



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Counsel

Via FedEx and Email

May 17, 2018

Brenna Norton
Food & Water Watch
3000 South Robertson Blvd. #255
Los Angeles, CA 90034
bnorton@fwwatch.org

David Snyder
First Amendment Coalition
534 Fourth Street, Ste. B ,
San Rafael, CA 94901
dsnyder@firstamendmentcoalition.org

Re: Public Records Act Request Dated May 7, 2018

Dear Ms. Norton and Mr. Snyder:

The Metropolitan Water District of Southern California (“Metropolitan”) received your Public Records Act Request dated May 7, 2018, which seeks records relating to Metropolitan’s Board of Directors’ April 10, 2018 action approving Metropolitan’s participation in the California WaterFix. A copy of your request is attached.

This response is made in compliance with California Government Code section 6253(c), which requires an agency to notify a person making a request within 10 days whether a request seeks disclosable records. A preliminary review of the request indicates that it covers disclosable public records.

Per our telephone conference with David Synder on May 15, 2018, it is our understanding that the reference to “the closed session” was inadvertent, and was intended to refer back to the April 10, 2018 Board meeting, which was in open session. As discussed, we also understand that part of the request to seek records directly relating to the April 10 Board meeting and action taken. Please let us know if this is not your intent.

Pursuant to Government Code section 6253(f), many responsive records relating to the Metropolitan Board of Directors’ action on April 10, 2018 such as an audio-visual recording of the April 10th Board meeting, the relevant board letter and attachments, and Board policies cited in the board letter are available for viewing or download on Metropolitan’s publicly accessible website at www.mwdh2o.com.

Brenna Norton
David Snyder
May 17, 2018
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There are four ways you can access such records. First, Metropolitan's website includes a web page that has information about Metropolitan's Board's actions on California WaterFix available at <http://www.mwdh2o.com/DocSvcsPubs/WaterFix/index.html>. If you scroll down to the heading "The Decision," you will find narrative text with hyperlinks to staff white papers, vote results from the April 10, 2018 meeting as well as the October 10, 2017 meeting, including a listing of resolutions and comment letters submitted to Metropolitan before both the October 10, 2017 and April 10, 2018 meetings at which the Board took action on the California WaterFix [here](#). Because the documents are available on the website, we will not be producing them in a separate response, although some duplicates in custodian files may be produced.

Second, you can access the Board Document Archives at <http://edmsidm.mwdh2o.com/idmweb/home.asp> to browse or run searches for agendas, board letters, board-adopted policies, meeting minutes, presentations, managers' reports, and resolutions on the topics of your request for the date range in question. I note that the board letter for the April 10, 2018 meeting on California WaterFix references the February 12, 2018 meeting of the Water Planning & Stewardship Committee, the February 27, 2018 meeting of the Special Committee on Bay-Delta, and a March 27, 2018 Board Workshop on California WaterFix. Any staff presentations, manager's reports, meeting minutes and other documents relating to those meetings that are available through the Board Document Archives will not otherwise be provided in a later response.

Third, you can view or download videos of Board and committee meetings at <http://www.mwdh2o.com/WhoWeAre/Board/Board-Meeting/Pages/default.aspx>. You may either search for videos of past meetings, or you can follow the link titled "View All Archived Events" to browse for videos chronologically. To download a video, click on the corresponding "MP4 Video": hyperlink and choose Save or use the small dropdown arrow on the Save button to select Save As, which will enable you to save it to a specific location. MP4 Video files are usually quite large and can take several minutes to download over a high-speed internet connection. Again, these videos will not otherwise be produced since they are available for download.

Fourth, you can search the entire website using the Search Website box near the upper right corner of the home page. The latter will not be by date range, but results are presented with the name of the document and several lines from the document showing the search text in bold font.

With respect to records that are not available on Metropolitan's website, because of the breadth and volume of the records requested, as well as the need for Metropolitan to compile data from multiple custodians, Metropolitan will require additional time to collect potentially responsive records, determine which records covered by your request are disclosable, and to provide the estimated date and time when the records could be made available, likely on a rolling basis. Accordingly, Metropolitan extends the time to provide an estimate to May 31, 2018.

Brenna Norton
David Snyder
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Page 3

Going forward, please direct all communications regarding your Public Records Act request to me. I can be reached by phone at 213-217-6336 or by email at rhorton@mwdh2o.com.

Very truly yours,

Marcia L. Scully
General Counsel

Robert C. Horton



Chief Deputy General Counsel

cc: Carol A. Nagai



May 7, 2018

Rosa Castro, Board Administrator
Jeffrey Kightlinger, General Manager

Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012

NOTICE OF BROWN ACT VIOLATION

DEMAND TO CURE OR CORRECT pursuant to Gov. Code §54960.1

and

DEMAND TO CEASE AND DESIST pursuant to Gov. Code §54960.2

REQUEST FOR PUBLIC RECORDS

Dear Board of Directors,

We write on behalf of Food and Water Watch (“FWW”) and the First Amendment Coalition (“FAC”) to call your attention to violations of the Ralph M. Brown Act, Government Code section 54950 et seq., by the Board of Directors of the Metropolitan Water District of Southern California (the “District”). This letter serves as a demand to cure and correct and cease and desist the practices constituting such violations, and as a request for public records pursuant to the California Public Records Act, Government Code section 6250 et seq.

In its meeting on April 10th, the District took action via a formal vote of approval to implement the California WaterFix; authorize the General Manager to execute certain agreements and agreement amendments related to financing, pre-construction and construction activities for California WaterFix; and authorize General Manager to negotiate draft terms and conditions for one or more multi-year transfers of State Water Project water supplies.

However, this vote was nothing more than a rubber stamp, and was a result of multiple serial communications between members of the Metropolitan Water District Board of Directors, both directly and with intermediaries, including Governor Brown. These communications were intended to lead to and actually resulted in a collective concurrence among a majority of the board members to approve the actions ultimately rubber stamped at the April 10th Board Meeting.

The Brown Act was designed ensure that local government agencies conduct the public's business openly and publicly, and that the public has an opportunity to meaningfully engage in the decision of the legislative body. Because this process took place behind closed doors, the public was prevented from witnessing and participating in the decision-making process, in clear violation of the Brown Act.

These serial meetings violate the Brown Act's prohibitions on serial meetings. (See Gov. Code § 54952.2(b) [prohibiting "a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body"].) The serial communications were themselves violations of the Brown Act, irrespective of any formal action being taken after they occurred. (*Id.*; See also.; 216 *Sutter Bay Associates v. County of Sutter* (1997) 58 Cal. App. 4th 860, 877.)

The facts substantiating these violations have been widely reported.

An April 11 article in the *Voice of San Diego*¹ stated (italics are added for emphasis): "Last Monday, Metropolitan staff called a press conference to announce the agency would abandon plans to build two tunnels and spend \$5 billion to build just one. But a few of Metropolitan's 38 board members, led by *Brett Barbre of the Municipal Water District of Orange County, decided to see if they could find the votes anyway. After Metropolitan staff seemed to throw in the towel, Barbre said he expressed his "strong dismay" and then called Steve Blois, a Metropolitan board member from Ventura County. Then they started making calls, trying to sell other board members on the idea of paying \$11 billion for two instead of \$5 billion for one. By the middle of last week, it seemed like they might be on to something.* Perhaps there were enough water agencies in Southern California willing to stomach the risk."

Another article in the *Voice of San Diego* on April 19^{th2} stated: "Brett Barbre, a Metropolitan board member from Orange County who whipped votes in favor of the project, said it had support from about 52 percent of the board going into the weekend. That was enough to pass, but barely. 'What we were lacking was cushion and the elusive 60 percent,' he said in an email. The governor made calls before Tuesday's vote and helped get that number up to 61 percent."

And in *LA Times* article that appeared on April 9^{th3} MWD director Brett Barbre stated: "I think it's very close, ..."They just need to get 11% more and they can kill us."

¹ <https://www.voiceofsandiego.org/topics/government/tunnel-vision-what-the-big-water-vote-means/>

² <https://www.voiceofsandiego.org/topics/government/sacramento-report-how-jerry-brown-helped-get-the-tunnels-deal-across-the-finish-line/>

³ <https://www.latimes.com/local/lanow/la-me-tunnels-vote-20180409-story.html>

Brown Act violations are further evidenced by MWDOC Director Larry Dick's comment at their April 5th Municipal Water District of Orange County meeting that: "April 10th is Tuesday, we should be voting on this. *I happen to know from the best bookmaker at MWD, that says we have a guaranteed win on the two tunnels at 51.67%*"

At MWDOC's April 19th Water Policy Dinner with Karla Nemeth Brett Barbre explained how Neemeth worked very closely with MWD and Governor Brown to make phone calls prior to the vote. One of the phone calls he recounts is about the Glendale representative on the MWD board, Zareh Sinanyan, who "never shows up at the MWD board anyway for meetings... I had tried calling him, no response. Blois tried calling him, no response. Kightlinger, no response. *The only person that was able to get a hold of him was the Governor. And I'm not going to tell you what he did to get a hold of him.*" And Barbre in the same meeting also, introduced Director Stephen J. Faessel from Anaheim as the "MWD director that put them over 50% for the twin tunnels."

MWD's board adopted action was contrary to its own professional staff recommendation, an option according to its staff that was placed on at the 11th hour, increased Southern California ratepayer's financial obligation by \$5.6 billion with zero water supply benefit for the region.

After three hours of public testimony with a large contingency of ratepayers raising concerns, MWD Director Gloria Gray moved the option that was not recommend by staff, and the board chair would not allow substitute motions.

In addition to the serial meeting violations described above, the agenda items were deficient. Government Code section 53635.7 requires that the posted agenda must contain "a brief general description of each item of business to be transacted or discussed at the meeting..." For any "decision that involves borrowing" \$100,000 or more, the item must be "discuss[ed], consider[ed] and deliberate[ed]" as "a separate item of business." The revenue bond authorization for WaterFix will exceed \$100,000, and was required to be agenized and discussed separately. Because it was not properly agenized, the Board's actions also violated Government Code section 54954.2.

Note that Government Code section 54952.6 defines "action taken" for the purposes of the Act expansively, i.e. as "a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance."

CURE AND CORRECT DEMAND

Pursuant to Government Code §54960.1, you have 30 days from the receipt of this demand to cure and correct the challenged actions by:

1. Rescind the actions taken by Metropolitan's Board of Directors on April 10, 2018 to approve to implement the California WaterFix; authorize the General Manager to

execute certain agreements and agreement amendments related to financing, pre-construction and construction activities for California WaterFix; and authorize General Manager to negotiate draft terms and conditions for one or more multi-year transfers of State Water Project water supplies; and “RESOLUTION 9238 OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING DISTRICT’S FINANCIAL SUPPORT OF CALIFORNIA WATERFIX AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE, EXECUTE AND DELIVER VARIOUS FINANCING IMPLEMENTATION AGREEMENTS AND RELATED DOCUMENTS” and “RESOLUTION 9239 OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING DISTRICT’S PURCHASE OF CAPACITY INTEREST IN THE CALIFORNIA WATERFIX, THE FINANCING OF SUCH PURCHASE, AND OTHER ARRANGEMENTS, AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE, EXECUTE AND DELIVER VARIOUS AGREEMENTS AND DOCUMENTS RELATED THERETO.” Copies of all resolutions are linked below⁴

2. In order to provide a meaningful opportunity for informed public participation by members of the public, the Board must identify and publicly disclose the substance of any and all of the serial communications relating to the Board’s April 10th vote, as described above, prior to any future discussion or action on this item.

If you fail or refuse to cure and correct as demanded, we may seek judicial invalidation of the challenged actions pursuant to §54960.1, in which case, we will also seek an award of court costs and reasonable attorney fees pursuant to Government Code §54960.5.

CEASE AND DESIST DEMAND

The Brown Act also provides a separate and distinct remedy allowing an interested person to “commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations,” “to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body, or to determine the applicability of this chapter to past actions of the legislative body.” Government Code §54960.

In order to avoid litigation to force the Board into compliance, FWW and FAC demand that the Board cease and desist from the practices set forth above, which impair the public’s ability to participate in its government. Namely, the Board must acknowledge the Brown Act violations set forth above by making an unconditional commitment to refrain from the following practices in the future:

1. Refrain from any future serial communications outside of a public meeting on any item of business within its subject matter jurisdiction; and,

⁴ <http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003738339-1.pdf>
<http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003738366-1.pdf>
<http://edmsidm.mwdh2o.com/idmweb/cache/MWD%20EDMS/003738367-1.pdf>

2. Agree to agendaize any decision that involves borrowing \$100,000 or more as a separate item of business.

Pursuant to Government Code §54960.2, you have 30 days from the receipt of this cease and desist demand to provide an “unconditional commitment” that the Board will refrain from engaging in the practices described above at any time in the future. The unconditional commitment must be approved by the Board in open session at a regular or special meeting as a separate item of business, and not on its consent agenda. If you fail or refuse to cease and desist as demanded, we may file an action pursuant to Government Code §54960, in which case, we will seek an award of court costs and reasonable attorney fees pursuant to Government Code §54960.5.

REQUEST FOR PUBLIC RECORDS

Pursuant to the California Public Records Act, Government Code section 6250 et seq. (“CPRA”) we request that the District disclose the following:

- (1) All communications between members of the Board of Directors of the Metropolitan Water District, their staff, and any third parties, relating to the District’s April 10 decision to implement WaterFix between August 2017 and April, 10 2018; including use of personal mobile phones, text messages, personal emails, and personal and professional calendars
- (2) All documents relating to the District’s April 10 decision to implement WaterFix, including but not limited to any transcript, audio/video recording, and minutes of the closed session.

If any portion of the records requested is exempt from disclosure by express provisions of law, Government Code Section 6253(a) requires segregation and redaction of that material in order that the remainder of the information may be released. If you believe that any express provision of law exists to exempt from disclosure all or a portion of the requested records requested, you must notify us of the reasons for the determination not later than 10 days from your receipt of this request letter. (Gov. Code § 6253(c).) Any response to this request that includes a determination that the request is denied, in whole or in part, must be in writing. (Gov. Code § 6255(b).)

Sincerely,

Brenna Norton
Senior Organizer
Food & Water Watch

David Snyder
Executive Director
First Amendment Coalition

CC: Metropolitan Water District Board of Directors
Marcia Scully, General Counsel



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Counsel

Via FedEx and Email

May 31, 2018

Brenna Norton
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3000 South Robertson Blvd. #255
Los Angeles, CA 90034
bnorton@fwwatch.org

David Snyder
First Amendment Coalition
534 Fourth Street, Ste. B,
San Rafael, CA 94901
dsnyder@firstamendmentcoalition.org

Re: Public Records Act Request Dated May 7, 2018

Dear Ms. Norton and Mr. Snyder:

Metropolitan has been collecting and reviewing records in response to your Public Records Act request dated May 7, 2018, as refined and confirmed in our letter dated May 17, 2018. As you know, in our May 17 letter, we identified certain responsive records that are located on Metropolitan's public website.

