restrictions, including keeping in place the Brown Act waiver that allows virtual meetings. The moratorium on shutoffs due to nonpayment of water and wastewater bills will remain until September 30, 2021 as well.

The work of the Legislature continues as bills have passed out of their house of origin and moved over to the second house. Metropolitan's sponsored bill AB 442 (Mayes, I-Rancho Mirage) that amends the Surface Mining and Reclamation Act, so that Metropolitan can develop a master reclamation plan, passed off the Assembly Floor on consent and will soon be heard in Senate Natural Resources Committee. Metropolitan is seeking Assembly Member support for SB 559 (Hurtado, D-Sanger) that establishes a Canal Conveyance Capacity Restoration Fund and requests \$785 million to cover the cost of subsidence repairs to the State Water Project and Central Valley Project. The Governor's May revision included \$200 million for conveyance repairs, and the State Water Contractor advocates are working to secure this funding in a budget trailer bill. AB 1195 (C. Garcia) that sought to address the needs of struggling public water systems in South Central Los Angeles has become a two-year bill. SB 222 (Dodd D-Napa) that would set up a low-income water rate assistance program passed out of the Assembly Environmental Safety & Toxic Materials Committee on seven Ayes and two Noes.

EXTERNAL AFFAIRS *continued*

Governor Newsom has appointed Nichole Morgan to the State Water Resources Control Board. Ms. Morgan has been the Assistant Deputy Director of the Division of Finance at the State Water Board since 2019. She is a civil engineer who has held several positions at the State Water Board and has worked for private consulting firms. The appointment requires Senate confirmation.

Local

Staff provided a water supply update to the Orange County Business Council's Infrastructure Committee regarding hydrological conditions, Metropolitan's water supplies and storage, and the WSDM program. (June 8)

Chairwoman Gray spoke on a panel about California's drought at the Los Angeles Business Council's virtual Sustainability Summit. Metropolitan also sponsored the event. (June 11)

AGM/COO Upadhyay gave a presentation on Regional Reliability to the Fallbrook Public Utility District. (June 28)

Metropolitan staff participated in webinars and events this month with chambers of commerce, business associations, councils of governments, public affairs networks throughout the service area including:

- Ventura County Board of Supervisors Meeting (June 1)
- Los Angeles County Board of Supervisors Meeting (June 1)
- Ventura County Special District Association Board (June 1)
- City of San Fernando City Council Meeting (June 1)
- South Bay Association of Chambers of Commerce Board Government Affairs Committee (June 1)
- Manhattan Beach Chamber of Commerce Legislative Affairs Committee (June 1)
- Ventura County Economic Development Association Policy Committee (June 2)
- Inland Empire Economic Partnership Public Policy Committee (June 2)
- LAX Coastal Chamber of Commerce Public Policy Group (June 3)
- Building Industry Association Water Conference Planning Committee (June 3)
- Glendale Chamber of Commerce Business Advocacy/Legislative Review Committee (June 3)
- Glendora Chamber Legislative Action & Economic Development Committee (June 3)
- Upland Chamber of Commerce Legislative Advocacy Committee (June 3)
- Inland Empire Chamber Alliance (June 4)
- Water Association of the County of Orange (WACO) (June 4)
- Orange County Business Council Government Affairs Committee (June 4)
- Western Riverside Council of Governments Executive Committee (June 7)
- Inland Action (June 8)
- Orange County Business Council Infrastructure Committee (June 8)
- Palos Verdes Peninsula Chamber of Commerce Legislative Affairs Committee (June 8)
- Valley Industry and Commerce Association Land Use Committee (June 8)
- Ventura County Board of Supervisors Meeting (June 8)
- Los Angeles County Board of Supervisors Meeting (June 8)
- Valley Industry and Commerce Association Reopening Workshop (June 8)
- Meeting with Stuart Waldman, CEO Valley Industry and Commerce Association (June 9)
- South Orange County Economic Coalition Legislative Committee (June 9)
- Long Beach Chamber of Commerce Government Affairs Committee (June 10)
- Torrance Area Chamber of Commerce Government Policy Committee (June 10)
- University of California, Irvine Economic Update (June 10)

EXTERNAL AFFAIRS *continued*

- Central City Association meeting with Los Angeles City Council Member Mark Ridley-Thomas (June 10)
- Beverly Hills Chamber of Commerce Government Affairs Committee (June 10)
- San Fernando City Chamber of Commerce Board (June 10)
- Association of Water Agencies of Ventura County Water Symposium Steering Committee (June 10)
- San Gabriel Valley Legislative Coalition of Chambers Meeting (June 10)
- BIZFED Leadership Roundtable with Senator Lena Gonzalez (D-Long Beach) (June 11)
- Riverside Chamber of Commerce Government Affairs Committee (June 11)
- Regional Chamber of Commerce San Gabriel Valley Government Affairs Committee (June 14)
- West Ventura County Business Alliance Business Advocacy Committee (June 14)
- Ventura County Board of Supervisors Meeting (June 15)
- Los Angeles County Board of Supervisors Meeting (June 15)
- Association of Water Agencies of Ventura County Water Issues Committee (June 15)
- City of San Fernando City Council Meeting (June 15)
- California Women in Agriculture Ventura County Chapter Board (June 15)
- Pomona Chamber of Commerce Legislative Committee (June 15)
- Association of California Cities—Orange County Environment, Energy & Water Committee (June 15)
- San Gabriel Valley Council of Governments Energy, Environment, and Natural Resources Committee (June 16)
- Los Angeles Economic Development Corporation Board of Governors (June 16)
- Valley Industry and Commerce Association Governmental Affairs Committee (June 16)
- Coalition of Labor, Agriculture and Water Committee on Water, Housing, Energy, Environment, and Labor (June 16)
- California Building Industry Association Government Affair Committee (June 16 -17)
- Association of Water Agencies of Ventura County Waterwise Breakfast (June 17)
- South Gate Chamber of Commerce Board (June 17)
- San Gabriel Valley Council of Governments Governing Board (June 17)
- Los Angeles County Business Federation meeting with Los Angeles City Council President Nury Martinez (June 17)
- Orange County Business Council Economic Forum (June 17)
- Anaheim Chamber of Commerce Government Affairs Committee (June 18)
- Oxnard Leadership Agriculture and Water Day (June 18)
- Southwest California Legislative Council Meeting (June 21)
- El Segundo Chamber of Commerce Government Affairs Committee (June 21)
- Harbor Association of Industry and Commerce Government Affairs Committee (June 21)
- Southern California Water Coalition Legislative Meeting (June 21)
- United Chambers of Commerce Government Affairs Committee (June 21)
- Ventura County Board of Supervisors Meeting (June 22)
- Los Angeles County Board of Supervisors Meeting (June 22)
- Ventura County Economic Development Association Board (June 22)
- Gateway Chambers Alliance Governing Board (June 22)
- San Gabriel Valley Economic Partnership Legislative Committee (June 23)
- San Gabriel Valley Public Affairs Network (June 23)
- Huntington Beach Chamber of Commerce Government Affairs Committee (June 23)
- Association of California Cities—Orange County Legislative Committee (June 23)
- Simi Valley Chamber of Commerce Legislative Affairs Committee (June 23)

EXTERNAL AFFAIRS *continued*

- Valley Industry and Commerce Association Board (June 23)
- West Ventura County Business Alliance Board (June 24)
- Oxnard Chamber of Commerce Board (June 24)
- El Monte/South El Monte Chamber of Commerce Governing Board (June 24)
- South Orange County Economic Coalition Legislative Committee (June 25)
- United Chambers of Commerce of the San Fernando Valley Board (June 28)
- Ventura County Board of Supervisors Meeting (June 29)
- Los Angeles County Board of Supervisors Meeting (June 29)
- City of San Fernando City Council Meeting (June 29)
- Valley Industry and Commerce Association Sacramento Day (June 29)
- Redondo Beach Chamber of Commerce Government Affairs Committee (June 29)
- Construction Industry Coalition on Water Quality Board of Directors/Regulatory Affairs Committee (June 30)

Objective #2 MEDIA AND COMMUNICATIONS - Communicate Metropolitan's policy priorities, actions and initiatives through various means to raise public awareness, enhance Metropolitan's visibility and cultivate support for Metropolitan priorities. Update and develop new communications tools, materials and platforms to ensure Metropolitan information reaches diverse audiences throughout its service area in a cost-effective, timely, relevant manner that reflects current communications trends.

Interviews

- Coordinated interview between KNX-AM 1070 news radio producer Donald Morrison and Water Quality Manager Rochelle regarding Metropolitan being named nation's best-tasting water.
- Arranged interview with CalMatters reporter Rachel Becker and AGM/COO Upadhyay about drought situation in Northern California versus Southern California, and drought planning for the future.
- Set up interview with KQED's Saul Gonzalez and GM Kightlinger on California drought conditions and related issues for the statewide show, "The California Report."
- Coordinated interview with CNN digital producer Drew Kann and GM Kightlinger regarding Colorado River flow decline, the looming shortage, and the river's future.
- Issued statement to AP reporter Alan Suderman regarding cyber espionage attack via Pulse Secure.
- Arranged interview with Bloomberg News reporter Brian Eckhouse and GM Kightlinger on drought conditions across the Southwest.
- Set up interview with Los Angeles Times reporter Lila Seidman and GM Kightlinger regarding drought.
- Coordinated interview with Los Angeles Times reporter Louis Sahagun and AGM/COO Upadhyay about Southern California drought preparedness.
- Arranged subsequent interview and tour of Diamond Valley Lake and Wadsworth Pumping Plant for LA Times' Sahagun and Water System Operations' Group Manager Yamasaki.

Press Releases

- Metropolitan Wins Top Honor for Best Tasting Tap Water in the U.S.
- Metropolitan Board Confirms Adel Hagekhalil as new General Manager
- Metropolitan Helps Advance Stormwater Capture and Recycling Project
- Virtual Solar Cup Program Culminates with Celebration of Student Winners Across Southern California
- Director Representing Western Municipal Water District Appointed to Metropolitan Board

Website

- Received more than 119,000 visitors to mwdh2o.com home page, with Diamond Valley Lake and the Regional Recycled Water Program the most frequented.

EXTERNAL AFFAIRS *continued*

- Generated more than 2,800 views on bewaterwise.com, with the turf replacement and California Friendly and native Plants® the most visited pages.

Social Media

- Generated impressive reach and engagement, with more than 100,000 click-throughs and more than 9.5 million impressions, on social media campaign featuring past conservation-focused assets that encouraged Southern Californians to save water through helpful tips and online class opportunities.
- Received nearly 20,000 organic impressions for first Twitter post announcing new GM Hagekhalil.
- Celebrated Pride Month and Juneteenth, along with the completion of the virtual Solar Cup 2021 program, on social media platforms. (see images below)



Objective #3 PUBLIC OUTREACH AND MEMBER SERVICES - Conduct public outreach to increase awareness and input on Metropolitan projects and initiatives and ensure impacted communities are aware of Metropolitan construction and maintenance activities. Enhance public awareness of Metropolitan's systems and facilities and the role they play in regional supply reliability while protecting environmental resources. Serve as liaison to Metropolitan's member agencies and facilitate their engagement with Metropolitan.

Member Agency Support

Metropolitan met with the Member Agency Managers to discuss water supply and drought operations; storage management strategy and implementation; FEMA funding opportunity for development of a Hazard Mitigation Plan; Multi-family Property Toilet Replacement Program; Flow Monitoring/Leak Detection Pilot Program; and the Future Supply Actions Funding Program.

Regional Recycled Water Program

- Provide an update on the Regional Recycled Water Program and conveyance system that will be evaluated during the environmental planning phase to the cities of Azusa, Bellflower, Commerce, Industry, Lakewood, Long Beach, Los Angeles, Montebello, Pico Rivera, Signal Hill, and South El Monte. (throughout June)
- Chairwoman Gray, AGM/COO Upadhyay, and LACSD Chief Engineer Robert Ferrante met with the Netherlands Consulate and their guests to discuss the Regional Recycled Water Program and tour the Advanced Purification Center. (June 16)
- Staff provided virtual tours of the Regional Recycled Water Advanced Purification Center to the public in English and Spanish. (June 18 and June 22)

Provided virtual tours of the Regional Recycled Water Advanced Purification Center as a part of the California Water Environment Association Conference and in partnership with the Los Angeles County Sanitation Districts. (June 9 and June 19)

EXTERNAL AFFAIRS *continued*

Objective #4 EDUCATION AND COMMUNITY RELATIONS - Facilitate public engagement in and understanding of water resource issues through community relations activities and education projects. Build awareness of and appreciation among Southern California for the value of clean, reliable water supplies and the importance of good water stewardship.

General Education

This month, Metropolitan staff virtually interacted with 460 teachers, students, and parents, and continued to provide online tours, scouting programs, and customized Zoom class presentations. Other projects included a webinar on Trends in Education and Outreach with the California Public Information Officials (CAPIO), a Diamond Valley Lake Docent meeting, and an Education Coordinators meeting that featured Metropolitan's "All About Water" new video resources.

Solar Cup 2021

Solar Cup 2021 culminated in a virtual awards ceremony. More than 300 students from 16 high schools throughout the service area were recognized for their work in online challenges that covered a wide range of STEAM fields including robotics, using CAD software, building an online game, social media messaging, and visual arts and dream job skills. (June 10) **(see image below)**



Community Partnering and Sponsorship Programs

Metropolitan sponsored and staff participated in the following events to promote water education, conservation, and sustainability initiatives:

- River LA's Unveiling Headworks Park (June 12)
- Climate Resolve Coolest in LA (June 24)

Objective #5 BUSINESS OUTREACH AND INNOVATION - Facilitate opportunities for small businesses to work with Metropolitan. Help position Metropolitan as a leader in water innovation.

Metropolitan supported small businesses and entrepreneurs throughout the region through its online participation and, in some cases, sponsorship of the following programs, online conferences, webinars and events:

- American Indian Chamber of Commerce's tribal summit (June 2)
- LA Chamber & the Greater Los Angeles African American Chamber and National Association of Women Business Owners' event (June 9)
- US Green Building Council Los Angeles' Deep Dive into Net Zero workshop (June 10)
- US Green Building Council Los Angeles' Sustainability Summit (June 11-12)
- Inland Empire Utilities Agency and the Eastern Metropolitan "Making Money from Water" (June 17)
- Caltrans District 10's (Stockton, CA) Small Business construction quarterly workshop (June 18)
- California Office of Small Business and DVBE Services seminar on "Doing Business with Department of General Services" (June 22)

EXTERNAL AFFAIRS *continued*

- American Society of Civil Engineers' conference on water infrastructure (June 23-24)
- Los Angeles County Professional Services and Commodities' Business Builder 2021 event (June 30)

Innovation

- Innovation staff met with East Bay Municipal Utilities District General Manager Clifford Chan. The GM also shared his vision of creating a partnership with UC Berkeley and co-funding a large pipeline testing facility. (June 10)
- Hosted the 27th Technology Approval Group (TAG) workshop, which showcased five emerging technologies that addressed water quality, metering, and leak detection. (June 23)
- Innovation staff hosted a "Pilots and Trials" workshop, which showcased four water utilities (June 30)

HUMAN RESOURCES

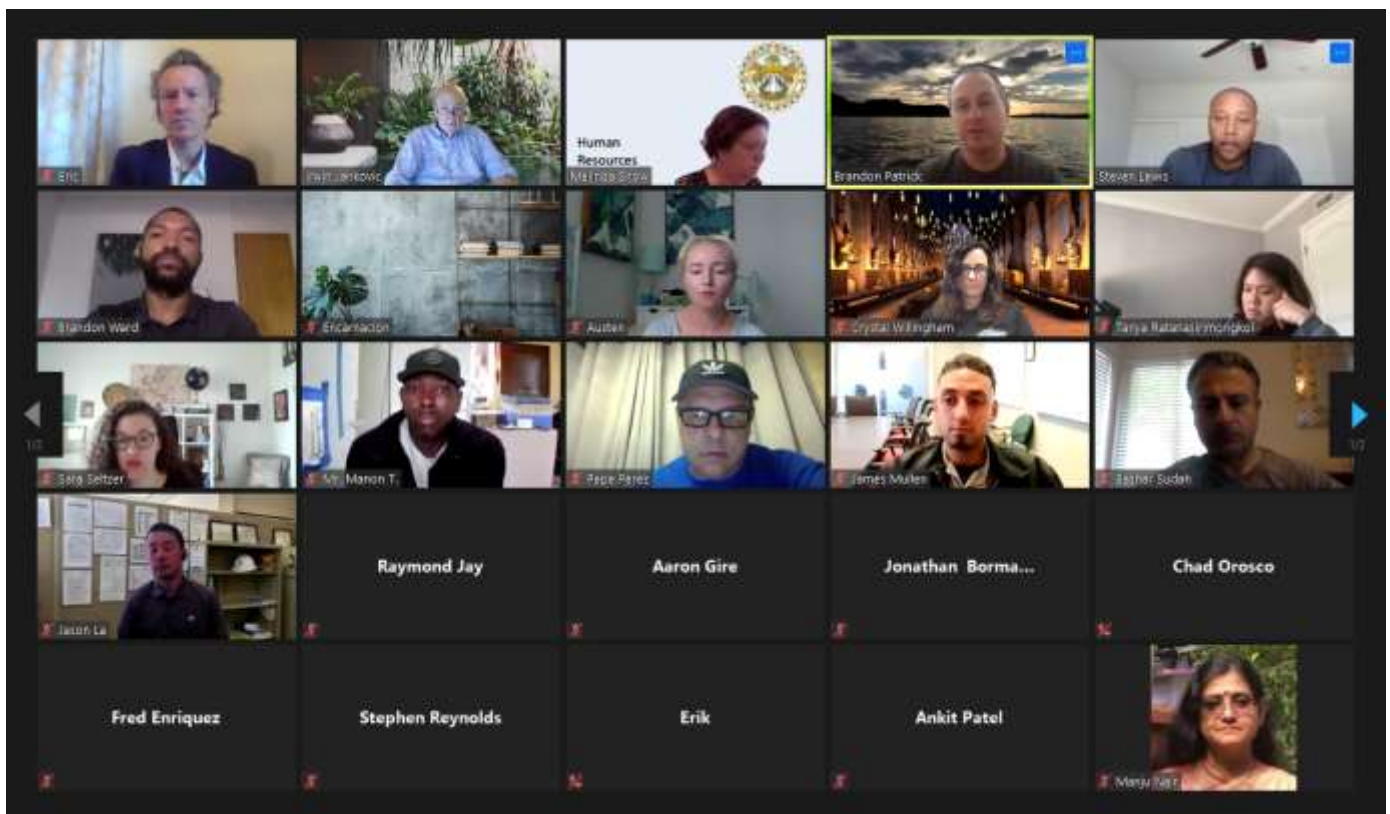
GM STRATEGIC PRIORITY #1: RESILIENCY

Objective #1 Partner with Metropolitan leadership to support learning, development, and adaptive workforce planning initiatives.

The Organizational Development and Training Unit continued the 12th session of the Metropolitan Leadership Academy for 30 employees interested in moving into a management role. June's session focused on using clear communications, ensuring accountability, and providing coaching for employees that stresses connection and empathy but also centers on motivation and accountability.

This month, 224 Metropolitan employees attended other online classes, including Managing Emotions in the Workplace, Personal Security Awareness, Excel Databases, and Stress Management.

LinkedIn Learning, Metropolitan's online e-learning content platform, was used for 51 classes, including such topics as Adding Value Through Diversity, Building Creative Organizations, Collaborative Leadership, and Women Helping Women Succeed in the Workplace.



Metropolitan's Leadership Academy – June 2 Session

HUMAN RESOURCES *continued*

Objective #2 Seek diverse, high-quality talent, and establish partnerships to discover additional outreach opportunities that aid in staffing positions.

Recruitment successfully filled 12 positions for the month of June. Eighteen new staffing requisitions were received, resulting in 94 positions currently in recruitment. Recruitment continues to successfully conduct virtual job interviews using Zoom.

The Human Resources Group Manager, working directly with the Board of Directors and executive search firm, finalized the selection of the new General Manager, Adel Hagekhalil. The final decision was announced and communicated to employees and the public. Human Resources (HR) is now finalizing arrangements with the goal of having Mr. Hagekhalil begin his new role in early July.

In June, meetings of the Diversity, Equity, and Inclusion (DEI) Council continued. A presentation was provided on the MOU Grievance Procedure, and how it compares and contrasts with the EEO Complaint Process. There were also reports from the various subcommittees of the DEI Council. The next full Council meeting is set for July 7, 2021.

GM STRATEGIC PRIORITY #2: SUSTAINABILITY

Objective #1 Implement employee retention and engagement programs to ensure Metropolitan's investment in employees is supported.

Human Resources management presented a plan for converting Headquarters and other teleworking employees to a hybrid work environment. Discussions with bargaining units are ongoing, and monitoring the CalOSHA regulations affects the timing, but the tentative schedule is for an October 1, 2021, hybrid work environment.

Objective #2 Ensure Metropolitan managers have foundational knowledge, on-going support to effectively manage employees, and the tools to prepare for a changing workforce.

The Organizational Development and Training Unit facilitated the third session of the WSO Management Specialization Training Program for 13 new Operations managers. This program has been designed to continue leadership development within Operations once new managers have completed the Metropolitan Management University. This session covered trust building, clear communication, and how to create psychological safety in work teams.

Human Resources staff continued to provide one-on-one coaching and mediation services for managers and employees in the developmental areas of conflict resolution, self-awareness, employee engagement, and trust building.

GM STRATEGIC PRIORITY #3: INNOVATION

Objective #1 Continue to upgrade HR's technological capabilities and continue to seek out improved technologies to better serve HR's customers.

HRIS is working on the Fluid User Interface project for MyHR that will improve user experience and provide users with simpler navigation and additional functionalities. This is part of the continuing effort to modernize self-service capabilities to improve user access to benefit enrollment information, forms, and self-service election changes to support a hybrid work environment.

HR continues to work with Risk Management, Health and Safety, IT, and Security staff to design and test a new Incident Reporting System.

HR and IT are partnering on SharePoint solutions for improved information sharing and process improvement.

HUMAN RESOURCES *continued*

HR CORE BUSINESS: Provide Excellent Human Resources Services

Human Resources provides a wide range of services and support from pre-hire to post retirement care. HR policies, procedures, and practices will be reviewed and revised as appropriate. HR will continually improve service and better utilize technologies.

Objective #1 Administer all HR services with efficiency and a focus on customer service excellence, consistency, and flexibility.

HR Benefits hosted the second quarterly Deferred Compensation Advisory Committee (DCAC) meeting on June 9, in which the DCAC voted to update our current investment menu for plan participants by removing the Vanguard Money Market Fund, because of extremely low yields, and transitioning participant assets to the Putman Stable Value Fund, offering higher yields. The addition of an ESG fund to the core fund line as well as a ROTH option for both 401(k) and 457(b) plans will be discussed at the third quarterly DCAC meeting.

HR Staff launched the Fraud Prevention campaign on June 1, 2021 to provide participant education on the importance of registering their deferred compensation savings accounts, adding security measures, and defining the key steps to take when fraud is suspected. Various workshops were hosted on June 16 and June 23.

HR is collaborating with Legal staff on updating Administrative Code language various provisions pertaining to benefits to ensure that we remain compliant with recent state and federal legislative updates.

Benefits staff are continuing to administer the two emergency leave provisions passed by the federal government under the FFCRA, which are scheduled to expire on June 30, 2021, and the COVID-19 emergency leave (SPSLA) passed by the state, which is scheduled to expire on September 30, 2021.

As required by State regulations, HR prepared and submitted a summary of salaries for the 2020 Government Compensation in California (GCC) report to the State Controller's Office (SCO). This information includes pay and benefits information of all employees.

HR CORE BUSINESS: Comply with Employment Laws and Regulations

Ensure all policies, programs, and practices comply with ever-changing laws and regulations. Compliance with applicable laws and policies requires monitoring and analyzing changing requirements, determining impact on Metropolitan management and staff, and implementing any changes necessary to maintain compliance. In addition, these changes must be clearly communicated to all customers as necessary, with any needed training provided, as appropriate.

Objective #1 Effectively administer all Human Resources policies, programs, and practices in compliance with applicable federal and state laws and Metropolitan's Administrative Code, Operating Policies, and Memorandum of Understanding.

In June, eight new workers' compensation claims were received, and one was resolved. Five employees remain off work because of an industrial injury or illness. This reflects Metropolitan's effort to accommodate injured workers while enabling them to be productive and on the job.

- Coordinated medical surveillance exams at two facilities (Jensen and Diemer). The exams included respirator exams, Department of Motor Vehicle exams, and hearing tests.
- Coordinated three random drug and alcohol tests
- Arranged five medical evaluations (DMV and medical surveillance)
- Addressed five Accommodation issues.

HUMAN RESOURCES *continued*

HR Metrics	June 2020	June 2021	Prior Month April
Headcount			
Regular Employees	1,799	1,806	1,807
Temporary Employees	29	30	30
Interns	9	3	5
Recurrents	21	20	20
Annuitants	17	16	16

	June 2021	May 2021
Number of Recruitments in Progress (Includes Temps and Intern positions)	94	88
Number of New Staffing Requisitions	18	15
	June 2021	May 2021
Number of Job Audit Requests in Progress	14	14
Number of Completed/Closed Job Audits	1	0
Number of New Job Audit Requests	1	0

Transactions Current Month and Fiscal YTD (includes current month)			
<u>External Hires</u>	<u>FY 19/20 Totals</u>	<u>June 2021</u>	<u>FISCAL YTD</u>
Regular Employees	127	4	74
Temporary Employees	29	2	30
Interns	18	0	3
Internal Promotions	91	4	60
Management Requested Promotions	109	15	149
Retirements/Separations (regular employees)	124	5	78
Employee Requested Transfers	15	1	20

ID	Last	First Name	Classification	Eff Date	Reason	Group
11348	Bailey	Shawn	Section Mgr- Power Ops&Planning	5/4/2021	Retirement - Service	WATER SYSTEM OPERATIONS GROUP
05909	Kostecky	James	Unit Mgr-Water Treatment Plant	5/15/2021	Retirement - Service	WATER SYSTEM OPERATIONS GROUP
10862	Obegolu	Chisom	Engineer	4/30/2021	Resign- Accepted Other Employ	ENGINEERING SERVICES GROUP
09864	Urrutia	Joaquin	Sr Training Specialist (C)	5/1/2021	Resign- Accepted Other Employ	WATER SYSTEM OPERATIONS GROUP
08237	King	Lisa	Admin Assistant II	5/6/2021	Resign-Diss w Work Conditions	WATER SYSTEM OPERATIONS GROUP

INFORMATION TECHNOLOGY

GM STRATEGIC PRIORITY #1: RESILIENCY

OBJECTIVE #1 Strengthen Metropolitan’s cybersecurity capabilities by deploying new and emerging technologies, and implementing enhanced security countermeasures

Continued to implement Cybersecurity projects and initiatives to improve Metropolitan’s security posture and collaborate with stakeholders to further enhance network security capabilities for Metropolitan’s computing environments.

- Provided IT governance to strengthen capabilities to mitigate increasing cybersecurity threats to Metropolitan’s business systems and networks.
- Conducted ongoing cybersecurity initiatives to mitigate risks and vulnerabilities by working with business groups to implement security updates, protocols, and enhancements to address potential cyber vulnerabilities.
- Continued to deploy two-factor authentication and other security tools to safeguard Metropolitan’s computing environment and its assets.
- Enhanced remote connectivity to ensure secure and reliable service for Metropolitan employees’ teleworking.
- Issued IT Notification to communicate upgrades, software patching, and security enhancements to ensure system performance and protection against evolving cyber threats.



OBJECTIVE #2 Manage Information Technology Projects within the Capital Investment Plan to ensure reliability of Information Technology (IT) Systems and Infrastructure.

- Continued to execute IT capital projects in support of Metropolitan’s strategic priorities by replacing end-of-life infrastructure, upgrading applications, and delivering innovative solutions to ensure the reliability and resilience of IT systems. Selected activities include:
 - **Emergency Radio Communications System Upgrade**—As part of the Define phase, this project is currently conducting pilot testing at La Verne, Black Metal, and Pleasant Peak to address capacity and areas of poor reception as part of upgrading the Emergency Radio Communication System.
 - **Budget System Replacement**—Upgrade Metropolitan’s budgeting system to support the capital and O&M budget processes and Board deliverables. The development phase is substantially complete, and system testing with end-users is currently underway.
 - **Desert Microwave and Two-Way Radio projects**—Upgrade Desert microwave tower sites by replacing end-of-life equipment and providing sufficient capacity and reliability to Metropolitan’s wide area network in the Desert region. Based on completion of the initial work by staff on the technical specifications and requirements, final preparations are underway to proceed to the July Board to seek approval to proceed with the final design and procurement phase.
 - **Water Information System (WINS)**—The scope of this project is to upgrade the WINS system used for monthly billing to the member agencies, and the Board approved it in April. During the period, the project was kicked off with consultants and key stakeholders. Project plan development is underway while discovery meetings are being conducting with the key users.
 - **Enterprise Data Analytics**—The scope of this project is to develop a data and analytics strategy, create implementation best practices, and engage Metropolitan stakeholders on a technology blueprint to serve the data analytics needs of Metropolitan business groups. Selection of a consultant is underway as part of the RFP solicitation process.

INFORMATION TECHNOLOGY *continued*

OBJECTIVE #3 Modernize Operational Technology and Control System Upgrades as part of the Capital Investment Plan.

- Automated Meter Reading (AMR) Upgrade—The AMR project will address equipment obsolescence as the current communication equipment used in the system is approaching end-of-life. During the period, staff continued with the Define phase of this project by evaluating design alternatives and technologies, including pilot testing of four radio frequency technologies for the AMR project. Current activities include:
 - Installation of endpoints (radio modems) at the Garvey Reservoir coverage area and Jensen.
 - Deployment of virtual server and cut over radio modems to a new system software.
 - Continued partnering with WSO resources on installation of field equipment for testing.

OBJECTIVE #4 Improve Metropolitan's IT Disaster Recovery and Response Capability

- Conducted ongoing planning and training of IT staff who support emergency response. As part of continuous improvement, staff performs DR testing and exercises that are executed throughout the year. Based on the recent IT ICP (Incident Command Post) Mid-Year Review, staff will continue to assess protocols and processes to address new “what-if” scenarios to prepare for emergencies.



Disaster Recovery Planning

OBJECTIVE #5 Provide leadership, planning, and solutions in support of Metropolitan's Strategic Priorities.

- As part of the strategic priority to enhance Metropolitan's resiliency, IT staff continued efforts to relocate Metropolitan's data centers to modernize and enhance operational uptime of data center processing to meet current and future capacity and reliability needs.
 - **Secondary site**—Completed the secondary datacenter relocation and transitioned operations to the IT Infrastructure Unit. The successful completion of this effort culminated in a complex set of activities, including relocation of equipment and applications while minimizing disruption of the day-to-day business at Metropolitan.
 - **Primary site**—The team continued to work on the procurement and development phase of the project while developing a comprehensive plan to address logistical challenges associated with migrating hardware, software, communication networks, and ancillary systems. The work is complex and must be done while current systems continue to support day-to-day operations, as staff must work behind the scene to support the existing environment while developing the new primary datacenter. Efforts to complete the secondary datacenter (before the primary) was strategic to ensuring that recovery capabilities are in place before moving the primary site. With the successful completion of the secondary site, resources have been shifted to focus on the work at the primary site and is expected to complete in 2022.

INFORMATION TECHNOLOGY *continued*

OBJECTIVE #6 Deploy solutions to improve operations, promote collaboration, and provide business value.

- The project team is wrapping up the Personal Computer Replacement Project (PCRP) by continuing to deploy new laptops and workstations in a phased approach. Replacement of aging PCs and related equipment provides Metropolitan employees with computers that have greater processing speed, disc space, and improved reliability because the existing PCs have reached end-of-life.
- Beginning in Fiscal Year 2021/22, the plan is to transition to an ongoing refresh cycle by replacing a portion of the PCs at Metropolitan every year. This shift in strategy provides several benefits including:
 - Ongoing refresh cycle ensures that older PCs are replaced before they reach the end of their useful life.
 - Minimizing disruption to business operations because deployment will be more tactical (avoiding the challenges associated with a full-scale replacement).
 - Providing greater flexibility in meeting customer needs because of changing business requirements.
 - Normalizing the financial requirement and risk associated with mass purchase and deployment.
- Continued to partner with key stakeholders on exception conditions and special requirements on the upgrade to Windows 10 to maintain the currency of PC operating system and enhance security capabilities within Metropolitan's computing environment.

OBJECTIVE #7 Enhance workforce productivity by simplifying access to business information and deploy technologies to support our customers in making business decisions.

- The scope of the IT Service Management project is to deploy a new service desk software to centralize and modernize service management within the Information Technology Group. The service desk tool provides a self-service portal for work requests and improves operational reporting capabilities. This project is proceeding according to plan. To date:
 - Completed Phase One of the IT Service Management (ITSM) used by Metropolitan's IT Service Desk Team to manage service ticket requests generated by business users across the enterprise.
 - In June, the team performed functional testing for Phase Two, which will deploy the Change Management Database (to support IT change management) and the Asset Module (to provide integration to the Oracle asset tracking system). Implementation of Phase Two will provide the tools necessary to enhance IT Service Desk support of requests and incidents. Deployment of Phase Two is scheduled for July as the project has reached the substantial completion phase.

GM STRATEGIC PRIORITY #2: SUSTAINABILITY

OBJECTIVE #1 Provide IT services in support of the Headquarters Improvements Program.

- IT resources continue to provide support and services for the Headquarters Improvements Program and the Physical Security Enhancement Program to ensure alignment of IT requirements. With changing and complex technologies, it is important to ensure that requirements are in place, allowing for integration of systems and data.
- Significant progress has been made as the IT Group continues infrastructure upgrades to replace end-of-life systems and deployment of innovative technologies at Metropolitan Headquarters. In addition, current efforts are underway to prepare the IT infrastructure/systems to support a hybrid work environment as staff begins transitioning back to headquarters during the voluntary period, beginning in July.

OBJECTIVE #2 Manage Information Technology Projects within the Capital Investment Plan to ensure sustainability of IT Systems and Infrastructure.

- Continued efforts to replace the end-of-life Incident Reporting tool used for compliance tracking by Risk Management, Workers Compensation, Safety and Regulatory Services, and Water System Operations. The project is currently in the design phase as the project team continues to document and review functional specifications with key stakeholders. Development of the new system will continue as deployment is scheduled for Q4 of 2021.

INFORMATION TECHNOLOGY *continued*

GM STRATEGIC PRIORITY #3: INNOVATION

OBJECTIVE #1 Strengthen Metropolitan's cyber security capabilities by deploying new and emerging technologies and implementing enhanced security countermeasures.

- IT Cybersecurity maintains periodic briefings to the Board to keep them apprised of cyber activities (conducted in closed session). A briefing to the OP&T Committee is planned for July.
- Continued key initiatives as cybersecurity remains a high priority and is a key part of the Information Technology Strategic Roadmap. Elements of the Security Operations Center project are underway to implement countermeasures to protect Metropolitan's computing infrastructure. These cyber capabilities include initiating new tools, monitoring capabilities, and managed services to identify and remediate threats and malicious activities.



Cybersecurity Portal

OBJECTIVE #2 Manage Information Technology Projects within the Capital Investment Plan to ensure sustainability of IT Systems and Infrastructure.

- IT continued to work in close collaboration with Engineering and Facility resources. Significant milestones on the installation of new Boardroom audio/video (AV) equipment has been completed. IT resources have initiated testing of the new system. Current efforts include final configuration and user acceptance of the AV system in US1-102, in preparation for placing the system into production.



New Video Screen (Rotunda)



AV System in US1-102

INFORMATION TECHNOLOGY *continued*

OBJECTIVE #3 Modernize Operational Technology and Control System Upgrades as part of the Capital Investment Plan.

- Continued the capital improvement project to upgrade Metropolitan's Supervisory Control and Data Acquisition (SCADA) system to ensure continued reliability of the system-wide control system by addressing cybersecurity and technology obsolescence risks. During the period, staff continued to work with key stakeholders during the current RFP advertisement period.

OBJECTIVE #4 Provide Leadership, planning, and solutions in support of Metropolitan's Strategic Priorities.

- Continued to promote IT governance through the IT Executive Council and Operation Technology Governance Committee to ensure alignment with Metropolitan's strategic priorities.
- For the period ending in June, IT continued to deploy its cloud initiative. Staff continued to work and plan new cloud migrations that allow for the decommissioning of legacy servers and those that have reached end-of-life (and will no longer need to be replaced). Other benefits include reducing Metropolitan's physical server footprint, risk profile, and potential vulnerabilities associated with legacy hardware and operating systems.

OBJECTIVE #5 Deploy innovative solutions to improve operations, promote collaboration, and provide business value.

- Partnered with HR to provide business value, technology, and solutions. The IT Enterprise Applications Team provides PeopleSoft technical support to assist with various operational requirements. The work conducted by IT staff behind the scenes include preparing the PeopleSoft system for the upcoming annual open enrollment, system updates to facilitate the COLA increase, retro pay, leave payoff, W2, and tax updates as well as special processing for COVID-19-related earning codes.
- Developed the Service Connection Portal to provide an innovative solution in support of member agencies. The web-based portal allows member agencies to report any service connection issues like calibration errors, billing errors, shutdown outages, and high/low flow changes. This new method replaces the prior process, which was manual and prone to human errors. The benefits of the new portal include secure and easy access, routing to the right resource efficiently providing email acknowledgment, is fully documented, and creates a knowledgebase of service connect issues.



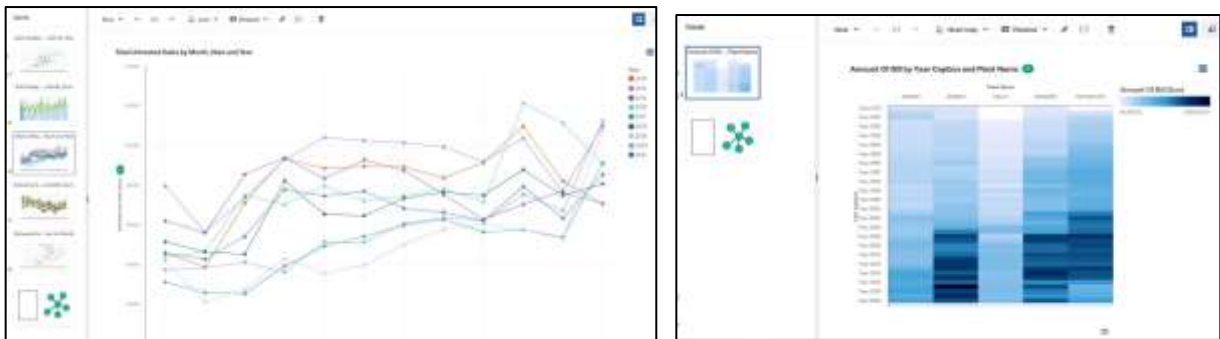
Service Connection Portal

INFORMATION TECHNOLOGY *continued*

OBJECTIVE #6 Enhance workforce productivity by simplifying access to business information and deploy technologies to support our customers in business decisions.

Through June, examples of productivity enhancements and deployment of technologies to support Metropolitan business include:

- Developed a new Water Ordering System to allow operators to initiate changes to existing water delivery orders using an online web application for member agencies. The system puts into place defined protocols and electronic logging of the transaction and replaces the prior manual method of calling into Eagle Rock.
- Rolled out the new energy scheduling system for WSO to meet regulatory requirements of reporting Metropolitan energy production. The new .NET application replaced an older legacy system that was unsupported.
- Improved certification processes by replacing manual forms (storage certs) to SharePoint forms for WSO and Storm Water Certs for WRM.
- Continued ongoing development of data analytics and dashboard reporting and embarked upon the first step towards self-service analytics. This technology allows users to leverage powerful analytics to generate a host of reports based on user data and requirements.



Sample Analytic Reporting

REAL PROPERTY

GM STRATEGIC PRIORITY #1: Resiliency

Objective #1 Provide right-of-way planning, valuation, and real property acquisition support services for the protection and reliability of existing infrastructure.

Staff completed a fallowing easement exchange request through escrow for a landowner in the Palo Verde region. Metropolitan and Palo Verde Irrigation District's 35-year Fallowing Program allows participating landowners the opportunity to exchange their existing lands enrolled within the program with new land that qualifies for the program. A new easement for 45 water toll acres was obtained, and in exchange, Metropolitan and Palo Verde Irrigation District quitclaimed the same number of water toll acres.

Staff exchanged approximately 37 acres of an existing permanent easement area in one location within a city park for another within the same park from the City of Long Beach. This transaction was in support of the Second Lower Feeder Pre-Stressed Concrete Cylinder Pipeline Rehabilitation Program to include the enlarged footprint of a new blow-off structure constructed within the park. The City of Long Beach required a net zero impact to the existing encumbrances on the park.

Objective #2 Foster staff training and development.

Staff completed the following:

- International Right of Way Association-sponsored conference and courses: IRWA's 67th Annual International Education Conference; Introduction to Property/Asset Management; and Alternative Dispute Resolution.

CORE BUSINESS: Real Property Acquisition, Management and Revenue Enhancement

Objective #3 Efficiently maintain and operate assets not related to the treatment and distribution of water.

Staff completed an elevator cab refresh on 11 passenger elevators at the Metropolitan Headquarters Building. The wall panels began showing signs of wear and require replacement. The new fabric is more durable and allows for greater cleaning efficiency.



Before



After

REAL PROPERTY *continued*

Staff completed the replacement of a wayfinder sign at the Diamond Valley Lake facility. The original sign located at the intersection of Sanderson and Domenigoni was damaged during a vehicular accident.



Objective #4 District Housing Maintenance and Management.

Staff completed a total of 45 work orders, including 19 resident requests, 5 preventive maintenance tasks, and 21 general and corrective maintenance items associated with Metropolitan housing.

In effort to support WSO's housing needs, two Metropolitan houses were prepared for occupancy in June. The houses were prepared for employees whose positions require them to have an onsite Metropolitan residence.



Porch Refurbishment at House 127-E

REAL PROPERTY *continued*

In an effort to reduce the potable water temperature during the summer months at Eagle Mountain, a Cool-Seal road coating was applied to the asphalt above the buried potable waterlines. Water temperature readings will be taken around the village area to track temperature differentials.



GM STRATEGIC PRIORITY #1: Resiliency

Objective #1 Develop and Refine Security's Strategic Plan

Metropolitan's Security team collaborated with Western Region Conveyance and Distribution (C&D) staff in a virtual tour of proposed CIPs. Though most dealt with engineering maintenance remediation, many proposals also included security components vital to water system operations and system integrity.

Several C&D remote substructures on the fringes of Metropolitan's service area were vandalized for potable water and electric power. Innovative products, such as reinforced stainless-steel vault lids, were designed by Security staff and deployed to ensure safe, intact, and reliable drinking water distribution to member agencies. These installations resulted in a 100 percent decrease in the breeches of substructure lids.



**Old substructure lids were vulnerable to cutting at the hinges.
New reinforced lids have no exposed hardware.**

Objective #2 Improve Security and Emergency Response

Security staff closely partnered with Department of Homeland Security (DHS) Protective Security Advisors and collection specialists to conduct a security vulnerability assessment of the Iron Mountain Pumping Plant facility. DHS used a special camera system called the Infrastructure Visualization Platform (IVP) to collect geospatial data.

The immersive imagery was then integrated with hypermedia data of Iron Mountain's key critical infrastructure, surrounding areas, and roads. The final product's 3D rendering of the site will assist security personnel in planning, protection, and response efforts. This was the first of several planned IVPs that will be conducted in the Desert Region at key facilities over the next year.



**Security Unit Manager Tomer Benito (left) assessing vulnerabilities
with DHS Protective Security Advisor at Iron Mountain**

Objective #3 Improve Employee Readiness for All Hazards Emergencies

Catalytic converter theft has skyrocketed over the last several months throughout Southern California. As emission standards increase around the globe, the demand for catalytic converters and their encased precious metals has surged. Platinum, palladium, and rhodium are all extremely rare and expensive. Five years ago, rhodium was \$600 an ounce; today it is \$21K an ounce. One converter contains several thousand dollars' worth of rare metals, making it a very lucrative target for thieves, who remove them using battery-powered saws in just minutes, usually at night.

Utilities are starting to get hit because of their vast, high-ground-clearance vehicle fleets. The operational impact is that fleet vehicles could be out of service for three to four weeks awaiting parts and repairs. Metropolitan has experienced only one theft, disrupted a second theft, and is enacting swift deterrence measures to protect fleet and employee vehicles. Preventative measures include parking vehicles inside locked garages, increased lighting, additional security cameras, extra electronic detection devices, adding additional security patrols, and etching and welding converter parts together, using converter security clamps, and other proactive deterrents.



Catalytic converter from Metropolitan utility truck stolen by thieves using battery-powered saw

WATER RESOURCE MANAGEMENT

GM STRATEGIC PRIORITY #1: Resiliency

Objective #6 Ensure access to sufficient water supplies to operate a full Colorado River Aqueduct in times of drought.

Metropolitan staff participated in the biannual meeting of the Colorado River Salinity Control Forum (Forum). Participants discussed plans for the existing Paradox Valley Unit—a brine injection well owned and operated by the U.S. Bureau of Reclamation (USBR). The well has been largely dormant since a magnitude 4.6 earthquake, believed to have been induced by the well, struck the surrounding Paradox Valley in March 2019. USBR reported that seismic investigations of the well and surrounding area are ongoing. Target completion date for the studies is summer 2023. USBR also reported on ideas for a replacement alternative for the well, including salt evaporation ponds operated by a private partner who would market the resulting salt byproduct.

Metropolitan staff also participated in a forum to provide input into revised streamflow modeling for runoff within the Colorado River watershed. The modeling effort, funded and led by NASA, Arizona State University, and the Central Arizona Water Conservation District seeks to improve streamflow projections by incorporating up-to-date science of climate change in the basin.

Metropolitan staff participated in a Colorado River Basin States Work Group meeting in Denver, Colorado. The meeting served as a kickoff of interstate negotiations over the new set of Colorado River reservoir operation guidelines that will take effect after the expiration of the 2007 Interim Guidelines in 2026. The meeting focused on familiarizing state agency staff with USBR's main river model and the sensitivity of that model to changes in key elements of the 2007 Guidelines and Drought Contingency Plan (DCP).

Objective #7 Support Capital Investment Program planning.

WRM staff participated in ten virtual site visits instead of the traditional in-person tours because of the ongoing COVID-19 pandemic. Capital Investment Program (CIP) review committee members also attended presentations given by the treatment plant, conveyance, and distribution teams. These presentations provided information on the teams' responsibilities and showcased the proposed major CIP projects for the upcoming two-year CIP cycle (FY 2022/23 and FY 2023/24).

Objective #8 Implement Local Resources Program

Metropolitan brought the proposed Las Flores Recycled Water System Expansion Local Resources Program project to the Water Planning and Stewardship Committee. The project will construct recycled water pipeline to deliver up to 209 acre-feet per year to the Las Flores community for irrigation uses. Metropolitan will enter an agreement for the proposed project with the Santa Margarita Water District and the Municipal Water District of Orange County. The Board approved the project on June 8, 2021.

GM STRATEGIC PRIORITY #2: Sustainability

Objective #2 Complete the 2020 Urban Water Management Plan.

On May 11, 2021, the Metropolitan Board unanimously adopted Metropolitan's 2020 Urban Water Management Plan (UWMP), Water Shortage Contingency Plan (WSCP), and Addendum to 2015 UWMP on Reduced Delta Reliance reporting (Addendum to 2015 UWMP). Following adoption, staff prepared the final plans for submittal to the Department of Water Resources (DWR).

WATER RESOURCE MANAGEMENT *continued*

On June 4, 2021, staff submitted the UWMP and related documents to the cities and counties within the service area. In addition, Metropolitan also submitted electronic and hardcopies of the plans to the California State Library, member agencies, and DWR. The final plans are also available on Metropolitan's website for access by the public at <http://www.mwdh2o.com/AboutYourWater/Planning/Planning-Documents>.

Objective #4 Manage existing and develop new regional water management programs to maintain water supply reliability in the face of increasing water supply volatility.

The State Water Resources Control Board (SWRCB) mailed a notice on June 15, 2021, to water right holders in the Delta watershed to inform all post-1914 appropriative water right holders that the best available data indicates that water is currently unavailable to serve their priority of right. SWRCB also sent a letter to pre-1914 appropriative and riparian claimants to warn them of impending water unavailability for a subgroup of those senior water right claimants and the likelihood of future notices of water unavailability or notices of curtailment that may affect their ability to divert. The curtailment of post-1914 water rights will reduce the amount of State Water Contractors (SWC) Dry Year Water Transfers available in 2021 to Metropolitan, which could be around half of the projected transfer supply.

Objective #5 Support development of Regional Recycled Water Program (RRWP).

Staff presented to the Board a resolution to support Metropolitan's \$6.25 million WaterSMART: Title XVI Water Infrastructure Improvements for the Nation (WIIN) Water Reclamation and Reuse Project grant application. Staff also coordinated submittal of resolution and grant application support letter from our RRWP program partner Los Angeles County Sanitation District (LACSD) to the USBR.

Objective #6 Maintain and enhance groundwater production in Metropolitan's service area.

Metropolitan staff made presentations on the Stormwater for Direct Use Pilot Program and the On-Site Retrofit Program presented at the WaterReuse San Diego Chapter Meeting. The presentation provided background on the programs and information on how to apply. Staff is seeking greater participation in both of the programs.

Objective #8 Implement Regional Conservation Program.

Metropolitan prepared to launch two new water efficiency programs by signing agreements with the Member Agencies. These programs, the Residential Leak Detection and Flow Monitoring Program and the Pre-1994 Multi-Family Property Toilet Replacement Program will advance residential water efficiency in the region.

Metropolitan staff hosted a virtual Conservation Program Advisory Committee (PAC) meeting with member and retail agency representatives. The PAC considers potential new devices and technologies for inclusion in Metropolitan's rebate and incentive programs and recommends programmatic changes to the overall Conservation Credits Program. The majority of discussion at the June PAC meeting centered on Metropolitan's potential support for member and retail agencies to comply with the forthcoming standards for outdoor commercial, industrial, and institutional (CII) water use with dedicated irrigation meters as a result of the State's 2018 legislation on Water Conservation and Drought Planning: Senate Bill 606 (Hertzberg) and Assembly Bill 1668 (Friedman). The volumetric standards apply to urban retail water suppliers who will use them to calculate urban water use objectives for reporting purposes. Agencies may incur significant costs determining meter locations and estimating irrigation needs for areas served. Staff's participation in the PAC meetings help Metropolitan improve and implement its regional conservation programs. The PAC is scheduled to meet again in September 2021.

WATER RESOURCE MANAGEMENT *continued*

The California Water Efficiency Partnership (CalWEP) held its 5th Annual Peer to Peer event virtually. General session topics included California water use trends, climate trends, media messaging and the State's new proposed legislation to lower the indoor gallons per capita per day (GPCD) standard, and development of outdoor landscape area measurements to meet the upcoming new standards. Metropolitan staff attended the CalWEP event, and co-presented on topics including: school "greening" and challenges/lessons learned in getting schools to participate in water efficiency incentive programs; a panel discussion on how climate, media, and customer behavior shape our work in water efficiency and conservation; moderating a panel on emerging technologies; and "How-to" workshops for new conservation coordinators. Metropolitan was a co-sponsor of the event.

OBJECTIVE #9 Ensure cost-effective State Water Project supplies

Staff participated in the Department of Water Resources (DWR)'s Castaic Dam Stakeholder Engagement meeting. In this meeting, DWR staff informed stakeholders on the current status of the Castaic Dam High Intake Tower Bridge Seismic Retrofit project. The Castaic Lake drawdown began on May 1, 2021 and DWR's contractor is currently assisting Los Angeles County Park & Recreation to remove the excess sand exposed by the lower lake elevation. Metropolitan staff is working closely with DWR to coordinate the drawdown to allow for the seismic retrofit work to begin in November 2021. There will be no interruption of deliveries to Metropolitan's Jensen treatment plant during the seismic work.



DWR contractor removes excess sand from the shores of Castaic Lake on June 9, 2021 (photo credit: DWR).

GM STRATEGIC PRIORITY #3: Innovation

Objective #1 Adaptively Prepare for a Range of Possible Futures through the Incorporation of Scenario Planning in the IRP.

Staff continued engagement with member agencies and the board on work for the 2020 IRP. The Board IRP Special Committee held a meeting on June 22 to discuss refined scenario assumptions and gap analyses for the 2020 IRP. Findings from the refined scenarios and reliability analyses enable the IRP process to progress towards identifying portfolio actions and an adaptive management strategy.

WATER RESOURCE MANAGEMENT *continued*

Objective #2 Collaborate with member agencies, water agencies and associations, and provide leadership for policy development, advocacy, outreach and education.

Staff participated in board meetings of the Southern California Salinity Coalition and CalDesal.

Staff provided a presentation on the Future Supply Actions Funding Program (FSA) to the Southern California Water Coalition Stormwater Taskforce meeting on May 27. The presentation included a review of the goals of the FSA and a description of the stormwater projects that Metropolitan is funding under the FSA.

Staff provided a recycled water legislation and regulation update via an on-line webinar to approximately 55 members of the Los Angeles WaterReuse Chapter. Staff highlighted the proposed State Water Resources Control Board, Division of Drinking Water (SWRCB DDW) Direct Potable Regulations (DPR) that may affect development of new recycled water programs. SWRCB recently published an addendum to the second edition of A Proposed Framework for Regulating Direct Potable Reuse in California, which provides an update on SWRCB DDW's thinking on the development of uniform water recycling criteria for DPR and will help SWRCB establish a framework for the regulation of potable reuse projects. The DPR regulations would regulate the planned introduction of recycled water either into a raw water supply or directly into a public drinking water system. The regulations are scheduled to be adopted by December 31, 2023.

Staff are negotiating updated terms for an extension of Minute 322 of the 1944 Mexican Water Treaty. This Minute and its associated agreements provide deliveries of Mexico's treaty water to Tijuana during emergency conditions in Mexico. Water is wheeled through Metropolitan, SDCWA, and Otay Water District distribution systems. Updated terms are focused on streamlining administration of the agreement and updating terms related to payment for energy costs. This agreement improves bi-national cooperation on the river as the U.S. and Mexico work to address common issues.

Objective #3 Implement Future Supply Actions Funding Program.

Staff participated in a Water Research Foundation (WRF) webcast on two Direct Potable Reuse (DPR) studies co-funded under Metropolitan's Future Supply Actions Funding Program. SWRCB co-sponsored the two studies, which were used in the development of the draft DPR regulations released in May. COO Deven Upadhyay delivered a keynote address for the webcast along with SWRCB Chair Joaquin Esquivel. The webcast was attended by 391 individuals.

Upcoming webinars FSA webinars include:

- July 22: Application of Closed-Circuit Reverse Osmosis for increasing brackish groundwater recovery.
- August 10: Whitepaper assessing the potential for introducing stormwater flows into existing recycled water treatment plants. The Southern California Water Coalition is hosting this webinar and expert panel discussion.

All FSA webinars are free and open to the public.

WATER RESOURCE MANAGEMENT *continued*

Objective #4 Promote Metropolitan’s technical capabilities and innovation efforts to advance the understanding of water resources management.

Staff participated in a three-day Desalination Research Needs Survey workshop hosted by the Water Research Foundation (WRF). The workshop developed recommendations for future research supporting the development of brackish groundwater and seawater desalination. WRF will use the study results to prioritize research funding opportunities. The Southern California Salinity Coalition provided \$10k in co-funding for the study.

Staff remotely attended New Mexico’s “Next Generation Water Summit.” Staff presented on Metropolitan’s innovative conservation programs on a panel alongside the St. Johns River Water Management District titled “Drought Growth and Water Conservation.” The Summit had about 300 attendees.

WATER SYSTEM OPERATIONS

GM STRATEGIC PRIORITY #1: Resiliency

Objective #1 Provide Reliable Water Deliveries.

Metropolitan delivered approximately 151,800 acre-feet (AF) of water to member agencies in June. Deliveries averaged approximately 5,060 AF per day, which was 502 AF per day higher than May's deliveries. Treated water deliveries totaled 78,476 AF, or 52 percent of total deliveries for the month. This was an increase of about 7,649 AF from May's treated water deliveries. The Colorado River Aqueduct (CRA) continued its maximum eight-pump flow with a total of 103,275 AF pumped for the month. State Water Project (SWP) imports averaged 1,600 AF per day, totaling about 48,000 AF for the month, which accounted for about 32 percent of Metropolitan's deliveries. The target SWP blend remained at zero percent for the Weymouth, Diemer, and Skinner plants.

Objective #2 Ensure Water Quality Compliance, Worker Safety, and Environmental Protection.

Metropolitan complied with all water quality regulations and primary drinking water standards during May 2021.

Staff completed the 2020 Consumer Confidence Report for the domestic water systems at each of Metropolitan's desert pumping plants.

Staff hosted a virtual meeting of the Safety Forum. The Safety Forum comprises all facility safety committee chairs and co-chairs. This month, discussion topics included new safety suggestions, lessons-learned during shutdowns, and an Innovation Council update.

June marks the 25th Anniversary of National Safety Month. In observance of this, Metropolitan is having a "Safety is Essential" themed T-shirt Design Contest, a Safety Awareness Quiz for employees to place their T-shirt orders, and a Brown Bag event on June 30 featuring various managers discussing how they promote a safety culture at their facilities and an update on safety improvements at the Metropolitan Headquarters Building. All of these events are focused on improving safety awareness and performance.



Flyer of Brown Bag Celebration for National Safety Month

WATER SYSTEM OPERATIONS *continued*

Desert Guest Services staff performs a wide variety of tasks including operating a series of lodges and kitchens to support visiting staff, contractors, and dignitaries. These facilities are held to the same health and safety standards as commercial restaurants or hotels. County inspectors often make impromptu visits to ensure compliance. This month, a county inspector performed an unplanned inspection of the kitchen at Gene Camp. The facility was given a near-perfect score, firmly securing the A rating.



Desert Guest Services staff displaying the A rating card following inspection of the Gene kitchen

Staff installed warehouse motion sensors and lights to improve safety and security at the Diemer plant. Security experts identified a recent increase in security-related incidents throughout Metropolitan. The improved lighting will serve as an effective deterrent while improving warehouse and area illumination.



Staff installing new exterior lighting on the warehouse at the Diemer plant

WATER SYSTEM OPERATIONS *continued*

Objective #3 Actively Engage in Capital Project Planning and Execution.

Staff installed a remote terminal unit (RTU) for the new Water Quality Instrumentation Building capital project located at the finished water reservoir at the Weymouth plant. The input/output signal cabling was installed between the RTU and field wiring termination cabinets. Each cable was labeled to match the SCADA point tag names to make future troubleshooting easier. Each signal loop is tested and verified to ensure that all water quality instrumentation is connected correctly.



Staff connecting signaling cables from the RTU to the field terminals at the new water quality instrumentation building at the Weymouth plant

Objective #4 Optimize Maintenance.

The environmental conditions in the Desert region are hard on local Metropolitan infrastructure requiring continuous efforts to keep roads passable, washes cleaned, and barriers maintained to protect Metropolitan property. Desert staff, in close coordination with environmental specialists, maintain these roads routinely with trained operators and heavy equipment.



Staff repairing a CRA access road using a water truck to minimize dust

WATER SYSTEM OPERATIONS *continued*

Staff identified a circulating water pump with excessive vibration and noise at Hinds pumping plant and removed it from service for inspection and repair. The circulating water pump provides cooling water to the cooling coils and heat exchangers that carry off heat from the transformers, motor bearing surfaces, and motor windings. The cooling water system is vital to ensure that the 12,500 hp pumps do not overheat.



Staff securing a 2,300V circulating water pump at Hinds pumping plant

Each of the CRA pump units include a pump discharge shutoff valve that is used to isolate the pump and prevent it from spinning in reverse when the pump is not in service. During an unplanned shutoff of a pump, the large discharge valve closes in approximately 10 seconds to ensure that the pump is not damaged by water backspinning the unit. This month, staff performed maintenance on a pump discharge shutoff valve at Eagle Mountain pumping plant to ensure reliable operation.



Staff lubricating the pump discharge valve at Eagle Mountain pumping plant

The La Verne Shops manufactured multiple components for Greg Avenue pump station, located in Sun Valley. These components will be used to facilitate the testing and operation of two new 3,000 hp pumps that are part of Metropolitan's robust drought response effort. The components consisted of new discharge bypass piping segments, a future pump surge tank connection, and a refurbished 300-pound slanted disc check valve for surge attenuation. Water surges in the pipeline can occur when rapid flow changes are made, such as when a pump unexpectedly trips upon loss of power.

WATER SYSTEM OPERATIONS *continued*



Bypass piping for Greg Avenue pump station



Installed bypass piping for Greg Avenue pump station



La Verne Shops staff fabricating a surge tank connection for the Greg Avenue pump station

WATER SYSTEM OPERATIONS *continued*



Finished 300 lb. slanted disc check valve ready to be shipped to the Greg Avenue pump station

During routine coating maintenance, staff discovered and repaired a small leak on a drain pipe located inside the sectionalizing valve structure of the East Valley Feeder. Staff performed metallurgy testing, surface preparation, patch plate welding, and dye penetrant weld-testing to complete the repair.



Staff welding patch plate inside the sectionalizing valve structure of the East Valley Feeder

Staff replaced approximately 6,700 square feet of deteriorated asphalt liner at Live Oak Reservoir. Work included repairing 19 locations inside the reservoir that were identified as critical to its operation.

WATER SYSTEM OPERATIONS *continued*



Staff completing the excavation and paving of repair patches inside Live Oak Reservoir

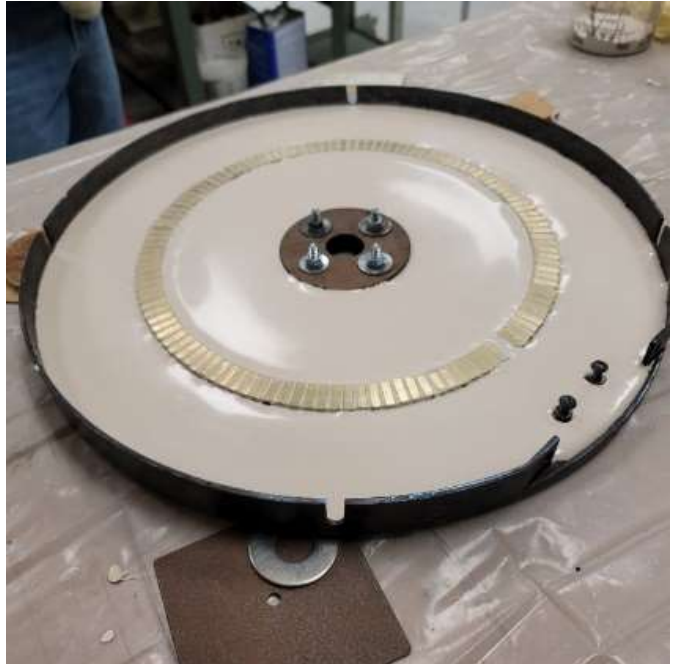
Staff completed erosion repair maintenance for the earth embankment of the Inland Feeder pressure control structure PC-1, emergency detention basin, and access roads. The detention basin and emergency spillway are used during dewatering for pipeline maintenance and required routine maintenance on basin slopes that have been slowly eroding from heavy rains in past years.



Staff repairing the slopes and perimeter fence line using a motor grader and dozer at Inland Feeder Pressure Control Structure PC-1

Staff refurbished a worn 1930's vintage rheostat for the Eagle Mountain pumping plant. A rheostat is a large variable resistor which is analogous to the volume control on an old radio. The device is integral to the efficiency and operation of the CRA pumps, and the pumps will not run without it. Components within the device can generate temperatures as high as 1,400 °F and require an insulating compound that can both withstand high heat and maintain electrical insulation to prevent shorting of the conductive wires. After determining a suitable replacement material, staff tested the material and process and installed the refurbished rheostat.

WATER SYSTEM OPERATIONS *continued*



Staff taking temperature readings during testing (left) and new insulation material filled (right) for the rheostat at Eagle Mountain pumping plant

Staff performed scheduled maintenance on high-voltage equipment at the Skinner plant. The high-voltage maintenance included cleaning, inspecting, and testing of cables, disconnecting switches, and transformers for a unit power center. Maintenance, cleaning, and testing of electrical equipment are critical to ensure that the equipment will continue to operate reliably.



High-voltage equipment at the Skinner plant

Staff made improvements to the Process Safety Management (PSM) area painted boundary striping at the Skinner plant. PSM covers requirements for the management of dangers associated with handling highly hazardous chemicals. In areas around highly hazardous chemicals where there is a potential for accidental release, PSM painted boundary striping notifies staff of the hazardous area. The orange and yellow painted striping fades over time and needs to be periodically recoated. Staff power washed the area in preparation for repainting to improve visibility of the PSM boundary.

WATER SYSTEM OPERATIONS *continued*



Staff power washing PSM boundary area striping at the Skinner plant



Repainted boundary area striping at the Skinner plant

Staff is in the process of replacing a valve that was found inoperable during an annual operational exercise that involves flushing of the domestic water system at the Weymouth plant. The annual maintenance is performed to ensure that equipment on this system properly functions and that any "dead legs" on the system are flushed, ensuring good quality water for the domestic system.

WATER SYSTEM OPERATIONS *continued*



Staff removing an inoperable valve from the domestic water system at the Weymouth plant

Staff replaced 12 sump drain valve extensions and operators at Wadsworth pumping plant. The gate valves are at the bottom of each pump enclosure and are normally under water. It is critical that these valves be operated from above to drain each enclosure when establishing clearances for maintenance work. The existing drain valve extensions and operators were 20 years old and had corroded to the point of failure. Because the system ties each of the 12 pump enclosures into a common drain, any operator or extension failure would make isolation of the pump units impossible without taking all units out of service. The replacement extensions and operators are made of stainless steel and will not corrode, increasing the reliability of the sump operating system and the pumping plant for decades to come.



Sump drain valve extensions and operators before replacement (left) and after replacement (right) at the Wadsworth pumping plant

WATER SYSTEM OPERATIONS *continued*

Staff replaced the expansion joint around trench lids located at the Skinner plant to protect a treatment chemical process piping trench carrying alum, sodium hypochlorite, and polymer. The chemical- and ultraviolet (UV)-resistant expansion joint material that is used seals the trench from water intrusion, improving overall reliability.



Staff during expansion joint replacement (left) and after replacement (right) around chemical process piping trench at Skinner plant

Staff continued the system-wide coatings program aimed at preventing corrosion and extending the life of pipelines and other infrastructure. Staff recently completed coating maintenance of the turnout valve and meter structure for service connection OC-48 on East Orange County Feeder No. 2.



Turnout valve and meter structure before (left) and after coating (right) of OC-48 service connection

Staff completed corrective maintenance to remove, rebuild, and reinstall a pressure relief globe valve at the Ramona pressure control structure on the Middle Feeder. While performing routine preventative maintenance on one of the lines, staff identified leaking seating components on the regulating globe pressure relief valve. Staff removed the line from service to rebuild the valve in place. The valve body required internal coatings and weld-filling of deep pits in the steel material. Upon completing the internal valve body repairs, the valve was refurbished with new components, transported back to Ramona PCS, reinstalled, and returned to service.

WATER SYSTEM OPERATIONS *continued*



Refurbished globe valve being lowered and reinstalled at the Ramona PCS on the Middle Feeder

Objective #5 Manage the Power System.

The California Independent System Operator (CAISO) issued multiple flex alerts calling for energy because of unseasonably hot weather from June 15 through June 18, and issued a grid warning because of an Insufficient Resource forecast on June 17. In preparation for the possibility of CAISO activation of the CRA pumping load shed program, Metropolitan power scheduling and CRA operations staff met to review the status of the reservoir at Copper Basin and the load shed procedure, to ensure that any directive from the CAISO or Metropolitan's transmission operator (Arizona Electric Power Co-Op, AEPCO) would be implemented quickly and effectively without risking water delivery operations.

Staff continued other preparations to ensure electric reliability during the upcoming peak load season in August and September, including development of improved communications channels with AEPCO and CAISO, and development of training for staff unfamiliar with the CAISO market.

The CRA requires a significant amount of power to operate, and a large portion of that power comes from renewable hydroelectric sources at Hoover and Parker Dams. Once a year, as part of an agreement between Metropolitan and Western Area Power Association (WAPA), Desert staff are given the opportunity to witness WAPA's billing meter calibrations at Parker Dam. These meters monitor and record the power supplied to Metropolitan for CRA operations. By sending trained hydroelectric specialists to witness these calibrations, Desert staff help ensure that all parties agree when payments are requested.

WATER SYSTEM OPERATIONS *continued*



Desert staff witnessing meter calibration at Parker Dam

Objective #6 Improve Emergency Preparedness and Response.

As of June 15, the State of California relaxed many COVID-19 health mandates and restrictions. Currently, Metropolitan staff continues to communicate with outside health and emergency management agencies in its six-county service area to monitor for any significant changes in COVID-19 case numbers or other threats. Staff will update management on a regular basis of any trends that could affect staffing and operations.

Objective #7 Optimize Water Treatment and Distribution.

The State Project water (SPW) target blend entering the Weymouth and Diemer plants, and Lake Skinner was zero percent in June 2021.

Flow-weighted running annual averages for total dissolved solids from April 2020 through March 2021 for Metropolitan's treatment plants capable of receiving a blend of SPW and CRA water were 568, 569, and 527 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.

Piping and process labeling is used throughout the treatment plants to provide critical process information and for overall safety. Existing labels at the various chemical tank farms have deteriorated in the sunlight, making them illegible. Staff printed out new labels and installed them on the existing ammonia piping in the chemical tank farm. Labeling on the piping will help staff identify the piping and provide quick and easy troubleshooting when needed.

WATER SYSTEM OPERATIONS *continued*



Staff installing new piping labels at a chemical tank farm

Staff worked with a contractor to replace the insulation on the liquid oxygen (LOX) feed system at the Skinner plant. The insulation prevents frost from building up on cryogenic piping that may stress and cause damage to the pipes. Earlier in the year, a small leak occurred in the LOX feed line with the drip, damaging the insulation. The insulation had to be removed to repair the leak, but replacement of the insulation was challenging, as it is a specialty service. Staff closely coordinated with a contractor to successfully replace the insulation.



LOX leak with insulation removed at the Skinner plant

WATER SYSTEM OPERATIONS *continued*



LOX feed line with newly replaced insulation at the Skinner plant

WATER SYSTEM OPERATIONS *continued*

Objective #8 Manage Water Reserves.

Water reserves continued to be managed according to Water Surplus and Drought Management (WSDM) principles, operational objectives, and the current 5-percent SWP allocation. Deliveries of SWP supply were minimized to preserve SWP Carryover and Flexible Storage. Releases from Diamond Valley Lake (DVL) through PC-1 to connections on the Lakeview Pipeline, as well as the DVL to Mills plant operation, continued in June to conserve SWP use in that area. Returns from the Semitropic and Kern Delta SWP Banking Programs also continued in June. Staff coordinated additional special operational actions to minimize SWP usage including operating the Greg Avenue pumps beginning on June 6. In addition, staff continued coordination with member agencies shifting their deliveries from SWP connections to Colorado River connections, when possible. Along with these actions being taken to respond to drought conditions, Metropolitan's record high storage levels at the end of 2020 provide significant water supply reliability in 2021.

Objective #10 Manage Vacancies.

WSO filled four vacant positions in May 2021.

Objective #11 Prepare Employees for New Opportunities.

The Water System Operations Apprentice and Technical Training Program develops and trains personnel to become qualified mechanics and electricians responsible for maintaining Metropolitan's water treatment and distribution systems. This month, the Class of 2023 electrical apprentices were taught by subject matter experts. During the training session, apprentices learned about electrical equipment sizing and motor controls. Motor control simulators are used to help the apprentices wire to written specifications in a safe environment. The subject matter expert then checks the accuracy of the wiring before powering up to test for proper operation. This process helps develop the apprentice's ability to troubleshoot and repair equipment in the field.



Class of 2023 apprentice and subject matter expert reviewing wiring specifications on motor control simulator

WATER SYSTEM OPERATIONS *continued*

Objective #12 Enhance Support Infrastructure at the Desert Facilities

The CRA is a 242-mile engineering marvel. The length and remote location of the aqueduct necessitates that villages along the aqueduct be available for staff to live and work. The remote locations are not only far from large metropolitan areas but are also in an extremely hot part of the state. Ambient temperatures can regularly reach 120 °F in the summer months. The sustained temperatures heat-soak the ground and increase the temperature in the domestic water lines. In an effort to improve the quality of life for village residents, staff cover the roadways in a heat reflecting “cool seal” coating. This effort helps to provide heat relief for residents at the pumping plant while projects are underway to fully renovate the villages and associated water systems.



“Cool-Seal”-covered road at Eagle Mountain pumping plant

The recreation hall’s asphalt roof shingles were recently damaged by high winds at Eagle Mountain pumping plant. While the recreation hall is scheduled to be replaced as part of the Desert Housing project, an immediate interim repair was necessary. Staff inspected the roof and determined that applying elastomeric roof coating will extend its life, keep shingles from being displaced in high winds, and prevent leaks until the new building is constructed.

WATER SYSTEM OPERATIONS *continued*



Staff applying a coating to the recreation hall roof at Eagle Mountain pumping plant

GM STRATEGIC PRIORITY #2: Sustainability

Objective #1 Prepare for Future Legislation and Regulation.

From June 1–3, staff attended the inaugural California Environmental Laboratory Accreditation Program (ELAP) Conference. The conference highlighted the accreditation process under the newly adopted environmental laboratory regulations and discussed topics pertaining to laboratory efficiency and performance improvement. Metropolitan has initiated the accreditation process for the Water Quality Laboratory and the five water treatment plant laboratories. The laboratories will be accredited under the new regulations by October 2023.

From June 7–11, the Water Quality Laboratory and the Weymouth Treatment Plant laboratory were evaluated by an independent environmental laboratory assessor. The assessment helps Metropolitan prepare for compliance under the new ELAP laboratory accreditation regulations. Water Quality and IT support personnel also attended laboratory ethics and data integrity training provided by the laboratory assessor. This annual training is mandatory for all laboratory and support staff under the new regulations.

By invitation from the Environmental Protection Agency (EPA), on June 24, 2021, staff participated in the virtual meeting with other stakeholders to provide additional feedback on EPA’s guidance in accordance with the Supreme Court’s ruling in the County of Maui v. Hawaii Wildlife Fund case. The invitation was in response to staff’s comments disagreeing with the EPA’s previous interpretation over how to determine “functional equivalency”—a test to determine whether a permit is needed when a pollutant is discharged from a point source and reaches a jurisdictional surface water via groundwater or other subsurface flow. In order to better protect source water quality, Metropolitan recommended that the EPA develop guidance consistent with both the Court’s ruling and the intent of the Clean Water Act.

On June 9, the EPA and the Army Corps of Engineers announced their intent to revise the definition of “waters of the United States” (WOTUS). The EPA is requesting to remand the 2020 Navigable Waters Protection Rule, as the agencies have determined that the rule significantly reduced clean water protections—particularly in the arid southwest. The EPA intends to develop a new rule that redefines WOTUS and combines elements of the pre-2015 rule, the Obama-era Clean Water Rule, and the Trump-era Navigable Waters Protection Rule. Staff will continue to monitor and engage on this issue as warranted.

WATER SYSTEM OPERATIONS *continued*

On June 17, Cal/OSHA adopted the third draft iteration of its COVID-19 Emergency Temporary Standard (ETS). The revised ETS, among other things, requires employers to provide respirators (i.e., N95 or equivalent) to unvaccinated employees upon request; allows fully vaccinated employees not to wear face coverings indoors provided they show vaccination documentation; and removes—with certain exceptions such as major outbreaks—outdoor face covering requirements, as well as physical distancing and barrier requirements regardless of vaccination status. Shortly after adoption, Governor Newsom signed Executive Order N-09-21y, waiving the normal 10-day Office of Administrative Law (OAL) review process, thereby making the revised ETS effective immediately. Staff are working on implementing the newly adopted ETS. In the meantime, employees must continue to follow existing Metropolitan policies and procedures.

On June 25, staff submitted a joint comment letter with the Los Angeles County Sanitation Districts (LACSD) to the SWRCB on its early draft criteria for regulating direct potable reuse (DPR) in California. The draft criteria address both the raw and treated water augmentation forms of DPR. Metropolitan is supportive of the state's efforts to develop these criteria but offered several comments to further strengthen the criteria and help expand potable reuse development in California. Key comments included in the Metropolitan-LACSD letter included requesting the state to (1) identify differing risks and requirements between different forms of DPR, (2) ensure jurisdiction and compliance requirements between partnering agencies in a DPR project do not overlap, (3) provide flexibility for existing drinking water plants to achieve pathogen removal credits, (4) allow flexibility in operator certification and staffing requirements, and (5) streamline reporting and minimize redundancies with existing water/wastewater reporting requirements. During the review period, staff also coordinated with industry partners including WaterReuse California in sharing feedback on the draft criteria. Metropolitan will continue to engage with the SWRCB and other industry partners during the regulatory development process. Final DPR regulations are anticipated by the end of 2023.

Objective #3 Support the Regional Recycled Water Program

Staff continued testing, operations, monitoring, and maintenance at the Regional Recycled Water Advanced Purification Center (RRWAPC) demonstration facility. The third phase of challenge testing continued in June to assess system performance with damaged fibers. An operational change at the Joint Water Pollution Control Plant caused higher than usual solids and organics loading in the demonstration plant influent. However, staff managed the demonstration facility biological system throughout the transient event to ensure that operational performance and water quality targets were achieved.

Staff finalized a new testing and monitoring plan for the next phase of RRWAPC testing, which is expected to begin in late 2021 and will treat primary effluent with the membrane bioreactor (MBR) in a secondary mode of operation. The plan incorporates comments from the project's Independent Science Advisory Panel and will be submitted to the State Water Resources Control Board (SWRCB) Division of Drinking Water later in the summer.

Staff completed various onsite projects to enhance site safety and ease of operations including chemical system maintenance and improvements, and installation of a reagent-grade water supply system in the onsite laboratory. Staff also began modifications to facility handrails to improve safe access to equipment, and installed a 250 kW portable generator to provide temporary electrical supply to the demonstration facility during scheduled preventative maintenance on the main power supply.

WATER SYSTEM OPERATIONS *continued*



Consultant staff perform 1,4-dioxane challenge testing on the advanced oxidation process at the demonstration facility



Staff remove a membrane cassette for additional fiber cutting at the demonstration facility

WATER SYSTEM OPERATIONS *continued*



Staff confirm power supply through the portable generator during a scheduled electrical outage at the demonstration facility

Staff supported the Regional Recycled Water Advanced Purification Center (RRWAPC) in Carson by providing temporary power to the entire facility during a scheduled electrical outage. The Los Angeles County Sanitation Districts (LACSD) requested the outage to perform high-voltage maintenance to the equipment that supplies power to the RRWAPC. The outage required the use of a generator from the Construction Services Unit (CSU) with adequate capacity to supply power to the entire facility. The work required staff to coordinate with the RRWAPC, LACSD, and CSU staff to arrange the outage, as well as to develop the operational plans for transition to and from normal to generator power.

WATER SYSTEM OPERATIONS *continued*



Staff applying locks and tags at an electrical breaker (left) and staff adjusting generator voltage (right) at the RRWAPC



Staff verifying correct voltage and rotation at the generator power inlet at the RRWAPC

WATER SYSTEM OPERATIONS *continued*

Objective #5 Manage Power Resources and Energy Use in a Sustainable Manner.

Metropolitan's hydroelectric plants generated an average of about 17 megawatts or over 12,510 megawatt-hours and about \$596,990 in revenue for the month of May 2021. Metropolitan's solar facilities, totaling 5.4 megawatts of capacity, generated just over 940 megawatt-hours in May 2021.

Objective #6 Protect Source Water Quality.

On June 16, staff participated in a stakeholder meeting for the Topock Chromium-6 Groundwater Remediation Project. Pacific Gas & Electric provided updates on project activities including the soil remediation investigation report and Phase 1 groundwater remedy construction, startup, and initial operations. Construction of the groundwater remediation facility is expected to be completed in 2025, followed by long-term operation and maintenance of the system.

GM STRATEGIC PRIORITY #3: Innovation

Objective #1 Develop New Solutions to Enhance Operational and Business Processes.

The Joseph Jensen Water Treatment Plant won Best in U.S. Municipal Drinking Water at this year's Berkeley Springs International Water Tasting competition. The competition, held in West Virginia, included entries from 19 states and 14 countries. This recognition highlights and validates the high quality of Metropolitan's treated drinking water. Over the past six months, Jensen plant staff has ramped up its optimization efforts. These efforts included the installation and close monitoring of new water quality monitoring instruments, and implementation of condition-based maintenance of biological filters.