We anticipate that we will be able to begin producing additional records on a rolling basis beginning the week of June 11, 2018.

Very truly yours,

Marcia L. Scully
General Counsel

A handwritten signature in blue ink, appearing to read "Robert C. Horton".

Robert C. Horton
Chief Deputy General Counsel

cc: Carol A. Nagai

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Vote on Southern California's investment in delta tunnel project could be a nail-biter

By BETTINA BOXALL APR 09, 2018 | 6:25 PM



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The Middle River in the Sacramento-San Joaquin delta. (Katie Falkenberg / Los Angeles Times)



With the city of Los Angeles and Orange County on opposite sides, Southern California's role in financing a massive water delivery project is likely to hinge on a few smaller agencies.

In what will be a crucial decision, the board of the Metropolitan Water District of Southern California is expected to vote Tuesday whether to approve nearly \$11 billion in financing to help build two giant water tunnels in the center of the state's waterworks or \$5.2 billion to construct a single tunnel.

Lobbying on the long-planned project continued Monday as Gov. Jerry Brown asked MWD directors to move ahead with both tunnels.

"Tomorrow you have a historic decision to make about the future of California and the basic security of our water supply," wrote Brown, who has made the project a priority of his administration. "I urge the board to support the full project — without delay."

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Hours earlier the five MWD board members from Los Angeles signaled they might vote against both options because too many uncertainties hung over the much-debated proposal to revamp the way water supplies are routed through the Sacramento-San Joaquin delta.

Los Angeles has the biggest vote under MWD's system, which weighs the votes of member agencies according to assessed property values in their service areas.

Second to L.A. is the San Diego County Water Authority, which is also expected to oppose the project, along with Santa Monica.

But the agency with the third-largest vote, the Municipal Water District of Orange County, is aggressively pushing the \$11-billion buy-in, which would finance about two-thirds of the full project.

"I think it's very close," said MWD director Brett Barbre, who is president of the Orange County agency. "They just need to get 11% more and they can kill us."

Both sides Monday restated familiar arguments about the project, known as California WaterFix.

The full \$17-billion project calls for construction of a new diversion point on the Sacramento River in the delta's northern reach that would feed two 35-mile tunnels. They would carry supplies to the big government pumping operations that send water south to San Joaquin Valley farms and Southern California cities.

The project's underlying concept is that by partially supplying the export operations with tunnel water, the huge pumps would draw less water from the delta's southern portion, alleviating the pumping's harmful effects on the delta ecosystem.

When the San Joaquin Valley agricultural districts that were supposed to help pay for the tunnels voted not to participate, the Brown administration said it would initially pursue a smaller, one-tunnel project, to be financed by MWD and the other largely urban districts that get delta supplies from the State Water Project. Under that approach, the state said a second tunnel could be built later.

It didn't take long for WaterFix backers on the MWD board to suggest the agency set up and help fill the funding void to build both tunnels. They argued

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that agricultural districts would eventually buy some of the tunnel capacity and MWD would recoup its extra investment.

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But Westlands Water District and other agricultural districts that depend on delta deliveries have so far declined to sign options or purchase agreements to buy future tunnel supplies.

That has raised the possibility that MWD — and Southern California ratepayers — could be stuck paying for a second tunnel that, according to MWD's analysis, would not send any more water to the Southland than one tunnel.

"Making Southern Californians foot the bill for this project is irresponsible, and unfair to our ratepayers. I would support a one-tunnel solution that protects ratepayers, our local investments and our environment," Los Angeles Mayor Eric Garcetti said Monday in a statement. "MWD's current plan does none of those things, and I cannot support it."

Garcetti appoints L.A.'s five MWD board members, who Monday sent a three-page letter to MWD's general manager, asking him to delay Tuesday's vote — something that is unlikely to happen.

The letter raised a host of concerns about pushing ahead with twin tunnels, arguing that MWD ran the risk of winding up with a largely unused second tunnel that could turn into a stranded asset. The delegation also questioned the wisdom of a \$5.2-billion investment in a single tunnel, which would add roughly a billion dollars to the tunnel funding approved by the MWD board last year.

Asked if that meant the Los Angeles contingent might vote against both options, L.A. director John Murray replied, "It's not impossible."

Twin tunnel backers say the second tunnel would give managers more flexibility in operating the delta pumps, and do more to reduce the harmful effects of pumping operations on native fish.

MWD board Chairman Randy Record said Monday that he supports the \$11-billion buy-in for the full project and thinks it would be worth it even if agriculture never contributes to the project.

In considering his vote, "I have to look at it as though ... we're going to be building the whole thing and we're going to hold that infrastructure for our own use," he said. "I still believe that's the right thing to do."

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Bettina Boxall covers water issues and the environment for the Los Angeles Times. She shared the 2009 Pulitzer Prize for explanatory reporting with colleague Julie Cart for a five-part series that explored the causes and effects of escalating wildfire in the West. She began her journalism career as a photographer at a small Texas daily and reported for newspapers in Vermont and New Jersey before joining The Times in 1987.

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Metropolitan's Records

Brett R. Barbre

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Sunday, March 18, 2018 8:05 PM
To: 'dirrecord@gmail.com'; sblois@verizon.net
Subject: Vote Count - Twin Tunnels
Attachments: MET Vote Model - Two Tunnels - MWDSC - 04-18.pdf

Attached is my best guess of the vote count for the program to guarantee both tunnels...let me know how we can best keep the numbers as is.

BB

Brett R. Barbre, Director
Metropolitan Water District of Southern California
Representing the Municipal Water District of Orange County
P-714-396-1350
[E-brbarbre@msn.com](mailto:brbarbre@msn.com)



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Metropolitan Voting Model by Agency

Vote Entitlement As of August 15, 2017

Director	Entitlement	Vote	YES	NO	ABSTAIN
Los Angeles	20.37%				
Gold, Mark	4.07%	NO		4.07%	
Paskett, Lorraine	4.07%	NO		4.07%	
Dake, Glen	4.07%	NO		4.07%	
Murray Jr., John	4.07%	NO		4.07%	
Quinonez , Jesus	4.07%	NO		4.07%	
SDCWA	17.48%	NO			
Steiner, Fern	4.37%	NO		4.37%	
Saxon, Elsa	4.37%	NO		4.37%	
Lewinger, Keith	4.37%	NO		4.37%	
Hogan, Michael	4.37%	NO		4.37%	
MWDOC	17.15%	NO			
Ackerman, Linda	4.29%	YES	4.29%		
Barbre, Brett	4.29%	YES	4.29%		
Dick, Larry D.	4.29%	YES	4.29%		
McKenney, Larry	4.29%	YES	4.29%		
West Basin MWD	6.85%	NO			
Gray, Gloria	3.43%	YES	3.43%		
Williams, Harold	3.43%	YES	3.43%		
Central Basin MWD	5.08%	NO			
Vasquez-Wilson, Letecia	2.54%	YES	2.54%		
Gedney, Bill	2.54%	YES	2.54%		
IEUA		NO			
Camacho, Michael	3.80%	YES	3.80%		
Calleguas MWD		NO			
Blois, Steve	3.61%	YES	3.61%		
USGVMWD		NO			
Trevino, Charles	3.62%	YES	3.62%		
Western MWD		NO			
Galleano, Don	3.60%	YES	3.60%		
Eastern MWD		NO			
Record, Randy	2.69%	YES	2.69%		
Three Valleys MWD		NO			
De Jesus, David	2.39%	YES	2.39%		
Long Beach		NO			
Cordero, Gloria	1.75%	YES	1.75%		
Anaheim		NO			
Faessel, Steve	1.58%	YES	1.58%		
Santa Monica		NO			
Abdo, Judy	1.26%	NO		1.26%	
Glendale		NO			
Sinanyan, Zareh	1.10%	YES	1.10%		
Beverly Hills		NO			
Pressman, Robert	1.17%	YES	1.17%		
Torrance		NO			
Russell Lefevre	1.01%	YES	1.01%		
Pasadena		NO			
Kurtz, Cynthia	1.05%	YES	1.05%		
Santa Ana		NO			
Martinez, Michele	0.92%	YES	0.92%		
Las Virgenes MWD		NO			
Peterson, Glen	0.89%	YES	0.89%		
Burbank		NO			
Ramos, Marsha	0.84%	YES	0.84%		
Fullerton		NO			
Beard, Peter	0.69%	YES	0.69%		
Foothill MWD		NO			
Atwater, Richard	0.64%	YES	0.64%		
San Marino		NO			
Morris, John	0.23%	YES	0.23%		
Compton		NO			
Zurita, Janna	0.16%	NO		0.16%	
San Fernando		NO			
Ballin, Sylvia	0.07%	NO		0.07%	
Total Vote	100.00%		60.7%	39.3%	0.0%

Chat with Steve Blois

4/2/2018 10:11:15 AM - 4/23/2018 12:12:13 PM

Export Details:

Device Phone Number [REDACTED]

Device Name [REDACTED]

Device ID [REDACTED]

Backup Date [REDACTED]

Backup Directory [REDACTED]

iOS [REDACTED]

Current Time Zone (UTC-08:00) Pacific Time (US & Canada)

Created with [REDACTED]

Participants:

[REDACTED] Steve Blois

Monday, April 02, 2018

BRETT BARBRE

10:11 AM

Steve - BRETT here...can we chat sometime today?

Steve Blois

Sure. I can call you in 20 minutes or so.

10:16 AM

BRETT BARBRE

Ok

10:16 AM

Tuesday, April 03, 2018

BRETT BARBRE

I will call in 10

11:02 AM

Steve Blois

Ok

11:03 AM

Thursday, April 05, 2018

Steve Blois

Lefevre is a solid yes. No constraints from City.

5:20 PM

Friday, April 06, 2018

BRETT BARBRE

Sorry...in with my Dr...will call this afternoon...

10:10 AM

Monday, April 23, 2018

BRETT BARBRE

Can I call you later?

12:11 PM

Steve Blois

Yes, call me any time this afternoon.

12:11 PM

BRETT BARBRE

OK...in MWDOC caucus...

12:12 PM

Chat with Michael Camacho

4/10/2018 1:08:39 PM - 4/10/2018 1:54:26 PM

Export Details:

Device Phone Number [REDACTED]

Device Name [REDACTED]

Device ID [REDACTED]

Backup Date [REDACTED]

Backup Directory [REDACTED]

iOS [REDACTED]

Current Time Zone (UTC-08:00) Pacific Time (US & Canada)

Created with [REDACTED]

Participants:

[REDACTED] Michael Camacho

Tuesday, April 10, 2018

BRETT BARBRE

Bring Galleano and DeJesus back in...and yourself...

1:08 PM

Michael Camacho

I don't know where they're at, I'm coming back now

1:17 PM

Michael Camacho

I'm not sure where they went, Galleano might be at Trax

1:18 PM

BRETT BARBRE

We will all be there afterwards...

1:19 PM

Michael Camacho



1:20 PM

BRETT BARBRE



1:20 PM

Michael Camacho

We may need to ask to move this item up first before our support starts to leave.

1:54 PM

BRETT BARBRE

All still here...

1:54 PM

Chat with Stephen Faessel

4/5/2018 12:24:34 PM - 4/5/2018 4:20:42 PM

Export Details:

Device Phone Number [REDACTED]

Device Name [REDACTED]

Device ID [REDACTED]

Backup Date [REDACTED]

Backup Directory [REDACTED]

iOS [REDACTED]

Current Time Zone (UTC-08:00) Pacific Time (US & Canada)

Created with [REDACTED]

Participants:

[REDACTED] Stephen Faessel

Thursday, April 05, 2018

BRETT BARBRE



12:24 PM

BRETT BARBRE

Any word?

4:11 PM

Stephen Faessel



4:13 PM

BRETT BARBRE

May I mark you as a YES?

4:17 PM

Stephen Faessel

Likely yeah

4:18 PM

Chat with Roger Patterson

4/10/2018 12:38:08 PM - 4/10/2018 12:38:08 PM

Export Details:

Device Phone Number [REDACTED]

Device Name [REDACTED]

Device ID [REDACTED]

Backup Date [REDACTED]

Backup Directory [REDACTED]

iOS [REDACTED]

Current Time Zone (UTC-08:00) Pacific Time (US & Canada)

Created with [REDACTED]

Participants:

[REDACTED] Roger Patterson

Tuesday, April 10, 2018

Brett R. Barbre

12:38 PM

59.74%...