Sedimentation basin at the Jensen plant

WATER SYSTEM OPERATIONS *continued*

Objective #2 Support and Engage with Member Agencies on Technical Matters.

Metropolitan hosted a virtual meeting with Member Agency Water Quality Managers on June 10, with more than 150 participants. Key discussion topics included a regulatory update; revision of the Lead and Copper Rule; occurrence, treatment, and regulation of manganese in drinking water; an update on the Regional Recycled Water Program; and an update on Metropolitan's water system operations. Metropolitan has been holding these forums to coordinate with member agencies on key water quality issues since the late 1980s.

Objective #3 Advance Education and Outreach Initiatives.

In June, Metropolitan's departing General Manager visited field facilities at La Verne and at all five of the Colorado River Aqueduct pump plants, speaking with staff and touring the facilities. Staff appreciated the time General Manager Kightlinger took from his busy schedule to engage with staff on the essential work being performed to ensure Metropolitan's safe and reliable water deliveries.



General Manager Kightlinger visting Metropolitan's La Verne and Desert field facilities



WATER SYSTEM OPERATIONS *continued*

Monthly Update as of:

7/1/2021

<u>Reservoir</u>	<u>Current Storage</u>	<u>Percent of Capacity</u>
<i>Colorado River Basin</i>		
Lake Powell	8,334,000	34%
Lake Mead	9,102,000	35%

DWR

Lake Oroville	1,128,042	32%
Shasta Lake	1,733,407	38%
San Luis Total	667,845	33%
San Luis CDWR	535,364	50%
Castaic Lake	171,995	53%
Silverwood Lake	66,529	89%
Lake Perris	115,645	88%

MWD

DVL	654,616	81%
Lake Mathews	158,115	87%
Lake Skinner	37,321	85%



Hoover Dam



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

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**Other Matters****Finance**

On May 19, 2021, Metropolitan remarketed its \$80,000,000 Subordinate Water Revenue Bonds, 2017 Series C, \$95,630,000 Subordinate Water Revenue Refunding Bonds, 2017 Series D, and \$95,625,000 Subordinate Water Revenue Refunding Bonds, 2017 Series E. Legal Department staff attorneys worked with Finance, Engineering, and Water Resources staff and disclosure counsel to prepare Appendix A and with bond counsel to prepare bond documents.

Metropolitan and TD Bank, N.A. executed four separate Standby Bond Purchase Agreements, each dated June 1, 2021, to provide liquidity support for Metropolitan's Special Variable Rate Water Revenue Refunding Bonds 2016 Series B-1, 2016 Series B-2, 2018 Series B-1, and 2018 Series B-2. Legal Department staff attorneys worked with Finance staff, bank counsel and outside bond counsel to negotiate and deliver the agreements. The new Standby Bond Purchase Agreements required the preparation of two separate supplements to the original Official Statements and Legal Department staff attorneys worked with Finance, Engineering and Water Resources staff to prepare the official statement used to remarket the Bonds.

On June 16, 2021, Metropolitan issued \$222,160,000 of Variable Rate Subordinate Water Revenue Refunding Bonds, 2021 Series A (Variable Rate Bonds). Legal Department staff attorneys worked with Finance, Engineering and Water Resources staff to prepare the official statement used to market the Bonds and assisted outside bond and disclosure counsel with the drafting and negotiation of several contracts and closing certificates.

On June 23, 2021, Metropolitan sold \$98,410,000 of Water Revenue Refunding Bonds, 2021 Series B (Bonds). The Bonds were issued to refund portions of three separate series of bonds originally issued from 2011 to 2017 and realize debt service savings. Total present value debt service savings for Metropolitan was \$21.9 million. The Bonds will also prepay \$35,645,000 of outstanding RBC Short-Term Revolving Notes issued on June 30, 2021. During a 4-month process, Legal Department staff attorneys worked with Finance, Engineering and Water Resources staff to prepare the official statement used to market the Bonds and assisted outside bond and disclosure counsel with the drafting and negotiation of several contracts and closing certificates.

Matters Received by the Legal Department

<u>Category</u>	<u>Received</u>	<u>Description</u>	
Action in which MWD is a party	1	Complaint for Breach of Contract, filed in Los Angeles County Superior Court, in the case <i>Baker Electric, Inc. v. MWD</i> , Case No. 21STCV15612, in which plaintiff alleges breach of contract claims relating to Baker's contract with MWD for the Colorado River Aqueduct Pumping Plants 6.9kV Power Cable Replacement	
Requests Pursuant to the Public Records Act	12	<u>Requestor</u>	<u>Documents Requested</u>
		Brown and Caldwell	Records relating to the Request for Proposal for Engineering Services for Conveyance and Recharge Facilities for the Regional Recycled Water Program



<u>Requestor</u>	<u>Documents Requested</u>
Carollo Engineers	Raw water turbidity data for past two years for Weymouth and Jensen Water Treatment Plants
GIS Surveyors (2 requests)	(1) Contract and Grant of Easement for Second Barrel - San Diego Aqueduct dated 4/24/53; and (2) land description dated 9/15/47, recorded in Book 2534, Page 450
Kleinfelder	List of prequalified firms for engineering and tunneling work
Mariposa Landscapes	Results for the Request for Bid for Landscape Maintenance and Tree Trimming Services for the Mills Filtration Plant
Mazel Equities National Associates	List of unclaimed or outstanding checks for the past five years issued by MWD, and all unclaimed municipal bonds
Michael Baker International	Statements of Qualifications submitted in response to Requests for Qualifications for (1) On-Call Services for Engineering Services for Water Treatment Facilities, Conveyance, Storage and Distribution Facilities and Large Rotating Equipment and (2) Environmental Phase Engineering Services for Conveyance and Recharge Facilities for the Regional Recycled Water Program
Public Policy Institute of California	Data from MWD's groundwater banking and conjunctive use programs
Remdax	Information on Request for Proposal for Design Services for CRA 69kV and 230kV Power Transformers Replacement Garvey Reservoir Rehabilitation Project
City of Santa Monica	Bylaws for MWD Board of Directors regarding length of board members terms
University of California, Riverside Student	Data on historic water use dating back to the 1980s and map of MWD's service area

PLEASE NOTE

- ADDITIONS ONLY IN THE FOLLOWING TABLES WILL BE SHOWN IN RED.
- ANY CHANGE IN CONTRACT AMOUNTS WILL BE SHOWN IN REDLINE FORM (I.E., ADDITIONS, REVISIONS, DELETIONS).



Bay-Delta and SWP Litigation	
Subject	Status
<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 Earl)</p>	<ul style="list-style-type: none"> • Validation Action <ul style="list-style-type: none"> • Metropolitan, Mojave Water Agency, Coachella Valley Water District, and Santa Clarita Valley Water Agency have filed answers in support • Kern County Water Agency, Tulare Lake Basin Water Storage District, Oak Flat Water District, County of Kings, Kern Member Units & Dudley Ridge Water District, and City of Yuba City filed answers in opposition • North Coast Rivers Alliance et al., Howard Jarvis Taxpayers Association, Sierra Club et al., County of Sacramento & Sacramento County Water Agency, CWIN et al., Clarksburg Fire Protection District, Delta Legacy Communities, Inc, and South Delta Water Agency & Central Delta Water Agency have filed answers in opposition • Case ordered consolidated with the DCP Revenue Bond CEQA Case for pre-trial and trial purposes and assigned to Judge Earl for all purposes • <u>Sierra Club motion for summary judgment on CEQA affirmative defense noticed for hearing on October 29, 2021</u> • CEQA Case <ul style="list-style-type: none"> • Sierra Club, Center for Biological Diversity, Planning and Conservation League, Restore the Delta, and Friends of Stone Lakes National Wildlife Refuge filed a standalone CEQA lawsuit challenging DWR's adoption of the bond resolutions • Alleges DWR violated CEQA by adopting bond resolutions before certifying a Final EIR for the Delta Conveyance Project • Cases ordered consolidated for pre-trial and trial purposes • <u>Sierra Club motion for summary judgment on CEQA cause of action noticed for hearing on October 29, 2021</u>



<p>SWP-CVP 2019 BiOp Cases</p> <p><i>Pacific Coast Fed’n of Fishermen’s Ass’ns, et al. v. Ross, et al. (PCFFA)</i></p> <p><i>Calif. Natural Resources Agency, et al. v. Ross, et al. (CNRA)</i></p> <p>Federal District Court, Eastern Dist. of California, Fresno Division (Judge Drozd)</p>	<ul style="list-style-type: none"> • SWC intervened in both <i>PCFFA</i> and <i>CNRA</i> cases • Briefing on federal defendants’ motion to dismiss CNRA’s California ESA claim is complete; no hearing date set and may be decided on the papers • Federal defendants circulated administrative records for each of the BiOps • December 18, 2020 PCFFA and CNRA filed motions to complete the administrative records or to consider extra-record evidence in the alternative with a hearing date of March 2, 2021 • Federal defendants sought and obtained an additional 30-day extension in the administrative record briefing schedule with briefing complete on August 6, 2021 • <u>Federal defendants have proposed a stipulation staying the cases until November 2021; the parties are meeting and conferring</u> • Per May 10, 2021 Joint Status Report, court issued an order extending abeyance of ruling on motions to dismiss CNRA’s CESA claim until July 12, 2021 • Deadline to file further status report July 9, 2021
<p>CESA Incidental Take Permit Cases</p> <p>Coordinated Case Name <i>CDWR Water Operations Cases</i>, JCCP 5117 (Coordination Trial Judge Gevercer)</p> <p><i>Metropolitan & Mojave Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA/Breach of Contract)</i></p> <p><i>State Water Contractors & Kern County Water Agency v. Calif. Dept. of Fish & Wildlife, et al. (CESA/CEQA)</i></p> <p><i>Tehama-Colusa Canal Auth., et al. v. Calif. Dept. of Water Resources (CEQA)</i></p> <p><i>San Bernardino Valley Municipal Water Dist. v. Calif. Dept. of Water Resources, et al. (CEQA/CESA/ Breach of Contract/Takings)</i></p> <p><i>Sierra Club, et al. v. Calif. Dept. of Water Resources (CEQA/Delta Reform Act/Public Trust)</i></p>	<ul style="list-style-type: none"> • All 8 cases ordered coordinated in Sacramento County Superior Court • Stay on discovery issued until coordination trial judge orders otherwise • Deadlines to circulate drafts of the administrative records <u>set for September 16, 2021</u> • All four Fresno cases transferred to Sacramento to be heard with the four other coordinated cases • SWC and Metropolitan have submitted Public Records Act requests seeking administrative record materials and other relevant information • Next Case Management Conference set for July 30, 2021 • May 7, 2021 Court granted DWR’s motion to bifurcate and continue stay of discovery regarding the water contractors’ breach of contract and takings claims • Deadline for DWR and CDFW to produce draft administrative records set for September 16, 2021



<p><i>North Coast Rivers Alliance, et al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust)</p> <p><i>Central Delta Water Agency, et. al. v. Calif. Dept. of Water Resources</i> (CEQA/Delta Reform Act/Public Trust/ Delta Protection Acts/Area of Origin)</p> <p><i>San Francisco Baykeeper, et al. v. Calif. Dept. of Water Resources, et al.</i> (CEQA/CESA)</p>	
<p>CDWR Environmental Impact Cases Sacramento Superior Ct. Case No. JCCP 4942, 3d DCA Case No. C091771 (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 • Parties have appealed attorneys’ fees and costs rulings • Reporter’s transcript filed December 23, 2020 • Appellants’ opening briefs filed April 27, 2021; opposition briefs due July 26, 2021; reply briefs due 60 days after opposition briefs are filed
<p>COA Addendum/ No-Harm Agreement</p> <p><i>North Coast Rivers Alliance v. DWR</i> Sacramento County Superior Ct. (Judge Gevercer)</p>	<ul style="list-style-type: none"> • Plaintiffs allege violations of CEQA, Delta Reform Act & public trust doctrine • USBR Statement of Non-Waiver of Sovereign Immunity filed September 2019 • Westlands Water District and North Delta Water Agency granted leave to intervene • Metropolitan & SWC monitoring • Deadline to prepare administrative record extended to July 19, 2021
<p>Delta Plan Amendments and Program EIR 4 Consolidated Cases Sacramento County Superior Ct. (Judge Gevercer)</p> <p><i>North Coast Rivers Alliance, et al. v. Delta Stewardship Council</i> (lead case)</p> <p><i>Central Delta Water Agency, et al. v. Delta Stewardship Council</i></p> <p><i>Friends of the River, et al. v. Delta Stewardship Council</i></p> <p><i>California Water Impact Network, et al. v. Delta Stewardship Council</i></p> <p>Delta Stewardship Council Cases 3 Remaining Cases (CEQA claims challenging original 2013 Delta Plan EIR) (Judge Chang)</p>	<ul style="list-style-type: none"> • Cases challenge, among other things, the Delta Plan Updates recommending dual conveyance as the best means to update the SWP Delta conveyance infrastructure to further the coequal goals • Allegations relating to “Delta pool” water rights theory and public trust doctrine raise concerns for SWP and CVP water supplies • Cases consolidated for pre-trial and trial under <i>North Coast Rivers Alliance v. Delta Stewardship Council</i> • SWC granted leave to intervene • Metropolitan supports SWC • 2013 and 2018 cases to be heard separately due to peremptory challenge



<p><i>North Coast Rivers Alliance, et al. v. Delta Stewardship Council</i></p> <p><i>Central Delta Water Agency, et al. v. Delta Stewardship Council</i></p> <p><i>California Water Impact Network, et al. v. Delta Stewardship Council</i></p>	<ul style="list-style-type: none"> SWC and several individual members, including Metropolitan, SLDMWA and Westlands have dismissed their remaining 2013 CEQA claims but remain intervenor-defendants in the three remaining <i>Delta Stewardship Council Cases</i> <p><u>2013 Cases</u></p> <ul style="list-style-type: none"> <u>July 13-14, 2021 - Hearing on mootness of BDCP claims and merits of CEQA claims in the three remaining 2013 cases</u> <p><u>2018 Cases</u></p> <ul style="list-style-type: none"> <u>July 15, 2021 - Opening Briefs</u> <u>Oct. 13, 2021 - Opposition Briefs</u> <u>Nov. 22, 2021 - Reply Briefs</u> <u>Dec. 10, 2021 - Case Management Conference to set hearing on the merits</u>
<p>SWP Contract Extension Validation Action Sacramento County Superior Ct. (Judge Culhane)</p> <p><i>DWR v. All Persons Interested in the Matter, etc.</i></p>	<ul style="list-style-type: none"> DWR seeks a judgment that the Contract Extension amendments to the State Water Contracts are lawful Metropolitan and 7 other SWCs filed answers in support of validity to become parties Four answers filed in opposition denying validity on multiple grounds raised in affirmative defenses Case deemed related to the two CEQA cases below and assigned to Judge Culhane DWR certified the administrative record for the validation action on May 3, 2021 <u>Parties stipulated briefing schedule in all three related cases (validation and CEQA):</u> <u>Opening Briefs Sept. 23, 2021</u> <u>Opposition Briefs Nov. 22, 2021</u> <u>Reply Briefs Jan. 10, 2022</u> <u>Jan. 17, 2022 Hearing on the merits with CEQA cases, below</u>
<p>SWP Contract Extension CEQA Cases Sacramento County Superior Ct. (Judge Culhane)</p> <p><i>North Coast Rivers Alliance, et al. v. DWR</i></p> <p><i>Planning & Conservation League, et al. v. DWR</i></p>	<ul style="list-style-type: none"> Petitions for writ of mandate alleging CEQA and Delta Reform Act violations filed on January 8 & 10, 2019 Deemed related to DWR's Contract Extension Validation Action and assigned to Judge Culhane Administrative Record completed DWR filed its answers on September 28, 2020 Metropolitan, Kern County Water Agency and Coachella Valley Water District have intervened in the two CEQA cases



	<ul style="list-style-type: none"> • June 11, 2021 hearing on motions to intervene and case management conference • <u>Briefing and hearing on the merits same as for the SWP Contract Extension Validation Action, above</u>
Delta Conveyance Project Soil Exploration Case <i>Central Delta Water Agency, et al. v. DWR</i> Sacramento County Superior Ct. (Judge Chang)	<ul style="list-style-type: none"> • Filed August 10, 2020 • Plaintiffs Central Delta Water Agency, South Delta Water Agency and Local Agencies of the North Delta • One cause of action alleging that DWR's adoption of an Initial Study/Mitigated Negative Declaration (IS/MND) for soil explorations needed for the Delta Conveyance Project violates CEQA • March 24, 2021 Second Amended Petition filed to add allegation that DWR's addendum re changes in locations and depths of certain borings violates CEQA • Deadline to prepare the administrative record extended to August 9, 2021
Water Management Tools Contract Amendment <i>California Water Impact Network et al. v. DWR</i> Sacramento County Superior Ct. (Judge Earl) <i>North Coast Rivers Alliance, et al. v. DWR</i> Sacramento County Super. Ct. (Judge Earl)	<ul style="list-style-type: none"> • 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 • Deadline to prepare the administrative record extended to July 27, 2021 in <i>CWIN v. DWR</i> case and August 2, 2021 in <i>NCRA v. DWR</i> case • <i>CWIN</i> case reassigned to Judge Earl so both cases will be heard together



San Diego County Water Authority v. Metropolitan, et al.

Cases	Date	Status
2010, 2012	Aug. 13-14, 2020	Final judgment and writ issued. Transmitted to the Board on August 17.
	Aug. 28, Sept. 1	SDCWA and Metropolitan filed memoranda of costs.
	Sept. 11	Metropolitan filed notice of appeal of judgment and writ.
	Sept. 14, 16	Metropolitan filed motion to strike SDCWA's costs memorandum, and SDCWA filed motion to strike or tax Metropolitan's costs memorandum.
	Jan. 13, 2021	Court issued order finding SDCWA is the prevailing party on the Exchange Agreement, entitled to attorneys' fees and costs under the contract.
	Feb. 4	Metropolitan filed opening appellate brief regarding final judgment and writ.
	Feb. 10	Court issued order awarding SDCWA statutory costs, granting SDCWA's and denying Metropolitan's related motions.
	Feb. 16	Per SDCWA's request, Metropolitan paid contract damages in 2010-2012 cases judgment and interest. Metropolitan made same payment in Feb. 2019, which SDCWA rejected.
	Feb. 25	Metropolitan filed notice of appeal of Jan. 13 (prevailing party on Exchange Agreement) and Feb. 10 (statutory costs) orders.
	May 7	SDCWA filed responding appellate brief regarding final judgment and writ.
	<u>June 28</u>	<u>Metropolitan filed reply appellate brief regarding final judgment and writ.</u>
2014, 2016	Aug. 28, 2020	SDCWA served first amended (2014) and second amended (2016) petitions/complaints.
	Sept. 28	Metropolitan filed demurrers and motions to strike portions of the amended petitions/complaints.
	Sept. 28-29	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the demurrers and motions to strike.



Cases	Date	Status
	Feb. 16, 2021	Court issued order denying Metropolitan's demurrers and motions to strike, allowing SDCWA to retain contested allegations in amended petitions/complaints.
2014, 2016 (cont.)	March 22	Metropolitan filed answers to the amended petitions/complaints and cross-complaints against SDCWA for declaratory relief and reformation, in the 2014, 2016 cases.
	March 22-23	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed answers to the amended petitions/complaints in the 2014, 2016 cases.
	April 23	SDCWA filed answers to Metropolitan's cross-complaints.
2017	July 23, 2020	Dismissal without prejudice entered.
2018	July 28	Parties filed a stipulation and application to designate the case complex and related to the 2010-2017 cases, and to assign the case to Judge Massullo's court.
	Nov. 13	Court ordered case complex and assigned to Judge Massullo's court.
	April 21	SDCWA filed second amended petition/complaint.
	May 25	Metropolitan filed motion to strike portions of the second amended petition/complaint.
	May 25-26	Member agencies City of Torrance, Eastern Municipal Water District, Foothill Municipal Water District, Las Virgenes Municipal Water District, Three Valleys Municipal Water District, Municipal Water District of Orange County, West Basin Municipal Water District, and Western Municipal Water District filed joinders to the motion to strike.
	<u>June 30</u>	<u>SDCWA filed opposition to motion to strike portions of the second amended petition/complaint.</u>
<u>2014, 2016, 2018</u>	<u>June 11</u>	<u>Metropolitan lodged administrative records.</u>
	<u>June 11, 21</u>	<u>Deposition of non-party witness.</u>
All Cases	March 17, 2021	Case Management Conference on 2010-2018 cases (postponed from March 3); no substantive action.
	April 15	Case Management Conference on 2010-2018 cases. Court set trial in 2014, 2016, and 2018 cases on May 16-27, 2022.
	April 27	SDCWA served notice of deposition of non-party witness.



Cases	Date	Status
	May 13-14	Metropolitan filed motions to quash and for protective order regarding deposition of non-party witness.
	May 17	Case Management Conference on 2010-2018 cases; no substantive action.
	June 3	Hearing on motions to quash and for protective order regarding deposition of non-party witness.
	<u>June 4</u>	<u>Ruling on motions to quash and for protective order.</u>
	Aug. 2	Next Case Management Conference on 2010-2018 cases.



Outside Counsel Agreements				
Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Andrade Gonzalez LLP	MWD v. DWR, CDFW and CDNR Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185894	07/20	\$100,000
Aleshire & Wynder	Oil, Mineral and Gas Leasing	174613	08/18	\$50,000
Atkinson Andelson Loya Ruud & Romo	Employee Relations	59302	04/04	\$1,214,517
	MWD v. Collins	185892	06/20	\$60,000
	MWD Drone and Airspace Issues	193452	08/20	\$50,000
	Equal Employee Opportunity Commission Charge	200462	03/21	\$20,000
	Public Employment Relations Board Charge No. LA-CE-1441-M	200467	03/21	\$30,000
	<u>Representation re the Shaw Law Group's Investigations</u>	<u>200485</u>	<u>05/20/21</u>	<u>\$50,000</u>
Best, Best & Krieger	Navajo Nation v. U.S. Department of the Interior, et al.	54332	05/03	\$185,000
	Iron Mountain SMARA (Surface Mining and Reclamation Act)	158043	07/17	\$250,000
	Bay-Delta Conservation Plan/Delta Conveyance Project (with SWCs)	170697	08/17	\$500,000
	Environmental Compliance Issues	185888	05/20	\$50,000
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP	FCC and Communications Matters	110227	11/10	\$100,000
Buchalter, a Professional Corp.	Union Pacific Industry Track Agreement	193464	12/07/20	\$50,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Burke, Williams & Sorensen, LLP	Real Property - General	180192	01/19	\$100,000
	Labor and Employment Matters	180207	04/19	\$50,000
	General Real Estate Matters	180209	08/19	\$100,000
	Delta Conveyance Project Validation Action	185893	07/20	\$100,000
Law Office of Alexis S.M. Chiu*	Bond Counsel	174595	07/18	N/A
	Bond Counsel	200468	07/21	N/A
Cislo & Thomas LLP	Intellectual Property	170703	08/17	\$75,000
Curis Bartling P.C.*	Bond Counsel	174596	07/18	N/A
	<u>Bond Counsel</u>	<u>200470</u>	<u>07/21</u>	<u>N/A</u>
Duane Morris LLP	SWRCB Curtailment Process	138005	09/14	\$615,422
Duncan, Weinberg, Genzer & Pembroke PC	Power Issues	6255	09/95	\$3,175,000
Ellison, Schneider, Harris & Donlan	Colorado River Issues	69374	09/05	\$175,000
	Issues re SWRCB	84457	06/07	\$200,000
Haden Law Office	Real Property Matters re Agricultural Land	180194	01/19	\$50,000
Hanson Bridgett LLP	SDCWA v. MWD	124103	03/12	\$1,100,000
	Finance Advice	158024	12/16	\$100,000
	Deferred Compensation/HR	170706	10/17	\$ 400,000
	Food and Water Watch v. MWD	174612	09/18	\$200,000
	Tax Issues	180200	04/19	\$50,000
Hawkins Delafield & Wood LLP*	Bond Counsel	174601	07/18	N/A
	Bond Counsel	193469	07/21	N/A



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Horvitz & Levy	SDCWA v. MWD	124100	02/12	\$900,000
	General Appellate Advice	146616	12/15	\$100,000
	Food and Water Watch v. MWD Appeal	185862	09/19	\$60,000
Hunt Ortmann Palffy Nieves Darling & Mah, Inc.	Construction Contracts/COVID-19 Emergency	185883	03/20	\$40,000
Internet Law Center	HR Matter	174603	05/18	\$60,000
Amira Jackmon, Attorney at Law*	Bond Counsel	200464	07/21	N/A
Jackson Lewis P.C.	Employment: Department of Labor Office of Contract Compliance (OFCCP)	137992	02/14	\$45,000
Jones Hall, A Professional Law Corporation*	Bond Counsel	200465	07/21	N/A
Kegel, Tobin & Truce	Workers' Compensation	180206	06/19	\$100,000
Lesnick Prince & Pappas LLP	Topock/PG&E's Bankruptcy	185859	10/19	\$30,000
Liebert Cassidy Whitmore	Labor and Employment	158032	02/17	\$201,444
	EEO Investigations	180193	01/19	\$100,000
	FLSA Audit	180199	02/19	\$50,000
LiMandri & Jonna LLP	Bacon Island Subrogation	200457	03/21	\$50,000
Manatt, Phelps & Phillips	In Re Tronox Incorporated	103827	08/09	\$540,000
	SDCWA v. MWD rate litigation	146627	06/16	\$2,900,000
Meyers Nave Riback Silver & Wilson	OCWD v. Northrop Corporation	118445	07/11	\$2,300,000
	IID v. MWD	185900	08/20	\$ 410,000
	IID v. MWD (Contract Litigation)	193472	02/21	\$100,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
Miller Barondess, LLP	SDCWA v. MWD	138006	12/14	\$600,000
Morgan, Lewis & Bockius	SDCWA v. MWD	110226	07/10	\$8,750,000
	Project Labor Agreements	200476	04/21	\$100,000
Musick, Peeler & Garrett LLP	Colorado River Aqueduct Electric Cables Repair/Contractor Claims	193461	11/20	\$100,000
Nixon Peabody LLP*	Bond Counsel	174600	07/18	N/A
Norton Rose Fulbright US LLP*	Bond Counsel	200466	07/21	N/A
Olson Remcho LLP	Government Law	131968	07/14	\$200,000
	Ethics Office	170714	01/18	\$350,000
Quinn Emanuel Urquhart & Sullivan	Appellate	174598	04/18	\$100,000
Ryan & Associates	Leasing Issues	43714	06/01	\$100,000
Seyfarth Shaw LLP	HR Litigation	185863	12/19	\$250,000
Stradling Yocca Carlson & Rauth*	Bond Counsel	174599	07/18	N/A
	Bond Counsel	200471	07/21	N/A
	Financial Disclosure	185880	06/21	N/A
Theodora Oringher PC	OHL USA, Inc. v. MWD	185854	09/19	\$700,000
	Construction Contracts - General Conditions Update	185896	07/20	\$50,000
Thomas Law Group	MWD v. DWR, CDFW, CDNR – Incidental Take Permit (ITP) CESA/CEQA/Contract Litigation	185891	05/20	\$250,000
Thompson Coburn LLP	FERC Representation re Colorado River Aqueduct Electrical Transmission System	122465	12/11	\$100,000
	NERC Energy Reliability Standards	193451	08/20	\$25,000



Firm Name	Matter Name	Agreement No.	Effective Date	Contract Maximum
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
Western Water and Energy	California Independent System Operator Related Matters	193463	11/20/20	\$100,000

*Expenditures paid by Bond Proceeds/Finance



Internal Audit Report for June 2021

Summary

One report was issued during the month:

Quarterly Consulting and Services Contracts Review Report for Period Ending March 31, 2021

Discussion Section

This report highlights the significant activities of the Internal Audit Department during June 2021. In addition to presenting background information and the opinion expressed in the audit report, a discussion of findings noted during the examination is also provided.

Quarterly Consulting and Services Contracts Review Report for Period Ending March 31, 2021

We reviewed the reports for consulting and routine services contracts for the period ending March 31, 2021, issued by the Chief Administrative Officer. This review included the Third Quarter Report of Professional Services Agreements (Professional Services Report) and the Report of Contracts for Equipment, Materials, Supplies, and Routine Services of \$250,000 or Above (Contracts Report) for the Third Quarter of the fiscal year 2020/21, issued by the Chief Administrative Office. The purpose of this review is to gain reasonable assurance that the information included in these reports is accurate, complete, timely, and in compliance with the Metropolitan Water District Administrative Code.

PROFESSIONAL SERVICES AGREEMENTS REPORT

Background

Administrative Code Section 2720(e)(2) requires that the General Manager report to the Organization, Personnel and Technology Committee on the employment of any professional and technical consultant, the extension of any professional and technical consulting agreement, and on the Exercise of Authority under Sections 8121(c) and 8122(h) during the preceding calendar quarter. The Administrative Code also requires the Professional Services Report to indicate when a consultant is a former Metropolitan employee. Administrative Code Sections 2721-2723 require the General Counsel, General Auditor, and Ethics Officer to report quarterly to their respective committee concerning any expert or professional service agreements executed pursuant to their authority under the Administrative Code.

The Professional Services Report is prepared on a quarterly and annual basis to comply with these Administrative Code requirements and identify those contracts administered by the General Manager, General Counsel, General Auditor, and Ethics Officer.

During the quarter ending March 2021, the Professional Services Report disclosed that \$39.7 million was paid for consulting and professional services. We compared the amounts expended on professional services during this quarter against the prior fiscal year's third quarter and noted a decrease of \$17.2 million.

It should be noted that totals reported under the General Counsel's authority exclude payments related to the San Diego County Water Authority litigation, which is accounted for under the Self-Insurance Retention Fund.

For the quarter ending March 2021, 48 of 386 agreements were sole-source agreements totaling \$3,041,554. This represents 8% of total fiscal year-to-date expenditures for the fiscal year 2020/21. We also noted that 105 of 386 agreements were small purchases of less than \$74,999, totaling \$977,864. See the tables below for detail:

Fiscal 2020/21

Year-to-Date Q3	General Manager	General Counsel	General Auditor	Ethics Officer
Contract Expenditures	\$39,127,319	*\$539,435	449,100	81,789
Active Agreements	357	117	1	1
Agreements Terminated	29	1	-	1

*For agreements with transactions during the current fiscal year.

Govt. Agencies	RFP	RFQ	Small Purchases	Sole Source	Total**
909,037	21,074,683	13,655,069	977,864	3,041,554	39,658,208
14	45	174	105	48	386
2%	53%	34%	2%	8%	100%

**Total does not include General Counsel's Expenditures

Testing Procedures Performed

Our procedures included a cursory review of the reasonableness of the professional service expenditures and analysis of consultants with multiple active agreements, to determine whether an agreement was split into smaller contract amounts to circumvent established approval limits. We also evaluated whether statistics in the Professional Services Report were adequately supported and assessed the timeliness of board reporting.

Testing results

Our review did not reveal any agreements that appeared to be unreasonable or split to override established approval limits. In addition, our review did not reveal any material differences

between the reported amounts and supporting documentation. Finally, we noted the Professional Services Report for the quarter ending March 2021 was issued to the Board on June 08, 2021.

CONTRACTS FOR EQUIPMENT, MATERIALS, SUPPLIES, AND ROUTINE SERVICES OF \$250,000 OR ABOVE REPORT

Background

Administrative Code Section 2720(e)(2) requires that the General Manager report quarterly to the Organization, Personnel and Technology Committee on the execution of any contract authorized under Section 8122(g) – Contracts for Equipment, Materials, Supplies and Routine Services. Section 8122(g) states: “The General Manager may execute contracts for the purchase of materials, supplies, other consumable items such as fuels, water treatment chemicals, materials for construction projects and other bulk items, and for routine services such as waste disposal and maintenance services, which are generally identified in the budget, regardless of dollar value, provided that sufficient funds are available within the adopted budget for such materials, supplies, and routine services.”

During the quarter ending March 31, 2021, the Contracts Report disclosed twenty-one contracts that fit these criteria. We noted the total maximum amount payable for these contracts was \$68.3 million. Fourteen of these contracts were awarded as a result of competitive bidding under Administrative code section 8140 – Competitive Procurement; four were cooperative agreements, whereas three were sole-sourced.

Testing Procedures Performed

Our procedures included a cursory review of the reasonableness of expenditures. We also verified that all contracts of \$250,000 or more for specified items were included in the Contracts Report and adequately supported. Further, we reviewed sole-source agreements for justification and approval. Finally, we assessed the timeliness of board reporting.

Testing results

Our review did not reveal any discrepancies between contracts and amounts shown in the Contracts Report and supporting documentation. We also noted that the policies and procedures for competitive bidding and sole source agreements are in place. Finally, we noted for the quarter ending March 31, 2021 Contracts Report was issued to the Board on June 08, 2021



Ethics Office Monthly Report

June 2021

ANNUAL REPORT TO AUDIT & ETHICS COMMITTEE

Presented Ethics Office Annual Report for fiscal year 2020-21 to the A&E Committee. Highlighted achievements in compliance, education, and the Ethics Officer's oversight role in the board-directed independent review of workplace concerns.

INDEPENDENT REVIEW OF EEO RELATED CONCERNS

Continued overseeing the board-directed independent review of Metropolitan's handling of EEO-related matters with outside firm Shaw Law Group. Handled preparations for Shaw Law Group's reporting at the Special OP&T Committee meeting on July 27, 2021.

COMPLIANCE

Assisted Board members and employees with Assuming Office and Leaving Office Form 700 filings. Assistance included troubleshooting the electronic filing system and helping filers determine what interests to report on Form 700.

Monitored the status of past due Assuming Office and Leaving Office Form 700 filings and obtained compliance from one current employee and two former employees.

ADVICE/EDUCATION/OUTREACH

Addressed 13 advice matters involving: conflicts of interest, nepotism, negotiating future employment, recusals, and other ethics-related topics.

Held an individual training session with an employee who recently assumed a position requiring Form 700 filing.

Developed and distributed a new ethics orientation video for onboarding Metropolitan employees.

INVESTIGATIONS

Received complaints alleging that: 1) a manager misused their authority to benefit an employee; 2) a supervisor retaliated against an employee who filed an EEO complaint; 3) a supervisor retaliated against an employee who reported workplace misconduct; 4) an employee violated workplace misconduct rules; and 5) a manager favored an employee based on a protected class by failing to report a workplace incident involving a damaged vehicle and other equipment.

Initiated investigations into allegations that: 1) a manager misused their authority to disadvantage an employee during a recruitment process; and 2) an employee performed outside work using Metropolitan time or resources.

ADVICE AND INVESTIGATIVE DATA

Advice Matters	13
Compliance Assistance	11
Complaints Received	5
Investigations Opened	2
Pending Investigations	3

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
June 8, 2021

52387 The Board of Directors of The Metropolitan Water District of Southern California met in Regular Meeting on Tuesday, June 08, 2021.

Chairwoman Gray called the Teleconference Meeting to order at 12:01 p.m.

52388 The Meeting was opened with an introduction by Rosa Castro, Board Administrator for Richard Zaldivar, Executive Director and founder of “The Wall Las Memorias” who made brief remarks to the Board. Following Mr. Zaldivar, Nathan Purkiss, from Metropolitan’s External Affairs Group provided the invocation to the Board.

52389 The Pledge of Allegiance to the Flag was given by Director Record

Chairwoman Gray addressed the Board.

52390 Board Secretary Abdo administered the roll call. Those responding present were: Directors Abdo, Ackerman, Atwater, Blois, Butkiewicz, Camacho, Cordero, De Jesus, Dennstedt, Dick, Erdman, Faessel, Fellow, Goldberg, Gray, Hawkins, Hogan, Jung, Kassakhian, Kurtz, Lefevre, McCoy, Morris, Murray, Ortega, Petersen, Peterson, Phan, Pressman, Quinn, Ramos, Record, Repenning, Smith, Tamaribuchi, and Williams.

Director Apodaca entered the Meeting after the roll call.

Those not responding were: Director Luna.

Board Secretary Abdo declared a quorum present.

52391 Chairwoman Gray invited members of the public to address the Board on matters within the Board’s jurisdiction.

Chairwoman Gray announced that due to the number of speakers today, the speakers time would be reduced to two minutes each.

Public Comment			
	Name	Affiliation	Item
1	Julio Galleos	Long Beach Resident	General Manager Selection
2	Connor Everetts	Southern California Water Alliance	General Manager Selection
3	Sylvia Ballin	Mayor of City of San Fernando	General Manager Selection
4	Caty Wagner	Sierra Club	General Manager Selection
5	Gonzalo Berrega	Asst Chief LA Sanitation District	General Manager Selection
6	Charming Evelyn	Sierra Club	General Manager Selection
7	Ms. Davis	Orange County Resident	General Manager Selection
8	Andrea (last name not audible)	Climate Action Director (Organization name not audible)	General Manager Selection
9	Bruce Resnick	LA Waterkeeper	General Manager Selection
10	Did not state name	Street LA Advisory Council	General Manager Selection
11	Maryanne Cook	Sierra Club	General Manager Selection
12	Chi Gong	Former General Superintendent Street Services, LA	General Manager Selection
13	Evelyn Windell	We Tap.org Workgroup Co-Chair	General Manager Selection
15	Elizabeth Lair	Resident of Los Angeles County	General Manager Selection
16	Steve Fleischli	National Resources Defense Council	General Manager Selection
17	Mr. Wright [sic]	did not state affiliation	General Manager Selection
18	(name not audible)	LA Sanitation	General Manager Selection
19	Alex Paxton	Water Foundation	General Manager Selection
20	Barbara Barrigan	Restore the Delta	General Manager Selection
21	Alan Shanahan	AFSCME 1902	General Manager Selection
22	Lisa Hart	Neighborhood Council	General Manager Selection
23	(name not audible)	Los Angeles for Better Economy	General Manager Selection
24	Karen Shaw	Sacramento Resident	General Manager Selection
25	Nancy Blastow [sic]	did not state affiliation	General Manager Selection
26	Lionel Mares	Los Angeles Resident	General Manager Selection
27	Ellen Mackey	Chair of AFSCME's Women Caucus	General Manager Selection
28	Martha Camacho Rodriguez	did not state affiliation	General Manager Selection
29	Juliette Christian Smith	Water Foundation	General Manager Selection
30	Jesus Silva	Councilmember, city of Fullerton	General Manager Selection
31	Fernando Gonzalez	Manager, LA Sanitation	General Manager Selection
32	Cynthia Lau	Environmental Justice Coalition for Water	General Manager Selection
33	Anna Christensen	Sierra Club	General Manager Selection
34	Kristin McDaniels	Resident of Los Angeles County	General Manager Selection
35	Christina Burdia	Gray Water Action	General Manager Selection
36	Bill Neeman	Resident of city of Downey	General Manager Selection
37	Did not state name	Resident of city of Venice	General Manager Selection
38	Wesley Chong	Resident of Los Angeles County	General Manager Selection
39	Andy Lipkiss	Founder of Tree People, retired	General Manager Selection
40	Jeff Burke	did not state affiliation	General Manager Selection
41	(name not audible)	Program Manager, Transit Div. for city of LA	General Manager Selection

42	Jan Navaro	did not state affiliation	General Manager Selection
43	Michelle Claw	Northern California	General Manager Selection
44	Dr. Ahmud	AAECA Board	General Manager Selection
45	Marie Rodriguez	Resident of city of Los Angeles	General Manager Selection
46	Carol Schwartz	Rancho Palos Verdes Resident	General Manager Selection
47	Nikki Atari [sic]	did not state affiliation	General Manager Selection
48	Dennis Rodriguez	Director, Zenith Corporation	General Manager Selection
49	Claire Robinson [sic]	Emerald Necklace Group	General Manager Selection
50	Michelle Gastelum	Small Business Owner, LA County	General Manager Selection
51	Scott Dillinger	did not state affiliation	General Manager Selection
52	Belén Bernal	Exec. Director Nature for All	General Manager Selection
53	Rosanne Whitt	Conejo Climate Coalition	General Manager Selection
54	Diane Hague	Resident of San Diego	General Manager Selection
55	Mike Wong	Trustee for LA Community Colleges	General Manager Selection
56	Lane	Student Organizer for Delta Region	General Manager Selection
57	Diana Cadillion [sic]	VP of Public Policy; Hollywood Chamber of Commerce	General Manager Selection
58	Cynthia Denney	Sierra Club	General Manager Selection
59	Michelle Fell	Chair Garbage Indivisible	General Manager Selection
60	Dierdre Des Jardins	Director California Water Research	General Manager Selection
61	Jim Kennedy	various environmental groups	General Manager Selection
62	Brenda Norton	Resident of Los Angeles County	General Manager Selection
63	Alex Salude	Resident of Manhattan Beach	General Manager Selection
64	Vanoe Khalil [sic]	did not state affiliation	General Manager Selection

Chairwoman Gray addressed the following: Other Matters and Reports.