Chat with Mr. Jeff Kightlinger

12/10/2014 1:00:39 PM - 4/15/2018 10:32:38 AM

Export Details:

Device Phone Number [REDACTED]

Device Name [REDACTED]

Device ID [REDACTED]

Backup Date [REDACTED]

Backup Directory [REDACTED]

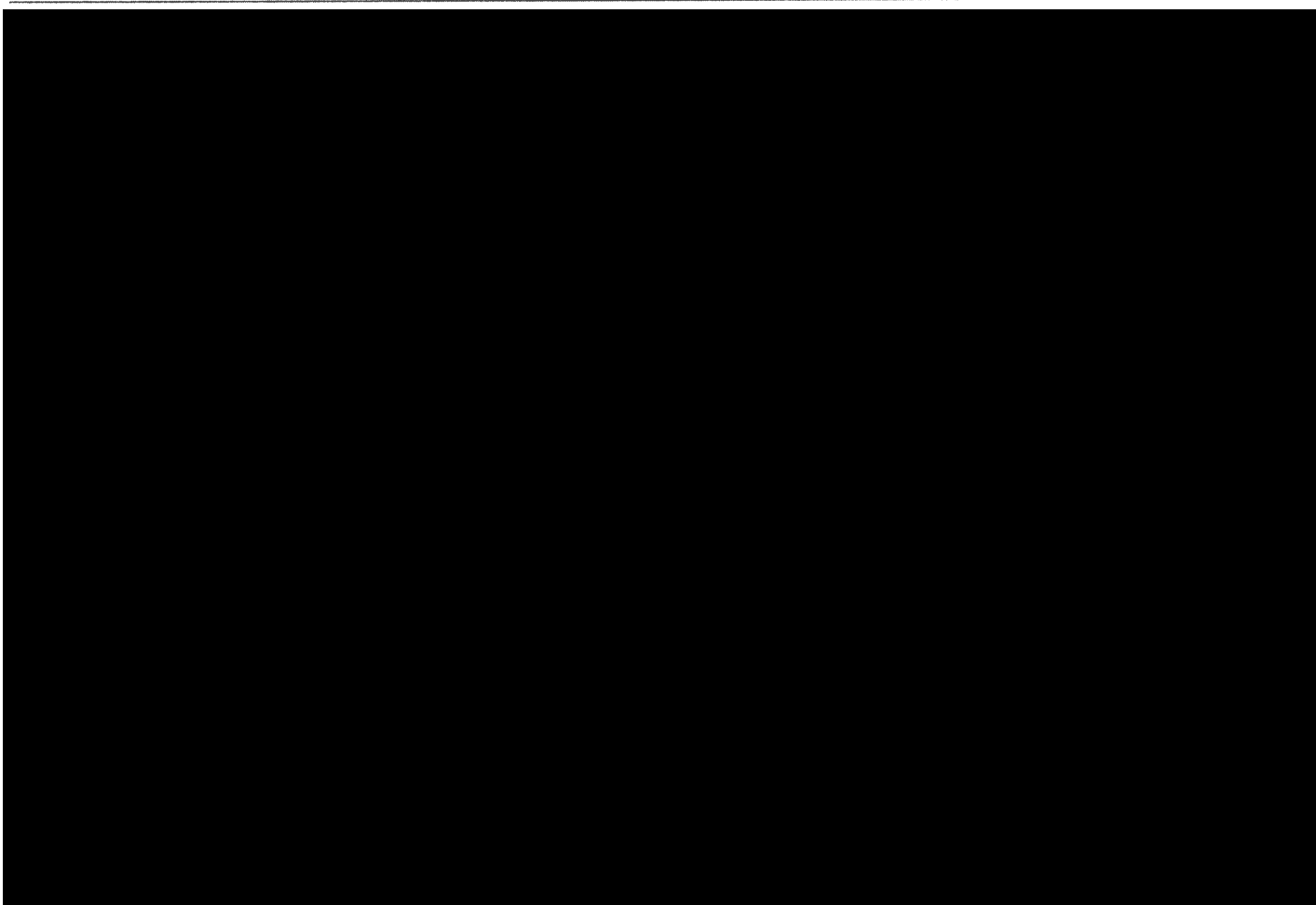
iOS [REDACTED]

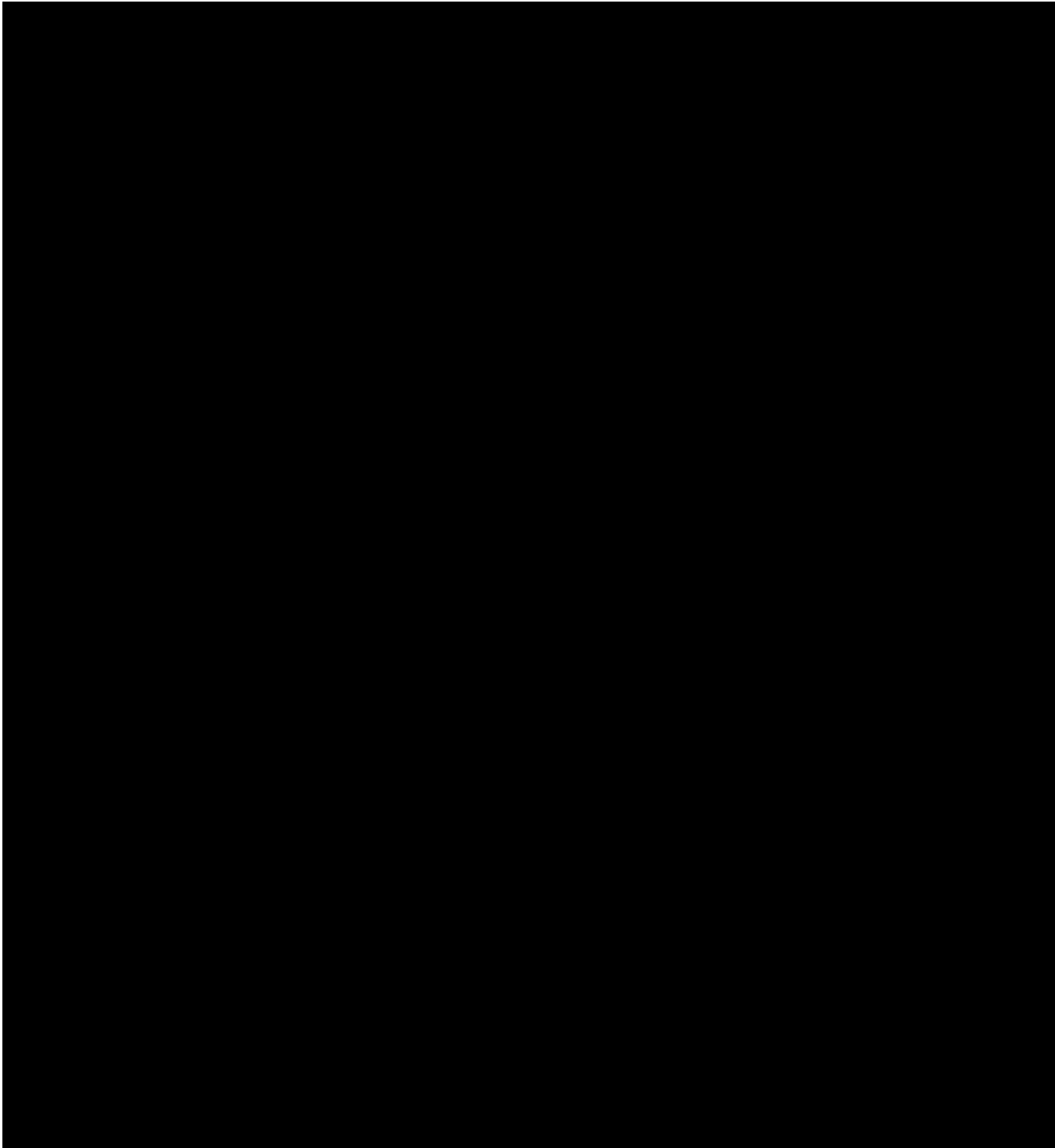
Current Time Zone (UTC-08:00) Pacific Time (US & Canada)

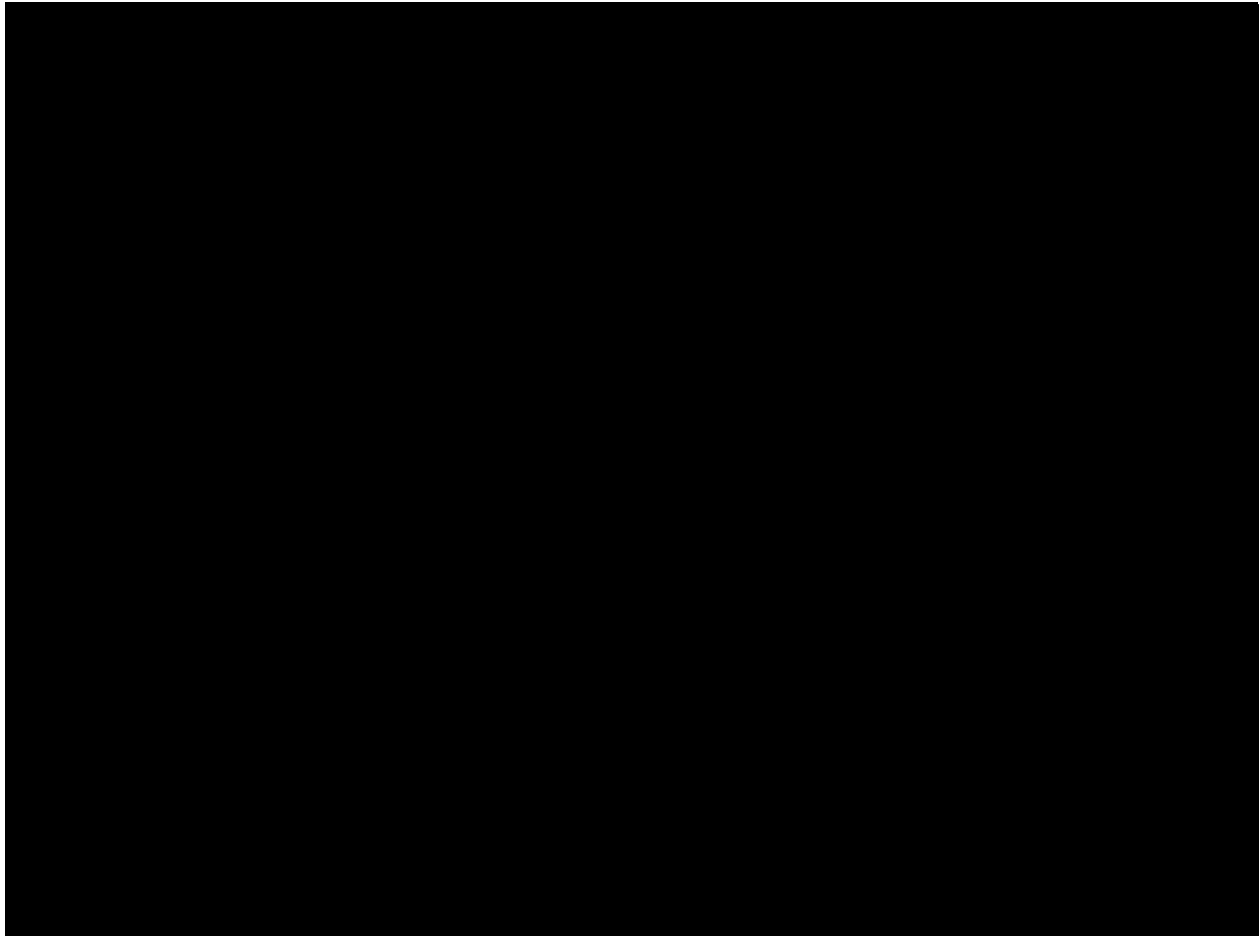
Created with [REDACTED]

Participants:

[REDACTED] Mr. Jeff Kightlinger







Monday, April 02, 2018

Mr. Jeff Kightlinger

Spoke w State. They prefer the staged approach while exploring finance vs whole project w off ramp for their state board approach. That's what staff will lay out but I think we still discuss options between now and Tuesday

11:19 AM

BRETT BARBRE

Are they confident that that the "staged approach" will withstand the scrutiny in court given that two tunnels were the preferred alternative and nary a discussion of a "staged approach" in either approval?

1:33 PM

Mr. Jeff Kightlinger

That's a tough one. But they believe we have same dynamic w a changed project going to cvp pull out since we modeled Shasta into the equation.

1:53 PM

Mr. Jeff Kightlinger

But they also feel major issue is Gavin could be free to revisit the issue if a final project not decided upon now w the off ramp approach. And a Gavin revisit likely supported by Garcetti

1:54 PM

BRETT BARBRE

So it is a changed project...which means we will be required to go through CEQA, even limited, that may extend beyond the Brown Administration...Westlands just killed the CA Water fix, in my estimation...

2:01 PM

Mr. Jeff Kightlinger

We may three the needle but yeah they've done their best to f it up

2:23 PM

BRETT BARBRE

I am sorry but I can't support the phased approach...it is tantamount to killing the project...LA wanted it killed and we are following their lead...Gold already sent off your memo to the Bee...unless it is funding for both tunnels, I will argue stringently for a NO vote...

5:19 PM

Mr. Jeff Kightlinger

I understand. It's a risk call. I think that approach risks everything. So I do think this better strategic approach then circle back to two once we get this started. But I get it.

5:22 PM

BRETT BARBRE

You have thrown in the towel; the Governor has thrown in the towel; our US Senators have done nothing to advance the fix...LA is spending their time trying to kill the project...San Diego is spending their time to kill the project...we had the votes to build it all and now there is nothing...what a waste of hundreds of millions of dollars...

5:28 PM

Mr. Jeff Kightlinger

Don't give up yet. I'm never throwing in towel. Let's discuss on Wednesday. I'm coming down and Roger staying in Sac

5:29 PM

BRETT BARBRE

We have the votes...

6:09 PM

Tuesday, April 03, 2018

BRETT BARBRE

Do you have time to chat today about questions I may ask tomorrow? I don't want to blindside you with anything...BRETT

8:17 AM

Mr. Jeff Kightlinger

Sure. I free up around 1 for a bit and again around 4. I've spent a decade on this and I want full project too

8:28 AM

BRETT BARBRE

Ok...1:00 would be better than 4:00...call at your convenience...

8:37 AM

Mr. Jeff Kightlinger

Will do

8:56 AM

BRETT BARBRE

Getting great responses...Central Basin (Gedney) believes the CB Board would direct the vote in favor of both tunnels but can't meet before next week but could by April 24th...5.08 of the vote may be worth it...

6:04 PM

BRETT BARBRE

I am going to Western tomorrow...West Basin is a strong YES...

6:05 PM

Wednesday, April 04, 2018

BRETT BARBRE

Make sure the Governor reminds Leticia that they took a selfie together at Jensen last year...could be enough to flatter her into a YES vote...

11:14 AM

Mr. Jeff Kightlinger

I forgot that!

1:13 PM

BRETT BARBRE

Galleano is in...full board support...

6:35 PM

Mr. Jeff Kightlinger

Great

6:37 PM

Friday, April 06, 2018

BRETT BARBRE

Any chance the GOV calls Central Basin Board Members? They have a special meeting MON at 2:00 pm...

5:05 PM

BRETT BARBRE

Agenda is to direct their vote...and if the GOV sent a message, it would carry the day

5:05 PM

Mr. Jeff Kightlinger

Working on it.

5:05 PM

BRETT BARBRE

Excellent...I vote for David vs. Goliath...

5:06 PM

Mr. Jeff Kightlinger

I saw that

5:06 PM

Mr. Jeff Kightlinger

Gonna see if he's willing to show up

5:06 PM

Mr. Jeff Kightlinger

Tuesday

5:06 PM

BRETT BARBRE

Anything to the Obegi letter?

5:06 PM

Mr. Jeff Kightlinger

No it's nonsense

5:07 PM

BRETT BARBRE

That was my reading...

5:07 PM

Mr. Jeff Kightlinger

Yep

5:17 PM

Saturday, April 07, 2018

BRETT BARBRE

Doesn't Central Basin only accept SWP water for replenishment sales?