52392 Chairwoman Gray asked if there were any changes to the report of events attended by Directors at Metropolitan's expense during the month of May as previously posted and distributed to the Board.

No amendments were made.

52393 Chairwoman Gray referred to her monthly report, which was previously posted and distributed to the Board. Chairwoman stated she had nothing to add to her report.

Chairwoman Gray invited the Board to General Manager Kightlinger's upcoming retirement event.

52394 Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger announced the following:

1. Metropolitan was chosen as the first-place winner for "the Best Municipal Water in America" award from the Berkeley Springs International Water Tasting; in a competition against entries from a total of 14 countries across five continents. The city of Santa Ana, California won second place.

Additional information on the General Manager's activities may be found in his written monthly report.

52395 General Counsel Scully stated she had nothing to add to her report.

52396 General Auditor Riss stated he had nothing to add to his report.

52397 Ethics Officer Salinas reported the following:

1. The Shaw Law Group entered their final phase of the systemic review of Metropolitan.
2. Based on comments received by Directors, staff will reconsider a different date for the Special Organization, Personnel and Technology Committee originally scheduled for July 22, 2021.

52398 Chairwoman Gray acknowledged Director Judy Abdo for her 25 years of leadership and service to Metropolitan's Board of Directors.

Director Abdo responded with brief remarks to the Board.

52399 Chairwoman Gray remarked to the Board on the passing of Director Don Galleano; and stated that the Board will plan to acknowledge Director Galleano's leadership and service to Metropolitan at a later date.

52400 Chairwoman Gray announced the induction of new Director Brenda Dennstedt from the Western Municipal Water District of Riverside County.

- (a) Received credentials
- (b) Reported on credentials by General Counsel
- (c) Filed credentials
- (d) Administered Oath of Office
- (e) Filed Oath

General Counsel Scully reported the credentials were received and are in order. Former Director Tom Evans introduced Director Dennstedt to the Board. Director Dennstedt responded with brief remarks.

Chairwoman Gray addressed the Consent Calendar Items – Action for June 2021.

52401 Chairwoman Gray asked Directors if there were any comments or discussion on the approval of the Minutes of the Special Board Meetings on May 7 and 8, 2021, and the regular Board Meeting of May 11, 2021 (Agenda Item 6A).

Chairwoman Gray reminded the Board that matters, discussed in closed session, are confidential and must not be revealed to anyone outside of the closed session. Confidential discussions under closed session are not included in the minutes.

The following participants provided comments or asked questions:

1. Ortega

Chairwoman Gray responded to the Director.

52402 Approval of Committee Assignments (Agenda Item 6B).

Chairwoman Gray announced there were no new committee assignments at this time.

52403 Chairwoman Gray addressed the Consent Calendar Items for June 2021 and called on the Committee Chairs to give a report of the Consent Calendar Action Items as discussed at their Committees.

Finance and Insurance Committee Agenda Items 7-1 and 7-2 were reported on after Agenda Item 7-13.

52404 Authorize an agreement with Black & Veatch Corporation, Inc., in an amount not to exceed \$8 million for engineering and technical studies to support environmental planning activities of the Regional Recycled Water Program, as set forth in Agenda Item 7-3 board letter.

52405 Adopt the Board Resolution supporting the grant application, and: (a) authorize the General Manager to accept potential grant funding up to \$6,250,000; (b) delegate authority to the General Manager to enter into a grant contract with Reclamation, subject to the approval of the General Counsel, if awarded; (c) agree to fulfill the grant contract, including providing matching funds up to \$18.75 million with existing funding; and (d) state that Metropolitan, if awarded a grant, will work with Reclamation to meet the established deadlines upon entering the cooperative agreement, as set forth in Agenda Item 7-4 board letter.

52406 Review and consider the Santa Margarita Water District's approved Final Mitigated Negative Declaration and Addendum, adopt the Lead Agency's findings and Mitigation Monitoring and Reporting Program related to the proposed action; and authorize the General Manager to enter into a Local Resources Program Agreement with the Municipal Water District of Orange County and Santa Margarita Water District

for the Las Flores Recycled Water Expansion Project for up to 209 acre-feet per year, as set forth in Agenda Item 7-5 board letter.

52407 By a two-thirds vote, authorize the General Manager to make payment of up to \$780,800 for support of the Colorado River Board and Six Agency Committee for FY 2021/22, as set forth in Agenda Item 7-6 board letter.

52408 Director Atwater stated that Committee voted on a substitute motion for Item 7-7 and therefore it should be voted on separately. Item 7-7 is to adopt the CEQA determination that the previous environmental documentation acted on by the Board in conjunction with these LRP projects fully complies with CEQA and the State CEQA Guidelines, and that no further CEQA review is required; and review and approve changes to the start-of-operation timing for four LRP projects included in Attachment 2 of the board letter, as set forth in Agenda Item 7-7 board letter; and to include formally adopting the policy described in the board letter for evaluation of future LRP extension requests. Future requests will require board approval.

52409 Review and consider the Lead Agency's approved Final EIR and Addendum and take related CEQA actions, and authorize the General Manager to enter into a Stormwater for Recharge Pilot Program Agreement with Inland Empire Utilities Agency for the construction and monitoring of the Montclair Basins Improvement Project, as set forth in Agenda Item 7-8 board letter.

52410 Adopt the CEQA determination that the previous environmental documentation acted on by the Board in conjunction with these following programs fully complies with CEQA and the State CEQA Guidelines, and that no further CEQA review is required, and authorize the General Manager to enter into an agreement with Reclamation, CAWCD, and SNWA to generate up to 246,600 acre-feet of conserved Colorado River system water through 2024, as set forth in Agenda Item 7-9 board letter.

Agenda Item 7-10 was deferred to July.

52411 Authorize an increase in maximum amount payable in contract with Andrade Gonzalez LLP by \$150,000 to an amount not to exceed \$250,000 in the matter of California Department of Water Resources Water Operations Cases, as set forth in Agenda Item 7-11 board letter.

Agenda Item 7-12 was withdrawn.

52412 Authorize an increase in the maximum amount payable under contract with Shaw Law Group by \$150,000 to an amount not-to-exceed \$550,000 to complete the independent review of allegations of systemic Equal Employment Opportunity related discrimination, harassment, and retaliation and related concerns, as set forth in Agenda Item 7-13 board letter.

52413 Approve up to \$1.594 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program to renew or replace all the expiring excess liability and specialty insurance policies for fiscal year 2021/22, as set forth in Agenda Item 7-1 board letter.

52414 Approve the Statement of Investment Policy for fiscal year 2021/22; and delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2021/22, as set forth in Agenda Item 7-2 board letter.

Chairwoman asked the Directors if there were any requests for discussions or voting on items separately; or statements or recusals on any of the items. The following Directors responded:

Director Ortega stated that Item 7-5 involves authorizing an agreement with the Santa Margarita Water District for which he performs consulting services on unrelated matters. In an abundance of caution, he was recusing himself from all participation in this matter.

Director Ackerman stated that pursuant to Government Code Section 1090 she would like to disclose for the record that she receives a per diem from the Municipal Water District of Orange County for serving as their representative on Metropolitan's Board. She was advised that she may participate in Item 7-5.

Director Dick stated that he would like to disclose for the record that he receives a per diem from the Municipal Water District of Orange County for serving as their representative on Metropolitan's Board. Per Section 56, he cannot vote on Item 7-5.

Director Smith stated that Item 7-3 involves authorizing an agreement with Black & Veatch, in which he currently owns Black & Veatch stock. For this reason, he recused himself from all participation in this matter.

Director Erdman stated that he would like to disclose for the record that he receives a per diem from the Municipal Water District of Orange County for serving as their representative on Metropolitan's Board. He was advised that he may participate in Item 7-5.

Director Tamaribuchi stated that he would like to disclose for the record that he receives a per diem from the Municipal Water District of Orange County for serving as their representative on Metropolitan's Board. Pursuant to MWD Act Section 56, he will not vote on Item 7-5.

Director Camacho stated that he would like to disclose for the record that he receives a per diem from the Inland Empire Utilities Agency for serving as their representative on Metropolitan's Board. Per Section 56, he stated that he would not vote on Item 7-8.

Director Quinn stated that she is recusing herself from participation on Item 7-11 due to a conflict of interest under section 87100.

Director Record stated that pursuant to Government Code Section 1090 he would like to disclose for the record that he receives a per diem from the Eastern Municipal Water District for serving as their representative on Metropolitan's Board. Per Section 56, he stated that he would not vote on Item 7-7.

Director Phan left Meeting.

Chairwoman Gray called for a vote to approve the Consent Calendar Items 6A, 7-1 through 7-6, 7-8, 7-9, 7-11, and 7-13 (**M.I. 52401, 52403 through 52414**).

Director Morris moved, seconded by Director Williams that the Board approve the Consent Calendar Other Items 6A, 7-1 through 7-6, 7-8, 7-9, 7-11, and 7-13:

The following is a record of the vote:

Record of Vote on Consent Item(s): 6A*, 7-1, 7-2, 7-3*, 7-4, 7-5*, 7-6, 7-8*, 7-9, 7-11*, and 7-13									
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	5083	Faessel	x	x	5083				
Beverly Hills	3896	Pressman	x	x	3896				
Burbank	2614	Ramos	x	x	2614				
Calleguas Municipal Water District	11162	Blois	x	x	11162				
Central Basin Municipal Water District	16384	Apodaca	x	x	8192				
		Hawkins	x	x	8192				
			Subtotal:		16384				
Compton	532	McCoy	x	x	532				
Eastern Municipal Water District	8936	Record	x	x	8936				
Foothill Municipal Water District	2052	Atwater	x	x	2052				
Fullerton	2238	Jung	x	x	2238				
Glendale	3517	Kassakhian	x	x	3517				
Inland Empire Utilities Agency	12645	Camacho	x	x	12645				
Las Virgenes	2649	Peterson	x	x	2649				
Long Beach	5598	Cordero	x	x	5598				
Los Angeles	67972	Murray	x	x	16993				
		Petersen	x	x	16993				
		Quinn	x	x	16993				
		Luna							
		Repenning	x	x	16993				
			Subtotal:		67972				
Municipal Water Dist. of Orange County	55013	Ackerman	x	x	13753				
		Tamaribuchi	x	x	13753				
		Dick	x	x	13753				
		Erdman	x	x	13753				
			Subtotal:		55013				
Pasadena	3395	Kurtz	x	x	3395				
San Diego County Water Authority	56310	Butkiewicz	x	x	14078				
		Goldberg	x	x	14078				
		Hogan	x	x	14078				
		Smith	x	x	14078				
			Subtotal:		56310				
San Fernando	216	Ortega	x	x	216				
San Marino	711	Morris	x	x	711				
Santa Ana	2889	Phan							
Santa Monica	4199	Abdo	x	x	4199				
Three Valleys Municipal Water District	7535	De Jesus	x	x	7535				
Torrance	3136	Lefevre	x	x	3136				
Upper San Gabriel Valley Mun. Wat. D	11544	Fellow	x	x	11544				
West Basin Municipal Water District	22776	Williams	x	x	11388				
		Gray	x	x	11388				
			Subtotal:		22776				
Western Municipal Water District	11824	Dennestadt	x	x	11824				
Total	324826				321937				
Present and not voting									
Absent	2889								

The motion to approve the Consent Calendar Items 6A*, 7-1, 7-2, 7-3*, 7-4, 7-5*, 7-6, 7-8*, 7-9, 7-11*, and 7-13 passed by a vote of 321,937 ayes; 0 noes; 0 abstain; 0 not voting; and 2,889 absent.

***Note: Individual vote tallies for Item 6A**

Director Dennstedt abstained from Item 6A. The motion to approve the Consent Calendar Item 6A passed by a vote of 310,113 ayes; 0 noes; 11,824 abstain; 0 not voting; and 2,889 absent.

***Note: Individual vote tallies for Item 7-3**

Director Peterson voted No, and Director Smith recused himself. The motion to approve the Consent Calendar Item 7-3 passed by a vote of 319,288 ayes; 2,649 noes; 0 abstain; 0 not voting; and 2,889 absent.

***Note: Individual vote tallies for Item 7-5**

Directors Dick and Tamaribuchi were disqualified, and Ortega recused himself from Item 7-5. The motion to approve the Consent Calendar Item 7-5 passed by a vote of 321,721 ayes; 0 noes; 0 abstain; 216 not voting; and 2,889 absent.

***Note: Individual vote tallies for Item 7-8**

Director Camacho was disqualified from voting on Item 7-8. The motion to approve the Consent Calendar Item 7-8 passed by a vote of 309,292 ayes; 0 noes; 0 abstain; 12,645 not voting; and 2,889 absent.

***Note: Individual vote tallies for Item 7-11**

Director Quinn recused herself from voting on Item 7-11. The motion to approve the Consent Calendar Item 7-11 passed by a vote of 321,937 ayes; 0 noes; 0 abstain; 0 not voting; and 2,889 absent.

52415 Water Planning and Stewardship Committee Chair Atwater previously moved, seconded by Director Blois, that the Board adopt the CEQA determination that the previous environmental documentation acted on by the Board in conjunction with these LRP projects fully complies with CEQA and the State CEQA Guidelines, and that no further CEQA review is required; and review and approve changes to the start-of-operation timing for four LRP projects included in Attachment 2 of the board letter, as set forth in Agenda Item 7-7 board letter; and to include formally adopting the policy described in the board letter for evaluation of future LRP extension requests. Future requests will require board approval.

Director Phan returned to the Meeting.

The following is a record of the vote:

Record of Vote on Item:		7-7							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	5083	Faessel	x	x	5083				
Beverly Hills	3896	Pressman	x	x	3896				
Burbank	2614	Ramos	x	x	2614				
Calleguas Municipal Water District	11162	Blois	x	x	11162				
Central Basin Municipal Water District	16384	Apodaca	x	x	8192				
		Hawkins	x	x	8192				
			Subtotal:		16384				
Compton	532	McCoy	x	x	532				
Eastern Municipal Water District	8936	Record	x						
Foothill Municipal Water District	2052	Atwater	x	x	2052				
Fullerton	2238	Jung	x	x	2238				
Glendale	3517	Kassakhian	x	x	3517				
Inland Empire Utilities Agency	12645	Camacho	x	x	12645				
Las Virgenes	2649	Peterson	x	x	2649				
Long Beach	5598	Cordero	x	x	5598				
Los Angeles	67972	Murray	x	x	16993				
		Petersen	x	x	16993				
		Quinn	x	x	16993				
		Luna							
		Repenning	x	x	16993				
			Subtotal:		67972				
Municipal Water Dist. of Orange County	55013	Ackerman	x	x	13753				
		Tamaribuchi	x	x	13753				
		Dick	x	x	13753				
		Erdman	x	x	13753				
			Subtotal:		55013				
Pasadena	3395	Kurtz	x	x	3395				
San Diego County Water Authority	56310	Butkiewicz	x	x	14078				
		Goldberg	x	x	14078				
		Hogan	x	x	14078				
		Smith	x	x	14078				
			Subtotal:		56310				
San Fernando	216	Ortega	x	x	216				
San Marino	711	Morris	x	x	711				
Santa Ana	2889	Phan	x	x	2889				
Santa Monica	4199	Abdo	x	x	4199				
Three Valleys Municipal Water District	7535	De Jesus	x	x	7535				
Torrance	3136	Lefevre	x	x	3136				
Upper San Gabriel Valley Mun. Wat.	11544	Fellow	x	x	11544				
West Basin Municipal Water District	22776	Williams	x	x	11388				
		Gray	x	x	11388				
			Subtotal:		22776				
Western Municipal Water District	11824	Dennstedt	x	x	11824				
Total	324826				315890				
Present and not voting	8936								

Director Record was disqualified from voting on Item 7-7. The motion passed by a vote of 315,890 ayes; 0 noes; 0 abstain; 8,936 not voting; and 0 absent.

52416 Board Chairwoman Gray asked if there were questions or need for discussion for Board Information Items 9-1 and 9-2. No requests were made.

52417 Human Resources Group Manager Pitman gave a presentation on Item 10-1 Update on upcoming Department Head Performance Evaluations process to the Board.

The following participants provided comments or asked questions:

	Directors/staff	Comments/Questions
1	DeJesus	Commented
2	HR Group Manager Pitman	Responded to Director
3	DeJesus	Commented

52418 Chairwoman Gray called the Meeting into closed session to hear Agenda Item 10-2 Receipt of Background Information and Discussion with Candidate.

Meeting returned to open session at 5:30 p.m. Chairwoman Gray stated that the Board voted to adjourn closed session without a discussion with the candidate. Board Administrator Castro was added to the closed session to assist with the vote.

Directors Morris and McCoy left Meeting.

52419 Chairwoman Gray asked Directors if there were any questions concerning Item 10-3 Approve New General Manager Employment Contract.

A letter dated June 7, 2021 from the Municipal Water District of Orange County regarding Agenda Item 10-3 was submitted for the record. This letter was received on Monday, June 7, 2021 at 11:34 a.m.

The following participants provided comments or asked questions:

	Directors	Comments/Questions
1	DeJesus	Read a statement to the Board; stated he will vote No on 10-3
2	Ramos	Read a statement to the Board for the record; stated that she will abstain on 10-3
3	Chairwoman Gray	Called for a motion for 10-3
4	Murray	Made a Motion to approve the contract before us for the new General Manager Adel Hagekhalil
5	Goldberg	Seconded Director Murray's motion
6	Peterson	Commented; stated he will vote No on 10-3
7	Erdman	Commented; stated he will vote No on 10-3
8	Phan	Commented
9	Fellow	Commented; stated he will vote No on 10-3
10	Cordero	Commented
11	Lefevre	Commented; stated he will vote No on 10-3
12	Petersen	Commented
13	Repenning	Commented
14	Dick	Commented; stated he will vote No on 10-3

- | | | |
|----|-----------------|---|
| 15 | Pressman | Made a substitute motion to hold vote until after they have the opportunity to speak with the candidate Mr. Hagekhalil in open session. |
| 16 | Atwater | Seconded Director Pressman's Substitute Motion |
| 17 | DeJesus | Asked a question |
| 18 | Chairwoman Gray | Responded to Director DeJesus |
| 19 | Pressman | Commented |
| 20 | Repenning | Commented |
| 21 | Chairwoman Gray | Called for vote on Substitute motion |
| 22 | Hogan | Asked a question |
| 23 | Chairwoman Gray | Responded to Director Hogan |

The following is a record of the vote:

Record of Vote on Item:		Substitute Motion 10-3							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	5083	Faessel	x	x	5083				
Beverly Hills	3896	Pressman	x	x	3896				
Burbank	2614	Ramos	x	x	2614				
Calleguas Municipal Water District	11162	Blois	x	x	11162				
Central Basin Municipal Water District	16384	Apodaca	x			x	8192		
		Hawkins	x	x	8192				
			Subtotal:		8192		8192		
Compton	532	McCoy							
Eastern Municipal Water District	8936	Record	x	x	8936				
Foothill Municipal Water District	2052	Atwater	x	x	2052				
Fullerton	2238	Jung	x			x	2238		
Glendale	3517	Kassakhian	x			x	3517		
Inland Empire Utilities Agency	12645	Camacho	x			x	12645		
Las Virgenes	2649	Peterson	x	x	2649				
Long Beach	5598	Cordero	x			x	5598		
Los Angeles	67972	Murray	x			x	16993		
		Petersen	x			x	16993		
		Quinn	x			x	16993		
		Luna							
		Repenning	x			x	16993		
			Subtotal:				67972		
Municipal Water Dist. of Orange County	55013	Ackerman	x	x	13753				
		Tamaribuchi	x	x	13753				
		Dick	x	x	13753				
		Erdman	x	x	13753				
			Subtotal:		55013				
Pasadena	3395	Kurtz	x	x	3395				
San Diego County Water Authority	56310	Butkiewicz	x			x	14078		
		Goldberg	x			x	14078		
		Hogan	x			x	14078		
		Smith	x			x	14078		
			Subtotal:				56310		
San Fernando	216	Ortega	x			x	216		
San Marino	711	Morris							
Santa Ana	2889	Phan	x	x	2889				
Santa Monica	4199	Abdo	x			x	4199		
Three Valleys Municipal Water District	7535	De Jesus	x	x	7535				
Torrance	3136	Lefevre	x	x	3136				
Upper San Gabriel Valley Mun. Wat.	11544	Fellow	x	x	11544				
West Basin Municipal Water District	22776	Williams	x	x	11388				
		Gray	x	x	11388				
			Subtotal:		22776				
Western Municipal Water District	11824	Dennestadt	x	x	11824				
Total	324826				162696		160887		
Present and not voting									
Absent	1243								

The motion to approve the Substitute Motion for Item 10-3 passed by a vote of 162,696 ayes; 160,887 noes; 0 abstain; 0 not voting; and 1,243 absent.

The following Directors provided comments or asked questions:

1. Peterson
2. Ortega

Chairwoman Gray asked Mr. Hagekhalil to join the Meeting and address the Board's questions.

Mr. Hagekhalil joined the Meeting, and the following Directors provided comments or asked questions:

Directors	Comments/Questions
1 Blois	Asked a question
2 Record	Asked a question
3 Peterson	Asked questions
4 Kurtz	Asked questions
5 Erdman	Asked a question
6 Williams	Asked a question
7 Ortega	Asked questions
8 Tamaribuchi	Asked a question
9 Dennstedt	Asked questions
10 Ortega	Asked a question
11 Petersen	Made a Motion to Vote original motion for 10-3
12 DeJesus	Asked a question
13 Pressman	Commented
14 Camacho	Seconded Director Petersen motion
15 Chairwoman Gray	Responded to Director Camacho's that a Motion and Second was already on the floor by Directors Murray and Goldberg

52420 Director Murray moved, seconded by Director Goldberg, that the Board approve an employment contract with Mr. Adel Hagekhalil as General Manager, containing the terms and conditions set forth in Agenda Item 10-3 board letter.

The following is a record of the vote:

Record of Vote on Item:		10-3							
Member Agency	Total Votes	Director	Present	Yes	Yes Vote	No	No Vote	Abstain	Abstain Vote
Anaheim	5083	Faessel	x					x	5083
Beverly Hills	3896	Pressman	x					x	3896
Burbank	2614	Ramos	x					x	2614
Calleguas Municipal Water District	11162	Blois	x			x	11162		
Central Basin Municipal Water District	16384	Apodaca	x	x	8192				
		Hawkins	x					x	8192
			Subtotal:		8192				8192
Compton	532	McCoy							
Eastern Municipal Water District	8936	Record	x					x	8936
Foothill Municipal Water District	2052	Atwater	x					x	2052
Fullerton	2238	Jung	x	x	2238				
Glendale	3517	Kassakhian	x	x	3517				
Inland Empire Utilities Agency	12645	Camacho	x	x	12645				
Las Virgenes	2649	Peterson	x					x	2649
Long Beach	5598	Cordero	x	x	5598				
Los Angeles	67972	Murray	x	x	16993				
		Petersen	x	x	16993				
		Quinn	x	x	16993				
		Luna							
		Repenning	x	x	16993				
			Subtotal:		67972				
Municipal Water Dist. of Orange County	55013	Ackerman	x					x	13753
		Tamaribuchi	x					x	13753
		Dick	x					x	13753
		Erdman	x					x	13753
			Subtotal:						55013
Pasadena	3395	Kurtz	x					x	3395
San Diego County Water Authority	56310	Butkiewicz	x	x	14078				
		Goldberg	x	x	14078				
		Hogan	x	x	14078				
		Smith	x	x	14078				
			Subtotal:		56310				
San Fernando	216	Ortega	x	x	216				
San Marino	711	Morris							
Santa Ana	2889	Phan	x	x	2889				
Santa Monica	4199	Abdo	x	x	4199				
Three Valleys Municipal Water District	7535	De Jesus	x					x	7535
Torrance	3136	Lefevre	x					x	3136
Upper San Gabriel Valley Mun. Wat.	11544	Fellow	x					x	11544
West Basin Municipal Water District	22776	Williams	x					x	11388
		Gray	x					x	11388
			Subtotal:						22776
Western Municipal Water District	11824	Dennestadt	x					x	11824
Total	324826				163776		11162		148645
Present and not voting									
Absent	1243								

The motion to approve Item 10-3 passed by a vote of 163,776 ayes; 11,162 noes; 148,645 abstain; 0 not voting; and 1,243 absent.

Chairwoman Gray made a statement to the Board. Mr. Hagekhalil also made a brief statement to the Board.

52421 Chairwoman Gray asked if there were any follow-up items.
No requests were made.

52422 Chairwoman Gray asked if there were any future agenda items.

Director Ramos requested to reconsider the General Manager authority to enter into new contracts up to \$250,000 without board approval.

Director Peterson asked to adjourn the Board Meeting in remembrance of Director Don Galleano.

The following Directors made a comment:

1. Dennstedt

52423 There being no objection, at 7:11 p.m., Chairwoman Gray adjourned the Meeting in memory of Director Don Galleano and asked that we keep his family and colleagues in our prayers.



GLORIA D. GRAY
CHAIRWOMAN



JUDY ABDO
SECRETARY



● **Board of Directors**
Audit and Ethics Committee

7/13/2021 Board Meeting

7-1

Subject

Authorize extending Agreement No. 177666 for one year with KPMG LLP to continue engagement for external audit services for fiscal year 2021/22, for an amount not to exceed \$465,500; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action requests board authority for a one-year extension with KPMG LLP to perform periodic independent audits of Metropolitan's financial statements, review accounting procedures used by Metropolitan, to recommend improvements to Metropolitan's accounting procedures and systems of internal control, and to express an opinion on Metropolitan's basic financial statements.

Details

Metropolitan's current External Audit Services Agreement No. 177666 with KPMG, LLP expires with the completion of the fiscal year 2020/21 annual audit. External Audit Services Agreement No. 177666 comprises several required audits, including the annual financial audit, single audit for federal grants, and trustee agency audits. The agreement also requires an annual review of the Comprehensive Annual Financial Report.

Metropolitan initially issued a Request for Proposal (RFP) for External Audit Services No. 1167 on September 18, 2017, for proposals to perform external audit services for four fiscal years beginning July 1, 2017, and ending June 30, 2021. The Respondent would examine Metropolitan's annual financial statements in accordance with Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants, Government Auditing Standards promulgated by the Comptroller General of the United States, and any other audit principles relevant to public agencies in the state of California. KPMG LLP was selected as the most qualified candidate, and an award for a four-year contract was made for annual audits commencing with the fiscal year ending June 30, 2018.

KPMG LLP has provided consistent, highly-professional service to Metropolitan during their contract. They are one of the leading providers of services to governments and utilities and bring a thorough understanding of the water industry, the State Water Project, and have the depth of resources needed to serve Metropolitan. In addition, their audit team transitioned to a work-from-home environment in response to the COVID-19 pandemic.

Given the challenges of issuing a new RFP to potential respondents, scheduling interviews of prospective firms by Metropolitan directors, and awarding a new contract, it seemed prudent to seek an extension to the existing contract. The proposed extension was discussed in the February 2021 Audit and Ethics Committee, and the consensus was to pursue such an action. The hourly billing rates payable under this extension have not changed from the 2020/21 rates and are provided in **Attachment 1**. The amounts payable under the one-year contract extension will not exceed \$465,500.

Policy

Metropolitan Water District Administrative Code Section 6453: Authority to Obtain Professional Services

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves other governmental fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State of CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Auditor to enter into a one-year contract extension for external audit services with the firm of KPMG LLP for annual audits covering fiscal years ending June 30, 2021, through June 30, 2022; for an amount not to exceed \$465,500.

Fiscal Impact: \$465,500 for the one-year contract term extension, funded within the FY 2021/22 budget.

Business Analysis: This option will ensure the continuity of the external audit services until 2022, when a new Request for Proposal can be issued.

Option #2

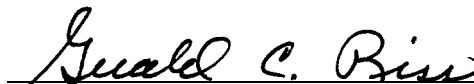
Reject the recommendation to award the proposed contract to KPMG LLP and issue another Request for Proposal.

Fiscal Impact: Unknown

Business Analysis: Issuing a Request for Proposal under current pandemic restrictions may limit prospective external audit firms from making proposals. This could result in a candidate pool of firms without a thorough knowledge of the Metropolitan's operations and the State Water Project complexities.

Staff Recommendation

Option #1


Gerald C. Riss
General Auditor

6/11/2021
Date

Attachment 1 – Projected Professional Fees

Ref# a12681965

Projected Professional Fees

The following is a summary of projected professional fees for the year ended June 30, 2022.

		Amount
	Projected Hours	2022 Fees
Partner/Managing Director	135	\$59,000
Senior Manager	225	\$79,800
Manager	125	\$37,600
Supervising Senior	395	\$105,800
Senior Associate	265	\$62,300
2 nd year Associate	525	\$111,900
Associate	445	\$80,200
Intern	40	\$4,300
GDC	300	\$24,600
Subtotal	2,455	\$565,500
Less: Internal Audit assistance	800	\$100,000
Total hours and fees	1,655	\$465,500



- Board of Directors
Engineering and Operations Committee

7/13/2021 Board Meeting

7-3

Subject

Authorize four actions for the desert region communication system including: (1) an agreement with Nokia of America Corporation in an amount not to exceed \$5,297,000 for equipment procurement and design support to upgrade the wide-area network; (2) an amendment to an agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 to provide specialized technical support for the upgrade; (3) an amendment to the Capital Investment Plan for fiscal years 2020/2021 and 2021/2022 to include additional communication system improvements at the Colorado River Aqueduct's Gene Pumping Plant; and (4) an agreement in an amount not to exceed \$275,000 with HDR Engineering, Inc. for design services related to the construction of a communication line; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

The desert region requires high-capacity carrier-grade communication links to provide reliable data, voice, and video transmission. The existing microwave network is over 14 years old and approaching the end of its useful service life. This action authorizes an agreement to procure equipment and furnish supplemental design services to upgrade the microwave radio wide-area network (WAN) communication system at Metropolitan's 24 most critical desert region microwave tower sites. This action also authorizes an amendment to an existing agreement for specialized technical expertise to supplement staff's review of design documents and submittals related to the project.

In addition, this action authorizes design services for construction of approximately two miles of communication line from Parker Dam to Colorado River Aqueduct's Gene Pumping Plant. This new pole-mounted fiber optic communication line will provide an alternative path to transmit critical communication to and from the Gene Pumping Plant. As this project was not included in the Capital Investment Plan (CIP) budget for fiscal years 2020/21 and 2021/22, this action amends the current CIP to include this project.

Details

Background

The Colorado River Aqueduct (CRA) is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews. It consists of five pumping plants; 124 miles of tunnels, siphons, and reservoirs; 63 miles of canals; and 55 miles of conduits. Given the remoteness and isolation of many of the facilities along the CRA, Metropolitan's wireless WAN provides the primary data transmission and communications path across the desert region.

Metropolitan's microwave radio WAN transmits telephone, voice, data, and video communication between all Metropolitan facilities, utilizing point-to-point microwave transmission. While microwave transmission is highly effective, it is limited to line-of-sight propagation; thus, it cannot pass through mountains or other similar obstacles. The WAN also transmits real-time data from the supervisory control and data acquisition system, automated meter reading system, security cameras and teleprotection, and system alarms to Metropolitan's control facilities, and provides access at remote sites to the email, geographical information system, Oracle financial, timekeeping, and PeopleSoft applications. Many of these systems run 24 hours per day, 7 days per week, as system operators rely on real-time communications to monitor and control Metropolitan's water delivery system.

Metropolitan's microwave radio WAN was constructed in the late 1990s, and presently comprises a network of 72 transmission tower sites located throughout Southern California, including 24 which support the CRA. Along the CRA, each tower is typically located 20 to 50 miles apart. Microwave radio relays transmit signals between two locations on a line-of-sight radio path. The network points are typically located at remote hilltops to provide point-to-point communication links. Each transmission site consists of a tower, directional antennas which transmit incoming and outgoing signals, microwave radio equipment which is typically housed in small masonry structures, and other infrastructure such as fiber optic cable. The remote sites have no redundancy for the transmission link, and, as a result, a malfunction of a single tower along the path can disrupt communications at multiple sites.

Metropolitan's microwave radio WAN is over 14 years of age and approaching the end of its useful service life. Typical life expectancy for these radios range from 12 to 15 years. Recently, reliability issues have caused intermittent network communication failures in the desert portion of the radio WAN system. Additionally, the existing microwave radio WAN does not provide carrier-grade transmission capabilities. This shortcoming effectively limits the amount of data that can be reliably transmitted through the communication system. Staff recommends moving forward with the procurement and initial development phase at this time to upgrade the desert microwave system to carrier-grade transmission capability.

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

In April 2020, the Board appropriated funds and authorized the General Manager to initiate or proceed with work on all capital projects identified in the CIP, subject to any limits on the General Manager's authority and CEQA requirements. The upgrades to the desert-wide-area network were included in the CIP, but the extension of fiber optic communications to the Gene Pumping Plant was not. This action amends the CIP to include the Gene fiber optic communication line upgrades. It is not anticipated that the addition of Gene fiber optic communication line upgrades to the CIP will increase CIP expenditures in the current biennium beyond those which have been previously approved by the Board. These projects have been reviewed in accordance with Metropolitan's CIP prioritization criteria and were approved by Metropolitan's CIP Evaluation Team to be included in the System Reliability Program.

Project No. 1 - Desert-Wide-Area Network Upgrade – Procurement and Final Design

This project will replace the current microwave system with a high-capacity carrier-grade microwave system that will provide reliable data, voice, and video transmission equipment in the desert region. The replacement microwave system is anticipated to be comprised of microwave radio equipment which includes: antennas, waveguides, routers, rectifiers, network management system, supporting networking equipment, and direct current power distribution with battery backup systems.

The equipment procurement and initial development phase of the project will be conducted by Metropolitan staff with the assistance of two consultants. Nokia of America Corporation (Nokia) will provide the new microwave radio equipment, conduct microwave path design, and assist staff with preparation of an installation contract. This approach for the project will allow Nokia to provide the microwave radio WAN equipment in advance of the main installation contract. Staff will return to the Board in the future to award this installation contract. The recommended procurement/installation approach will ensure that Metropolitan obtains high-quality equipment, and will also expedite the overall project schedule since much of this equipment consists of long lead time procurement items. Due to the specialized nature of microwave systems designs, Hatfield & Dawson Consulting Engineers, LLC (H&D Consulting) will supplement staff's existing capabilities by providing technical peer reviews and other technical support services related to the design, equipment procurement, and rehabilitation of microwave radio WAN facilities. Metropolitan staff will: (1) prepare drawings and specifications for the

installation of the microwave radio WAN equipment; (2) obtain local agency permits; (3) develop construction cost estimates; (4) prepare environmental documentation; and (5) advertise the installation contract for receipt of competitive bids, perform project control, and project management.

A total of \$8,011,000 is required for Project No. 1 work. Allocated funds include \$5,297,000 for furnishing microwave radio WAN equipment and integration services by Nokia; \$250,000 for technical support by H&D Consulting, as described below; and \$60,000 for tower structural analysis. The tower structural analysis will be performed by a specialty firm under a contract planned to be executed under the General Manager's Administrative Code authority to award contracts of \$250,000 or less. Allocated funds for Metropolitan staff activities include \$800,000 for drawings and specifications for equipment installation design; \$350,000 for technical oversight and bidding; \$100,000 for Metropolitan furnished equipment; and \$375,000 for project controls and project management. Allocated funds also include \$779,000 for remaining budget.

As described above, final design for the equipment installation contract will be performed by Metropolitan staff. Engineering Services' performance metric target range for final design with construction greater than \$3 million is 9 to 12 percent. For this project, the performance metric goal for final design is 12 percent of the total construction costs. The total estimated cost of construction for this project is anticipated to range from \$6.65 million to \$7.1 million.

Installation of specific components of the microwave system will be accomplished via a future competitively bid construction contract. Staff will return to the Board at a later date to award a contract for the installation of the equipment.

Microwave Equipment Procurement and Design Support (Nokia of America Corporation) – New Agreement

Metropolitan's teleprotection systems monitor the condition of the desert's high-power transmission lines and activate relay protection features in event a fault is detected. The teleprotection system relies on the microwave radio WAN system for real-time exchange of the line trip commands between protection relays. In addition, a portion of Metropolitan's electrical transmission facilities are integrated with the high voltage grid of other local desert power providers. Nokia has provided similar equipment to other electrical providers in the southwest power grid and is therefore best suited to provide a seamless, region-wide, interconnected system. Therefore, after thorough research of various microwave radio equipment vendors and performance of a pilot test, staff determined that Nokia was best suited to furnish new microwave radio equipment and assist in the preparation of site installation drawings.

Metropolitan initiated the procurement for the microwave radio equipment under Metropolitan Administrative Code Section 8140(1)(I), which allows Metropolitan to "piggy-back" (i.e., gain access to) contracts established by other public agencies that substantially follow Metropolitan's own competitive procurement process. In 2016, the State of Washington Department of Enterprise Services, as the lead agency, along with several other agencies, completed a competitive bid for microwave radio equipment and services. Currently, 22 states participate in this cooperative purchasing program, known as the National Association of State Procurement Officials (NASPO) ValuePoint Cooperative Purchasing Program for Public Safety Communications Support Equipment (Master Agreement Number 05715), including the State of California. Pursuant to section 8140(1)(I), Metropolitan's Office of the General Counsel has determined that the competitive process under which this contract was established substantially complies with Metropolitan's competitive procurement process. Metropolitan utilized the NASPO contract to obtain deep discounts for microwave radio WAN equipment and services. Staff has compared Nokia's prices under this contract to other vendors and concluded that this pricing was very competitive.

The planned activities for Nokia in the procurement and initial development phase of the desert WAN upgrade include: (1) preparing feasibility studies, path surveys, microwave path design, and coordination of radio frequencies; (2) providing site material requirements and equipment placement drawings; (3) furnishing necessary microwave radio WAN equipment including antennas, waveguides, routers, network management system, supporting networking equipment, and power distribution battery backup systems; and (4) providing assistance with the development of the equipment installation contract.

This action authorizes an agreement with Nokia for a not-to-exceed amount of \$5,297,000 to furnish WAN equipment and design support of the desert WAN upgrade. For this agreement, Metropolitan has not established a Small Business Enterprise participation level. There are no subconsultants planned for this work.

Specialized Technical Support (Hatfield & Dawson Consulting Engineers, LLC) – Agreement Amendment

An amendment to the agreement with H&D Consulting is recommended for specialized technical support during the procurement and initial development phase. H&D Consulting was initially selected through a competitive process via RFP No. 1179 to provide design services for the replacement microwave radio WAN system. This agreement currently has a maximum payable amount of \$480,000. Amendment of the existing agreement with H&D Consulting is consistent with the agreement's scope of work and with the planned approach for project implementation.

A specialized consultant is needed to supplement staff's existing capabilities by providing technical peer reviews and other technical support services related to the design, equipment procurement, and rehabilitation of microwave radio WAN facilities. Specific work activities will include technical review of drawings and specifications, support during leasing negotiations, and review of system frequencies.

This action authorizes an increase of \$250,000 to the existing agreement with H&D Consulting for a new not-to-exceed total of \$730,000 for specialized technical assistance during the procurement and final design phase for the desert WAN upgrade. For this agreement, Metropolitan has not established a Small Business Enterprise participation level.

Alternatives Considered

During the planning phase for this project, staff examined several alternatives in addition to the recommended project. One alternative involved undertaking a comprehensive in-place rehabilitation of the existing desert microwave radio WAN sites. This alternative would include removing and replacing individual components of the system, with the objective of upgrading as many of the existing components as possible, while leaving in place some of the critical structural elements of the existing systems. Staff determined that replacement of key components may extend the life of the microwave radio WAN system for a limited time but would not achieve the long-term rehabilitation goals of the project because many of the 14-year-old components would remain in place. Replacement of the microwave radio WAN equipment also provides an opportunity to standardize the systems across the desert region; thus, minimizing the capital cost, simplifying maintenance, and improving the interchangeability of parts. The recommended replacements using a single vendor is recommended to increase overall reliability of the system, reduce the risk of communications interruptions, and streamline future system maintenance and operational requirements.

Project No. 2 – Gene Communication System Upgrade - Design

The introduction of fiber optic-based communications equipment in the vicinity of Parker Dam offers Metropolitan the opportunity to connect to this high-quality, high-speed data system to improve a variety of technological challenges at the desert facilities. Planned upgrades under this project include installation of approximately 22 poles and two miles of fiber optic cable from Parker Dam to the Gene Pumping Plant administration building. The new line will be located predominately within existing Metropolitan fee property or will be connected to existing power poles located on private property.

The planned design activities will be conducted by Metropolitan staff and a specialized consultant and will include: (1) conducting field investigations including geotechnical analysis and aerial topographic survey; (2) establishing final design criteria, preparing drawings and specifications, and developing a construction cost estimate; (3) acquiring temporary right-of-way for the contractor staging and work areas; (4) permitting and shutdown planning with member agencies; and (5) advertising and receiving competitive bids. Staff will return to the Board at a later date to award a construction contract.

A total of \$665,000 is required for these activities. Allocated funds include: \$88,000 for field investigations as described above, including an aerial topographic survey to be performed by a specialty firm under a contract planned to be executed under the General Manager's Administrative Code authority to award contracts of \$250,000 or less; \$275,000 for design activities and technical assessments by HDR Engineering, Inc. under a new agreement; \$49,000 for technical review by Metropolitan staff; \$24,000 for preparation of temporary right-of-way

acquisition documentation needed for the contractor staging and work areas; \$178,000 for preparation of environmental documentation, project controls, and project management; and \$51,000 for remaining budget.

As described above, final design will be performed by HDR Engineering, Inc. Engineering Services' performance metric target range for final design with construction less than \$3 million is 9 to 15 percent. For this project, the performance metric goal for final design is 14.9 percent of the total construction costs. The total estimated cost of construction for this project is anticipated to range from \$1.2 million to 1.8 million.

Attachment 1 provides the allocation of the required funds. The total estimated cost of Project No. 2 work, including the funds allocated for the work described in this action and future construction costs, is anticipated to range from \$1.9 million to \$2.5 million. This is the initial action for the Gene Communication System Upgrade project. Staff will return to the Board at a later date for award of a construction contract.

Engineering Services (HDR Engineering, Inc.) – New Agreement

HDR Engineering, Inc. is recommended to provide engineering services for design of the Gene Pumping Plant Communication Upgrade. HDR Engineering, Inc. was selected through a competitive process via Request for Proposals No. 1252 based on the expertise of the firm's staff, technical approach and methodology, and cost proposal for the upgrade of the communication system.

The planned activities for HDR Engineering, Inc. include: (1) development of design criteria; (2) detailed design, preparation of plans and specifications; (3) development of construction cost estimates; and (4) technical support during the bidding period.

This action authorizes an agreement with HDR Engineering, Inc. for a not-to-exceed amount of \$275,000 to provide engineering design services for the Gene Pumping Plant Communication system upgrades. For this agreement, Metropolitan has established a Small Business Enterprise participation level of 25 percent. HDR Engineering, Inc. has agreed to meet this level of participation. The planned subconsultants for this work are DRP Engineering, Inc. and TJC and Associates.

Alternatives Considered

Early in the project development phase, staff considered multiple alternatives to improve the reliability and resiliency of the communication system at Gene Pumping Plant. One alternative included adding a third microwave path between Parker Dam and Gene Pumping Plant, and would include a microwave tower at the Metropolitan's Black Metal Mountain Communication site. This alternative was not selected because the Black Metal Mountain site is currently experiencing increased electrical demands from multiple communication companies which lease the site. As such, the site has limited capacity for expansion of the facility at this time. Additionally, continued reliance on microwave towers for desert communications would not allow Metropolitan to take advantage of the technology improvements that are offered by fiber optic communication pathways.

The selected option to install fiber optic cable will provide critical redundancy to the desert communications and will improve speed, reliability, and resiliency without negatively impacting Metropolitan's other communications facilities.

Summary

This action authorizes: (1) an agreement with Nokia for a not-to-exceed amount of \$5,297,000 to furnish new microwave radio equipment and network integration support; and (2) an agreement amendment with H&D Consulting for a not-to-exceed amount of \$730,000 for specialized technical support to upgrade the desert WAN. This action also authorizes: (1) amending the current CIP to include upgrades to the communication system at Gene Pumping Plant; and (2) a new agreement with HDR Engineering Inc. for a not-to-exceed amount of \$275,000 for design services.

These projects have been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2020/21 capital expenditure plan. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Location Map.

Project Milestones

September 2022 – Completion of procurement and final design of upgrades for desert region microwave radio WAN

June 2022 – Completion of design for the fiber optic communication system upgrades for the Gene Pumping Plant

September 2023 – Completion of commissioning and testing of all desert microwave radio WAN region sites

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

Metropolitan Water District Administrative Code Section 8140: Competitive Procurement

By Minute Item 51353, dated October 9, 2018, the Board appropriated a total of \$290 million from projects identified in the Capital Investment Plan for fiscal years 2018/19 and 2019/20

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves repair, maintenance, permitting, leasing, or minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use, or replacement or reconstruction of existing structures and facilities that will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structures replaced. The proposed action may involve minor modifications in the condition of land, water, and/or vegetation, which does not involve removal of healthy, mature, scenic trees. In addition, the proposed action consists of basic data collection and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action, which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies for Class 1, Class 2, Class 4, and Class 6 Categorical Exemptions (Sections 15301, 15302, 15304, and 15306 of the State CEQA Guidelines).

CEQA determination for Option #3:

None required

Board Options

Option #1

- a. Authorize an agreement with Nokia of America Inc for a not-to-exceed amount of \$5,297,000 for furnishing wide-area network equipment and design support to upgrade the desert region-wide-area network;
- b. Authorize increase of \$250,000 to the agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 for specialized technical support for the upgrade;
- c. Amend current CIP to include upgrades to the communication system at Gene Pumping Plant; and
- d. Authorize an agreement with HDR Engineering, Inc. for a not-to-exceed amount of \$275,000 for design services.

Fiscal Impact: Expenditure of \$8.676 million in capital funds. Approximately \$6.46 million will be incurred in the current biennium and has been previously authorized. It is not anticipated that the addition of Project No. 2 to the CIP will increase CIP expenditures in the current biennium beyond those which have been previously approved by the Board. The remaining funds from this action and for future construction costs will be accounted for and appropriated under the next biennial budget.

Business Analysis: These projects will enhance the reliability of the CRA and its communication networks.

Option #2

- a. Authorize an agreement with Nokia of America Inc for a not-to-exceed amount of \$5,297,000 for furnishing wide-area network equipment and design support to upgrade the desert region-wide-area network;
- b. Authorize increase of \$250,000 to the agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 for specialized technical support;
- c. Do not amend current CIP to include upgrades to the communication system at Gene Pumping Plant; and
- d. Do not authorize an agreement with HDR Engineering, Inc. for a not-to-exceed amount of \$275,000 for design services.

Fiscal Impact: Expenditure of \$8.011 million in capital funds. Approximately \$5.80 million will be incurred in the current biennium and has been previously authorized. The remaining funds from this action and for future construction costs will be accounted for and appropriated under the next biennial budget.

Business Analysis: These projects will enhance the reliability of the CRA and its communication networks. This option would not provide critical redundancy to the existing desert microwave communications systems at Gene Pumping Plant.

Option #3

Do not proceed with these projects at this time.

Fiscal Impact: None

Business Analysis: This option would extend the present risk of an unplanned outage of communication with desert facilities.

Staff Recommendation

Option #1



Charles Eckstrom
Group Manager, Information Technology

6/23/2021

Date



Jeffrey Kightlinger
General Manager

6/28/2021

Date

Attachment 1 – Allocation of Budgeted Funds

Attachment 2 – Location Map

Ref# ES12676881

Allocation of Funds for Desert Wide Area Network Upgrade

	Current Board Action (July 2021)
Labor	
Studies & Investigations	\$ -
Final Design	800,000
Owner Costs (Program mgmt., envir. monitoring)	350,000
Submittals Review & Tech. Oversight	350,000
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	100,000
Incidental Expenses	25,000
Professional/Technical Services	-
Nokia	5,297,000
H&D Consulting	250,000
Speciality Consultant - Tower Analysis	60,000
Right-of-Way	-
Equipment Use	-
Contracts	-
Remaining Budget	779,000
Total	<u>\$ 8,011,000</u>

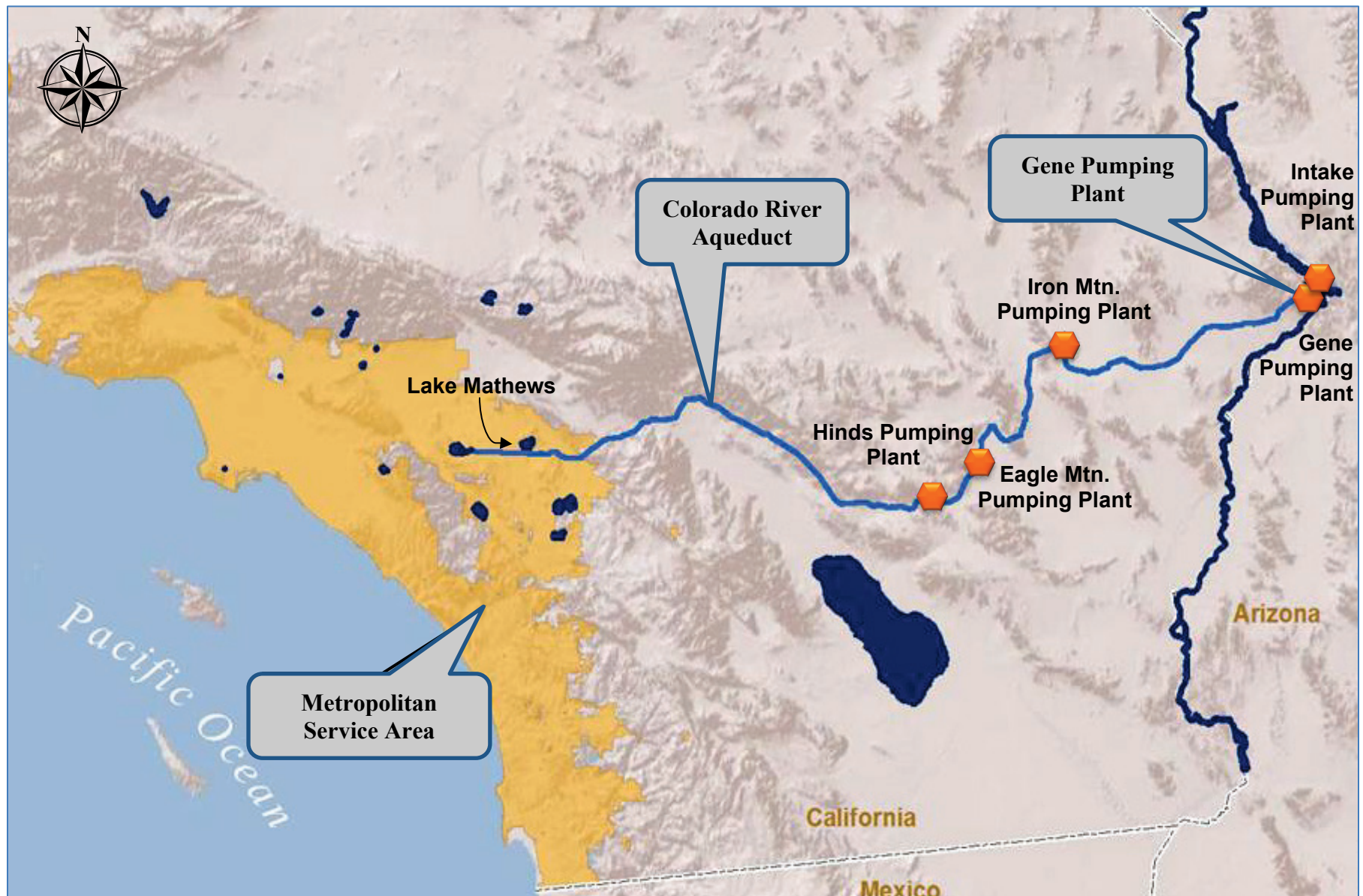
The total amount expended to date for the Desert Wide Area Network Upgrade is approximately \$500,000. The total estimated cost to complete this project, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$15 million to \$16 million.

Allocation of Funds for the Gene Fiber Optic Communication System Upgrade

	Current Board Action (July 2021)
Labor	
Studies & Investigations	\$ 59,000
Final Design	49,000
Owner Costs (Program mgmt., envir. monitoring)	178,000
Submittals Review & Record Drwgs.	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	10,000
Professional/Technical Services	-
HDR Engineering, Inc.	275,000
Rick Engineering Company	29,000
Right-of-Way	14,000
Equipment Use	-
Contracts	-
Remaining Budget	51,000
Total	<u>\$ 665,000</u>

This is the initial action for the Gene Communication System Upgrade. The total estimated cost to complete this project, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$1.9 million to \$2.5 million.

Location Map





Desert Region Communications Systems Upgrades

Engineering and Operations Committee

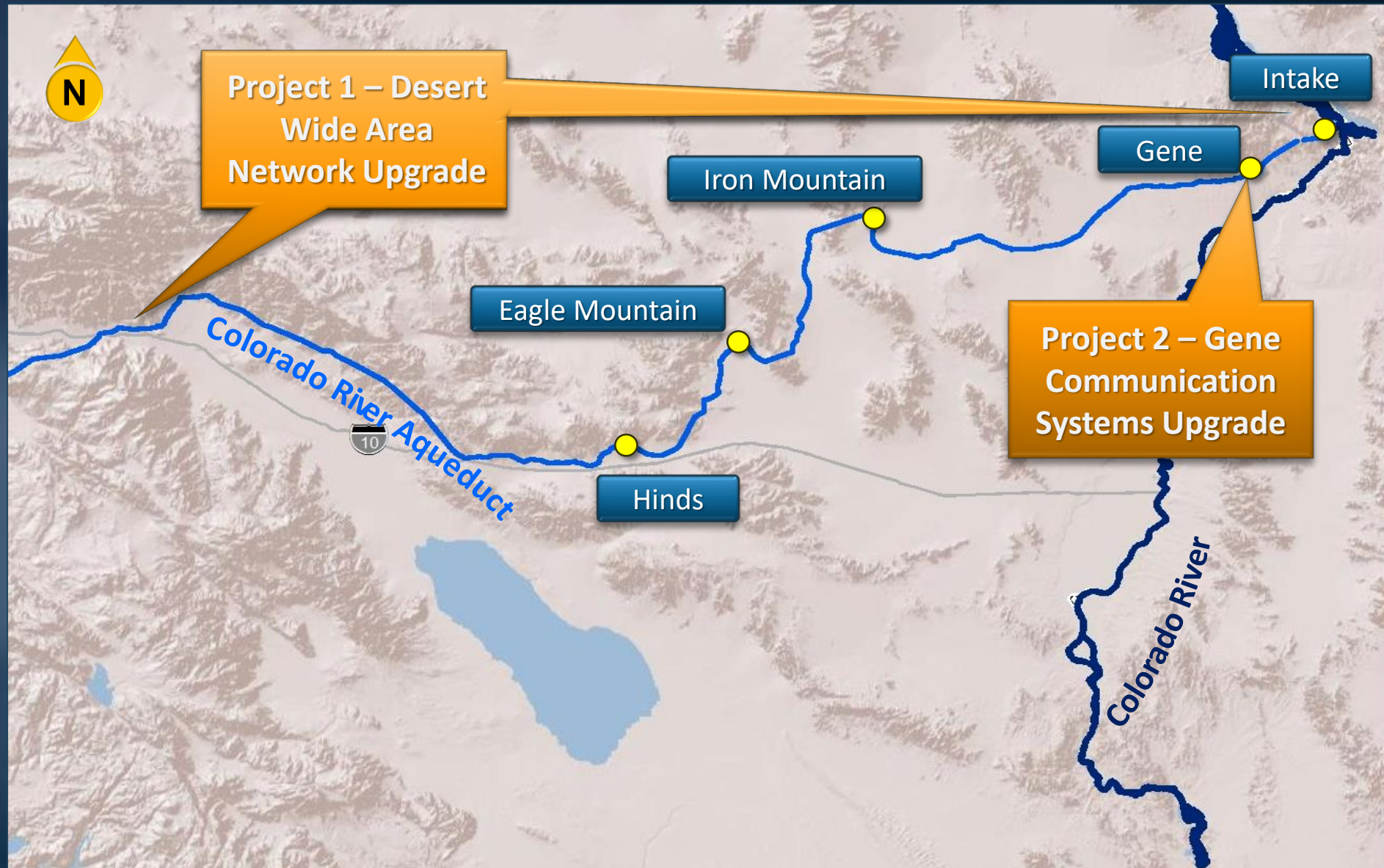
Item 7-3

July 12, 2021

Current Action

- Authorize an agreement with Nokia of America, Inc. in an amount not to exceed \$5,297,000 for equipment procurement & design support to upgrade the wide-area network
- Authorize increase of \$250,000 to the agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 for specialized technical support for the upgrades
- Amend current CIP to include upgrades to the communication system at Gene Pumping Plant
- Authorize an agreement with HDR Engineering, Inc. in an amount not to exceed \$275,000 for design services

Location Map



1. Metropolitan's Microwave Wide-Area Network



1. Metropolitan's Tele-protection Systems

- Essential to operation of high-power transmission lines
 - Transmission studies concluded need for tele-protection system
 - Clear electrical disturbances quickly to protect equipment and prevent electric grid instability
- Relies on WAN system that is connected to other regional electrical providers
- Other regional providers use Nokia of America, Inc. microwave radio equipment



1. Background

- Microwave radio WAN constructed in late 1990s
 - Transmit data, voice, video and command signals to operate its distribution and business systems
- Existing WAN equipment at end of useful service life
 - Typical life expectancy range from 12 to 15 years
 - Reliability decreased due to recurring intermittent failures
- Need to provide reliable carrier-grade system to transmit tele-protection, emergency radio, meter readings, security camera & security alarms

1. Alternatives Considered

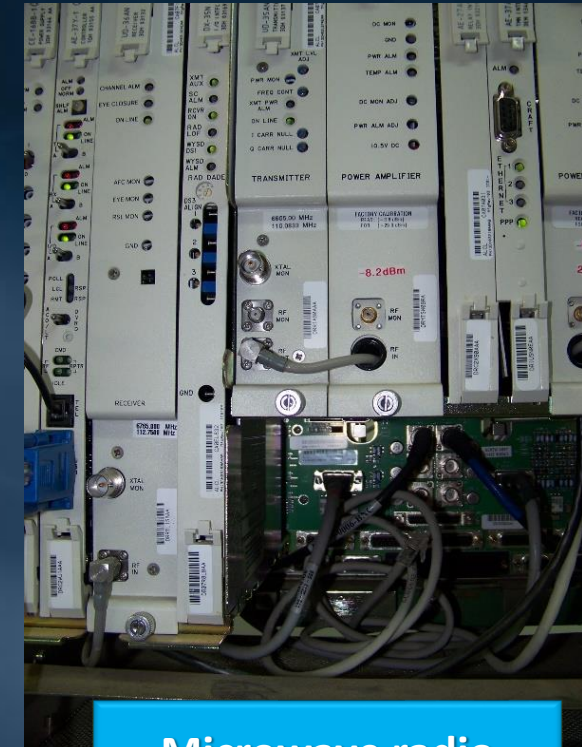
- Remove and replace individual components of the microwave radio system
 - Would maintain equipment from several different manufacturers
 - Two out of five are no longer in business
 - Continued risk of interoperability issues
- Selected option
 - Upgrade WAN to a single vendor platform
 - Opportunity to standardize microwave radio equipment
 - Simplifies maintenance and operations
 - Consolidates equipment from disparate manufacturers
 - Streamlines future upgrades and interoperability

1. Planned Work

- Replace current microwave system with a high-capacity carrier-grade system
 - Antennas
 - Waveguides
 - Routers
 - Microwave radio equipment
 - Battery systems
 - Network Management system



Tower/Waveguides



Microwave radio equipment

1. Selection Process

- Proof-of-concept of Nokia equipment conducted
- Nokia equipment recommended to enhance reliability of tele-protection
- Majority of the regional power providers Metropolitan interconnects with are/will be utilizing Nokia solutions



Proof-of-concept
around Diamond
Valley Lake

1. Recommended Procurement Process

- Utilize NASPO cooperative agreement procurement mechanism
 - Consistent with Metropolitan Administrative Code provision
- State of Washington Department of Enterprise Services solicited a competitive procurement of Public Safety Communication Support Equipment in 2015
 - Solicitation 05715 included microwave radio systems and services
 - Currently 22 states participate in this NASPO program

NASPO: National Association of State Procurement Officers



State of Washington
DEPARTMENT OF ENTERPRISE SERVICES
1500 Jefferson SE, PO Box 41411
Olympia, Washington 98504-1411 • (360) 407-2210
<http://www.des.wa.gov>

1. Nokia of America Corporation

New Agreement

- Selected using cooperative agreement
 - Solicitation 05715, completed in 2016
- Scope of Work
 - Provide new microwave radio equipment
 - Conduct microwave design
 - Assist with preparation of an installation contract
- NTE amount: \$5.297 M

1. Hatfield & Dawson Consulting Engineers, LLC Agreement Amendment

- Competitively selected under RFP 1179
- Scope of Work
 - Provide technical reviews of WAN drawings & specifications
 - Provide as-needed technical services (e.g., support during leasing negotiations, review of system frequencies, industry research)
- Amend agreement: \$250,000
- New NTE amount: \$730,000

1. Metropolitan Scope

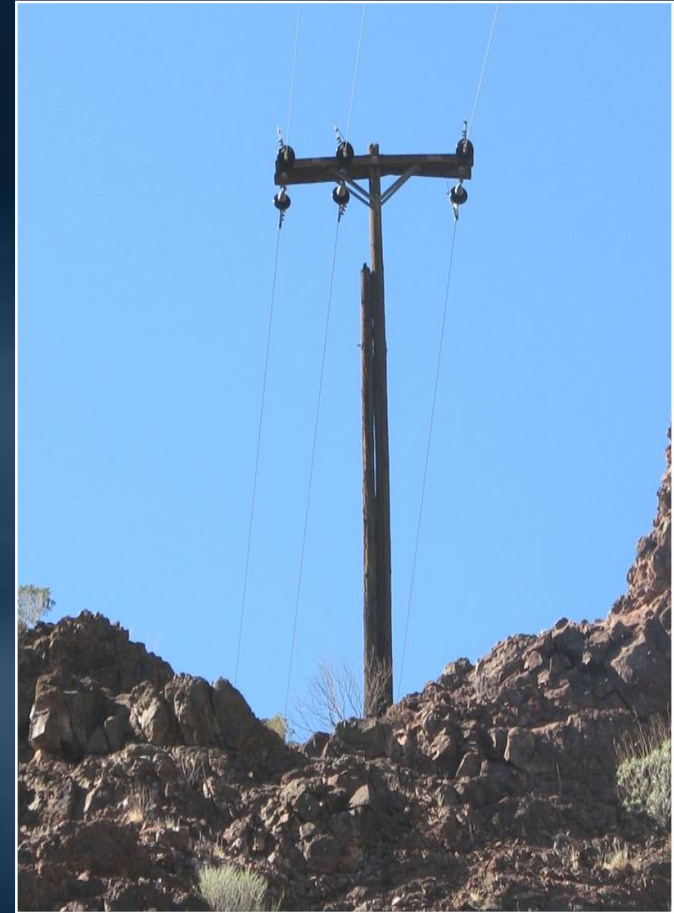
- Prepare drawings & specifications for installation of microwave radio WAN equipment
- Obtain local agency permits
- Develop construction cost estimates
- Prepare environmental documentation
- Advertise the installation contract
- Project controls & project management

2. Gene Communications System Upgrade



2. Background

- Provides critical redundancy to the existing desert WAN system
- Initiates long term plan to install fiber optic communications to desert facilities
- New fiber optic connection will
 - Improve speed & video surveillance resolution at the Gene Plant
 - Allow desert facilities to access more innovative cloud applications
 - Improve communication system overall speed, reliability & resiliency
- Staff recommends adding this project to current CIP
 - Sufficient funds are available



2. Alternatives Considered

- Add 3rd microwave path between Parker Dam & Gene Plant
 - Path has limited capacity for expansion of the facility at this time
 - Does not take advantage of the technology improvements offered by fiber optic communication
- Selected option
 - Install fiber optic cable to provide critical redundancy at Gene Plant
 - First step in bringing fiber optic cable communications to all CRA plants
 - Improves data transmission speed, reliability, & resiliency
 - Improves internet service for desert employees at Gene Plant

2. HDR Engineering, Inc.

New Agreement

- Competitively selected under RFP 1252
- Scope of work
 - Design criteria development
 - Detailed design
 - Plans & specifications development
 - Construction cost estimates
 - Technical support during bidding period
- SBE participation level: 25%
- NTE amount: \$275,000

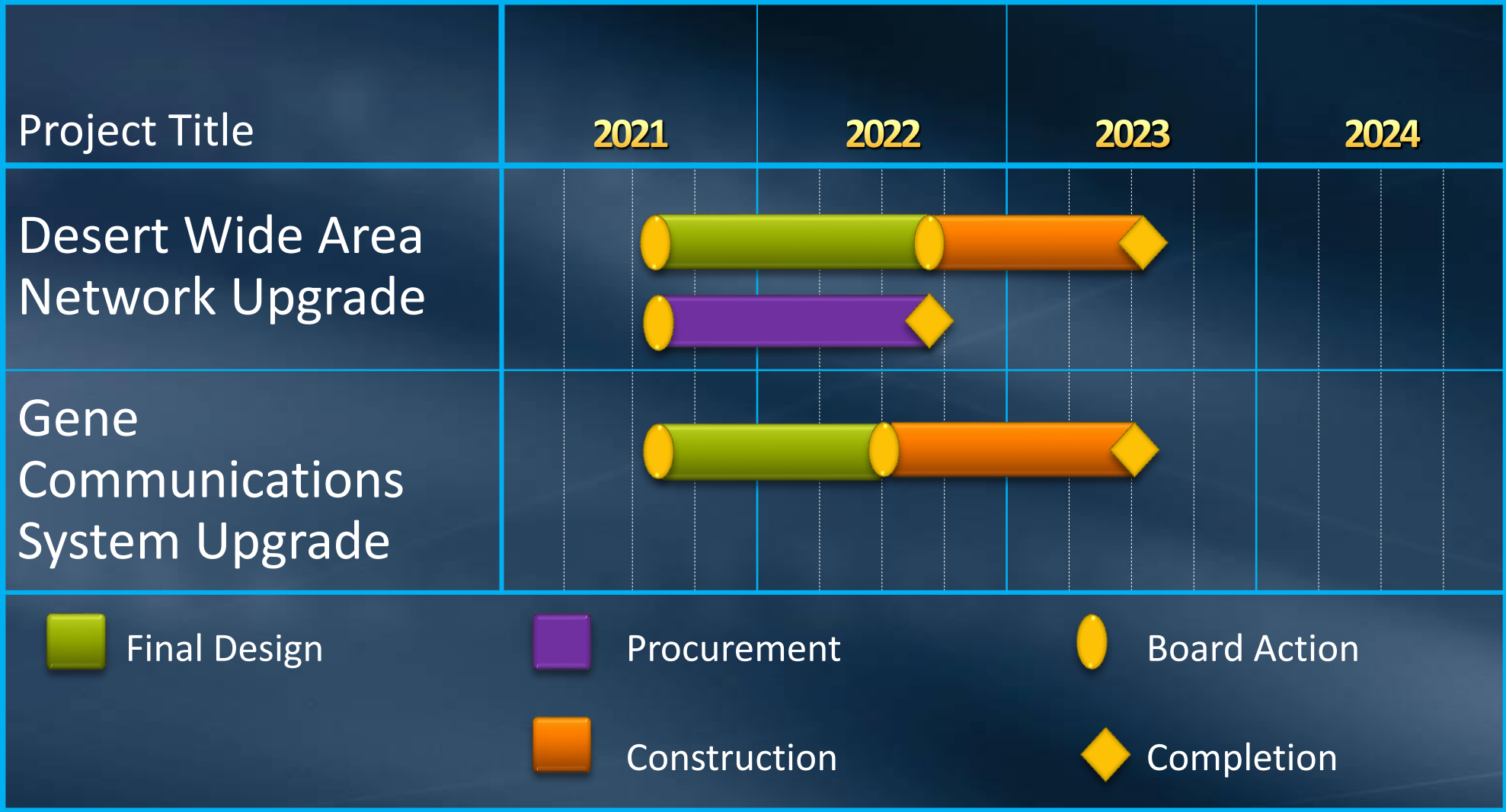
2. Metropolitan Scope

- Conduct field investigations
 - Geotechnical analysis
 - Aerial topographic survey
- Acquire temporary rights-of-way
 - Contractor staging
 - Work areas
- Permitting & agreement execution with service provider
- Review consultant work, project controls & project management
- Advertise & receive competitive bids

Allocation of Budgeted Funds

	Desert WAN Upgrade	Gene Comm. System Upgrade
Labor		
Studies & Investigations	-	\$59,000
Final Design and Specifications	\$800,000	49,000
Owner Costs (Program mgmt., envir. monitoring)	350,000	178,000
Submittals Review and Technical Oversight	350,000	-
Materials & Incidentals	125,000	10,000
Professional Services		
Nokia of America Corporation	5,297,000	-
H&D Consulting Engineers, LLC	250,000	-
HDR Engineering, Inc.	-	275,000
Rick Engineering Company (aerial survey)	-	29,000
Specialty Consultant - Tower Analysis	60,000	
Right-of-Way	-	14,000
Remaining Budget	779,000	51,000
	Total	
	\$8,011,000	\$665,000

Project Schedule



Board Options – Option #1

- Authorize an agreement with Nokia of America Inc for a not-to-exceed amount of \$5,297,000 for furnishing wide-area network equipment and design support to upgrade the desert region-wide-area network;
- Authorize increase of \$250,000 to the agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 for specialized technical support for the upgrade;
- Amend current CIP to include upgrades to the communication system at Gene Pumping Plant; and
- Authorize an agreement with HDR Engineering, Inc. for a not-to-exceed amount of \$275,000 for design services.

Board Options – Option #2

- Authorize an agreement with Nokia of America Inc for a not-to-exceed amount of \$5,297,000 for furnishing wide-area network equipment and design support to upgrade the desert region-wide-area network;
- Authorize increase of \$250,000 to the agreement with Hatfield & Dawson Consulting Engineers, LLC for a new not-to-exceed amount of \$730,000 for specialized technical support;
- Do not amend current CIP to include upgrades to the communication system at Gene Pumping Plant; and
- Do not authorize an agreement with HDR Engineering, Inc. for a not-to-exceed amount of \$275,000 for design services.

Board Options – Option #3

- Do not proceed with these projects at this time.

Staff Recommendation

- Option #1





- Board of Directors
Real Property and Asset Management Committee

7/13/2021 Board Meeting

7-4

Subject

Adopt amendments to Metropolitan's Administrative Code to move certain responsibilities for annexations from the Finance and Insurance Committee to Real Property and Asset Management Committee; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

To eliminate inefficiencies, this action moves the responsibility to study, advise, and make recommendations with regards to annexations and annexation policies from the Finance and Insurance Committee to the Real Property and Asset Management Committee.

Details

Annexation is a Metropolitan policy and procedure encouraging orderly growth and development and efficient water use through the annexation of new water service areas into Metropolitan's service area boundaries upon terms and conditions set by the Board of Directors.

The main function of the annexation is to fulfill member agency requests to annex property into Metropolitan's service area, allowing the property to be served by Metropolitan. Annexation actions are currently exercised at Finance and Insurance Committee and reported by the Real Property and Asset Management Committee to Metropolitan's Board. Therefore, to eliminate inefficiencies, staff recommends moving land-specific annexation actions, including the requirements, procedures, terms and conditions for annexations, to the Real Property and Asset Management Committee. Staff will continue to collaborate internally about annexation matters and to ensure a collective and expeditious response. The determination of financial policies related to annexations under Sections 3300 and 3301 of the MWD Administrative Code shall remain with the Finance and Insurance Committee.

The proposed action would amend the Administrative Code by deleting Sections 2441(w) and adding Section 2491(i). **(Attachment 1)**

Policy

Metropolitan Water District Act Part 7: Changes in Organization.

Metropolitan Administrative Code Division III: Annexations.

Metropolitan Administrative Code Section 2441: Finance and Insurance Committee.

Metropolitan Administrative Code Section 2491: Real Property and Asset Management Committee.

Metropolitan Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

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

administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines) and organizational or administrative activities (Section 15378(b)(5) of the State CEQA guidelines).

In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt amendments to Metropolitan's Administrative Code to move certain responsibilities for annexations from the Finance and Insurance Committee to Real Property and Asset Management Committee as shown in **Attachment 1**.

Fiscal Impact: None

Business Analysis: This action will align the process, policy, approval and reporting of annexations.

Option #2

Do not approve this action

Fiscal Impact: None

Business Analysis: Maintain the current annexation process separately from the board approval process.

Staff Recommendation

Option #1



Marcia Scully
General Counsel

6/23/2021

Date



Jeffrey Rightlinger
General Manager

6/28/2021

Date

Attachment 1 – Proposed Amendments to Administrative Code, Division II, Ch. 4

Ref# rpam12681266

Division II**PROCEDURES PERTAINING TO BOARD, COMMITTEES
AND DIRECTORS****Chapter 4****Standing Committees****STRIKEOUT/UNDERLINE VERSION:****§2441. Duties and Functions.**

The Finance and Insurance Committee shall study, advise and make recommendations with regard to:

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations, except appropriations for capital projects;
- (f) The determination of revenues to be obtained through water transactions, including, but not limited to, sales, exchanges, and wheeling of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;
- (l) Proposed amendments to the Metropolitan Water District Act affecting the finance and insurance functions of the District;
- (m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;
- (n) The prices and conditions governing water transactions, including, but not limited to, sales, exchanges, and wheeling sales of water;

(o) Costs and accounting procedures relating to the District's and other state water service contracts;

(p) Policies regarding water transactions, including, but not limited to, the sale, exchange, and wheeling of water for various uses;

(q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;

(r) Water standby or availability of service charges within the District;

(s) Determinations by the General Manager with respect to appeals concerning charges for water service, including readiness-to-serve charges and capacity charges, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(t) Appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(u) The purchase, management and disposition of personal property assets such as equipment and vehicles;

(v) Facility master plans, including budgeting for capital improvements and long-term facilities commitments; ~~and~~

~~(w) Policies regarding annexation and the requirements, procedures, terms and conditions for annexations.~~

§ 2491. Duties and Functions

The Real Property and Asset Management Committee shall study, advise, and make recommendations with regard to:

(a) Proposed amendments to the Metropolitan Water District Act and Code affecting the acquisition, ownership, and sale of land by the District;

(b) Proposed rules and proposals regarding business development opportunities for real property;

(c) Policies for the acquisition of rights-of-way;

(d) The purchase, sale, and leasing of land and buildings, including the District's various office and garage space needs;

(e) The incidental use of land in farming operations and otherwise;

(f) The operation and maintenance of buildings;

(g) The development, oversight, and coordination of recreational facilities at Diamond

Valley Lake and Lake Skinner; and

(h) The use of proceeds from the sale or disposition of surplus property related to Diamond Valley Lake and Lake Skinner for recreational purposes.

(i) Annexations and annexation policies including the requirements, procedures, terms and conditions for annexations.

CLEAN VERSION:

§2441. Duties and Functions.

The Finance and Insurance Committee shall study, advise and make recommendations with regard to:

- (a) Preparation of budgets;
- (b) Policies and procedures related to budget development and cost containment;
- (c) Sale of bonds and borrowing and repayment of money;
- (d) Disposition and investment of funds;
- (e) Authorization of appropriations, except appropriations for capital projects;
- (f) The determination of revenues to be obtained through water transactions, including, but not limited to, sales, exchanges, and wheeling of water, water standby or availability of service charges, and the levying of taxes;
- (g) The financial impact and requirements of policies concerning annexation;
- (h) The financial aspects of the District's risk management program;
- (i) Questions pertaining to insurance coverage and self-insurance;
- (j) The selection of financial and insurance consultants and the determination of the scope of their assignments;
- (k) Form and contents of accounts, financial reports, and financial statements;
- (l) Proposed amendments to the Metropolitan Water District Act affecting the finance and insurance functions of the District;
- (m) Goals and objectives related to financial planning for Metropolitan, including but not limited to revenues, operating expenses, reserve policies, internally funded construction, debt management, investments and capital financing strategies;
- (n) The prices and conditions governing water transactions, including, but not limited to, sales, exchanges, and wheeling sales of water;

(o) Costs and accounting procedures relating to the District's and other state water service contracts;

(p) Policies regarding water transactions, including, but not limited to, the sale, exchange, and wheeling of water for various uses;

(q) Policies regarding allocation of water standby or availability of service revenue requirements among member public agencies;

(r) Water standby or availability of service charges within the District;

(s) Determinations by the General Manager with respect to appeals concerning charges for water service, including readiness-to-serve charges and capacity charges, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(t) Appeals from determinations by the General Manager to deny or qualify an application for exemption from the water standby charge, and report its recommendations, as appropriate, to affirm or reverse the General Manager's determinations;

(u) The purchase, management and disposition of personal property assets such as equipment and vehicles;

(v) Facility master plans, including budgeting for capital improvements and long-term facilities commitments.

§ 2491. Duties and Functions

The Real Property and Asset Management Committee shall study, advise, and make recommendations with regards to:

(a) Proposed amendments to the Metropolitan Water District Act and Code affecting the acquisition, ownership, and sale of land by the District;

(b) Proposed rules and proposals regarding business development opportunities for real property;

(c) Policies for the acquisition of rights-of-way;

(d) The purchase, sale, and leasing of land and buildings, including the District's various office and garage space needs;

(e) The incidental use of land in farming operations and otherwise;

(f) The operation and maintenance of buildings;

(g) The development, oversight, and coordination of recreational facilities at Diamond Valley Lake and Lake Skinner; and

(h) The use of proceeds from the sale or disposition of surplus property related to Diamond Valley Lake and Lake Skinner for recreational purposes.

(i) Annexations and annexation policies including the requirements, procedures, terms and conditions for annexations.