8:34 AM

Mr. Jeff Kightlinger

Yep

9:14 AM

Mr. Jeff Kightlinger

I think we may have tried some in lieu w them also but their connection is essentially SWP water

9:15 AM

Monday, April 09, 2018

BRETT BARBRE

Just got Central Basin - Support 2 tunnel option...5-1

3:13 PM

BRETT BARBRE

56.75% YES for two tunnels...

3:14 PM

Mr. Jeff Kightlinger

It's gonna happen

3:15 PM

BRETT BARBRE

Gedney, Vasquez, Hawkins, Chacon and Apodaca YES

3:15 PM

BRETT BARBRE

GRAJEDA NO

3:16 PM

Mr. Jeff Kightlinger

Don't know grajeda

3:18 PM

Tuesday, April 10, 2018

BRETT BARBRE

Michelle has direction from her Council last week so I don't think she can vote our way...59.74 to 40.26...

12:26 PM

Mr. Jeff Kightlinger

Shoot. Too bad about Michele

12:33 PM

BRETT BARBRE

Best we can do without her is 59.97 assuming Compton and San Fernando are YES votes...

12:34 PM

BRETT BARBRE

We can round up, correct?

12:34 PM

Mr. Jeff Kightlinger

Not sure either one of them.

12:35 PM

BRETT BARBRE

Concur

12:36 PM

BRETT BARBRE

Let's take the 59.74 and round up to 60...

12:36 PM

Mr. Jeff Kightlinger

That's what we will do

12:37 PM

BRETT BARBRE

Can we move 8-7 to the front of the agenda so we don't lose votes?

1:55 PM

Mr. Jeff Kightlinger

Yes Randy agreed. And I am killing presentation

2:13 PM

BRETT BARBRE

59.90%

3:32 PM

Mr. Jeff Kightlinger

Definitely rounding up

3:34 PM

BRETT BARBRE

Yup...

3:34 PM

Wednesday, April 11, 2018

BRETT BARBRE

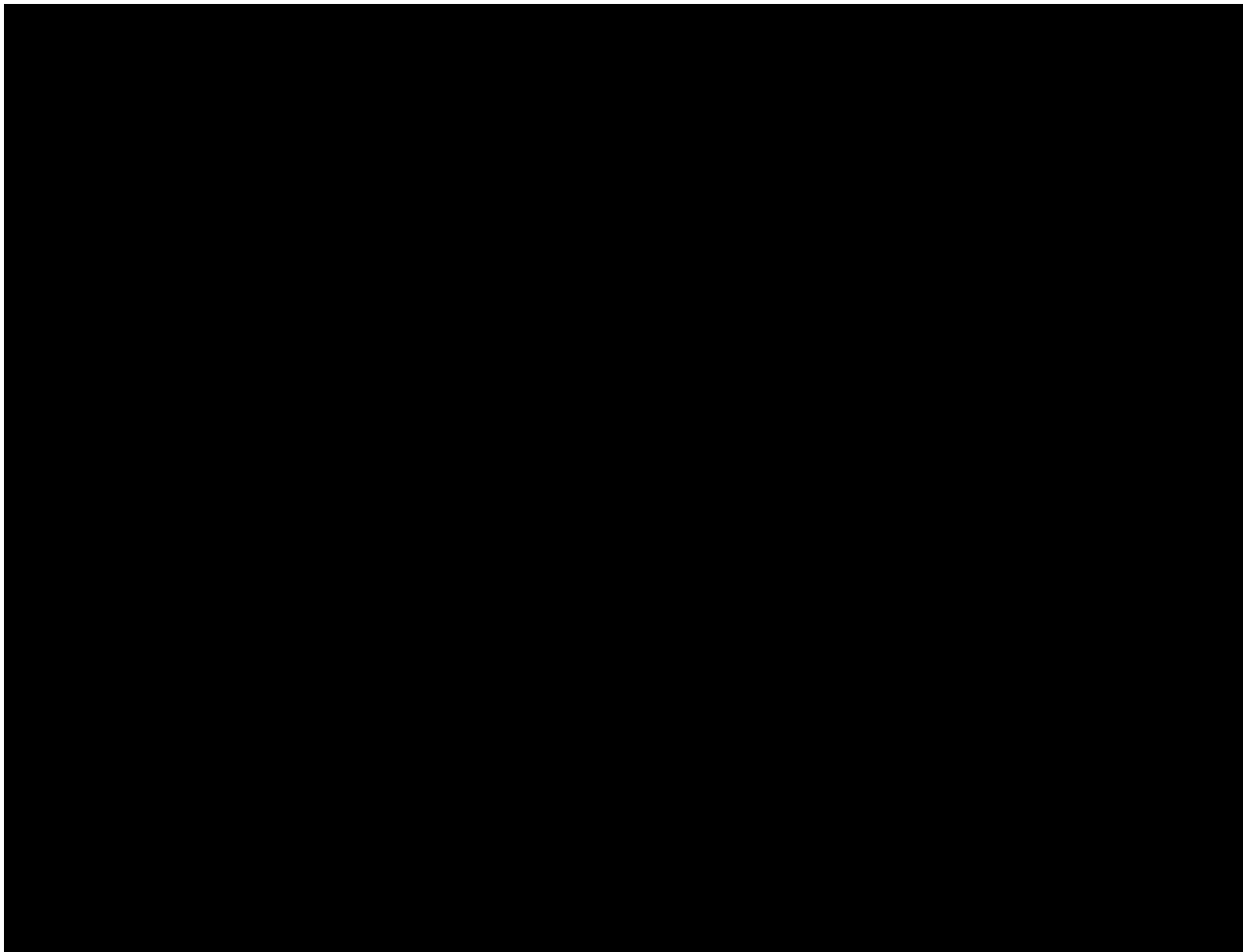
Ry Rivard from the Voice of San Diego was interested in votes that were changed by the Governor's phone calls...any recommendations of Directors I should refer to him?

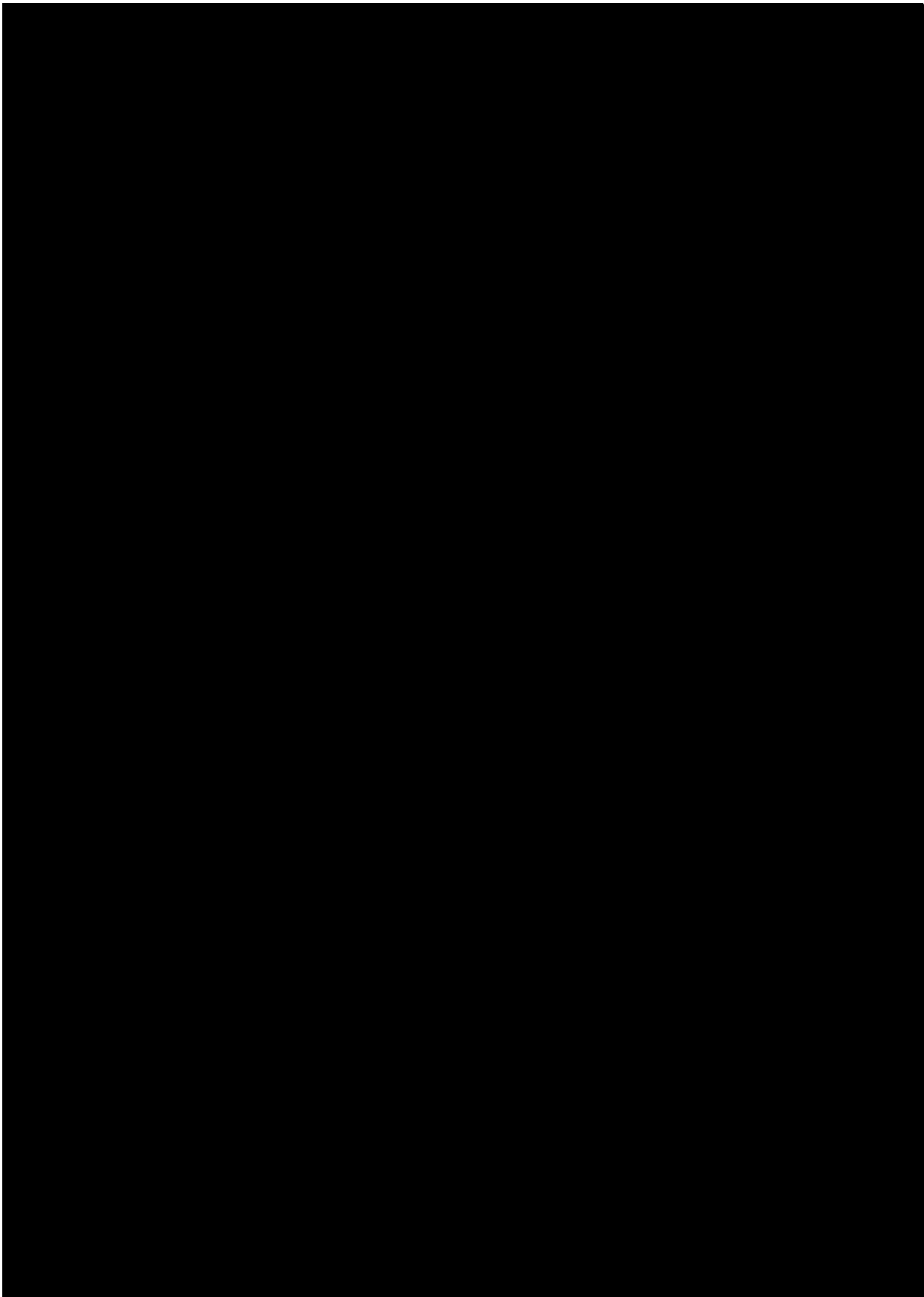
10:32 AM

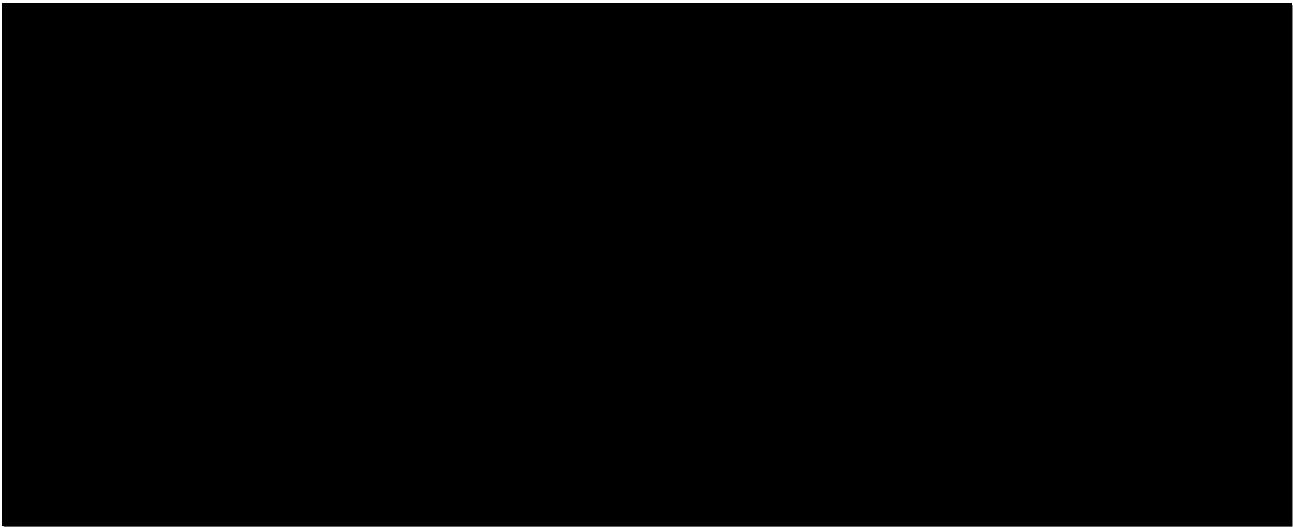
BRETT BARBRE

<https://www.voiceofsandiego.org/topics/government/tunnel-vision-what-the-big-water-vote-means/>

10:32 AM







Timeline – Full Facility Vote

- February 8, 2018:** **MWDOC-Inland Empire Caucus** – Barbre asks whether MWD would be able to provide the funding of the federal portion of the CA Water Fix – “Be the ‘Goldman Sachs’ for the CVP contractors.” Gary Breaux, CFO of MWD, responds that we can afford to do that...Jeff Kightlinger, General Manager of MWD, says he needs Board direction.
- February 9, 2018:** **Phone Call** - Barbre phones Calleguas Director Steve Blois to discuss strategies to give Board direction to staff regarding MWD providing the financing for the CVP share of the CA Water Fix. The decision is made to have Rich Atwater, who is Vice Chair of the Water Planning & Stewardship Committee, raise the issue and have Blois and Barbre back him up. Blois agrees to call Atwater.
- February 12, 2018** **MWD Water Planning & Stewardship Committee** – Vice Chair Atwater inquires of staff what it would take to provide the financing for the CVP share of the CA Water Fix. Barbre & Blois support idea; staff announces they will work on issue.
- February 13, 2018:** **Sacramento Bee Article** – “A ‘water grab’? Southern California Water Agency eyes possible control of Delta tunnels project” is published.
- February 14, 2018:** **KPCC article/interview** – “5 things to know about the plan to ship water to Southern California” appears in print and over KPCC 89.3 NPR radio.
- March 27, 2018:** **MWD Board Workshop** – MWD staff outlines maximum financial exposure for MWD ratepayers for the original CA Water Fix concept; for the Phased Approach; and for MWD financing the unsubscribed share of the CVP portion of the CA Water Fix. Staff explains the contracts and agreements with the Governor and the Department of Water Resources; the financing concept for the CVP contractors; and the benefits for MWD should they shoulder the entire burden absent CVP participation and how MWD would wheel/sell capacity in the tunnels.
- April 2, 2018:** **Phone Call** - Jeff Kightlinger, General Manager of MWD, phones Barbre to inform him that a deal could not be reached...phased approach will be the staff recommendation...discuss the possibility of an off-ramp two years from now should a deal with CVP contractors.
- Phone Call** – Barbre calls Blois to discuss...Barbre believes there are enough Directors who would like two options to be offered at the April 10th Board meeting in lieu of just the phased approach. Barbre agrees to build a list to keep track of support as we hear about sentiments from various caucuses/Directors.
- Follow-up from Kightlinger** – State prefers the phased approach...concern that with off-ramp, future Governor may utilize off-ramp to stop the project...Barbre expresses belief that “phased approach” would not survive judicial scrutiny and with any new required studies, they would not be completed within the time

parameters of the Brown Administration. Frustration expressed by Barbre that Westlands killed both tunnels with their lack of vision & leadership and that MWD staff "...threw in the towel..." on twin tunnels. Kightlinger responds that it is too much risk for staff to recommend moving forward on both tunnels without financial certainty from CVP partners.

Sacramento Bee Article – LA Director Mark Gold gleefully sends MWD Board memo declaring staff will recommend phased approach to the SAC BEE and claims the twin tunnels will never happen.

Support for requesting staff to offer two options, not just phased approach, at April 10th Board Meeting: 7.90%.

April 3, 2018:

Phone Calls – Barbre chats with Record, Camacho, Cordero, Galleano, Beard and Gedney. Record wants to make sure we have fall-back position (phased approach) should there not be sufficient support to approve full facility action. Camacho, Cordero and Beard are comfortable with MWD offering both options at Board Meeting. Galleano didn't want to jeopardize phased approach and mentioned his Board would be meeting the next evening to give direction.

Phone Calls – Blois chats with Gray, Trevino, and Pressman. All would prefer both options being offered. Peterson, Atwater and Morris don't want to go against Chairman Record and General Manager Kightlinger.

Request for two Options to be offered at April 10th Board Meeting: 28.46%.

April 4, 2018

MWDOC Board Meeting – MWDOC Board unanimously approves resolution calling for Twin Tunnels (full facility) option to be offered at Board Meeting. Resolution released to MWDOC electronic mailing list and press list. MWDOC-MWD Directors publically announce support for full facility approach. MWDOC-MWD delegation Dean Larry Dick makes formal request of MWD staff to offer two options at the April 10th Board Meeting.

Western MWD Board Meeting – Barbre and MWD Chairman Record attend Board meeting of the Western Municipal Water District. The Western MWD Board unanimously voices support for the full facility option. Galleano announces support of the full facility option and thanks MWDOC for the resolution calling for twin tunnels.

Phone Calls - Barbre chats with Director DeJesus; who expresses concerns about offering both options. He will ask questions at Caucus on Thursday. Faessel is concerned about cost; will ask questions at Caucus on Thursday.

Phone Calls – Blois hears back, based on MWDOC resolution, that Peterson, Atwater and Morris are comfortable with offering two options at the April 10th Board Meeting.

Request for two Options to be offered at April 10th Board Meeting: 46.69%.

April 5, 2018

MWDOC-Inland Empire Caucus – Director DeJesus announces his support of both options being offered at the April 10th Board Meeting. He asks questions about benefits to MWD; announces he supports the full facility option. Director Faessel announces his support of both options being offered but will be meeting with the Mayor of Anaheim later in the day to obtain permission to support the full facility option.

Phone Call – Barbre chats with Faessel; Faessel says the Mayor has given his blessing for full facility option.

MWDOC Elected Officials Meeting – Director Dick informs Barbre that he received phone call from Torrance Director LeFevre, thanking MWDOC for taking the lead on the full facility approach.

Projected support for two tunnels at April 10th Board Meeting: 51.67%.

April 6, 2018

MWD – Staff releases Board Letter and offers two options: Option 1, which is the Staff Recommendation, is the Phased Approach; Option 2 is the Full Facility Option.

April 9, 2018

Governor Brown begins making phone calls to Central Basin MWD Board Members in advance of 2:00 pm Board Meeting. The Governor also places calls to elected and appointed officials associated with the City of Pasadena, the City of Burbank, and the City of Glendale. Finally, the Governor releases his letter of support for the twin tunnel option

Central Basin MWD Board Meeting – Barbre and Blois attend public meeting and both speak in favor of full facility option. Board votes 5-1 to direct their two MWD Directors to support the full facility option.

Projected support for two tunnels at April 10th Board Meeting: 58.64%.

April 10, 2018

MWD Board Meeting – MWD Board of Directors votes **60.83%** in favor of Option 2, the Full Facility Option.

.

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Monday, April 02, 2018 7:24 PM
To: sblois@verizon.net
Subject: Fwd: Counts
Attachments: MWD Twin Tunnels Support Efforts.pdf; ATT00001.htm; MWD Twin Tunnels Support Efforts.xlsx; ATT00002.htm

Steve:

See the attached...in both .pdf and .xlsx

Thanks.

BRETT

Sent from Brett's iPad Pro

Director	Agency	Vote	Phone	E-mail	✓
	SUPPORT				
Larry Dick	MWDOC	4.29%	213-446-8715	larrydick@att.net	
Linda Ackerman	MWDOC	4.29%	916-612-9263	lindaackerman@cox.net	
Brett R. Barbre	MWDOC	4.29%	714-396-1350	brbarbre@msn.com	
Larry McKenney	MWDOC	4.29%	949-697-8604	director.mckenney@gmail.com	
Gloria Gray	West Basin MWD	3.42%	310-922-0117	mwdggray@gmail.com	
Harold Williams	West Basin MWD	3.42%			
Michael Camacho	Inland Empire Utilities Agency	3.80%	626-422-4500	dircamacho@gmail.com	
Charles Trevino	Upper San Gabriel Basin MWD	3.62%	626-316-9211	dirtrevino@gmail.com	
Steve Blois	Calleguas MWD	3.61%	805-732-0005	sblois@verizon.net	
Don Galleano	Western MWD	3.60%	909-816-7915	donald@galleanowinery.com	
Randy Record	Eastern MWD	2.69%	951-741-8456	dirrecord@gmail.com	
David DeJesus	Three Valleys MWD	2.39%	213-422-3787	ddejesus@mwdh2o.com	
Stephen Faessel	Anaheim	1.58%	714-271-2864	dirfaessel@gmail.com	
Gloria Cordero	Long Beach	1.75%	562-201-0165	dircordero@gmail.com	
Russell LeFevre	Torrance	1.01%	310-944-2728	r.lefevre@ieee.org	
Michele Martinez	Santa Ana	0.92%	714-673-7422	councilwomanmartinez@gmail.com	
Glen Peterson	Las Virgenes MWD	0.89%	213-453-1969	glenpsop@icloud.com	
Peter Beard	Fullerton	0.69%	714-600-1132	dirbeard@gmail.com	
Rich Atwater	Foothill MWD	0.64%	818-219-8648	atwater.richard@gmail.com	
John Morris	San Marino	0.23%	213-446-8716	morriswater@earthlink.net	
		51.42%			
	LEAN SUPPORT				
Bill Gedney	Central Basin MWD	2.54%	951-315-6083	WCGedney@gswater.com	
Barry Pressman	Beverly Hills	1.17%	310-423-3719	barry.pressman@cshs.org	
Cynthia Kurtz	Pasadena	1.05%	626-253-2149	dirkurtz@gmail.com	
Marsha Ramos	Burbank	0.84%	818-612-1029	dir.mramos@gmail.com	
		5.60%			

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Tuesday, April 03, 2018 8:49 AM
To: Steve Blois
Subject: Re: Chat Today

11:00?

Sent from Brett's iPhone 8P

> On Apr 3, 2018, at 8:46 AM, Steve Blois <sblois@verizon.net> wrote:

>

> ASAP!

>

> -----Original Message-----

> From: Brett R. Barbre [mailto:brbarbre@msn.com]

> Sent: Tuesday, April 3, 2018 8:20 AM

> To: sblois@verizon.net

> Subject: Chat Today

>

> Let's get on the phone and divvy up the calls...what time works for you?

>

> Sent from Brett's iPad Pro

>

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Tuesday, April 03, 2018 9:10 AM
To: Steve Blois
Subject: Re: Chat Today

You received the list?

Sent from Brett's iPhone 8P

> On Apr 3, 2018, at 8:51 AM, Steve Blois <sblois@verizon.net> wrote:

>

> Ok.

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Wednesday, April 04, 2018 10:26 AM
To: Steve Blois
Subject: Re: Calls

Randy and Jeff are not opposed to two tunnels...

Sent from Brett's iPad Pro

> On Apr 4, 2018, at 10:25 AM, Steve Blois <sblois@verizon.net> wrote:

>

> YES

> Gray

> Williams

> Trevino

>

> LEFT MESSAGE

> Atwater

> Morris

> Pressman

> Kurtz

> Ramos

>

> COULDN'T TALK, WILL CALL BACK LATER

> Lefevre

>

> BAD IDEA

> Peterson (says he'd vote for it, but thinks it's a bad idea to go against Randy & Jeff; farmers will come to their senses eventually, meanwhile, move ahead without them)

>

> Steve

>

> The information contained in this message is proprietary and/or confidential. If you are not the intended recipient, please (i) delete the message and all copies, (ii) do not disclose or use the message in any manner, and (iii) notify the sender immediately.

> ♻️please consider the environment before printing this email

>

>

>

>

> -----Original Message-----

> From: Brett R. Barbre [mailto:brbarbre@msn.com]

> Sent: Tuesday, April 3, 2018 4:02 PM

> To: sblois@verizon.net

> Subject: Calls

>

> YES

> Camacho

> Beard

>

> LEFT MESSAGE

> DeJesus

> Cordero

> Martinez

> Gedney

>

> CONCERNED WITH PRICE

> Galleano (Western Board Meeting tomorrow...I will attend...spoke with Tom Evans) Faessel (intrigued by 2 tunnels; concerned about rate impacts)

>

>

>

>

> Sent from Brett's iPad Pro=

>

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Wednesday, April 04, 2018 10:40 AM
To: Steve Blois
Subject: Re: Calls

Jeff said he would call him...

Sent from Brett's iPad Pro

> On Apr 4, 2018, at 10:37 AM, Steve Blois <sblois@verizon.net> wrote:

>

> Glen is being Glen!

>

> -----Original Message-----

> From: Brett R. Barbre [mailto:BRBARBRE@msn.com]

> Sent: Wednesday, April 4, 2018 10:26 AM

> To: Steve Blois <sblois@verizon.net>

> Subject: Re: Calls

>

> Randy and Jeff are not opposed to two tunnels...

>

> Sent from Brett's iPad Pro

>

>> On Apr 4, 2018, at 10:25 AM, Steve Blois <sblois@verizon.net> wrote:

>>

>> YES

>> Gray

>> Williams

>> Trevino

>>

>> LEFT MESSAGE

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>> Steve

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>> ♻️ please consider the environment before printing this email

>>

>>

>>

>>

>> -----Original Message-----

>> From: Brett R. Barbre [mailto:brbarbre@msn.com]

>> Sent: Tuesday, April 3, 2018 4:02 PM

>> To: sblois@verizon.net

>> Subject: Calls

>>

>> YES

>> Camacho

>> Beard

>>

>> LEFT MESSAGE

>> DeJesus

>> Cordero

>> Martinez

>> Gedney

>>

>> CONCERNED WITH PRICE

>> Galleano (Western Board Meeting tomorrow...I will attend...spoke with Tom Evans) Faessel (intrigued by 2 tunnels; concerned about rate impacts)

>>

>>

>>

>>

>> Sent from Brett's iPad Pro=

>>

>

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Wednesday, April 04, 2018 10:44 AM
To: Steve Blois
Subject: Re: Calls

He is also going to have the Governor make calls...let me know who you think he should call...we have the following:

Leticia Vasquez - Central Basin
Marsha Ramos - Burbank
Steve Faessel - Anaheim
Michele Martinez - Santa Ana
Cynthia Kurtz - Pasadena

Sent from Brett's iPad Pro

> On Apr 4, 2018, at 10:37 AM, Steve Blois <sblois@verizon.net> wrote:

>

> Glen is being Glen!

>

> -----Original Message-----

> From: Brett R. Barbre [mailto:BRBARBRE@msn.com]

> Sent: Wednesday, April 4, 2018 10:26 AM

> To: Steve Blois <sblois@verizon.net>

> Subject: Re: Calls

>

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>>

>> YES

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>> Williams

>> Trevino

>>

>> LEFT MESSAGE

>> Atwater

>> Morris

>> Pressman

>> Kurtz

>> Ramos

>>

>> COULDN'T TALK, WILL CALL BACK LATER

>> Lefevre

>>
>> BAD IDEA
>> Peterson (says he'd vote for it, but thinks it's a bad idea to go against Randy & Jeff; farmers will come to their senses eventually, meanwhile, move ahead without them)
>>
>> Steve
>>
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>> ♻️please consider the environment before printing this email
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>>
>>
>> -----Original Message-----
>> From: Brett R. Barbre [mailto:brbarbre@msn.com]
>> Sent: Tuesday, April 3, 2018 4:02 PM
>> To: sblois@verizon.net
>> Subject: Calls
>>
>> YES
>> Camacho
>> Beard
>>
>> LEFT MESSAGE
>> DeJesus
>> Cordero
>> Martinez
>> Gedney
>>
>> CONCERNED WITH PRICE
>> Galleano (Western Board Meeting tomorrow...I will attend...spoke with Tom Evans) Faessel (intrigued by 2 tunnels; concerned about rate impacts)
>>
>>
>>
>>
>> Sent from Brett's iPad Pro=
>>
>

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Wednesday, April 04, 2018 6:34 PM
To: sblois@verizon.net
Subject: Western

Galleano has authority to vote for the twin tunnels...we are almost there...BB

Sent from Brett's iPhone 8P=

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Wednesday, April 04, 2018 8:04 PM
To: sblois@verizon.net
Subject: Vote Count

According to my VERY conservative vote count, we now stand at 50.1 YES.