Adopt Amendments to Metropolitan's Administrative Code Section 2400

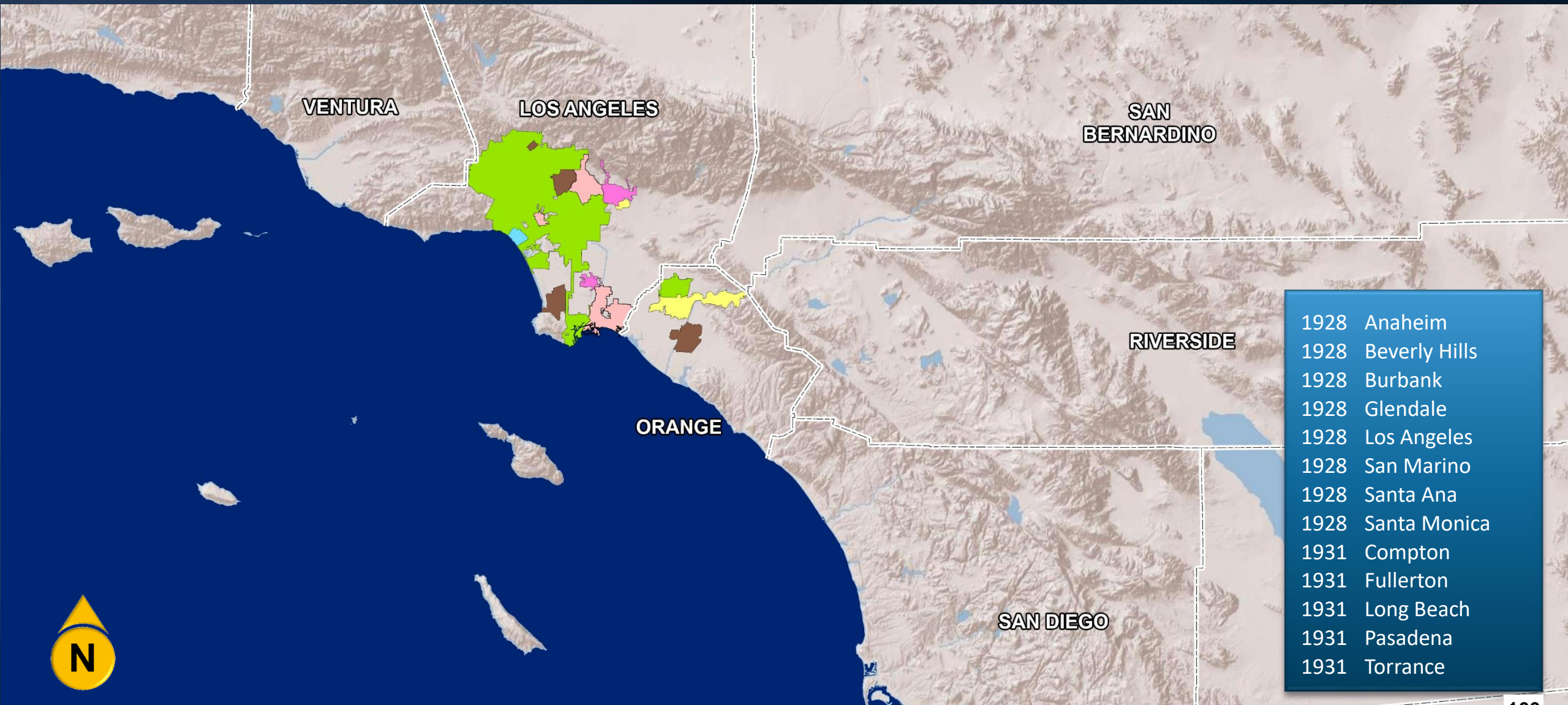
Real Property and Asset Management Committee

Item 7-4

July 13, 2021

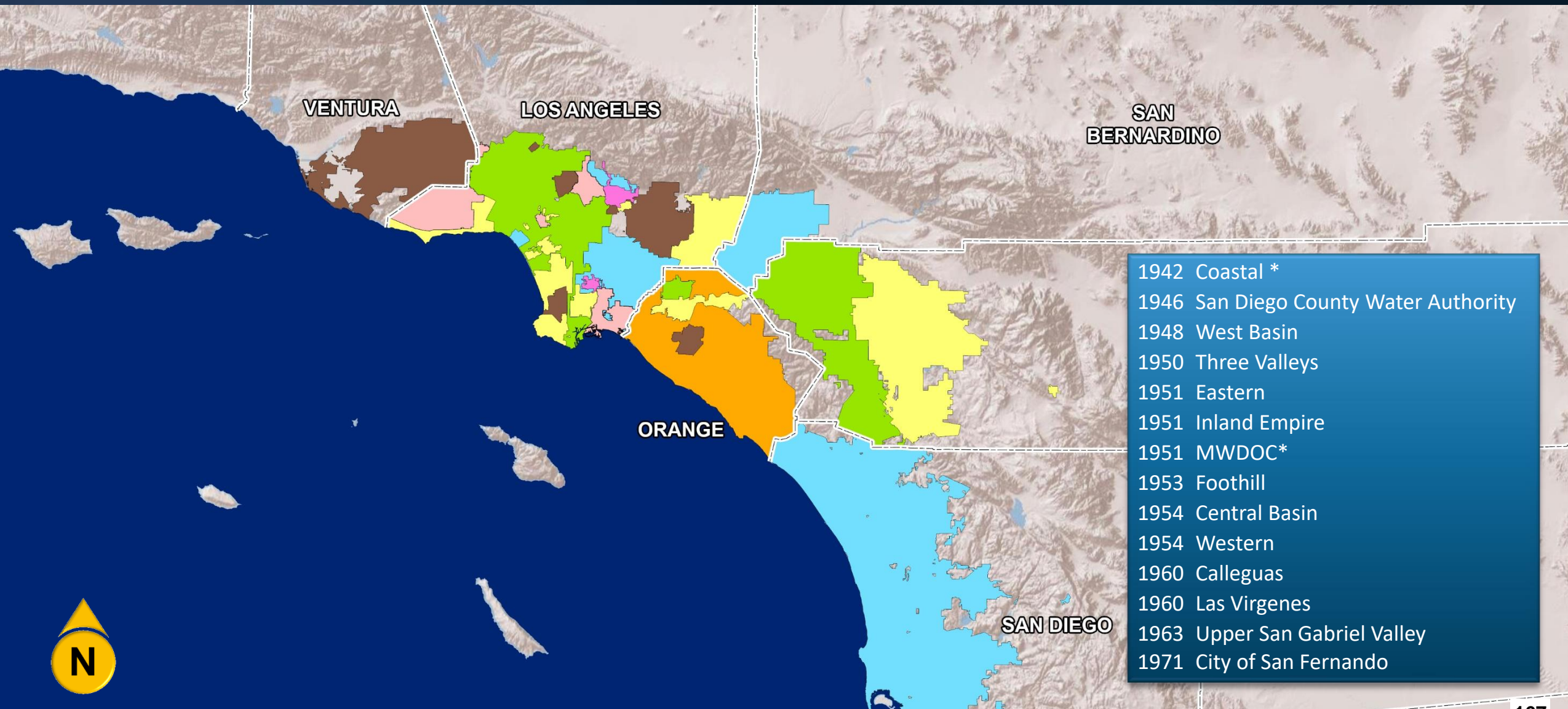
Original Member Agencies

1928-1931



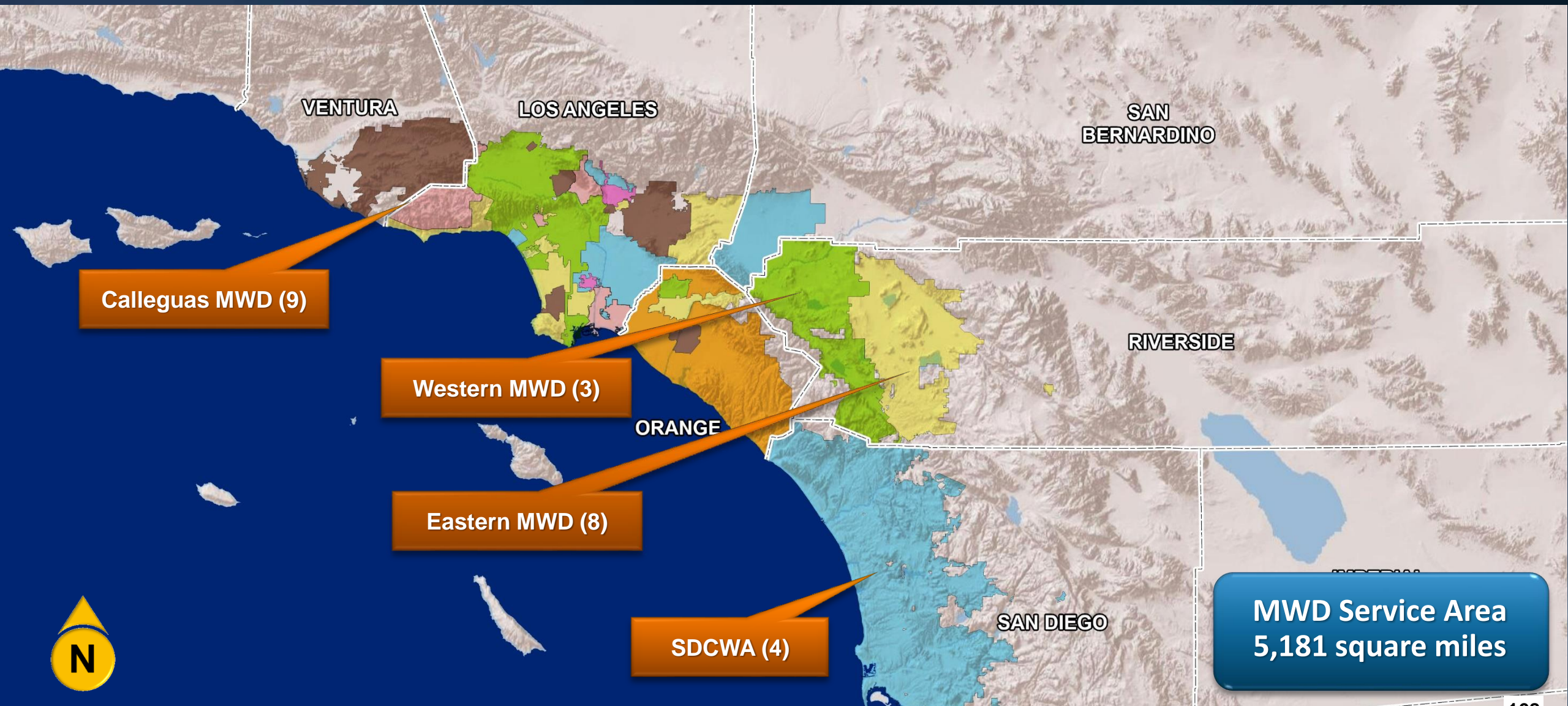
Member Agency Annexations

1932-2009



Recent Annexations

2010-2020



Potential Future Annexations



Annexation Policy

- MWD Act
 - Part 7: Changes in Organization - Chapter 1
- MWD Administrative Code
 - Div. II: Finance and Insurance Committee, Section 2441
 - Div. III: Annexation, Sections 3100-3300
- Annexation policies encourage orderly growth and development within Metropolitan's service area boundaries
 - Areas of sufficient size and water requirements
 - Avoidance of window areas surrounded by annexed areas

Annexation Terms and Conditions

- No direct or indirect benefits to areas outside the District
- No obligation to provide additional water facilities
- Per-acre charge and processing fee
- Water use efficiency measures – e.g., conservation, recycled water, local resources
- Completion timeline by the following year's
- Additional applicable terms and conditions

Annexation Process



Proposed Committee Change



- Moves duties and functions to study, advise, and recommend to Real Property and Asset Management
- Will eliminate reporting inefficiencies

Board Options

- Option 1

- Adopt amendments to Metropolitan's Administrative Code to move certain responsibilities for annexations from the Finance and Insurance Committee to Real Property and Asset Management Committee as shown in Attachment 1.

- Option 2

- Do not approve this action

Staff Recommendation

- Option 1





- Board of Directors
Real Property and Asset Management Committee

7/13/2021 Board Meeting

7-5

Subject

Authorize the General Manager to grant a permanent easement to the State of California Department of Transportation (Caltrans) on Metropolitan fee-owned property in the city of Los Angeles; Metropolitan previously reviewed and considered Caltrans' Environmental Impact Report/Environmental Impact Statement and took related CEQA actions

Executive Summary

This action authorizes the General Manager to grant a permanent highway and sight easement to Caltrans. The easement will be located over portions of the Sepulveda Feeder, which is a pipeline aligned between Sepulveda Boulevard and Interstate 405 (I-405) just north of Mountaingate Drive in the city of Los Angeles (**Attachment 1**). Board authorization to grant this permanent easement is required as the real property interest exceeds five years.

Details

Background

In 2009, the Los Angeles County Metropolitan Transportation Authority funded the I-405 Sepulveda Pass Improvements Project (Project) as a design-build project costing \$1.6 billion. Caltrans took over the responsibilities for the operations and maintenance of constructed public work improvements and to accept easements and other interests in right of ways, once the project was completed. The I-405 Project included the improvement of supporting infrastructures such as on/off-ramps, bridges, and sound walls along the I-405 and was completed in four segments. The Mulholland Segment of the project impacted a portion of Metropolitan's fee-owned property through the construction of the new Skirball Center Drive/Mulholland Drive on/off-ramps (ramps) supporting the southbound alignment of I-405. Metropolitan's 96-inch Sepulveda Feeder pipeline and tunnel access portal are located within this property and are protected in place. The total area of Metropolitan's fee simple holding in this area is 1.07 acres. The proposed easement to Caltrans for the ramps would encompass much of this space and total 0.75 acres.

In 2010, Metropolitan granted an entry permit to help facilitate the design-build project and to protect Metropolitan's Sepulveda Feeder pipeline. The entry permit allowed for the construction of the ramps, completed in 2015, and also required any real property conveyances after the completion of the permitted public works in their as-built alignments to be done in a manner that preserved Metropolitan's ability to operate, maintain, and conduct any future work on the Sepulveda Feeder pipeline, in addition to minimizing highway liability and operational conflicts.

Granting the proposed highway and sight easement will convey highway travel and clear sightline rights to Caltrans, contingent upon the recognition of the primacy of water-related uses in the area and the release of Metropolitan from highway traffic-related liability and the minimization of agency conflicts.

In this regard, the permanent highway and sight easement will have the following key provisions:

- Public agency cooperation and mutual compatible public use obligations, with prior rights provisions for Metropolitan.
- Caltrans will have the right to construct, reconstruct, improve, repair, operate, and maintain the ramps.

- All plans for construction, significant repair, maintenance, or eventual replacement of highway facilities shall be reviewed and approved by Metropolitan prior to commencement in order to ensure the protection of regional water facilities and improvements.
- Caltrans shall, at its sole cost and expense, keep the easement area free of trespass, noxious weeds, and trash.
- In the event of Metropolitan work or activity in the easement area, Caltrans, at its expense, shall take all reasonable measures, including but not limited to the posting of cautionary and directional signage, on the I-405 leading up to the easement area.

The fair market value for the proposed easement is \$139,000. Metropolitan will also receive a one-time processing fee of \$6,500.

Policy

Metropolitan Water District Administrative Code Section 8230: Grants of Real Property Interests

Metropolitan Water District Administrative Code Section 8231: Appraisal of Real Property Interests

Metropolitan Water District Administrative Code Section 8232: Terms and Conditions of Management

Metropolitan Water District Administrative Code Section 11100: Environmental Matters

By Minute Item 48766, dated August 16, 2011, the Board adopted fair market value policies for managing Metropolitan's real property assets.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Pursuant to the provisions of CEQA and the State CEQA Guidelines, the State of California Department of Transportation (Caltrans) and the Federal Highway Administration, acting as Co-Lead Agencies, prepared and processed a Final Environmental Impact Report and Environmental Impact Statement (Final EIR/EIS) for the proposed project. The Final EIR/EIS was certified, and the project was approved by the Lead Agency on May 1, 2008. The Lead Agency also approved the Findings of Fact, the Statement of Overriding Considerations (SOC), and the Mitigation Monitoring and Reporting Program (MMRP). Metropolitan, as a Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information in the certified Final EIR and adopt the Lead Agency's findings, SOC, and MMRP prior to approval of the formal terms and conditions for the annexation and water standby charges. On September 13, 2010, Metropolitan acting as a Responsible Agency, filed a Notice of Determination for an Entry Permit for construction of the proposed project. Hence, the previous environmental documentation acted on by the Metropolitan in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act on the proposed action.

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to grant a permanent highway and sight easement to Caltrans.

Fiscal Impact: Metropolitan will receive positive revenue in the form of a one-time processing fee of \$6,500 and \$139,000 as the fair market value for the proposed easement.

Business Analysis: The easement will establish the necessary rights for highway use activities to Caltrans and release Metropolitan of any traffic-related liability.

Option #2

Do not authorize the permanent easement.

Fiscal Impact: Metropolitan will forego the one-time transaction and conveyance fees of \$145,500.

Business Analysis: Caltrans will not be permitted to operate the ramps and has indicated they will use eminent domain action to obtain the necessary easement.

Staff Recommendation

Option #1



Lilly L. Shraibati
Group Manager
Real Property Group
6/23/2021
Date



Jeffrey Lightlinger
General Manager
6/28/2021
Date

Attachment 1 – Site Map

Ref# rpam12669604

N

Sepulveda Feeder Sta. 841+00

Parcel 3: Sight Easement

N Sepulveda Blvd

405

Parcel 2: Highway Easement

Sepulveda Feeder Sta. 846+00

U:\a\2011\Infrastructure Reliability\Section Infrastructure Unit\Geodetic and Mapping Team_1\Projects\LIU\PowderPoint\Fig 107_Closed.txt (Printed 3/7/2011) Prepared By: (GMT) Checked by: (JGB) 08/21/2011



Authorize Permanent Easement to State of California Department of Transportation (Caltrans)

Real Property and Asset Management Committee

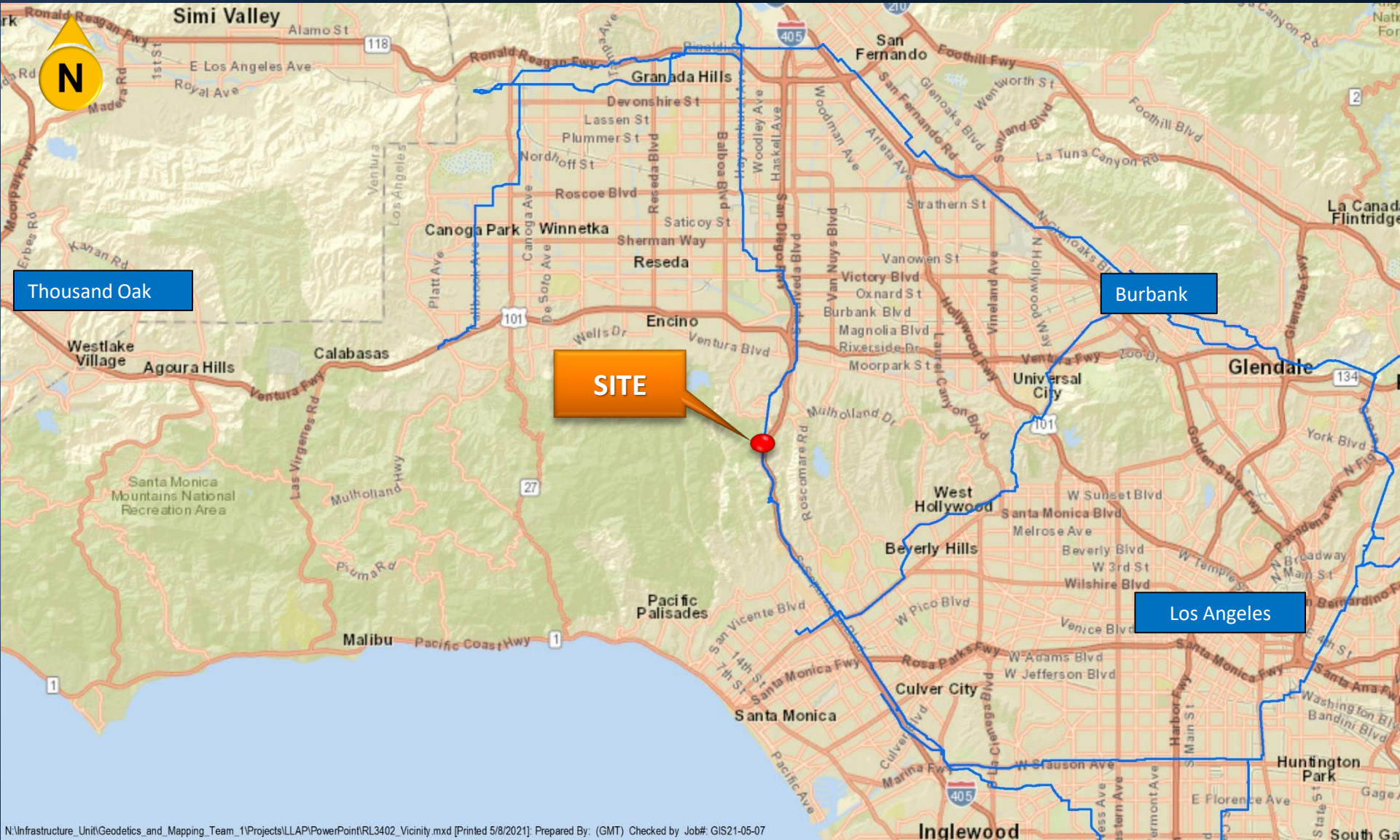
Item 7-5

July 13, 2021

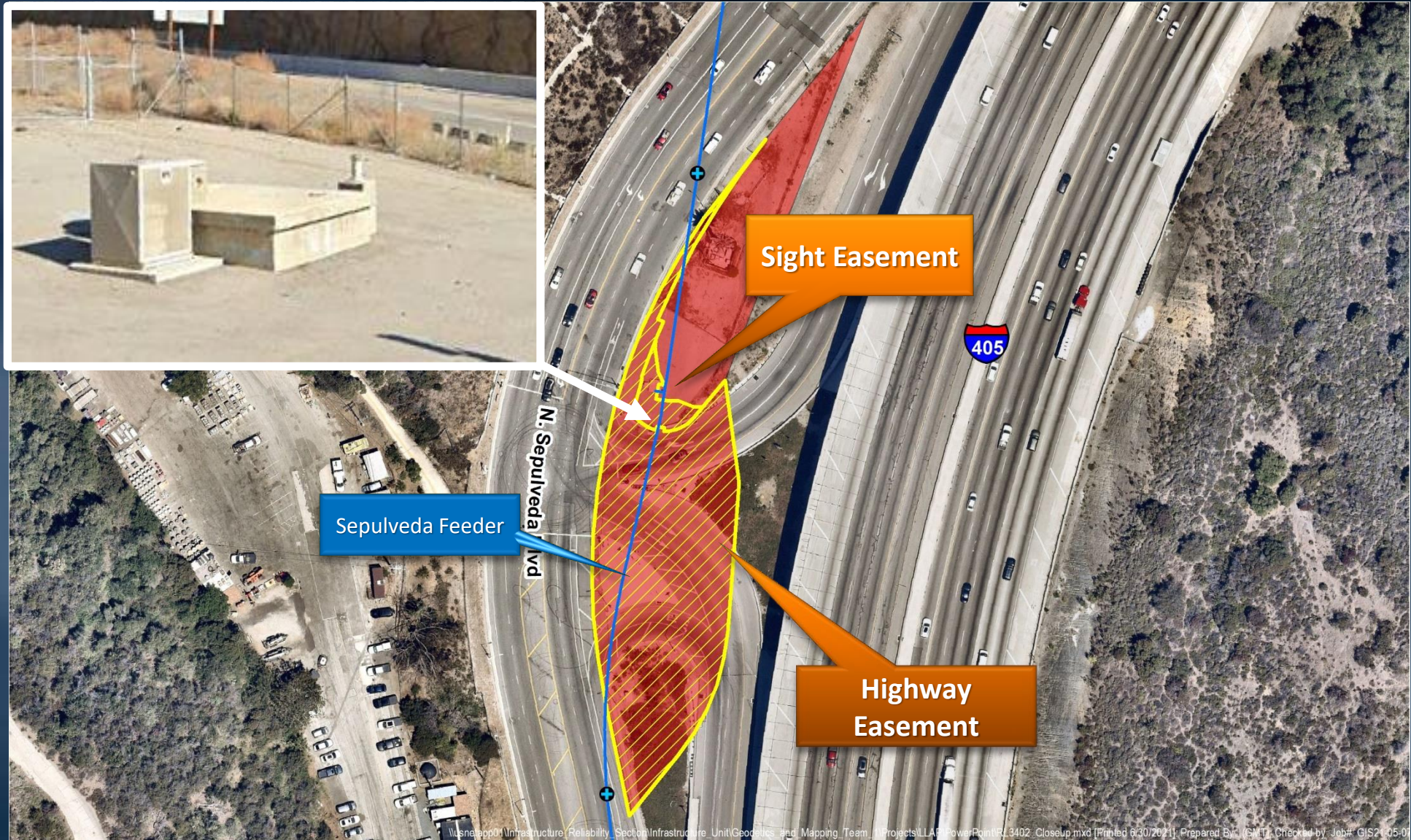
Distribution System Map



General Location Map



Site Map -



Key Provisions

- Metropolitan's paramount rights preserved
- Caltrans will be required to maintain the area
- Metropolitan to review and approve all plans
- Caltrans responsible for all safety measures in securing easement area during construction
- The Fair Market value for the proposed easement is \$139,000, with a one-time processing fee of \$6,500

Board Options

- Option #1
 - Authorize the General Manager to grant a permanent highway and sight easement to Caltrans
- Option #2
 - Do not authorize the permanent easement

Staff recommendation

- Option #1





- Board of Directors
Real Property and Asset Management Committee

7/13/2021 Board Meeting

7-6

Subject

Authorize an increase of \$3 million to an agreement with Roesling Nakamura Terada Architects for a new not-to-exceed amount of \$5 million for preliminary design and architectural services in support of the District Housing and Property Improvement Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan maintains employee housing, kitchens, and short-term lodging facilities at the Colorado River Aqueduct (CRA) pumping plant villages. These facilities have exceeded their design life, are showing signs of deterioration, and require replacement. Staff recommends an increase of \$3 million for a new not-to-exceed amount of \$5 million to an agreement with Roesling Nakamura Terada (RNT) Architects for preliminary design and architectural services in support of the District Housing and Property Improvements Program.

Details

Background

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews in Riverside County. The CRA includes five pumping plants located in remote, isolated areas of the California desert. The aqueduct system was constructed in the late 1930s and was placed into service in 1941. Since the CRA's inception, Metropolitan has provided lodging or housing to employees involved in the construction, operation, and maintenance of the aqueduct system. Due to the remoteness of the pumping plants, the provision of housing ensures that staff can respond to emergency events in a timely manner.

Houses, kitchens, and short-term lodging were initially constructed at the CRA pumping plants in the early 1940s. Expansion of the CRA's capacity in the 1950s led to the construction of additional houses. Metropolitan has performed routine maintenance on each of these facilities since they were built, but following decades of continuous use and exposure to the harsh desert environment, these facilities have deteriorated and need replacement.

In addition, multiple enhancement features are planned across Metropolitan's CRA pumping plants' villages that will improve employee retention, attract future employees, and help create a vibrant, healthy, and sustainable community. Enhancements to these villages include perimeter trails, shade structures, welcoming and sustainable landscape, and family-friendly community centers.

In 2019, Metropolitan's Board authorized the District Housing and Property Improvement Program (Program) across four of Metropolitan CRA pumping plants; no improvements are planned for Intake Pumping Plant because housing is not provided at this site due to the Gene village proximity. The Program consists of: (1) Housing Improvements; (2) Village Enhancements; and (3) Kitchen and Lodging Facilities Improvements. Metropolitan staff has completed the master planning study phase for these projects, and the Program is ready to advance into the preliminary design phase. Additionally, in May 2021, the Board awarded agreements for geotechnical investigations and environmental documentation in support of the District Housing and Property Improvement Program.

In accordance with the April 2020 action on the biennial budget for Fiscal Years 2020/21 and 2021/22, the General Manager will authorize staff to proceed with preliminary design of improvements to Metropolitan housing and property, pending board authorization as described below. Based on the current Capital Investment Plan (CIP) expenditure forecast, funds for the work to be performed pursuant to this action during the current biennium are available within the Appropriation for Fiscal Years 2020/21 and 2021/22 (Appropriation No. 15517). This project has been reviewed in accordance with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP Evaluation Team to be included in the District Housing and Property Improvement Program.

District Housing and Property Improvements Program – Preliminary Design

The preliminary design effort will focus on the replacement of 75 CRA houses, the kitchens, and short-term lodging facilities at Eagle and Iron Mountain pumping plants' villages, and enhancements. Preliminary design activities will include site development, including earthwork and site drainage, utility layout, walking trails, shade structures, community parks, jurisdictional permitting, and development of construction cost estimates. As part of the preliminary design efforts, state mandated energy efficient and cost-effective housing requirements, known as Title 24, will be developed. Preliminary design will be conducted by both Metropolitan staff and consultants. The consultants' work includes preparing preliminary design reports for each village, conceptual drawings, which will form the basis for the contract drawings, establishing design criteria, engineering calculations, and construction cost estimates. These activities will build upon the recently completed concept-level work for this Program. The work in this phase of the Program will be closely coordinated with the ongoing CIP projects to rehabilitate the existing underground utilities in each of the villages, which include potable water and sanitary sewer systems. Metropolitan staff will also initiate the permitting process with Riverside and San Bernardino Counties.

The value engineering process will be used to review the proposed design, construction sequencing to ensure an optimum design, contracting options and minimize relocation of employee staff and their families during construction. Value engineering will be performed by a specialty firm under an agreement planned to be executed under the General Manager's Administrative Code authority to award contracts of \$250,000 or less.

A total of \$5 million is required for this work. Allocated funds include \$3 million for preliminary design and architectural support by RNT Architects, as described below; and \$250,000 for value engineering. Allocated funds for Metropolitan staff activities include \$435,000 for technical oversight to support the preliminary design and value engineering activities; \$815,000 for permitting, agreement administration, and project management. Allocated funds also include \$500,000 for remaining budget.

The total cost for the District Housing and Property Improvement Program will be re-evaluated during preliminary design and is currently estimated to range from \$140 million to \$150 million. **Attachment 1** provides the allocation of the required funds. Staff will return to the Board at a later date to award a consulting agreement for final design services.

Engineering & Architectural Design Services (Roesling Nakamura Terada Architects) – Amendment to Agreement

RNT Architects will provide preliminary design and architecture support services under an existing board-authorized agreement for the Desert Housing and Property Improvements Program. RNT Architects was originally prequalified to provide architecture and engineering support services via Request for Qualifications No. 1198, and previously conducted master planning and property assessments for all desert houses.

The planned activities for preliminary design and architecture support include: (1) preparation of preliminary design and architectural drawings that will include civil, structural, mechanical, and electrical plans for replacement of the houses, the kitchen and lodge buildings, and various village enhancements; (2) site drainage and earthwork calculations; (3) preparation of utility layouts and tie-ins within the new houses and buildings; (4) development of Title 24 requirements; and (5) development of construction cost estimates. The estimated cost for these services is \$3 million.

This action authorizes an increase of \$3 million to the existing agreement with RNT Architects for a new not-to-exceed total of \$5 million for preliminary design and architectural support of the housing, village enhancements and support buildings, and the kitchen and lodge buildings. For this agreement, Metropolitan has established a

Small Business Enterprise goal level of 25 percent. RNT Architects has agreed to meet this level of participation. The planned subconsultants for this work are Fuscoe Engineering, Inc., Spurlock Landscape Architects, KPFF Consulting Engineers, IMEG Corporation, Webb Foodservice Design, S.L. Leonard & Associates, Aquatic Design Group, Inc., and TOV Architectural Consulting.

Alternatives Considered

Multiple alternatives are being considered regarding the execution of the construction contracts for the various improvements. A large single construction contract may attract a larger, more-experienced pool of contractors; however, this will require additional time to prepare the first design package; thus, delaying the start of construction. Staff is considering issuing multiple construction contracts based on the geographical separation of the pumping plants. This approach will allow staff to learn lessons from previous contracts and take advantage of optimizing the construction sequence; thus, completing the improvements in a timely and cost-efficient manner. This alternative will also minimize disruptions to the residents and their families.

Additionally, staff is integrating other related desert village projects with the desert housing and property improvements. Related projects include water, sewer, industrial water piping, and asphalt paving replacement. Staff plans to execute these utility projects ahead of the housing improvement contracts so that the houses are ready for utility tie-ins as the housing construction contracts are completed. Staff will continue to investigate and develop additional alternatives as the design progresses.

Summary

This action authorizes an increase of \$3 million to the existing agreement with RNT Architects for a new not-to-exceed total of \$5 million for preliminary design and architectural support services for housing and property improvements at four CRA pumping plants.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2021/22 capital expenditure plan. See **Attachment 1** for the Allocation of Funds and **Attachment 2** for the Location Map.

Project Milestone

March 2022 – Completion of preliminary design of Metropolitan housing and property improvements

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

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

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

By Minute Item 51963, dated April 14, 2020 the Board appropriated a total of \$500 million for projects identified in the Capital Investment Plan for Fiscal Years 2020/21 and 2021/22.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of basic data collection, research, experimental management, and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. In addition, the activities may involve minor alterations in the condition of land, water, and/or vegetation which do not involve healthy, mature, scenic trees. Accordingly, the proposed

action qualifies for both Class 4 and Class 6 Categorical Exemptions (Section 15304 and 15306 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an increase of \$3 million to an agreement with Roesling Nakamura Terada Architects for a new not-to-exceed amount of \$5 million for preliminary design and architectural support services for the housing and property improvements at four CRA pumping plants.

Fiscal Impact: The current Capital Investment Plan expenditure forecast includes the \$5 million for the work to be performed pursuant to this action during the current biennium Appropriation for Fiscal Years 2020/21 and 2021/22. All costs will be incurred in the current fiscal year and have been previously authorized.

Business Analysis: This option will preserve Metropolitan assets and maintain an appropriate standard of living for staff stationed at Metropolitan's desert facilities.

Option #2


Do not proceed with the project at this time.


Fiscal Impact: None

Business Analysis: This option would forgo an opportunity to preserve Metropolitan assets at the desert facilities.

Staff Recommendation

Option # 1

	6/18/2021
Lilly L. Shraibati	Date
Group Manager	
Real Property Group	

	6/23/2021
Jeffrey Lightlinger	Date
General Manager	

Attachment 1 – Allocation of Budgeted Funds

Attachment 2 – Location Map

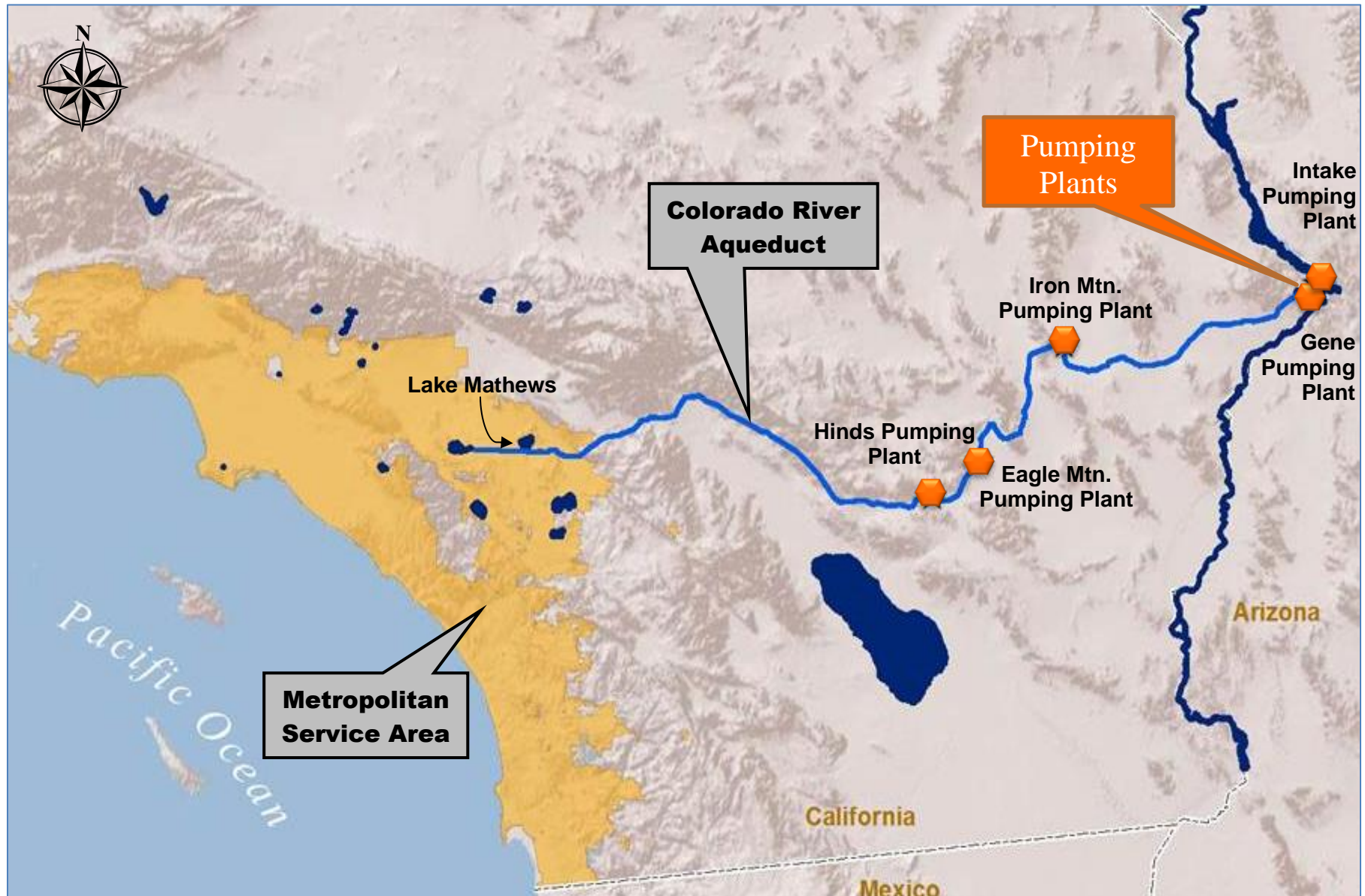
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Allocation of Funds for the District Housing and Property Improvement Program

	Current Board Action
	(July 2021)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., Proj. controls, envir. doc., survey)	555,000
Submittals Review	435,000
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses (Permit Fees)	260,000
Professional/Technical Services	-
RNT Architects	3,000,000
Value Engineering	250,000
Right-of-Way	-
Equipment Use	-
Contracts	-
Remaining Budget	500,000
Total	\$ 5,000,000

The total amount expended to date for the District Housing and Property Improvement Program is approximately \$2.4 million. The total estimated cost to complete this project, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is anticipated to range from \$140 million to \$150 million.

Location Map





District Housing & Property Improvement Program

Real Property & Asset Management Committee

Item 7-6

July 13, 2021

Agenda

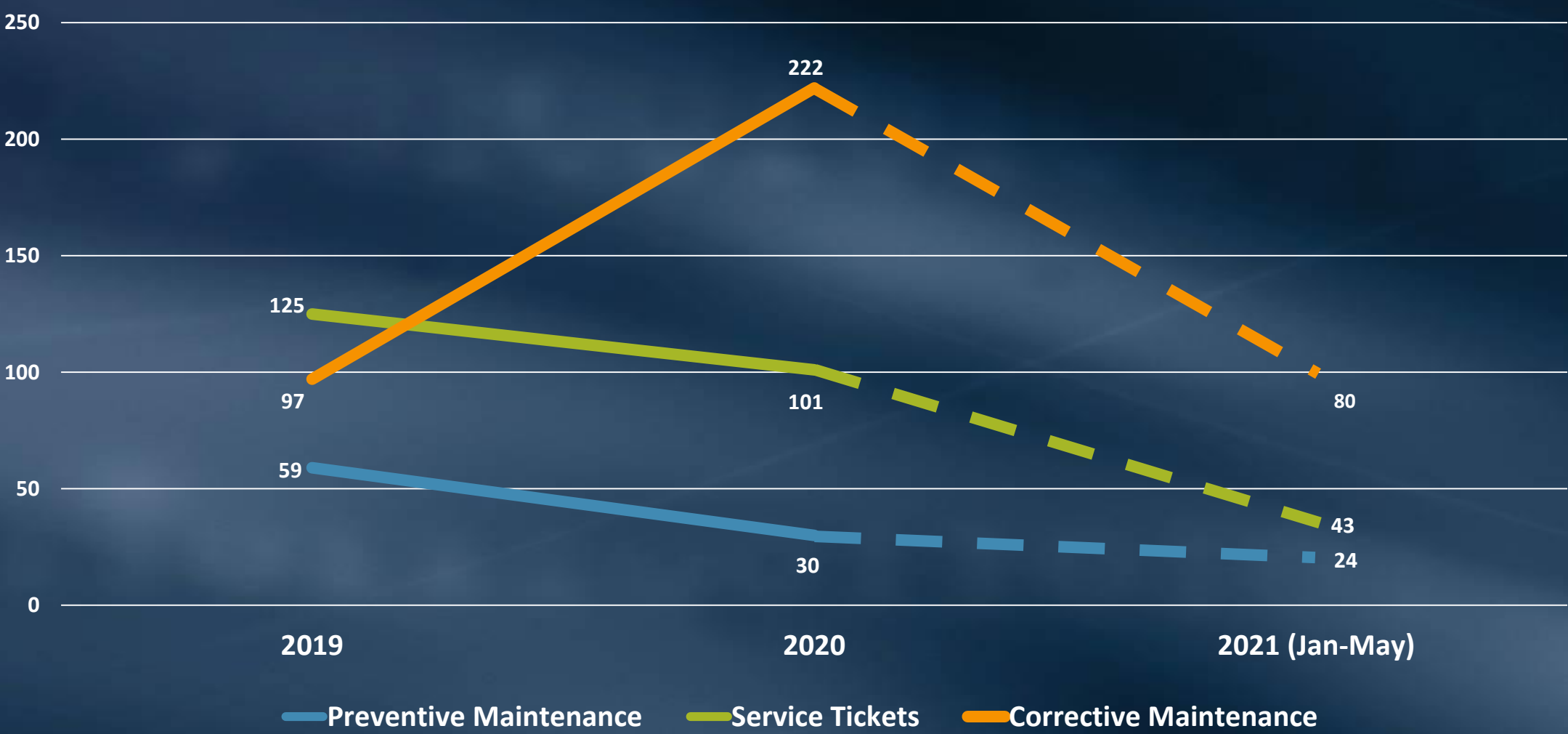
- Background
- Housing Management
 - Workorder data
 - Completed and on-going efforts
- Desert Housing and Property Improvement Program update and action

Background



- Remote CRA facilities spanning 242 miles
- Nearly 100 employee houses constructed in the 1950's and 1960's
- Essential operation, maintenance and other functions

Work Orders Completed Per Work Type



Completed Effort

- Internet Services



Ongoing Efforts

- Improve Communication
- Resident Portal

District Housing Resident Portal

Dashboard Maintenance Requests Leases Documents Judy Holland

Dashboard Service Issues Community Calendar Leases Notes Message Board

Dashboard

Welcome, Judy Holland

Monday, June 14th, 2021
004-G MWD Road

Unit	004-G MWD Road
Manager	Dennis Mullen
Phone	760-221-8922
Address	158000 MWD Road, House 4 P.O. Box 38 Parker Dam, CA 92267

For emergencies, please contact Dennis Mullen (primary) @ 760-221-8922 or Victor Ramirez (secondary) @ 626 222-2036 and submit a service ticket.