MWDOC - 17.15
West Basin - 6.85
IEUA - 3.80
Upper San Gabriel - 3.62
Calleguas - 3.61
Western - 3.60
Eastern - 2.69
Three Valleys - 2.39
Long Beach - 1.75
Beverly Hills - 1.17
Pasadena - 1.05
Las Virgenes - 0.89
Fullerton - 0.69
Foothill - 0.64
San Marino - 0.23

Did not include the following who should be there:

Gedney from West Basin - 2.54
Faessel from Anaheim - 1.58
Sinanyan from Glendale - 1.10
LeFevre from Torrance - 1.01
Martinez from Santa Ana - 0.92
Ramos from Burbank - 0.84

Sent from Brett's iPad Pro

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Thursday, April 05, 2018 8:11 AM
To: sblois@verizon.net
Subject: Emailing MWD Twin Tunnels Support Efforts - 04-05-18.pdf
Attachments: MWD Twin Tunnels Support Efforts - 04-05-18.pdf; ATT00001.txt

I think the list below is good...slim margin but let's keep working on the rest...BB

Director	Agency	Vote	Phone	E-mail	✓
	SUPPORT				
Larry Dick	MWDOC	4.29%	213-446-8715	larrydick@att.net	YES
Linda Ackerman	MWDOC	4.29%	916-612-9263	lindaackerman@cox.net	YES
Brett R. Barbre	MWDOC	4.29%	714-396-1350	brbarbre@msn.com	YES
Larry McKenney	MWDOC	4.29%	949-697-8604	director.mckenney@gmail.com	YES
Gloria Gray	West Basin MWD	3.42%	310-922-0117	mwdggray@gmail.com	YES
Harold Williams	West Basin MWD	3.42%			YES
Michael Camacho	Inland Empire Utilities Agency	3.80%	626-422-4500	dircamacho@gmail.com	YES
Charles Trevino	Upper San Gabriel Basin MWD	3.62%	626-316-9211	dirtrevino@gmail.com	YES
Steve Blois	Calleguas MWD	3.61%	805-732-0005	sblois@verizon.net	YES
Don Galleano	Western MWD	3.60%	909-816-7915	donald@galleanowinery.com	YES
Randy Record	Eastern MWD	2.69%	951-741-8456	dirrecord@gmail.com	YES
David DeJesus	Three Valleys MWD	2.39%	213-422-3787	ddejesus@mwdh2o.com	YES
Gloria Cordero	Long Beach	1.75%	562-201-0165	dircordero@gmail.com	YES
Barry Pressman	Beverly Hills	1.17%	310-423-3719	barry.pressman@cshs.org	YES
Cynthia Kurtz	Pasadena	1.05%	626-253-2149	dirkurtz@gmail.com	YES
Glen Peterson	Las Virgenes MWD	0.89%	213-453-1969	glenpsop@icloud.com	YES
Peter Beard	Fullerton	0.69%	714-600-1132	dirbeard@gmail.com	YES
Rich Atwater	Foothill MWD	0.64%	818-219-8648	atwater.richard@gmail.com	YES
John Morris	San Marino	0.23%	213-446-8716	morriswater@earthlink.net	YES
		50.13%			
	MAY SUPPORT				
Bill Gedney	Central Basin MWD	2.54%	951-315-6083	WCGedney@gswater.com	YES*
Stephen Faessel	Anaheim	1.58%	714-271-2864	dirfaessel@gmail.com	OPEN
Russell LeFevre	Torrance	1.01%	310-944-2728	r.lefevre@ieee.org	
Michele Martinez	Santa Ana	0.92%	714-673-7422	councilwomanmartinez@gmail.com	msg
Marsha Ramos	Burbank	0.84%	818-612-1029	dir.mramos@gmail.com	
		6.89%			

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Thursday, April 05, 2018 8:26 AM
To: Steve Blois
Subject: Re: Emailing MWD Twin Tunnels Support Efforts - 04-05-18.pdf

Jeff seemed to think she was ok...

Sent from Brett's iPad Pro

> On Apr 5, 2018, at 8:25 AM, Steve Blois <sblois@verizon.net> wrote:

>

> Talking with Cynthia, who's down in the desert. She needs to get "permission" from her council for the twin tunnels option. She is unaware of the latest effort to get another ballot option for 2 tunnels. She's calling right back.

> Steve

>

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>  please consider the environment before printing this email

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> -----Original Message-----

> From: Brett R. Barbre [mailto:brbarbre@msn.com]

> Sent: Thursday, April 5, 2018 8:11 AM

> To: sblois@verizon.net

> Subject: Emailing MWD Twin Tunnels Support Efforts - 04-05-18.pdf

>

> I think the list below is good...slim margin but let's keep working on the rest...BB

>

>

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Thursday, April 05, 2018 8:37 AM
To: Steve Blois
Subject: Re: Emailing MWD Twin Tunnels Support Efforts - 04-05-18.pdf

I will remove her for the time being...maybe it will encourage Faessel to grow a pair...

Sent from Brett's iPad Pro

> On Apr 5, 2018, at 8:30 AM, Steve Blois <sblois@verizon.net> wrote:

>

> She is, but still needs her council's permission evidently.

>

> Steve

>

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> Sent: Thursday, April 5, 2018 8:26 AM

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> Subject: Re: Emailing MWD Twin Tunnels Support Efforts - 04-05-18.pdf

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>> From: Brett R. Barbre [mailto:brbarbre@msn.com]

>> Sent: Thursday, April 5, 2018 8:11 AM

>> To: sblois@verizon.net

>> Subject: Emailing MWD Twin Tunnels Support Efforts - 04-05-18.pdf

>>

>> I think the list below is good...slim margin but let's keep working on the rest...BB

>>

>>

>

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Thursday, April 05, 2018 9:16 AM
To: sblois@verizon.net
Subject: Emailing MWD Twin Tunnels Support Efforts - v2 - 04-05-18.pdf
Attachments: MWD Twin Tunnels Support Efforts - v2 - 04-05-18.pdf; ATT00001.txt

UPDATED list...will update again after caucus today...BB

Director	Agency	Vote	Phone	E-mail	✓
	SUPPORT				
Larry Dick	MWDOC	4.29%	213-446-8715	larrydick@att.net	YES
Linda Ackerman	MWDOC	4.29%	916-612-9263	lindaackerman@cox.net	YES
Brett R. Barbre	MWDOC	4.29%	714-396-1350	brbarbre@msn.com	YES
Larry McKenney	MWDOC	4.29%	949-697-8604	director.mckenney@gmail.com	YES
Gloria Gray	West Basin MWD	3.42%	310-922-0117	mwdggray@gmail.com	YES
Harold Williams	West Basin MWD	3.42%			YES
Michael Camacho	Inland Empire Utilities Agency	3.80%	626-422-4500	dircamacho@gmail.com	YES
Charles Trevino	Upper San Gabriel Basin MWD	3.62%	626-316-9211	dirtrevino@gmail.com	YES
Steve Blois	Calleguas MWD	3.61%	805-732-0005	sblois@verizon.net	YES
Don Galleano	Western MWD	3.60%	909-816-7915	donald@galleanowinery.com	YES
Randy Record	Eastern MWD	2.69%	951-741-8456	dirrecord@gmail.com	YES
David DeJesus	Three Valleys MWD	2.39%	213-422-3787	ddejesus@mwdh2o.com	YES
Gloria Cordero	Long Beach	1.75%	562-201-0165	dircordero@gmail.com	YES
Barry Pressman	Beverly Hills	1.17%	310-423-3719	barry.pressman@cshs.org	YES
Glen Peterson	Las Virgenes MWD	0.89%	213-453-1969	glenpsop@icloud.com	YES
Peter Beard	Fullerton	0.69%	714-600-1132	dirbeard@gmail.com	YES
Rich Atwater	Foothill MWD	0.64%	818-219-8648	atwater.richard@gmail.com	YES
John Morris	San Marino	0.23%	213-446-8716	morriswater@earthlink.net	YES
		49.08%			
	MAY SUPPORT				
Bill Gedney	Central Basin MWD	2.54%	951-315-6083	WCGedney@gswater.com	OPEN
Stephen Faessel	Anaheim	1.58%	714-271-2864	dirfaessel@gmail.com	OPEN
Cynthia Kurtz	Pasadena	1.05%	626-253-2149	dirkurtz@gmail.com	OPEN
Russell LeFevre	Torrance	1.01%	310-944-2728	r.lefevre@ieee.org	OPEN
Michele Martinez	Santa Ana	0.92%	714-673-7422	councilwomanmartinez@gmail.com	OPEN
Marsha Ramos	Burbank	0.84%	818-612-1029	dir.mramos@gmail.com	OPEN
		7.94%			

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Monday, April 09, 2018 6:02 AM
To: sblois@verizon.net
Subject: Emailing Special CB Board Agenda 04-06-2018.pdf
Attachments: Special CB Board Agenda 04-06-2018.pdf; ATT00001.txt

Note the staff recommendation...to oppose the two tunnels now...



Central Basin
Municipal Water District

6252 Telegraph Road, Commerce, CA 90040

MEETING	TIME & DATE	LOCATION
Special Meeting of the Central Basin Municipal Water District Board of Directors	2:00 p.m. Monday April 9, 2018	Board Room 1st Floor

Board Agenda

1. Roll Call

- Invocation
- Pledge of Allegiance
- Certification by the Board Secretary to the Board of Directors that the Agenda was posted in Accordance with the Brown Act

2. Public Comment and Presentations –

(This time has been set aside for persons in the audience to make comments or inquiries on matters within the general subject matter jurisdiction of the Board of Directors (the "Board") that are not listed on this agenda. Although no person is required to provide their name and address as a condition to attending a Board meeting, persons who wish to address the Board are asked to state their name and address. Each speaker will be limited to three (3) continuous minutes. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons.

Except as otherwise provided under the Brown Act (Gov. Code section 54950 et seq.), the Board may not deliberate or take action upon any matter not listed on this posted agenda but may order that any such matter be placed on the agenda for a subsequent meeting. The Board may also direct staff to investigate certain matters for consideration at a future meeting.

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

ACTION CALENDAR

3. Discussion for Consideration to Adopt a Resolution in Support for the California WaterFix and Directing the Central Basin Representatives a Metropolitan to Express Support to Proceed with the First Stage of the Project

RECOMMENDED MOTION: That the Board:

1. Approves, adopts and authorizes the President to sign Resolution No. 04-18-943, "A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL BASIN MUNICIPAL WATER DISTRICT IN SUPPORT FOR THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA TO FUND ITS SHARE OF THE FIRST STAGE OF THE CALIFORNIA WATER FIX PROJECT";
2. Direct the Central Basin representatives of the Metropolitan Water District to take a support position to continue with Stage 1 of the project; and
3. Direct the Central Basin representatives of the Metropolitan Water District to take an oppose position to acquire the unsubscribed share including finance options to cover full project costs with Stage 2.

COMMENTS

4. General Counsel's Report

5. General Manager's Report on District Activities

6. Director's Comments

ADJOURNMENT.

NEXT REGULAR BOARD MEETING: MONDAY, APRIL 23, 2018 10:00 A.M.

Y:\CENTRALBASINBOARD\CENTRALBASINAGENDAS\2018\SPCB04092018

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the Central Basin Municipal Water District's ("District") Internet Web Site (www.centralbasin.org). These are also available for public review prior to a meeting in the Board Secretary's Office. Any public writings distributed to at least a majority of the Board regarding any items on this special meeting agenda will also be made available at the Board Secretary's Office at the District's headquarters located at 6252 Telegraph Road, Commerce, California, 90040-2512 – during normal business hours. In addition, the District may also post such documents on the District's Web Site at www.centralbasin.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the Board Secretary's Office at (323) 201-5527 at least 48 hours prior to the meeting.

Enforcement of Decorum: While members of the public are free to level criticism of District policies and the action(s) or proposed action(s) of the Board or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including, but not limited to, conduct that prevents other members of the public from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm.)



Central Basin

Municipal Water District

APRIL 2, 2018 - Water Resources
Gedney, Apodaca, Vasquez
APRIL 9, 2018 – Sp. Board Meeting
Prepared by: Kevin Wattier, P.E.
Submitted by: Tammy Hierlihy
Approved by: Kevin P. Hunt, P.E.

ACTION CALENDAR

DISCUSSION FOR CONSIDERATION TO ADOPT A RESOLUTION IN SUPPORT FOR
THE CALIFORNIA WATERFIX AND DIRECTING THE CENTRAL BASIN
REPRESENTATIVES AT METROPOLITAN TO EXPRESS SUPPORT TO PROCEED
WITH THE FIRST STAGE OF THE PROJECT

SUMMARY:

The California WaterFix (CWF) project is aimed at improving the State Water Project (SWP) by modernizing the system with new and improved infrastructure that would provide multiple benefits. Water supply for Southern California is dependent on 30% of supplies from the Sacramento-San Joaquin Delta, improvements along this water system will maintain reliable water supplies, improve water quality, and enhance climate change resiliency along with ecosystem improvements in the Delta.

In October 2017, the Metropolitan Water District Board of Directors voted to support participation in the CWF project of Metropolitan's share of 25.9% in the full project consisting of 9,000 cubic-feet per second (cfs). During that time, the CWF project gained broad support from contracting agencies along the SWP side, however, there was minimal support on the Central Valley Project (CVP) side under the U.S. Bureau of Reclamation. Metropolitan's share of the SWP contracting agencies is 47%. At that time, the total cost amounted to \$4.3B and 25.9% of the total cost of CWF project.

In February 2018, the State of California Department of Water Resources announced its intent to pursue implementation of this project in stages. Since this announcement, Metropolitan has explored feasibility options for increased investments to support construction of the project in its entirety. These options include allocation costs and benefits along with financing from additional agencies. More information on the staged implementation of the project is included with Exhibit "A".

This approach would include two stages. Stage 1 would be one tunnel with a 6,000 cfs capacity and Stage 2 would maximize the project with two tunnels at a 9,000 cfs capacity. As noted above, when this project was approved by Metropolitan in October, the total costs included \$16.7B to proceed with a 9,000 cfs project. Details of the staged approach are described below.

Stage 1 – 6,000 cfs

The first stage would involve construction and operation of two intakes with a total capacity of 6,000 cfs, one tunnel, one intermediate forebay and one pumping station. With funding

from the SWP contracting agencies, the Stage 1 capital cost for Metropolitan is \$5.3B as part of their 47% share of the SWP and their 31.6% share of the total cost of the CWF project. This now represents an overall increase of \$1B. Compared to Metropolitan's initial cost share approved last October, it has increased from 25.9% to 31.6%, to \$5.3B up from \$4.3B.

Stage 2 – 9,000 cfs

Should additional financing become available, the second stage would consist of a third intake with a total capacity of 3,000 cfs, a second tunnel and a second pumping station. Overall, Stage 2 would increase the total project capacity to 9,000 cfs (including 6,000 cfs from Stage 1). If other agencies make additional funding commitments as a result of Metropolitan's efforts to advance alternative financing mechanisms for the remaining unsubscribed portion and cover full project costs, the capital cost for Metropolitan is \$10.8B as part of their share of the SWP and 64.6% of the total cost of the CWF project.

An overall comparison of water supply for all contracting agencies show an improvement on average of 410,000 AF of supply for Metropolitan's share of 31.6%. Metropolitan would assume an increase in rates over a 15-year period according to the model that was approved in October. Attached as Exhibit "B", shows the approximate average household costs are still within the range of \$2.00 to \$3.00 per month. Anticipated cost increases for the CWF project have already been incorporated into Metropolitan's ten-year financial forecast.

In addition to continued water conservation efforts and local project improvements, the California WaterFix is the best long-term solution for upgrading the state's water system to ensure reliable water deliveries in the face of regulations, climate change and seismic risks. A summary of benefits are included as Exhibit "C". Staff recommends supporting Metropolitan's efforts to move forward with Stage 1 of the CWF proposed project, which is cost-effective and will provide greater reliability of water supplies. However, if Metropolitan proposes an option to acquire the unsubscribed share, staff does not recommend supporting this option at this time due to risks associated with increased debt service that could significantly increase rates in the future.

FISCAL IMPACTS:

This action will not impact to the District's Fiscal Year 2017-18 budget. If the proposed project advances, the costs would be charged to federal and state water contractors that rely on imported water.

PROCUREMENT PROCESS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

CBMWD Board Memorandum
April 9, 2018

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on April 2, 2018. The Committee suggested having Special Board meeting to seek direction from the Central Basin Board of Directors.

RECOMMENDED MOTION: That the Board:

1. Approves, adopts and authorizes the President to sign Resolution No. 04-18-943, "A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL BASIN MUNICIPAL WATER DISTRICT IN SUPPORT FOR THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA TO FUND ITS SHARE OF THE FIRST STAGE OF THE CALIFORNIA WATER FIX PROJECT";
2. Direct the Central Basin representatives of the Metropolitan Water District to take a support position to continue with Stage 1 of the project; and
3. Direct the Central Basin representatives of the Metropolitan Water District to take an oppose position to acquire the unsubscribed share including finance options to cover full project costs with Stage 2.

EXHIBITS:

Exhibit "A" - Project Staged Implementation

Exhibit "B" - Project Cost Allocation

Exhibit "C" - Project Operations

Exhibit "D" - Resolution No. 04-18-943

Y:\centralbasinboard\cbmwdmemos\2018\18apr017

MODERNIZING THE SYSTEM: CALIFORNIA WATERFIX – STAGED PROJECT IMPLEMENTATION

Overview

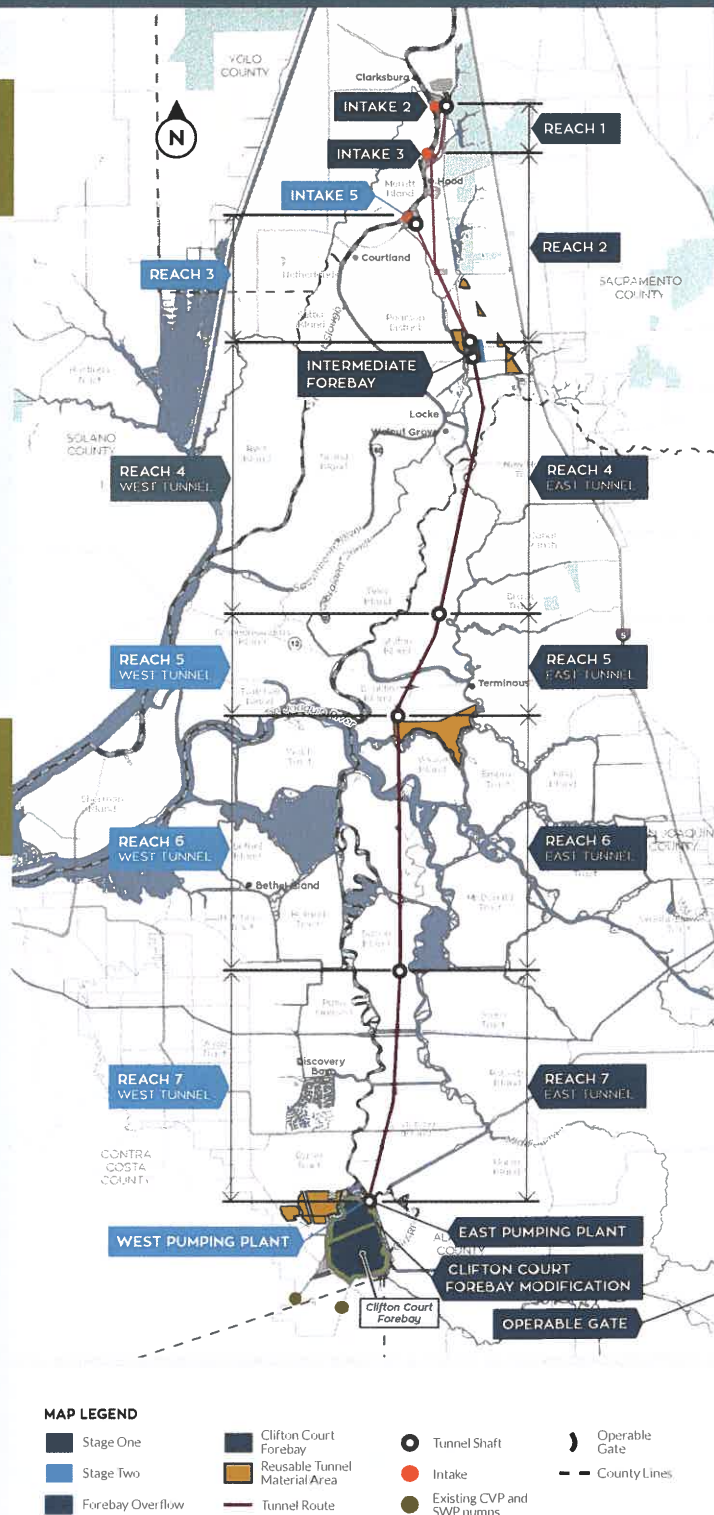
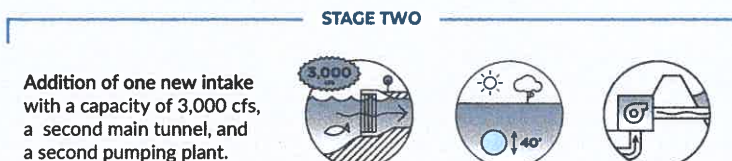
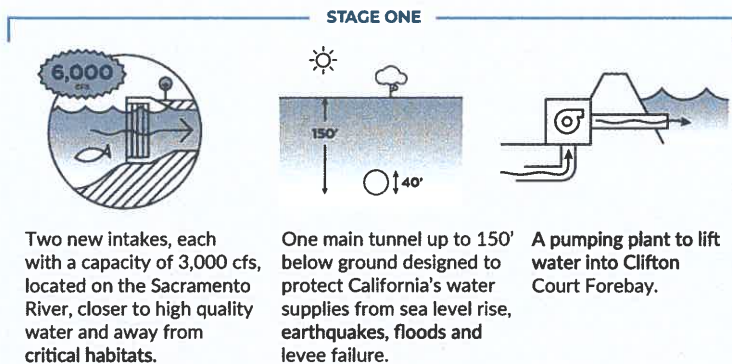


About 30 percent of the water that is used by Southern California homes and businesses flows through the Sacramento-San Joaquin Delta.

But aging infrastructure and the declining health of the Delta ecosystem threaten the reliable delivery of water supplies to Southern California and much of the state.

California WaterFix will improve the state's water system by constructing new, state-of-the-art facilities that can secure more reliable water supplies, improve water quality, respond to climate change risks and improve Delta ecosystem conditions.

Infrastructure Upgrades



Staged Project Implementation Plan



Metropolitan and other State Water Project contractors have expressed their support for the project. However, the majority of federal Central Valley Project contractors and U.S. Bureau of Reclamation officials have informed the state there are issues to be resolved before they can make a commitment to participate in the project.

The Brown Administration plans to implement construction of California WaterFix in stages, if necessary. The State Water Project contractors and Central Valley Project contractors that are prepared to invest at this time will proceed with the first stage to build two intake facilities and one tunnel. A third intake and second tunnel would follow in a later stage to eventually bring the project to its full capacity.

Project Benefits



SEISMIC RESILIENCY



PROTECT FISH



CLIMATE ADAPTATION



WATER RELIABILITY



RESTORE NATURAL FLOW PATTERNS



IMPROVED WATER QUALITY

Implementation Plan

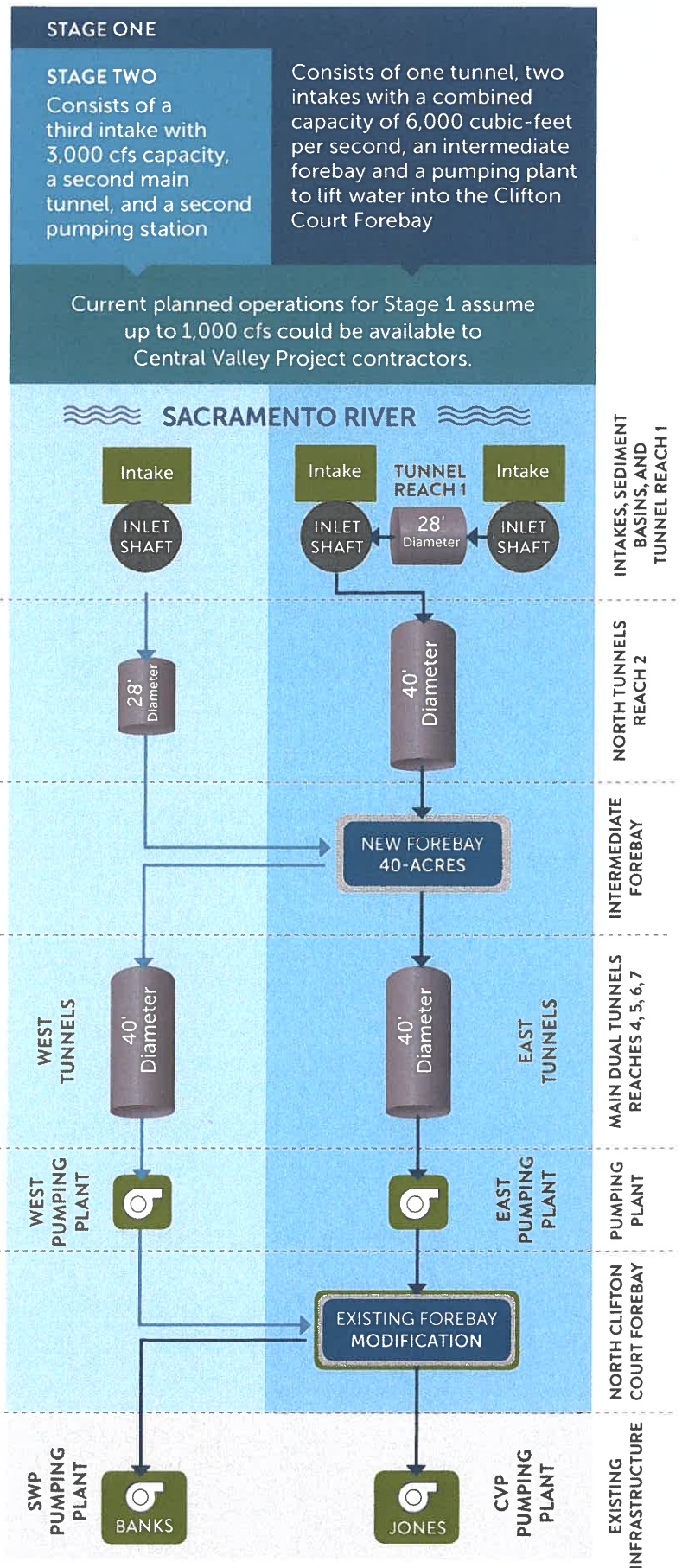


Chart courtesy CA Dept. of Water Resources

Project Cost



The estimated cost for the construction of Stage One is \$11.1 billion, about two-thirds the cost of the full project.

CAPITAL COSTS		
	FULL PROJECT	STAGE ONE
Environmental Mitigation	\$ 401 M	\$ 377 M
Conveyance System	\$ 16.33 B	\$ 10.7 B
Overall Cost	\$ 16.7 B	\$ 11.1 B

ANNUAL COSTS (CAPITAL AND O&M)	
State Water Project Share	\$526 M
Metropolitan Share	\$249 M
Metropolitan Rate Impact	1.1% ANNUAL INCREASE (over 15 years)



Approximate average household cost of California WaterFix within the MWD Service Area

STAGED PROJECT
LESS THAN **\$2.40**
PER MONTH

Assumes 4% interest rate, based on 6.2 million households and residential sector paying 70 percent of costs.

Anticipated cost increases for California WaterFix have been incorporated into Metropolitan's 10-year financial forecast. Annual costs reflect maximum share for the State Water Project and Metropolitan.

Metropolitan's Investment



Last fall, Metropolitan's Board of Directors voted by a 3-1 margin to support its 26% share of the full \$16.7 billion project representing an investment of \$4.3 billion. The estimated household impact was \$1.90 per month.

Metropolitan's estimated share of the first stage of the project is up to 47% or \$5.2 billion, with an approximate average increase in household cost in Metropolitan's service area of \$2.40 or less per month, depending on the level of participation by CVP contractors.

The increased investment for Metropolitan results in additional water supply benefits, estimated at about 70,000 acre-feet on average, enough for about 200,000 homes for a year.



SECURING CLEAN WATER SUPPLIES

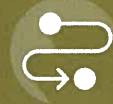
STAGE ONE **4.76 MILLION**

ACRE-FEET ON AVERAGE ANNUALLY

Enough to supply more than 11 million households with water for one year

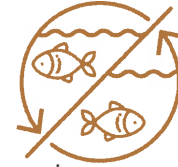
Source: CA Dept. of Water Resources

Staged Project Overview



	April 2018 Proposed MWD Board Action
Capacity	1 tunnel, 6,000 cubic-feet/second
Participant Composition	Full participation by SWP and some CVP contractors
Total Project Cost Percent/Cost of MWD Share	\$11.1 billion Up to 47% = \$5.2 billion or less, depending on the level of participation by CVP contractors
Additional Water Supply Reliability for MWD	~ 70,000 acre-feet (est.)

OPERATIONAL AND ENVIRONMENTAL BENEFITS



Reinstate a more natural direction of river flows in the south Delta, minimizing reverse flows.



Protect against saltwater intrusion.

Next Steps



Metropolitan's Board of Directors will be asked to express support to participate in the first stage of California WaterFix, authorize the General Manager to form the Joint Powers Authority for the design and construction of the project, negotiate water transfer agreements, and appropriate funding for the study, review, planning and other preconstruction capital costs.

The state will finalize work on the remaining permits and complete a supplemental environmental review so that work can begin on the project.

State and federal agencies will continue negotiations with CVP contractors to advance the second stage and complete the full 9,000-cfs twin tunnel project.



Safeguard against vulnerabilities that threaten water reliability such as earthquake risk and climate change.

ABOUT METROPOLITAN

The Metropolitan Water District of Southern California is a state-established cooperative of 26 member agencies – cities and public water agencies – that serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and helps its members develop increased water conservation, recycling, storage and other resource management programs.

OUR MISSION

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



@mwdh2o

www.mwdh2o.com

MODERNIZING THE SYSTEM:

CALIFORNIA WATERFIX FINANCE AND COST ALLOCATION

The third in a series of policy papers prepared for the consideration of Metropolitan's Board of Directors in advance of planned summer meetings and decisions in fall 2017.