Open Date
6/29/21 3:33 PM

Subject
Plumbing

Description
Kitchen sink is backed up.

☒ Allowed to Enter ☒ Pets?

Add Attachment

Add Maintenance Request Cancel

TENANT WEBACCESS

Dashboard Service Issues Leases Notes

Service Issues

Add Service Issues

Filter

Open/Closed: Open And Closed From Date: 6/14/2020 To Date: 6/14/2021

10 items per page

#	Date	Closed	Status	Subject	Description
7	6/14/2021 8:43 AM			Door/Lock Issues	Keys do not work for the back door.
6	6/10/2021 1:40 PM			Electrical	Plugs not working in the living room.
5	6/10/2021 4:29 PM			HVAC Issues	Air-Conditioning isn't working

Showing 1 to 3 of 3 entries

10 items per page

Current Action

- Authorize an increase of \$3,000,000 to an agreement with Roesling Nakamura Terada Architects for a new not-to-exceed amount of \$5,000,000 for preliminary design and architectural services in support of the District Housing and Property Improvement Program

District Housing and Property Improvements

- Background
 - Housing provided due to remoteness & timely response
 - Houses aging after decades of use in harsh desert environment
 - 99 houses in CRA system
 - 10 houses replaced
 - 11 houses renovated
 - Condition assessments of 78 houses
 - Temporary lodging & kitchen facilities provided for short term assignments



Planned Improvements

- Housing
 - Replacement of 75 houses
- Village enhancements
- Kitchen and lodging facilities
 - Replace kitchens & lodges
 - Eagle Mountain Pumping Plant
 - Iron Mountain Pumping Plant



Board Actions

● May 2017

- ✓ ● Pilot project to replace & renovate houses

● May 2019

- ✓ ● Condition assessments of 78 houses
- ✓ ● Development of multiple housing types
- ✓ ● Master plan concept for Eagle Mountain Pumping Plant

● November 2020

- Relocation planning
- ✓ ● Master plan concepts for remaining three Pumping Plants
- ✓ ● Conceptual replacement plan for Eagle & Iron Mountain kitchen & lodge facilities

● May 2021

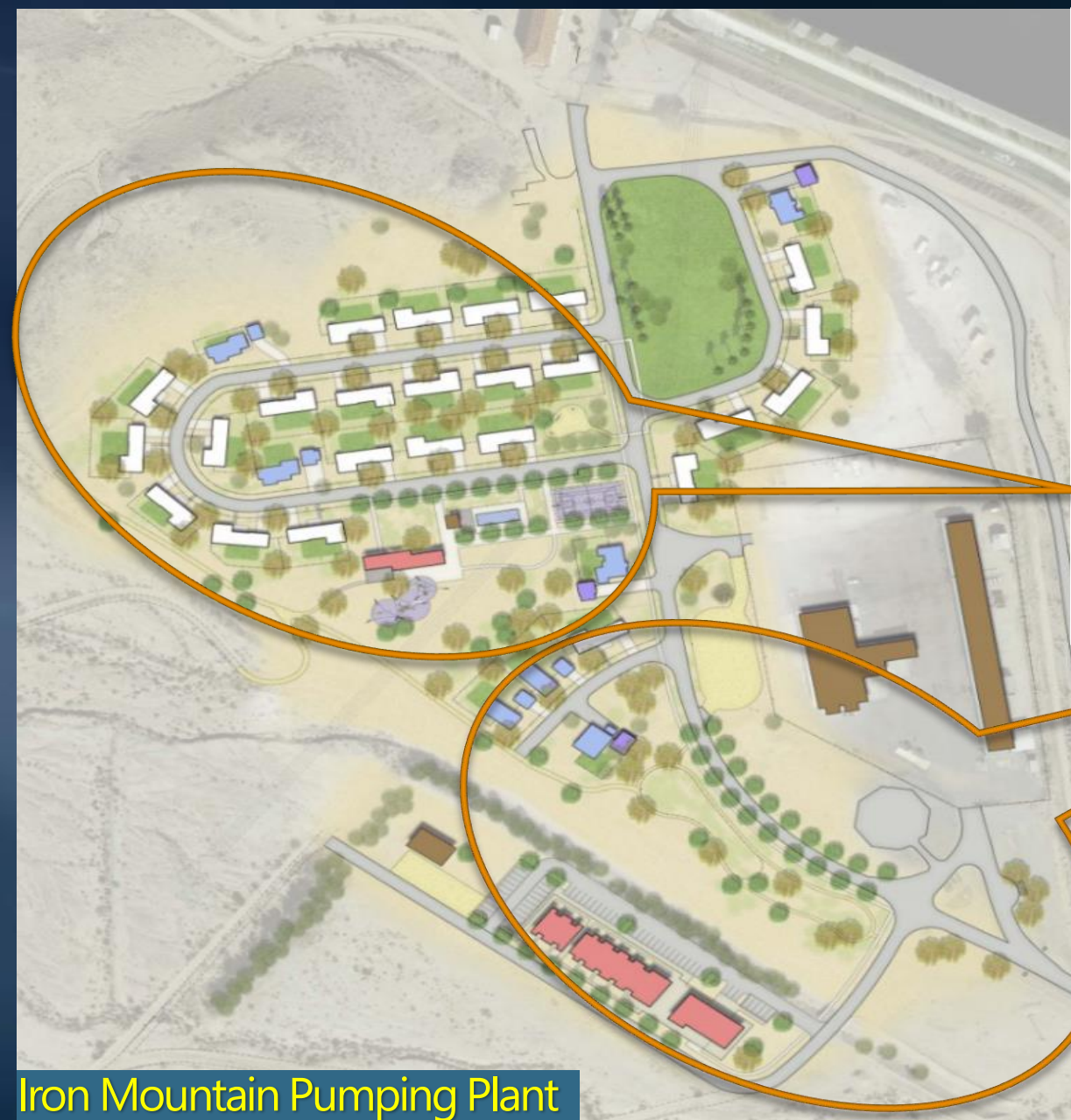
- Authorization of agreements for environmental & geotechnical services



Legend

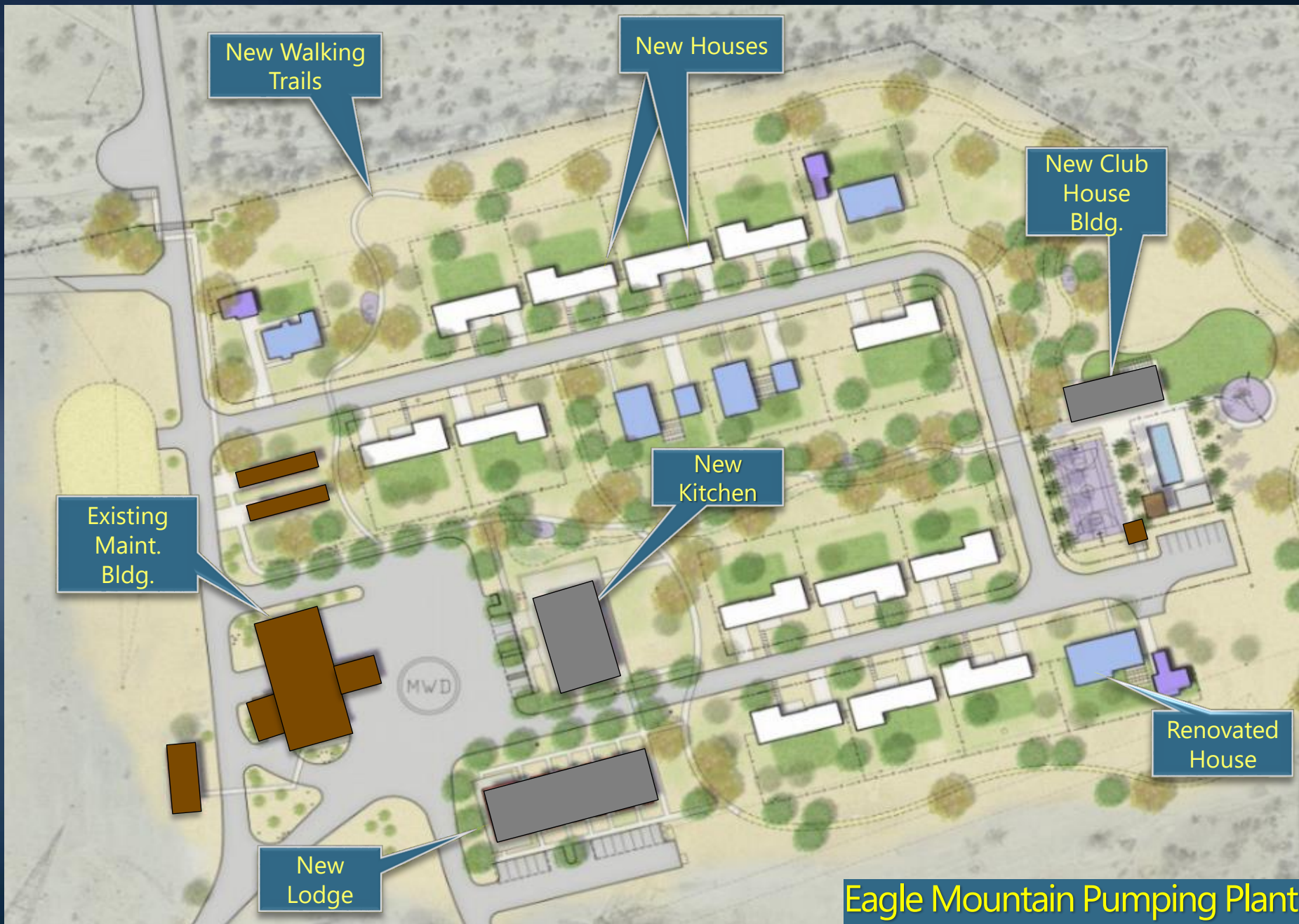
- New Houses
- New Buildings
- Replaced & Renovated Houses
- Existing Buildings
- Street Modifications

Iron Mountain Pumping Plant



Iron Mountain Pumping Plant





Legend

- New Houses
- New Buildings
- Replaced & Renovated Houses
- Existing Buildings

Eagle Mountain Pumping Plant

Alternatives Considered

- Execution of construction contracts
 - Large single construction contract
 - Multiple construction contracts
- Integration of other related desert utility projects
 - Potable, industrial, & fire protection water, & sewer
 - Minimizes delays to resident occupancy

Roesling Nakamura Terada Architects

Amendment to Agreement

- Competitively selected under RFQ 1198
- Scope of work
 - Preliminary & architectural drawings
 - Site drainage & earthwork
 - Utility layouts
 - Title 24 requirements
 - Construction cost estimates
- SBE participation: 25%
- Amendment amount – \$3,000,000; NTE amount: \$5,000,000

Metropolitan Scope

- Provide technical oversight & review consultant work
- Value engineering & support activities
- Permitting process
- Conduct site visits
- Conduct project management
- Manage consultant agreement



Iron Mtn. Lodge &
Kitchen

Allocation of Funds

Professional Services

Roesling Nakamura Terada Architects	\$3,000,000
-------------------------------------	-------------

Value engineering	\$250,000
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Labor

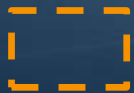
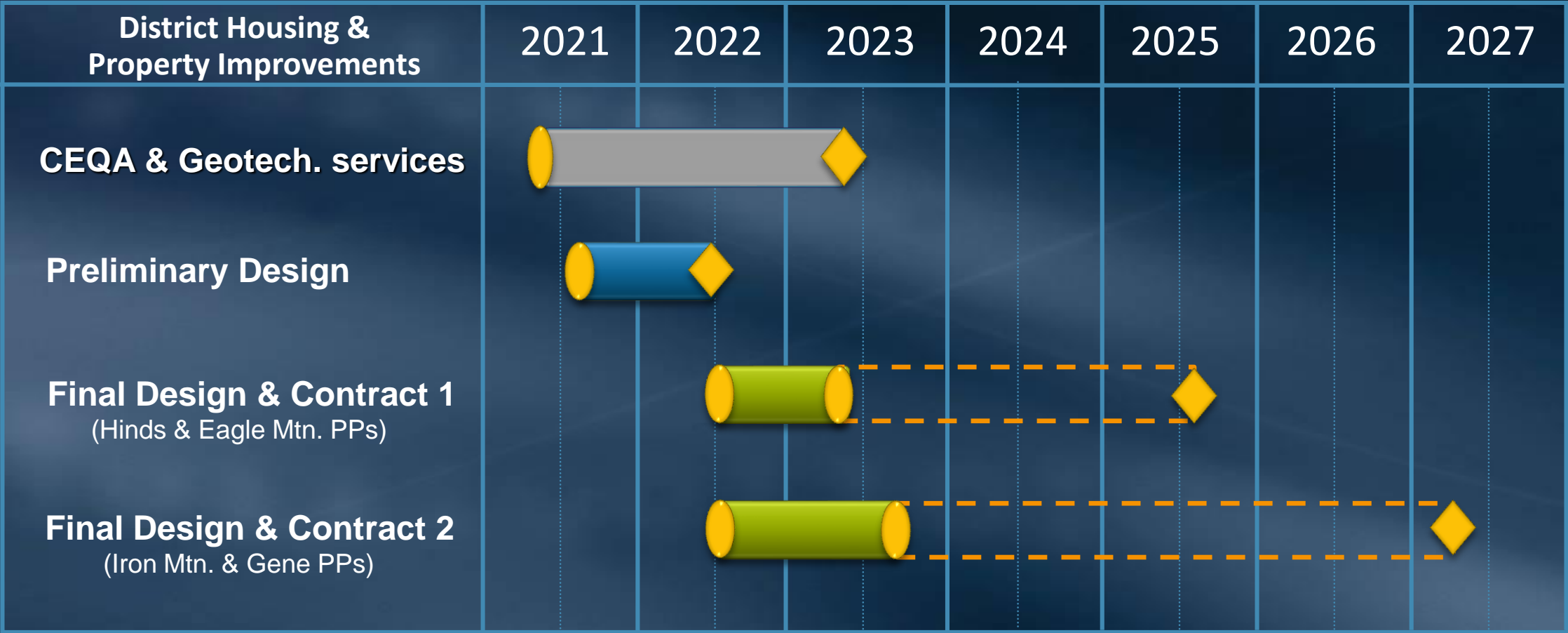
Prelim. design & Value eng. support	435,000
-------------------------------------	---------

Permitting, agreement admin. & PM	815,000
-----------------------------------	---------

Remaining Budget	500,000
------------------	---------

Total:	\$5,000,000
--------	-------------

Program Schedule



Construction



Board Action



Completion

Board Options

- Option #1
 - Authorize an increase of \$3,000,000 to an agreement with Roesling Nakamura Terada Architects for a new not to exceed amount of \$5,000,000 for preliminary design and architectural support services for the housing and property improvements at four CRA pumping plants
- Option #2
 - Do not proceed with the project at this time

Staff Recommendations

- Option #1





- Board of Directors
Water Planning and Stewardship Committee

7/13/2021 Board Meeting

7-7

Subject

Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide assistance on water deliveries; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This letter authorizes an agreement with Inland Empire Utilities Agency (IEUA), West Valley Water District (West Valley), and San Bernardino Valley Water District (Valley District) (the “Parties”) to assist with water deliveries. Under the proposed agreement, Metropolitan would deliver, provided there is available capacity, up to 1,500 acre-feet of water per year (AFY) for West Valley’s customers in an area overlapping IEUA’s service area in the event of an emergency or planned outage, or the loss of local supply. Metropolitan would deliver the requested water to West Valley through Valley District’s connection on the San Gabriel Valley Devil Canyon – Azusa Pipeline (Azusa Pipeline).

Details

Background

Metropolitan has capacity rights in the Azusa Pipeline as part of an existing exchange agreement with San Gabriel Valley Municipal Water District (San Gabriel Valley). San Gabriel Valley owns and operates the Azusa Pipeline, which delivers its State Water Project (SWP) supplies from the Devil Canyon turnout on the East Branch of the SWP. Valley District has an existing connection at Lytle Creek Station on the Azusa Pipeline. West Valley can accept SWP supplies through Valley District’s connection.

In 2018, Metropolitan entered into a temporary agreement with the Parties to provide up to 800 AFY during 2018 through 2020 to West Valley’s customers in the eastern part of the City of Fontana that overlaps IEUA’s service area. The Parties requested assistance due to a West Valley groundwater well that was temporarily out of service for maintenance. IEUA’s infrastructure does not cover West Valley customers, and West Valley does not have an alternate source of supply to deliver to its customers in the overlapping area. Under the temporary agreement, Metropolitan delivered water to West Valley through Valley District’s connection on the Azusa Pipeline. The total amount of water delivered under this temporary agreement was 1,474 AF. The groundwater well returned to service in 2019, and the temporary agreement expired on December 31, 2020.

Proposed Agreement

The Parties are requesting a long-term agreement, similar to the 2018 temporary agreement, to provide up to 1,500 AFY to West Valley in the event of an emergency or planned outage, or the loss of local supply. Metropolitan would deliver the requested water to Valley District through Valley District’s connection on the Azusa Pipeline, to the extent that there is capacity in the Azusa Pipeline. Valley District would then deliver the water to West Valley for its customers in IEUA’s service area. IEUA would pay Metropolitan’s full-service rate in effect at the time of the delivery of the water. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates.

Staff recommends that the Board authorize the General Manager to enter into an agreement with the Parties consistent with the terms outlined in **Attachment 1**, including:

1. Agreement termination of December 31, 2035.
2. Maximum delivery amount is 1,500 AF per calendar year.
3. Metropolitan water deliveries under this Agreement will be used solely within IEUA's service area.
4. Deliveries are limited to Metropolitan's unused capacity in the Azusa Pipeline.

Policy

Metropolitan Water District Administrative Code, Division IV, Section 4209: Contracts

Metropolitan Water District Administrative Code, Division IV, Section 4401-4403: Rates; Readiness-to-Serve Charge; Capacity Charge

Metropolitan Water District Administrative Code, Division XI, Section 11104: Delegation of Responsibilities

By Minute Item 30524, dated September 17, 1974, the Board authorized a cooperative water exchange agreement to eliminate the overdraft condition in the western portion of the Main San Gabriel Basin; as part of this agreement, Metropolitan is granted conveyance rights to the unused capacity in San Gabriel Valley Municipal Water District's Devil Canyon-Azusa pipeline.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries in the event of an emergency or planned outage, or the loss of local supply.

Fiscal Impact: None. Metropolitan would receive compensation for any delivered water under this agreement.

Option #2

Do not authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries.

Fiscal Impact: None

Staff Recommendation

Option #1



Brad Coffey
Manager, Water Resource Management

6/28/2021

Date



Jeffrey Kightlinger
General Manager

6/30/2021

Date

Attachment 1 – Term Sheet for the Agreement to Provide West Valley Water District Assistance with Water Deliveries

Ref# wrm12681258

**Term Sheet for the Agreement to Provide West Valley Water District
Assistance with Water Deliveries**

Agreement Overview

- Parties: West Valley Water District (West Valley), Inland Empire Utilities Agency (IEUA), San Bernardino Valley Municipal Water District (Valley District), and The Metropolitan Water District of Southern California (Metropolitan)
- Effective Date: July 13, 2021
- Termination Date: December 31, 2035, provided that any party may cancel with 30 days written notice
- Maximum Delivery Amount: 1,500 AF per calendar year

Key Terms

- Metropolitan water deliveries under this Agreement will be used within IEUA's service area.
- IEUA will request delivery of water from Metropolitan on behalf of West Valley under this agreement.
- West Valley may request water deliveries during outages, emergencies, or when there is a loss of local supply. West Valley will coordinate with IEUA on the monthly amount of water requested from Valley District.
- Metropolitan will deliver requested water to Valley District at Valley District's connection (Lytle Creek, Station, 1747+00) on the San Gabriel Valley Devil Canyon – Azusa Pipeline. Valley District will deliver the water to West Valley.
- The delivery of water by Metropolitan is not guaranteed and is limited to the unused capacity in the San Gabriel Valley Devil Canyon-Azusa Pipeline.
- IEUA will pay Metropolitan's full-service untreated rate in effect at the time of delivery. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates in the same manner as deliveries made to IEUA through Metropolitan's distribution system and connections.
- West Valley will reimburse IEUA for all payments made by IEUA to Metropolitan under this agreement and per IEUA Ordinance 104.
- Valley District shall have no responsibility for the cost of water delivered to Valley District's connection for use within IEUA's service area by West Valley.
- Metropolitan will be responsible for any Department of Water Resources charges for the State Water Project supplies delivered to West Valley through Valley District's connection.



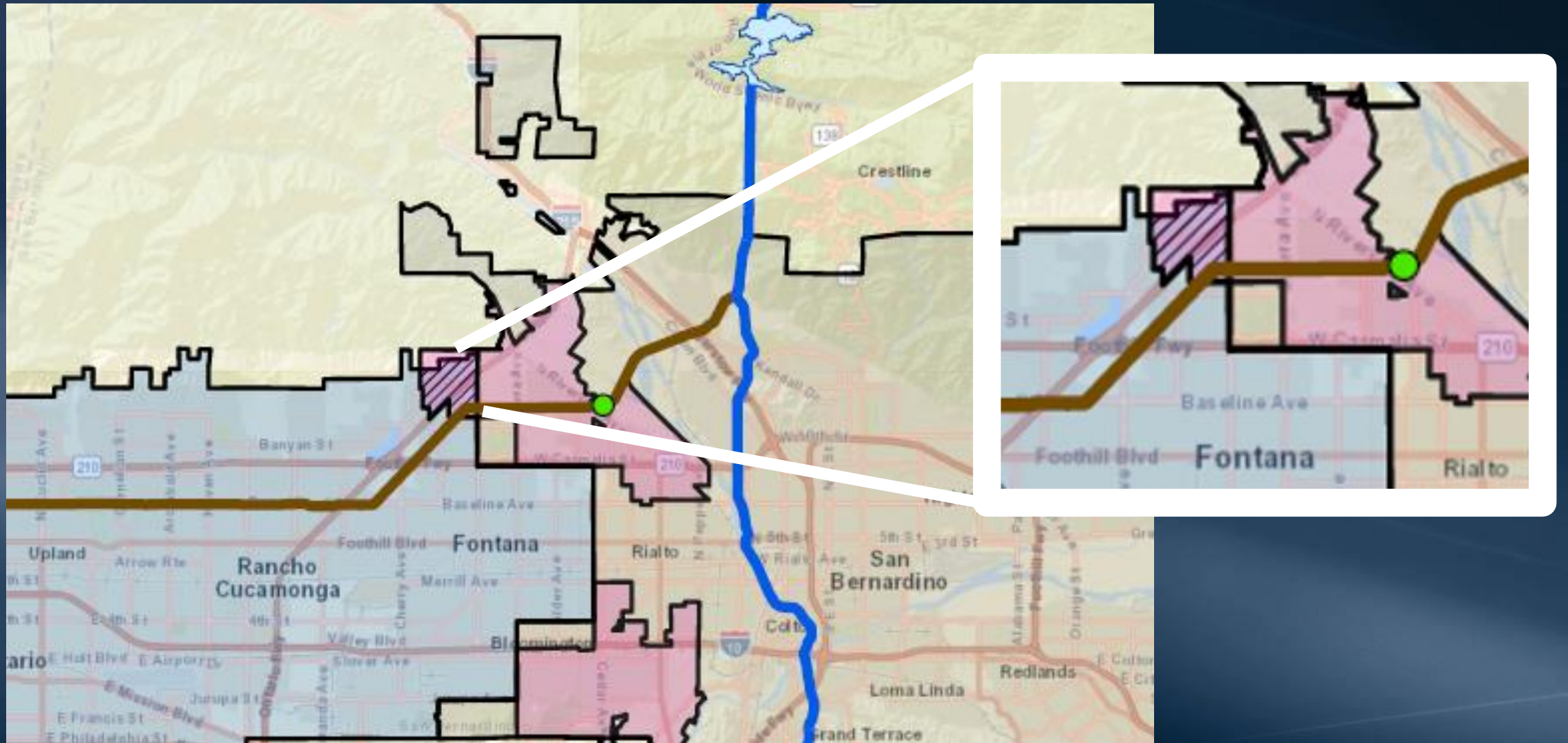
Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide West Valley assistance with water deliveries

Water Planning and Stewardship Committee

Item 7-7

July 12, 2021

West Valley Water District



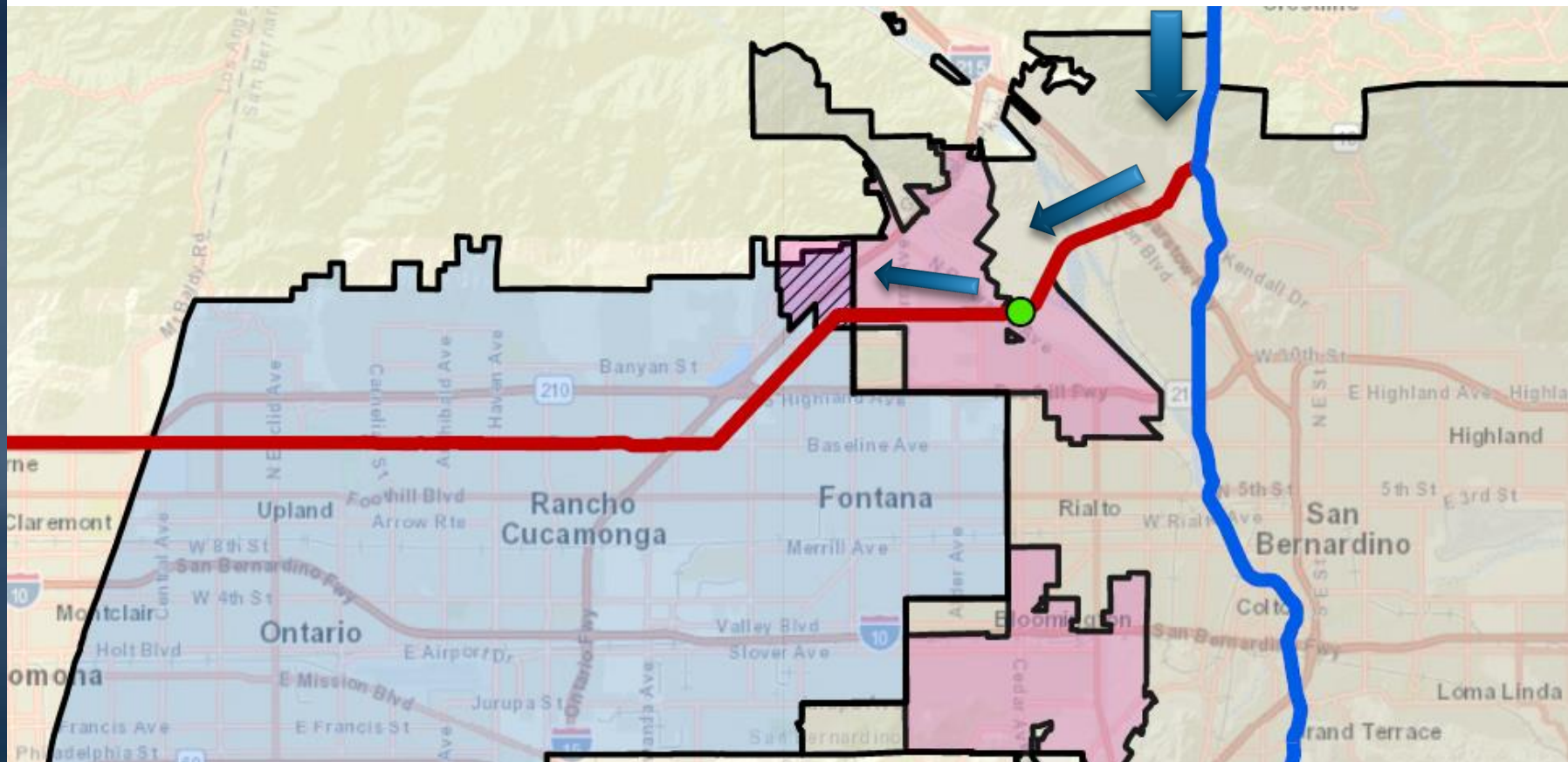
San Gabriel Devil Canyon – Azusa Pipeline

- Owned and operated by San Gabriel Valley MWD
- Delivers water from the State Water Project to Main San Gabriel Basin
- Metropolitan granted conveyance rights to the unused capacity in the pipeline in 1974



Water Deliveries

- Lytle Creek Turnout
- Azusa Pipeline
- State Water Project - East Branch
- Water Bodies
- West Valley Water District
- San Bernardino Valley Municipal Water District
- Inland Empire Utilities Agency
- /// Water District Overlap



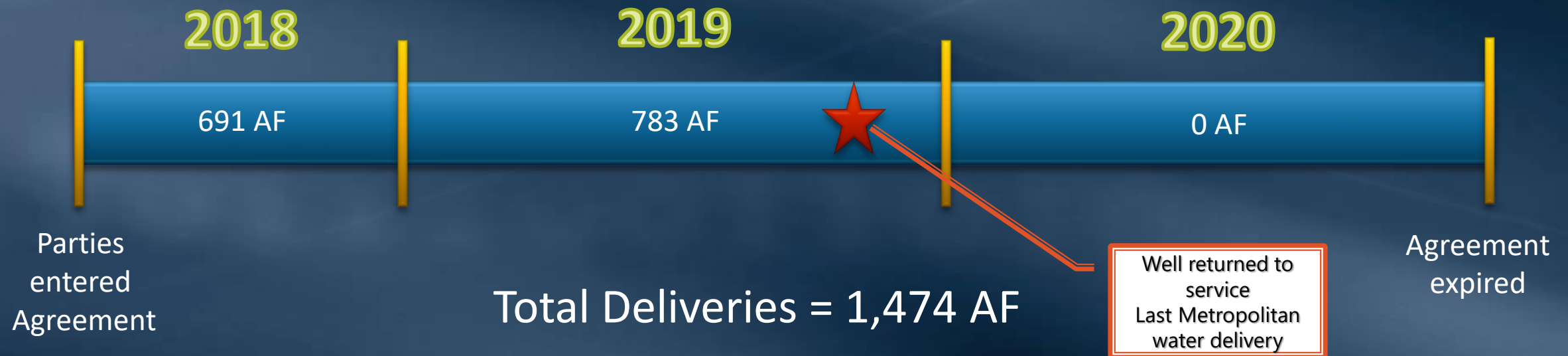
Background

- West Valley groundwater well out-of-service for repair in 2018
- Temporary Service Agreement signed July 1, 2018
- Maximum delivery amount of 800 AFY
- Agreement expired at the end of 2020



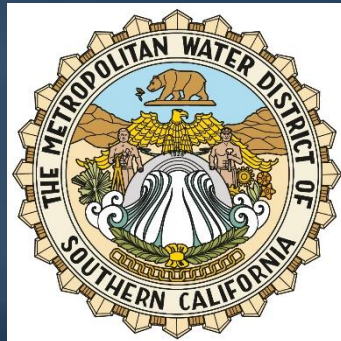
Background

- West Valley groundwater well out-of-service for repair in 2018
- Temporary Service Agreement signed July 1, 2018
- Maximum delivery amount of 800 AFY
- Agreement expired at the end of 2020



Proposed Water Delivery Agreement

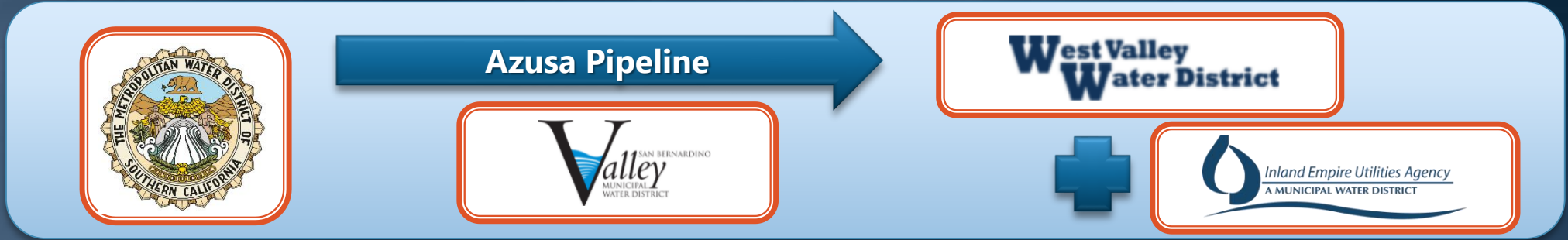
- Proposed agreement to provide water deliveries to West Valley Water District
 - Parties:
 - Metropolitan Water District of Southern California (Metropolitan)
 - Inland Empire Utilities Agency (IEUA)
 - West Valley Water District (West Valley)
 - San Bernardino Valley Water District (Valley District)



Agreement Terms

- Maximum Delivery Amount of 1,500 AFY
- Term: July 13, 2021, to December 31, 2035
- Water deliveries to be used within IEUA's service area
- The delivery of water by Metropolitan is not guaranteed and is limited to the unused capacity in the Azusa Pipeline
- IEUA will pay Metropolitan's full service untreated water rate in effect at the time of the delivery, including Capacity Charge and Readiness-to-Serve Charge

How it Works



Summary

- Metropolitan has facilities in place to help meet West Valley demands by partnering with IEUA and Valley District
 - IEUA's infrastructure does not cover West Valley customers
 - West Valley does not have an alternate source of supply to deliver to its customers in the overlapping area
 - Assistance for water deliveries during times of outages, emergencies, or when there is a loss of local supply
 - Delivery through the Azusa Pipeline

Board Options

- Option #1

- Authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries in the event of an emergency or planned outage, or the loss of local supply.

- Option #2

- Do not authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries.

Staff Recommendations

- Option #1





- Board of Directors
Water Planning and Stewardship Committee

7/13/2021 Board Meeting

7-8

Subject

Authorize payments, by a two-thirds vote, of up to \$3.56 million for participation in the State Water Contractors for fiscal year 2021/22; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action requests authorization to continue funding and participation in the State Water Contractors (SWC). Participation in this organization allows Metropolitan to advocate for the effective management of the State Water Project (SWP), particularly related to operations and activities in the Bay-Delta. The SWC provides a unified voice among the contractors to provide input to the California Department of Water Resources (DWR) on the management of the SWP.

The requested authorization amount is up to \$3.56 million, which is less than the \$4.07 million included in Metropolitan's fiscal year (FY) 2021/22 budget.

Details

State Water Contractors

The SWC is a nonprofit association of 27 public agencies from northern, central, and southern California with contracts to purchase water from the SWP. The SWC's role and activities provide input into DWR's policy and decision-making process. The SWC effectively represents the interests of Metropolitan and the other contractors in discussions with DWR and through interactions with other state, federal, and local entities. The SWC's work efforts and associated revenue collections encompass five areas:

1. Dues Fund – Provides funding for SWC activities, including general operating expenses to support activities such as DWR cost management, ensuring sufficient infrastructure and water supply reliability, and water quality.
2. Energy Fund – Provides funding for SWC staff and consultants working with DWR to develop and implement energy strategies to obtain cost-effective energy for the SWP.
3. Bay-Delta Fund – Supports SWC participation in Bay-Delta fish monitoring, environmental review processes, facilities planning processes, coordinated activities with the Central Valley Project, protection of existing operations, collecting scientific data, and planning for the future.
4. Delta Conveyance Project Fund – Supports SWC involvement in the Delta Conveyance Project planning activities, such as creating a cost and benefit allocation process and assisting in the development of permit and environmental documentation.
5. Municipal Water Quality Investigation (MWQI) Specific Project Committee – Provides SWP contractors with water quality information as it relates to drinking water regulations through monitoring, studies, analyses, and forecasting.

The united voice of the SWC provides value in achieving favorable outcomes. Refer to **Attachment 1** for a more detailed report on SWC accomplishments in FY 2020/21 and **Attachment 2** for objectives for FY 2021/22.

Summary of Payment Distribution

The table below summarizes the current and proposed costs for participation in the SWC:

<u>SWC Payments</u>	FY 2021/22	FY 2020/21
Dues Fund	\$ 1,423,818	\$ 1,309,926
Energy Fund	\$ 241,211	\$ 252,581
Bay-Delta Fund	\$ 910,740	\$ 1,007,069
Delta Conveyance Project Fund	\$ 801,578	\$ 850,095
MWQI	\$ 180,000	\$ 174,991
Total:	\$ 3,557,347	\$ 3,594,662

The costs for FY 2021/22 and FY 2020/21 are nearly flat. In total, Metropolitan's payment to the SWC for FY 2021/22 is approximately \$509,000 below what was included in Metropolitan's budget. In large part, this is due to anticipated legal costs related to Bay-Delta activities that the SWC did not incur.

The MWQI Specific Project Committee is preparing its calendar year 2022 activities and budget to be approved in December 2021. When approved, Metropolitan will pay its share of costs. Staff requests approval to pay up to \$180,000 for funding the Committee. This amount is consistent with the FY 2021/22 budget.

Policy

Metropolitan Water District Administrative Code Sections 11102 and 11103: Payment of Dues and Participation in Projects or Programs Serving District Purposes.

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Act Section 126: Dissemination of Information (requires a two-thirds vote)

By Minute Item No. 45348, the Board, at its May 13, 2003, meeting, authorized entering into an agreement with the State Water Project Joint Powers Authority.

By Minute Item No. 47735, the Board, at its December 9, 2008, meeting, authorized the General Manager to execute the Delta Habitat Conservation and Conveyance Program Memorandum of Agreement and three related funding and management agreements.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State of CEQA Guidelines).

Option #2

None required

Board Options

Option #1

By a two-thirds vote, authorize the General Manager to make payments of up to \$3.56 million to the State Water Contractors for FY 2021/22.

Fiscal Impact: Expenditures for participation in SWC in FY 2021/22 would be up to \$3.56 million, funded within the FY 2021/22 budget. The authorization is approximately \$509,000 less than the approved FY 2021/22 budget for participation in the SWC.

Business Analysis: Metropolitan would benefit from the SWC representing positions with DWR, legislators, regulatory, and third-party groups that advance its SWP strategic initiatives.

Option #2

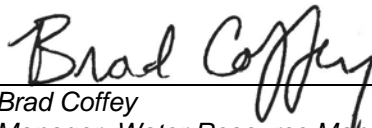

Do not authorize the General Manager to make a payment to the State Water Contractors for FY 2021/22.

Fiscal Impact: Savings up to \$3.56 million

Business Analysis: Metropolitan would be less effective in advancing its SWP strategic initiatives if the membership is not approved. Metropolitan would need to develop alternative means to manage the risk of higher costs or greater operational restrictions on supply deliveries.

Staff Recommendation

Option # 1

 Brad Coffey Manager, Water Resource Management	6/17/2021 Date
 Jeffrey Kichtlinger General Manager	6/28/2021 Date

Attachment 1 – FY 2020/21 High Priority Accomplishments of the State Water Contractors

Attachment 2 – FY 2021/22 High Priority Objectives of the State Water Contractors

Ref# wrm12680903

FY 2020/21 High Priority Accomplishments of the State Water Contractors**WATER SUPPLY****Delta Conveyance Technical/Policy Support**

- Assisted in developing information needed for the Delta Conveyance supplemental funding request approval, including preliminary benefits and costs, updated environmental planning schedule, supplemental funding agreements, and staff report and presentation.
- Helped with progress on Design and Construction Authority Joint Powers Authority (DCA JPA) Amendment and Reduced Reliance Policy prior to the supplemental funding request.

Delta Conveyance Permitting

- Maintained significant engagement with the Department of Water Resources (DWR) on Delta Conveyance environmental planning and permitting.

Water Management Contract Amendment

- Assisted in finalizing contract language for the Water Management Tools Amendment and coordinated with the members to meet the twenty-four signatory's threshold by February 2021, allowing its implementation.
- Facilitated implementation workshops for Water Management Tools in coordination with DWR.

State Water Resource Control Board Activities

- Continued to collaborate with DWR, United States Bureau of Reclamation (USBR), and other water users to develop a proposed Voluntary Agreement outlining flow and habitat actions for use by the State Water Resource Control Board in the Water Quality Control Plan update.

INFRASTRUCTURE**Infrastructure Reliability**

- Continued to lead discussions within the Operations, Maintenance, and Engineering (OME) Committee and directly with DWR management/executives to emphasize member agencies' interest in the reliability of SWP infrastructure and track the myriad of ongoing projects resulting from condition assessments or forced outages.
- Worked with DWR to provide coordination and communication with the West Branch members for the upcoming lowering of Castaic Reservoir to accommodate the necessary seismic fortification work for the outlet tower access bridge.

Capacity Retention

- Continued to lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to emphasize the importance of maintaining the capacity of the SWP.
- Performed extensive coordination with DWR and members related to subsidence of the California Aqueduct, which is the single largest, most expensive long-term capacity threat to the SWP. Represented member agencies' interest in the consulting review board meetings and in the development of DWR's subsidence remediation strategic plan formation.
- Tracked short-term capacity issues related to weeds, water quality, and incidents/damage to the SWP delivery infrastructure.

Infrastructure Safety

- Continued to lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to track projects, policies, and expenditures related to DWR's upgrade projects on both physical and cybersecurity of the SWP and infrastructure safety as it relates to the public and DWR employees.
 - As a result of the heightened focus on dam safety following the Oroville spillway incident, quarterly meetings of the Dam Safety Committee, a subcommittee under the OME Committee, were held. The meetings served as a forum for member agencies to obtain more in-depth updates on DWR's expanding dam safety program and specific details on the recently elevated inspections and evaluations, engineering assessments, and modernizations of all SWP dams.
 - Represented member agencies on important forums such as the Oroville comprehensive needs assessment effort, value engineering studies, and consultant review board meetings with USBR and DWR related to the Sisk Dam seismic remediation modification.
-

Infrastructure Affordability

- Continued to lead discussions and represent the interest of member agencies within the OME Committee and directly with DWR management/executives to emphasize the importance of SWP infrastructure affordability with emphasis on a realistic capital improvement planning approach using DWR's new Asset Management Program. Performed annual reviews of the budgets and prioritization of all Operations and Maintenance (O&M) extraordinary and capital SWP related projects. Held bimonthly reviews/discussions on individual project charters, which included cost magnitude and changes, cause and effects of changes in the scope/timeline, cost categorization, and Central Valley Project cost sharing where applicable. Performed quarterly reviews of O&M and Engineering Division plans versus actual budget tracking. Reviewed DWR's budget changes proposals.
 - Engaged with DWR on the affordability workshop. Organized a series of discussions between members and DWR management/executives to articulate members' concerns about the proposed positions in the budget augmentations proposals, which would add permanent additional operations and maintenance expenses to the SWP.
-

BUSINESS PROCESSES**Budgets**

- Continued to work on advancing the Process of Affordability concepts and enhancing budget information provided during DWR's annual Financial Management Conferences with the Joint SWC-DWR Affordability Workgroup.
-

Financial Projections

- Continued to provide financial modeling to assist Contractors in decision making and planning. This included supporting Contractors' efforts to complete a draft Agreement in Principle for the Delta Conveyance Project (DCP), to brief Boards on the proposed DCP, secure funding for the DCP Fourth Supplemental Funding Agreement, and the completion of the final Agreement in Principle.
-

Financial Resources, Revenue Requirements, and Investments

- Supported the SWC-DWR Legal Team drafting the Water Management Tools (WMT) Contract Amendment based on the June 2018 Agreement in Principle. Assisted in the development of contract amendment materials provided to Contractors for briefing Boards on the proposed WMT Amendment.
- Provided support to the legal team as they continued discussions to resolve the Article 13(b) liability issue between DWR and the Contractors.
- Continued to provide support to the Contractors and the technical workgroups as they developed the concepts and principles for a contract amendment for the DCP.

ENERGY**Review and Finalize SWC Strategic Plan for Energy Supply and Transmission**

- Engaged with DWR on the development of their Senate Bill (SB) No. 49, Energy: Appliance Standards and SWP Assessment, Report which requires the California Energy Commission and the Natural Resources Agency to assess opportunities and constraints for potential operational and structural upgrades to the SWP in helping the state meet its climate and energy goals, including opportunities for non-SWP funding. Out of the nine tracks proposed by DWR in the SB No. 49 Report, SWC developed a list of five priority tracks and measures of success.
- Worked with DWR to create background materials for the pending development of an Energy Roadmap, including an outline and potential topics.

Near-term Risk Management

- Continued to lead discussions within the Energy Committee to track the ever-changing energy regulatory requirements, legislative, and political initiatives to move the state to a cleaner energy portfolio by either utilizing the SWP or subjecting it to new fees/penalties, requirements/mandates.
- Began exploring the possibility of flexible water deliveries for Contractors to create additional opportunities to reduce SWP pumping costs and increasing revenues through additional generation, without adverse impacts to water deliveries.

SCIENCE**Endangered Species Act, California Endangered Species Act, and Water Quality Control Plan Compliance**

- Coordinated with DWR on implementation of the Incidental Take Permit, including participation in various subgroups.
 - Reinitiated and worked with DWR to hold the Environmental Coordination Committee (ECC) meetings quarterly, including development of cost information for the ECC.
 - Reinitiated and worked with DWR to hold the DWR-SWC Environmental Science Work Group meetings quarterly.
-

OUTREACH**SWP Education and Awareness**

- Developed new fact sheets and other materials to highlight how the SWP supports various industries throughout the state, including agriculture, construction, energy, retail/business, and more.
 - Developed and distributed fact sheets, press releases, social posts, talking points, and supporter toolkits on specific efforts to protect the SWP, most notably around key legislation, projects, and processes, including Senate Bill 559, the Delta Conveyance Project, Voluntary Agreements, and WMT Contract Amendment.
-

Research Results and Implications

- Developed, distributed, and promoted the Annual Science report outlining the SWC's key science accomplishments, investments, priorities, and efforts.
 - Participated in panel discussions and conferences, including the Delta Stewardship Council's Delta Science Needs Assessment Workshop and the Bay-Delta Conference, to explore science efforts and challenges as well as discuss the SWC's science priorities, initiatives, and accomplishments.
-

SWC Position Awareness

- Participated in media interviews on various water issues impacting California and the SWP, allowing for the SWC to clearly outline its position and priorities on local, state, and national issues.
 - Participated in panel discussions, conferences, and briefings with stakeholders, legislators, and regulatory agencies to discuss the SWP and other relevant issues, including energy, state and federal legislation and initiatives, the Delta and the environment, reliance on the SWP, Delta Conveyance, Voluntary Agreements, and other upcoming projects and priorities.
-

SWC MANAGEMENT**Accounting**

- SWC staff maintained internal financial records and provided regular reports to management and the Board of Directors.
-

FY 2021/22 High Priority Objectives of the State Water Contractors

Objective	Description
Water Supply	
Delta Conveyance Technical/Policy Support	Provide technical and policy support to State Water Contractors (SWC) members that are Delta Conveyance Project (DCP) participants on benefits and permitting.
Delta Conveyance Permitting	Support development of necessary permits and environmental documentation related to the Delta Conveyance Facility.
Update to the Bay-Delta Water Quality Control Plan (WQCP)	Participate in Voluntary Agreement development and discussions. Support governance and science basis analyses.
Drought Planning	Given the dire hydrologic conditions for the second straight year, help with the State Water Project (SWP) drought planning and keep SWC members apprised frequently. Work with the Department of Water Resources (DWR) staff and members to identify and implement near-term Delta and/or upstream operations strategies to minimize impacts to SWP water supply. Work with DWR staff and members to plan for a potentially dry water year 2022.
Infrastructure	
Infrastructure Reliability	<p>Work with DWR in the effort to maintain and improve the reliability of the aging SWP infrastructure with a focus on:</p> <ul style="list-style-type: none"> Continue to work on the development/documentation/implementation of an asset management plan and capital improvement program. Develop a tracking/communication process to better understand the roll-out and addition of future SWP funded positions and the resulting benefits. Maintenance management systems to better assess vulnerabilities, the required risk mitigation strategies, and management policy and objectives. Advocate for appropriate priorities and affordability.
Capacity Retention	<p>Work with DWR in determining impacts and potential remedies to both delivery capacity and storage within SWP reservoirs with a focus on:</p> <ul style="list-style-type: none"> Subsidence in the San Joaquin Valley, machine outages, power outages, regulatory requirements, weeds/debris, and water quality. Advocating for projects, repairs, procedures, and studies to assure that capacity is restored or preserved to assure long-term operational capacity that meets realistic needs under the current demands and export restrictions.
Infrastructure Safety	<p>Work with DWR and member agencies on infrastructure safety with a focus on:</p> <ul style="list-style-type: none"> Seismic vulnerability of the SWP studies and begin planning/preparing for realistic response and recovery. Expanded focus and regulatory requirements on dam safety. Follow-up on Oroville Dam Comprehensive Needs Assessment project development, in addition to other dam safety projects, to assure timely remediation. Fire-control modernization project for all SWP plants.
Infrastructure Affordability	<p>Work with DWR and member agencies on measures to improve SWP infrastructure affordability with a focus on:</p> <ul style="list-style-type: none"> Support business practice efforts for affordability process development, as well as the annual Bulletin 132 budget development, to assure proper alignment with the aforementioned objectives. Improving illustration of future costs attributed to each infrastructure objective. Seek opportunities and work with members to obtain outside State and Federal funding for repairs and modification for co-owned facilities and for damages sustained beyond normal SWP operations.
Business Processes	
Budgets	<p>Monitor and promote DWR's development and management of an SWP budget to minimize annual variances and optimize reasonable revenue requirements.</p> <ul style="list-style-type: none"> Process of Affordability Project (Budget Years 1-3)

Objective	Description
Financial Projections	Monitor and promote DWR's analysis, development, and management of SWP's cost trends to maximize operational readiness at an optimal cost level, ensuring long-term affordability. <ul style="list-style-type: none"> • Work Plan Scoping Budget/Forecasting Process • Forecasting Operations and Maintenance and Variable Projections • Process of Affordability Project (20 Year Forecast)
Financial Resources, Revenue Requirements, and Investments	Monitor and assess DWR's SWP financial performance regarding operational goals, budgets, financial targets, and forecasts to maximize the use of available revenues and optimize the determination of revenue requirements. <ul style="list-style-type: none"> • Contract Extension Amendment including Cost Compression • Audit-Finance Committee Roadmap including Statement of Charges Workshops
Energy	
Senate Bill No. 49 (Energy: Appliance Standards and SWP Assessment) Report	Engage with DWR to provide feedback and ensure conclusions are aligned with SWP's mission. Work to ensure recommendations enhance the legislature and public's perception of the SWP as it relates to energy.
Co-Author Energy Roadmap with the DWR	Committed to co-developing with DWR a strategic plan known as the "Energy Roadmap" to develop policy principles on the future direction of energy investments for the SWP, including investment and operational strategies.
Science	
Endangered Species Act (ESA), California Endangered Species Act (CESA), and WQCP Environmental Compliance	Collaborate with DWR to improve the Environmental Science Workgroup to facilitate planning and implementation of required habitat, mitigation, and monitoring. <ul style="list-style-type: none"> • Work with DWR to continue holding Environmental Coordination Committee meetings at least quarterly and develop requested information relative to costs and efficacy of required monitoring and other actions. • Engage the Environmental Science Work Group and hold meetings at least quarterly. • Work towards defining requirement offramps for science elements and seek permit amendments. • Ensure costs are split equitably with the United States Bureau of Reclamation (USBR).
Outreach	
SWC Position Awareness	Proactively drive SWC messaging to the media, key stakeholders, legislators, and regulatory agencies in order to elevate the organization's position on priority issues.
SWC Management	
Accounting	Oversee all financial and accounting operations. Establish financial policies, procedures, controls, and reporting systems to ensure the accuracy and integrity of financial data.
Treasury	Ensure SWC retains adequate liquidity to meet the needs of its primary business operations and respond to organizational threats, as needed.



Authorize Payments Totalling \$3.56 million to State Water Contractors

Water Planning and Stewardship Committee
Item 7-8
July 12, 2021

State Water Contractors

Established 1982



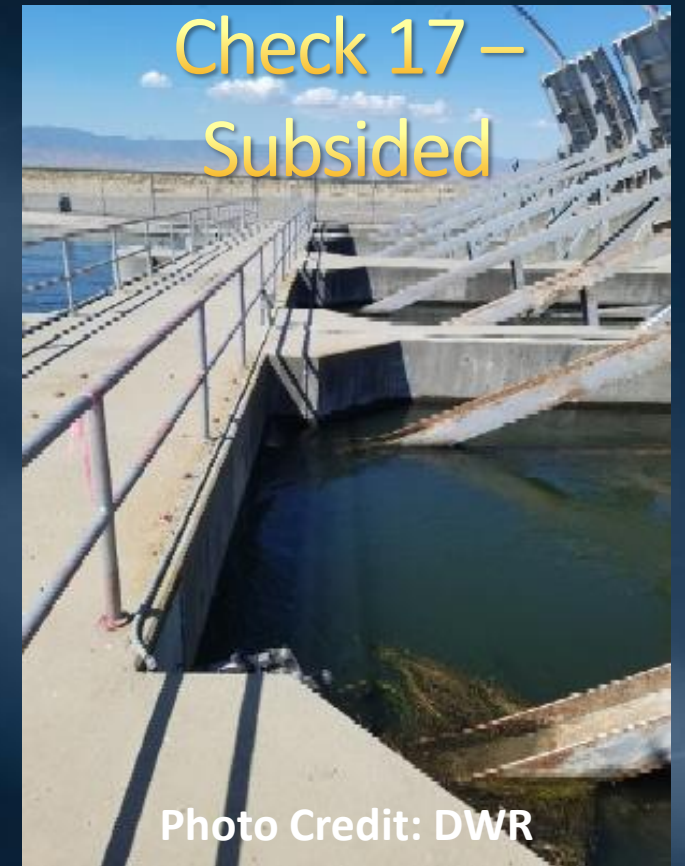
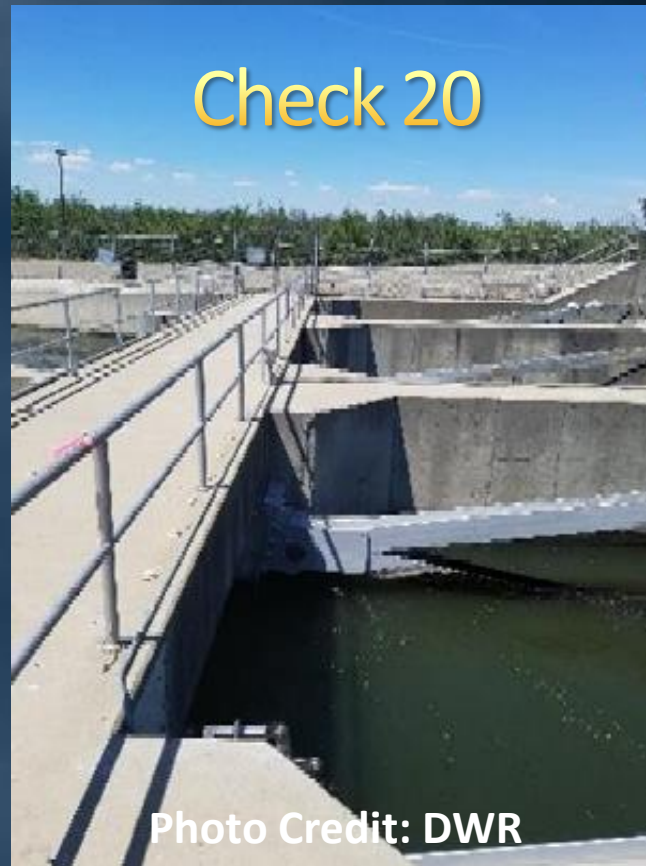
- 27 Members
 - 22 Urban contractors
 - 4 Agricultural contractors
 - 1 Urban and agricultural contractor
- 9 Board members

Organization and Budget

- State Water Contractors (SWC) – Focus on policy, advocacy, and legal issues and project implementation
 - Pursue reliable and cost-effective management of the State Water Project (SWP)
 - Unified voice on SWP issues
 - Provide legal support
- \$3.56 million payment request is below MWD's approved FY 2021/22 budget of \$4.07 million

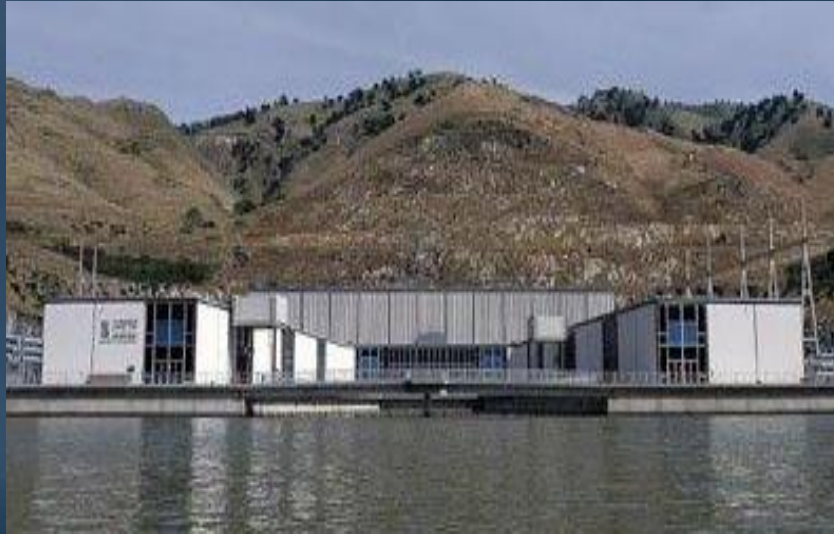
SWC Major Activities FY 2020/21

- Delta Conveyance Project
- Cost affordability
- Subsidence
- Energy Senate Bill 49



SWC Major Initiatives FY 2021/22

- Delta Conveyance Project
- Drought planning
- Cost affordability
- Infrastructure reliability and safety
- Energy roadmap



Metropolitan's Payments to SWC

\$3.56 million for FY 2021/22



	MWD \$	Basis
 <p>Dues Fund \$3.51M</p>	\$1.42M	Table A and water delivery
 <p>Bay-Delta Fund \$3.00M</p>	\$0.91M	Table A with credit for staff contributions
 <p>Delta Conveyance Project Fund \$1.50M</p>	\$0.80M	Presumed participation in project
 <p>Energy Fund \$0.41M</p>	\$0.25M	Energy use
 <p>Municipal Water Quality Investigation</p>	\$0.18M*	Table A of participating contractors

* Based on MWD's FY 2021/22 budget

Summary

- Important organization that provides support and advocacy for the State Water Contractors
- Requested payment authorization amounts are less than budgeted
 - SWC - \$3.56 million
- Board approved by two-thirds vote required

Board Options

- Option #1

- By a two-thirds vote, authorize the General Manager to make payments of up to \$3.56 million to the State Water Contractors for FY 2021/22.

- Option #2

- Do not authorize the General Manager to make a payment to the State Water Contractors for FY 2021/22.

Staff Recommendations

- Option #1





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

12/14/2021 Board Meeting

7-9

Subject

Adopt amendment to the Administrative Code establishing Metropolitan-specific parliamentary procedures; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Metropolitan Board has requested options to modify the current procedures for the conduct of committee and board meetings. This letter provides multiple options for amendments to the Administrative Code establishing Metropolitan-specific parliamentary rules.

Details

Background

The Metropolitan Board has requested information regarding options for consideration to establish formal rules of parliamentary procedure in Metropolitan's Administrative Code.

The current provisions in the Administrative Code include procedural rules that cover time and place of meetings, agendas, meeting procedures, board officers, selection and duties, board committees' functions, and directors' responsibilities. The Administrative Code does not include rules of parliamentary procedure. The request for adoption of specific rules of parliamentary procedure was made when members of the Board had concerns with the Chair of the Board imposing a limitation on substitute motions for a specific Board vote.

At its March 9, 2021 meeting, the Legal and Claims Committee discussed current board procedures, including options to formally adopt rules of Parliamentary Procedures for Metropolitan's Board and committee meetings. Some Board members have indicated that the board letter was not satisfactory because it did not include a staff recommendation and seemed to favor "Chair's Rules."

Current Parliamentary Procedure

Under the current system of procedural rules, the Board or Committee Chair (collectively, "Chair"):

1. Presides over the applicable meetings.
2. Calls the meeting to order and adjourns the meeting.
3. Reviews closed session procedures.
4. May reorder the agenda.
5. Ensures timely completion of meetings.
6. Presides over debate using Robert's Rules of Order as a guide (or consulting the General Counsel).
7. Makes parliamentary rulings, which may be overruled by a majority of the Board.

This system is based on longstanding practice and is not a system of written rules that was formally adopted as the system of parliamentary procedure for Metropolitan. Members of the Board have expressed concern regarding the current system in general and, more specifically, with "Chair's Rules."

The parliamentary rules of 60 similar agencies were reviewed. Less than half of the agencies surveyed have formally adopted Robert's Rules of Order. One agency adopted Rosenberg's Rules of Order. Rosenberg's Rules was developed by a judge for use by cities and counties. Many cities and counties have adopted them.

Rosenberg's Rules is a simple system that provides for those common motions that are used to conduct public agency business. With the exception of certain provisions relating to voting that are inconsistent with Metropolitan's unique weighted voting system, Rosenberg's Rules can provide a basis for inclusion of express rules of parliamentary procedure in the Administrative Code. A copy of Rosenberg's Rules is provided as **Attachment 2** to this board letter.

Some public agencies have adopted rules specific to their agency. Staff can prepare Metropolitan-specific rules, if that is the desire of the Board.

Although members of the Board have expressed concern with "Chair's Rules," all systems of parliamentary procedure provide that the role of the Chair is to preside over the meetings and, under most systems, the Chair makes parliamentary rulings. Although there is no express provision in Metropolitan's Administrative Code providing for this, under all major parliamentary systems, the legislative body can overrule a parliamentary ruling of the Chair by majority vote.

Board Options

The prior board letter did not have a staff recommendation because the request for adoption of rules has been Board driven.

Historically, the majority of Metropolitan's business is accomplished with the use of a minimal number of motions: (1) motion to approve; (2) motion to amend an existing motion; (3) substitute motion; and (4) motion to table or defer to a later time.

The staff recommendation is to retain the current rules with amendments to Administrative Code Sections 2205 and 2401 to expressly provide that a parliamentary ruling by the Chair may be overruled by approval of a motion to overrule by a majority vote of the applicable committee or the Board. Pursuant to this option, the Chair would continue to, in his or her discretion, consult Robert's Rules of Order as a general guide, or seek assistance from the General Counsel. The current rules are easy to understand by the Board and the public, do not create the incentive for parliamentary versus substantive debates during committee and Board meetings, and do not impose constraints on debate.

If the Board would like to make more substantive changes to the Administrative Code, the following additional options are included in this letter:

- (1) Adopt parliamentary procedures based upon Rosenberg's Rules of Order, Revised 2011.
- (2) Formally adopt Robert's Rules of Order as binding on Metropolitan.
- (3) Prepare Metropolitan-specific rules of procedure.

Policy

Metropolitan Administrative Code Section 2110: Regular Meetings.

Metropolitan Administrative Code Section 2205: Duties of the Chair.

Metropolitan Administrative Code Section 2401: Officers and Members of Standing Committees.

Metropolitan Administrative Code Section 11104: Delegation of Responsibilities.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action may have a significant impact on the environment, the action is not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Options #2, #3, and #4:

None required

Board Options

Option #1

Retain Metropolitan's current procedural rules with amendments to Administrative Code Sections 2205 and 2401 to provide that a parliamentary ruling by the Chair of a committee or the Board may be overruled by a majority vote of the applicable committee or Board (**Attachment 1**).

Fiscal Impact: None

Business Analysis: Metropolitan would amend its current procedural rules for board and committee meetings to expressly provide that parliamentary rulings by the Chair of the Board or a committee can be overruled by majority vote.

Option #2

Direct staff to return with proposed amendments to the Administrative Code based upon Rosenberg's Rules of Order, Revised 2011 (**Attachment 2**).

Fiscal Impact: None

Business Analysis: Metropolitan would formally adopt a system of parliamentary procedures for board and committee meetings.

Option #3

Direct staff to return with proposed amendments to the Administrative Code to adopt Robert's Rules of Order as binding on Metropolitan.

Fiscal Impact: None

Business Analysis: Metropolitan would formally adopt Robert's Rules of Order as governing board and committee meetings.

Option #4

Direct staff to prepare and return to Committee with Metropolitan-specific parliamentary procedures based on the discussion of the Committee.

Fiscal Impact: None

Business Analysis: Staff would prepare and return to Committee with proposed parliamentary procedures based upon the direction of the Board.

Staff Recommendation

Option #1



Marcia Scully
General Counsel

12/9/2021

Date

Attachment 1 – Administrative Code amendments clarifying that parliamentary rulings by the Chair may be overruled by a majority of the committee or Board

Attachment 2 –Rosenberg's Rules of Order, Revised 2011

Division II

PROCEDURES PERTAINING TO BOARD, COMMITTEES AND DIRECTORS

Chapter 2

BOARD OFFICERS

STRIKEOUT/UNDERLINE VERSION:

§ 2205. Duties of the Chair.

As prescribed by the Board, the Chair's duties include:

- (a) Presiding over meetings of the Board, with the exception that the Board may, by a majority vote, overrule parliamentary rulings of the Chair;
- (b) Ex officio membership on standing or special committees as designated in this Code;
- (c) Making committee appointments as set forth in this Code; and,
- (d) Other Board duties not specifically delegated to another Board officer or director.

Chapter 4

STANDING COMMITTEES

§ 2401. Officers and Members of Standing Committees.

(a) Members, Chair, and Vice Chair of standing committees with the exception of the Executive Committee shall be appointed subject to the approval of the Executive Committee and the Board on the basis that each director, with the exception of the Chair of the Board, serve on at least one standing committees, in addition to the Executive Committee. Such appointment shall be made by the Chair of the Board unless a new Chair-elect has been selected by the Board to take office on the next January 1, in which event appointment of Chair and Vice-Chair of standing committees shall be made by the Chair-elect.

(b) Chair and Vice Chair of standing committees with the exception of the Executive Committee are to be appointed in even-numbered years at the December meeting of the Board for a two-year term commencing on January 1 of odd-numbered years. No director shall be appointed to the same committee office for more than two consecutive full terms.

(c) The Chair of the Board or the Vice Chair to whom the Chair has assigned the Chair's membership pursuant to Section 2204 is a member ex-officio, with right to vote, of all standing

and special committees of the Board. However, the Chair or the Vice Chair to whom the Chair's membership has been assigned shall not be considered a member of any committee of which the officer is a member ex-officio for the purpose of determining whether a quorum of the committee is present unless the Chair or Vice Chair is actually present at the meeting of the committee.

(d) The committee Chair's duties include presiding over meetings of the committee, with the exception that the committee may, by a majority vote, overrule parliamentary rulings of the Chair.

CLEAN VERSION:**§ 2205. Duties of the Chair.**

As prescribed by the Board, the Chair's duties include:

- (a) Presiding over meetings of the Board, with the exception that the Board may, by a majority vote, overrule parliamentary rulings of the Chair;
- (b) Ex officio membership on standing or special committees as designated in this Code;
- (c) Making committee appointments as set forth in this Code; and,
- (d) Other Board duties not specifically delegated to another Board officer or director.

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(d) The committee Chair's duties include presiding over meetings of the committee, with the exception that the committee may, by a majority vote, overrule parliamentary rulings of the Chair.



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg



MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

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ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.

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INTRODUCTION

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move ...”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”

The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: "I move that we amend the motion to have a 10-member committee." A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: "I move a substitute motion that we cancel the annual fundraiser this year."

"Motions to amend" and "substitute motions" are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a "motion to amend" or a "substitute motion" is left to the chair. So if a member makes what that member calls a "motion to amend," but the chair determines that it is really a "substitute motion," then the chair's designation governs.

A "friendly amendment" is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, "I want to suggest a friendly amendment to the motion." The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic "motion to have a five-member committee to plan and put on our annual fundraiser." During the discussion of this motion, a member might make a second motion to "amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser." And perhaps, during that discussion, a member makes yet a third motion as a "substitute motion that we not have an annual fundraiser this year." The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: "I move we adjourn this meeting at midnight." It requires a simple majority vote.

Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

NOTE: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in

California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?

Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is "no." There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, "point of privilege." The chair would then ask the interrupter to "state your point." Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person's ability to hear.

Order. The proper interruption would be, "point of order." Again, the chair would ask the interrupter to "state your point." Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, "return to the agenda." If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair's determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.



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- Board of Directors
Legal and Claims Committee

7/13/2021 Board Meeting

7-10

Subject

Authorize increase of \$100,000, to a maximum amount payable of \$300,000, for existing General Counsel contract with Olson Remcho LLP to provide general government law advice related to the Political Reform Act, the Fair Political Practices Commission regulations, conflict of interest law and other legislative and ethics matters; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Executive Summary and Details

The General Counsel entered into a contract with the law firm of Olson Hagel & Fishburn LLP (Olson Hagel) on July 1, 2014, for \$50,000 to provide Metropolitan with general government law advice related to the Political Reform Act (PRA), the Fair Political Practices Commission (FPPC) regulations, conflict of interest law and other legislative and ethics matters. The firm focuses on election and political law, campaign reporting, conflicts of interest, ethics and other public law matters. Under a separate contract, the firm was engaged to assist in a review of the policies and procedures of Metropolitan's Ethics Office and to propose amendments to Metropolitan's Administrative Code relative to Ethics matters. In 2020 the name of the firm was changed to Olson Remcho LLP. Lance Olson continues to perform most of the work under the contract.

Under this contract, the firm provides valuable advice and assistance to Legal and the Ethics Office on an as-requested basis. As part of the contract, the firm serves as Metropolitan's designated agent for the required electronic filing of Lobbyist Reports under the PRA, and regularly reviews and files these reports with the FPPC for Metropolitan. The firm also assists the General Counsel and the Ethics Officer in joint discussions of the interpretation and requirements of the PRA in researching and responding to questions from staff and members of the Board. The firm provided Brown Act training to the Board in January 2021 and assisted in responding to additional questions from the Board regarding the training and related matters.

The agreement was amended on November 1, 2016, to increase the maximum amount payable to \$100,000 and in August 2018 by \$100,000 to a maximum amount payable of \$200,000. The expenditures are approaching the \$200,000 maximum. This letter requests an increase of \$100,000 to a maximum of \$300,000 so that Olson Remcho LLP can continue to provide these legal services for Metropolitan. This agreement remains in effect until terminated. While the rate of expenditure is subject to the number and nature of the matters requiring assistance from the firm, it is anticipated that the increase will be adequate for at least an additional year.

Policy

Metropolitan Water District Administrative Code Section 6430: General Counsel's employment of attorneys to render special counsel services

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action involves fiscal decisions that will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In addition, the proposed action is not defined as a project under CEQA because it involves continuing

administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines) and other government fiscal activities, which do not involve any commitment to any specific project, or which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Counsel to increase the amount payable under its agreement with Olson Remcho LLP by \$100,000 to a maximum amount payable of \$300,000.

Fiscal Impact: The sum of \$100,000 is added to this agreement for the provision of the authorized legal services, funded within the FY 2021/22 budget

Option #2

Do not authorize an increase in the maximum amount payable under this agreement with Olson Remcho LLP, effectively terminating this contract when the current funds are exhausted.

Fiscal Impact: No known fiscal impact but Metropolitan will not have access to the valuable expertise and assistance provided by this law firm

Staff Recommendation

Option #1



Marcia Scully
General Counsel

6/30/2021
Date

Ref# I12676880



- Board of Directors

7/13/2021 Board Meeting

8-1

Subject

Effective July 23, 2021, waive attorney-client privilege and direct staff to publicly post the report by Shaw Law Group concerning allegations of systemic Equal Employment Opportunity-related discrimination, harassment and retaliation, and related concerns; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [Conference with legal counsel – potential litigation (unknown number of cases); may be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

Executive Summary

To share the contents of Shaw Law Group's final report transparently with the public, this item recommends that the Board of Directors waive the attorney-client privilege with respect to the firm's report of results and recommendations. This matter has been agendized with an optional closed session conference with legal counsel in the event that directors request discussion of any issue recommended for closed session.

Details

Background

In November 2020, the Board of Directors authorized and directed the Ethics Officer to engage outside counsel to conduct an independent review of allegations of systemic EEO-related discrimination, harassment, and retaliation, and related concerns at Metropolitan. The Shaw Law Group has completed the review and its report to the Board. For the report to be made available to the public, the Board of Directors must knowingly waive the attorney-client privilege applicable to the report.

Upon a waiver of the privilege, and at the direction of the Board, the Shaw Law Group is prepared to publicly report and discuss its results and recommendations at the July 27, 2021 Special Organization, Personnel and Technology Committee meeting.

Metropolitan's engagement with Shaw Law Group formed an attorney-client relationship and their work product, including the report of results and recommendations, is therefore protected by the attorney-client privilege. However, directors have expressed a desire for as much transparency to the public as possible with respect to Shaw Law Group's assessment and report. Shaw Law Group is not authorized to waive the privilege on Metropolitan's behalf; therefore, the Board will have the opportunity to waive the privilege at the July 13, 2021 Board meeting.

To ensure a well-informed consideration of the waiver at the July 13, 2021 Board meeting, directors will have the opportunity to review Shaw Law Group's report beginning July 9, 2021, through a secure document-sharing platform. Metropolitan's General Counsel will receive the report at the same time as the Board to prepare for legal questions directors might have at the July 13, 2021 meeting.

The sole purpose for directors' confidential review of the report is to determine whether to waive the privilege and authorize public release. The report is not subject to changes, amendments, or recommendations. The only change to the report that would occur as a result of the Board's action would be that the report would no longer be protected by the attorney-client privilege or marked *draft*, and may include redactions should the Board determine and direct staff to keep a portion of the contents privileged. Directors have been advised that they are prohibited from sharing the report and any of its contents unless and until the report becomes public on July 23, 2021.

If the Board of Directors waives the attorney-client privilege to facilitate public disclosure of the final report, there is no intention to waive other privileged aspects of Shaw Law Group's work, including but not limited to communications with the Ethics Office or with witnesses, investigative materials, work-product, or any contents of investigatory records that Metropolitan provided for the review.

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action involves organizational or administrative activities that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Waive attorney-client privilege and authorize the public release on July 23, 2021, of Shaw Law Group's report for presentation at the July 27, 2021 meeting of the Special Organization, Personnel and Technology Committee.

Fiscal Impact: Not applicable

Business Analysis: Not applicable

Option #2

Do not waive attorney-client privilege or authorize public release of Shaw Law Group report in its current form and discuss the report in closed session on July 27, 2021.

Fiscal Impact: Not applicable

Staff Recommendation

Option #1



Abel Salinas
Ethics Officer

7/8/2021

Date



Marcia Scully
General Counsel

7/8/2021

Date



• July report on water conservation activity

Summary

This report provides a summary of conservation activity and expenditures for May 2021.

Purpose

Informational







Detailed Report

Conservation Expenditures – FY2020/21 & FY2021/22 ⁽¹⁾

	Paid ⁽²⁾	Committed ⁽³⁾
Regional Devices	\$4.0 M	\$1.7 M
Member Agency Administered	\$1.4 M	\$7.2 M
Turf Replacement	\$7.5 M	\$7.8 M
Advertising	\$0.1 M	\$0.0 M
Other	\$1.7 M	\$1.1 M
TOTAL	\$14.7 M	\$17.8 M

- (1) The Conservation Program biennial expenditure authorization was \$86 million and expected expenditures were \$50 million. Both figures have subsequently been reduced to reflect a \$2 million reduction in conservation advertising expenditures per Board Letter 8-1 on 9/14/2020
- (2) As of 7/1/2020 - 5/31/2021
- (3) Committed dollars as of June 10, 2021

Summary of Expenditures in May 2021: \$528,110 ⁽¹⁾

 Turf Replacement Rebates: May: 142,459 ft ² removed FY2020/21-FY2021/22: 3,761,051 ft² removed ⁽²⁾	 Clothes Washers: May: 485 units rebated FY2020/21-FY2021/22: 15,518 units rebated
 Smart Controllers: May: 995 units rebated FY2020/21-FY2021/22: 12,187 units rebated	 Toilets: May: 375 units rebated FY2020/21-FY2021/22: 10,182 units rebated ⁽²⁾
 Rain Barrels and Cisterns: May: 89 units rebated FY2020/21-FY2021/22: 1,992 units rebated	 Sprinkler Nozzles: May: 1,606 units rebated FY2020/21-FY2021/22: 27,775 units rebated ⁽²⁾

Lifetime Water Savings to be achieved by all rebates in May 2021: 738 AF

FY2020/21-FY2021/22: 36,877 AF lifetime water savings

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

⁽²⁾ FY2020/21-FY2021/22 amount adjusted to reflect uncashed rebate checks for devices and turf replacement.



Department Head Performance Evaluations

Board of Directors

Item 10-1

July 13, 2021

Overview

1. How Evaluation Process Works
2. Evaluation Process Timeline
3. *Closed Session Presentations*

How the Evaluation Process Works

- Email sent to Directors on July 8, 2021 *“FY2020-21 Department Head Evaluations Due”*
 - Includes Year-End Accomplishment Summaries and Weblinks to Evaluations for each Department Head
- Reminder Email also sent 8:00 AM today: *“FY2020-21 Department Head Evaluations Due”*
- Three weeks left to complete online evaluations
- Submit by *Tuesday, August 3, 2021*
- *Full Board participation encouraged*
 - *Optional for new Directors on the Board less than 4 months*

II. Evaluation Timeline

Dept Heads
Send Year-End
Performance
Summaries to HR

July 7

Performance
Summaries and links
to Evaluations sent
to the Board

July 8 – 9

Dept Head
Presentations to
Board (Closed)

July 13

Online Evaluations
Submitted, *Due by
August 3*

July 13 – Aug 3

Evaluation Results
Sent to the Board

Aug 12 – 13

Board Discusses
Evaluation Results
(Closed)

Aug 17 Board

Review Salary
Comparisons

Aug 17 Board

Board Finalizes
Compensation
Determinations

Aug 17 Board

Dept Heads Draft
Next Year's Goals
Based on Feedback

Sept

Home Committees
Approve Goals
(Closed)

Sept – Oct

Four Key Areas, with 20 Core Ratings

STANDARD 1 - 5 RATING SCALE

1 = To a Very Little Extent to 5 = To A Very Great Extent (or N/A)

Strategic Leadership	1. Align Priorities with Mission and Board	2. Provide Proactive Insights	3. Prepare Organization for Future Challenges
	4. Project Positive Image of Metropolitan		
Operational Leadership	5. Ensure Department Adds Value	6. Provide Innovative Solutions	7. Meet Assigned Timeframes
	8. Improve MWD Operations		
Board Relationships	9. Excellent Board Working Relationships	11. Develop Strategic Plans with Board	11. Develop Strategic Plans with Board
	12. Open to Constructive Suggestions	14. Available to Board Members	14. Available to Board Members
Results	15. Make Progress on Board Expectations	16. Achieve Expected Results	17. Ensure Compliance
	18. Effectively Manage Budgets	19. Evidence a Strong Commitment to Diversity	20. Work Effectively w/ Other Departments
+ Overall Performance Rating		Opportunities for Specific Written Comments	

Overall Rating Descriptions

- ***Exemplary Performance***
 - Consistently achieves exemplary performance that **SIGNIFICANTLY CONTRIBUTES** to organizational results.
- ***Highly Competent Performance***
 - Strong performer. Achieves excellent results on vast majority of assignments and all priority objectives.
- **Competent Performance**
 - Solid performer. Achieves good results on most assignments and deadlines.
- **Unsatisfactory Performance**
 - Performance does not meet the minimum expectations of this position.

Other Information to Know

- Opportunities to provide specific feedback on desired improvements
- Participation is tracked, but individual responses are anonymous to Metropolitan
- Email confirmation of your responses upon submission
- Reminder emails will be sent from Office of the Board
- For questions or support contact Irwin Jankovic or Diane Pitman