Modernizing and improving California's water system is essential for the reliable delivery of water supplies to much of the state. About 30 percent of the water that flows out of taps in Southern California homes and businesses comes from Northern California watersheds and flows through the Sacramento-San Joaquin Delta. But the Delta's declining ecosystem and 1,100 miles of levees are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change and further environmental degradation. California WaterFix is the product of more than a decade of review, planning, rigorous scientific and environmental analysis and unprecedented public comment.

This white paper provides information about the costs of the project, including adjustments of capital, mitigation and O&M costs to 2017 dollars. The financing plan is presented with financial assumptions and a range of financing scenarios. The cost allocation information covers Metropolitan's anticipated financial commitment, an estimate of member agency wholesale rate impacts, and metrics to assess retail level impacts. Using this information and when compared to costs for other local supply alternatives, California WaterFix would provide a cost-effective supply for Southern California's water portfolio.



A Cost-Effective Approach to Reliability



- California WaterFix is a sound investment to maintain a reliable source of water for Southern California.
- The proposed project would provide measureable and quantifiable water supply and water quality benefits.
- Costs will be fairly allocated among participating agencies using the 'beneficiary pays' principle.
- Metropolitan will coordinate with the California Department of Water Resources (DWR) and the other state and federal water contractors to evaluate options to optimize financing and reduce costs while minimizing risks.

Cost Estimate and Cost Allocation

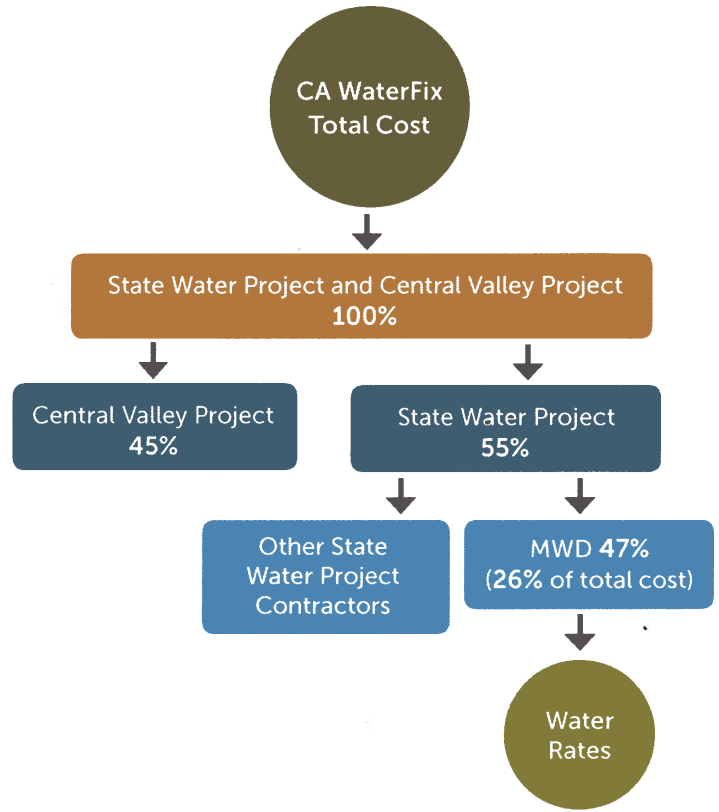


CAPITAL COSTS		
	2014 Dollars	2017 Dollars
Environmental Mitigation*	\$ 367 M	\$ 401 M
Conveyance System Cost	\$ 14.9 B	\$16.33 B
Overall Cost	\$ 15.3 B	\$ 16.7 B

*The mitigation costs for capital and O&M for 25 years equals \$796M in 2014 dollars or \$870M in 2017 dollars.

- Cost estimates were determined through a rigorous analysis by industry professionals and will be updated as additional information becomes available.
- Estimated costs for mitigation and associated environmental commitments are preliminary and will be revised as costs are refined.

CA WaterFix Cost Allocation



Costs and Financing Approach



Costs and financing considerations include the following:

- Planning, design, construction and other capital costs will be financed with revenue bonds beginning in mid-2019.
- A validation action has been filed by DWR to, among other things, provide the requisite assurance to the financial community for the sale of revenue bonds.
- Anticipated cost increases for California WaterFix have already been incorporated into Metropolitan’s ten-year Financial Forecast and are included as part of the long-term projected average 4.5% rate increases.



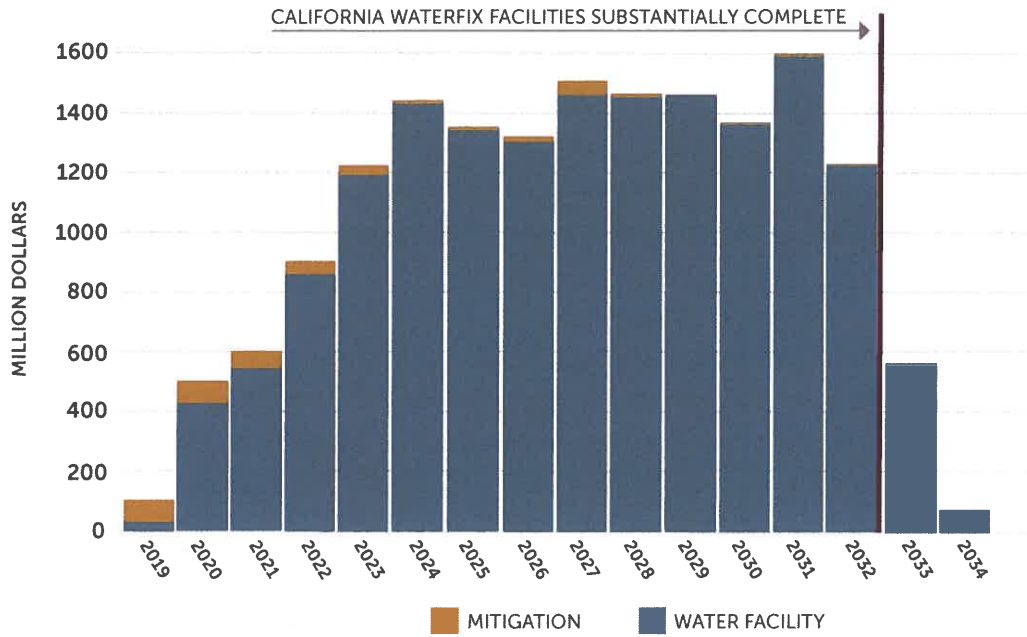
Approximate average household cost of California WaterFix within the MWD Service Area

\$2-3/PER MONTH

(BASED ON 6.2 MILLION HOUSEHOLDS AND RESIDENTIAL SECTOR PAYING 70 PERCENT OF COSTS)



ESTIMATED CASH FLOW FOR CAPITAL EXPENDITURES



Key Uncertainties And Mitigation Measures



FINANCING OPTIONS

In addition to revenue bonds, a range of other financing options will be evaluated to optimize financing and reduce costs, such as short-term borrowing and pursuing WIFIA (federal loan program) supplemental funding.



SWP CONTRACTOR DEFAULTS ON PAYMENTS

Mitigation is included in SWP delivery contracts, obligating contractors to make payments and if necessary compel contractor to levy taxes or assessments in the event of non-payment.



REIMBURSEMENT OF DIRECT CONTRACTOR FUNDING CONTRIBUTIONS

The first issuance of revenue bonds will include funds to reimburse contractor-provided gap funding and prior funding contributions for planning costs.



JUDICIAL DETERMINATION ON DWR AUTHORITY TO ISSUE BONDS

- Pending completion of the validation action, private placement bond sales with the Finance Joint Powers Authority (JPA) would allow funding for project implementation to proceed.
- If DWR does not have the authority, a process would be established leading to the potential conveyance of interest in the project to the Finance JPA or designee to proceed.



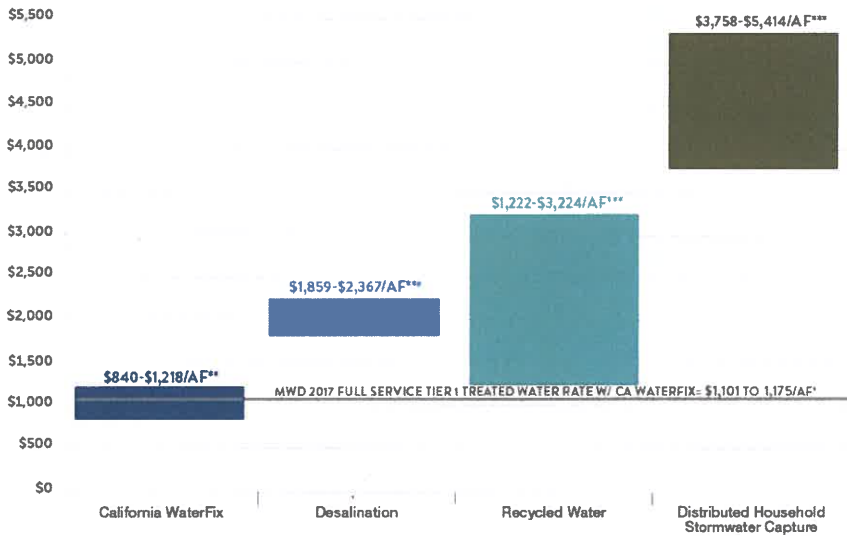
CVP CONTRACTOR PARTICIPATION

- DWR will not move forward with project implementation without the commitment of a sufficient number of SWP and CVP contractors.
- Discussions are ongoing concerning the risk of a participating CVP contractor defaulting during project implementation.

Ensuring Affordable, Reliable Water Supplies



California WaterFix vs. Alternative Supplies



* Based on Metropolitan's 2017 Full Service Tier 1 Treated Rate of \$979 plus WaterFix costs ranging from \$122/AF to \$196/AF.

** Illustrative marginal cost shown for California WaterFix when treated and conveyed to Metropolitan's service area so as to be directly comparable to the cost of alternatives. Based on 4%-8% interest rate scenarios in 2017 dollars, projected average supply improvement of 1.3 MAF/YR, and 2017/18 budgeted State Water Contract power costs of \$197/AF and variable treatment costs of \$30/AF

*** Range is based on the 25-75% percentiles of projected project costs as reported in the 2015 IRP (in 2015 dollars).

California WaterFix is the most cost-effective alternative

If we keep our existing imported water supply, made more reliable with California WaterFix, it would cost approximately \$2-3/mo. per average household in the Metropolitan service area.

If we tried to develop new local supplies to replace the imported water supply we would lose without California WaterFix, it would cost two or more times as much per average household in the Metropolitan service area.

JOBS AND ECONOMIC BENEFITS



SECURING CLEAN WATER SUPPLIES

4.7-5.3 MILLION
ACRE-FEET ON AVERAGE ANNUALLY
(Combined SWP and CVP)
Enough to supply 9-11 million households
with water for one year



CREATING & PROTECTING JOBS

1.1 MILLION
FULL-TIME EQUIVALENT JOBS CREATED
AND SAVED FOR CALIFORNIA
Based on a year-by-year estimate



SUPPORTING THE ECONOMY

\$1 TRILLION
SOUTHERN CALIFORNIA ECONOMY
DEPENDS ON DELTA-CONVEYED WATER

OUR MISSION

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

ABOUT METROPOLITAN

The Metropolitan Water District of Southern California is a state-established cooperative of 26 member agencies – cities and public water agencies – that serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and helps its members develop increased water conservation, recycling, storage and other resource management programs.

For a full version of the Finance and Cost Allocation Paper, visit mwdh2o.com/waterfix

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Cover photo courtesy CA Department of Water Resources

8/10/17



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MODERNIZING THE SYSTEM:

CALIFORNIA WATERFIX OPERATIONS

2

The second in a series of three policy papers prepared for the consideration of Metropolitan's Board of Directors in advance of planned summer meetings and decisions in fall 2017.

Modernizing and improving California's water system are essential for the reliable delivery of water supplies to much of the state. About 30 percent of the water that flows out of taps in Southern California homes and businesses comes from Northern California watersheds and flows through the Sacramento-San Joaquin Delta. But the Delta's declining ecosystem and 1,100 miles of levees are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change and further environmental degradation. California WaterFix is the product of more than a decade of review, planning, rigorous scientific and environmental analysis in collaboration with fishery agencies and an unprecedented level of public comment.

Extensive analysis and work has been performed by state and federal water agencies and fish and wildlife agencies to determine conveyance system improvements and an operations framework to improve the direction of river flows in ways that will help native fish species, protect water supplies from climate change impacts and help restore the Delta ecosystem. Details of the proposed operations are addressed in Metropolitan's second white paper and summarized below.



WaterFix Operations Objectives



California WaterFix proposes a strong operations plan based on sound, collaborative science and adaptive management to meet the following objectives:

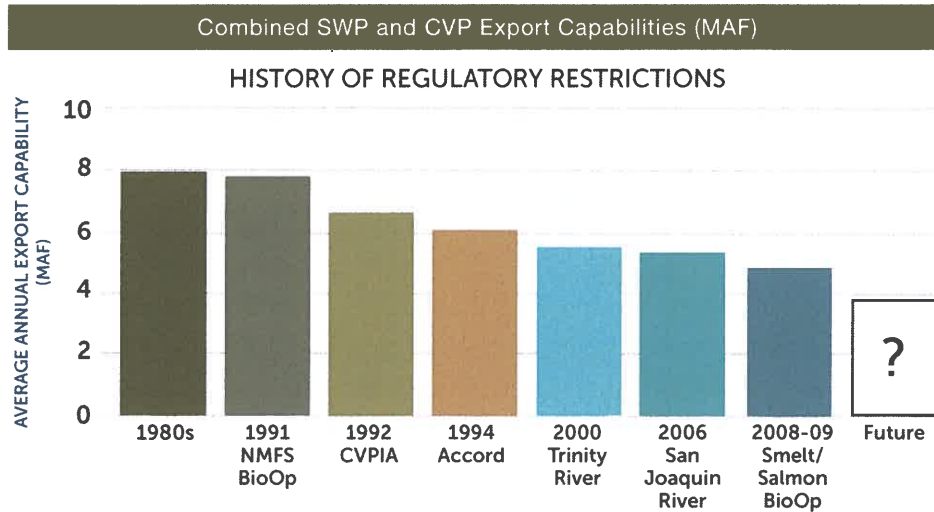
- Improve water supply reliability
- Enhance ecosystem fishery habitat throughout the Delta
- Allow flexible pumping operations in a dynamic fishery environment
- Improve export water quality
- Respond to climate change risks
- Reduce seismic risks



Regulatory Impacts



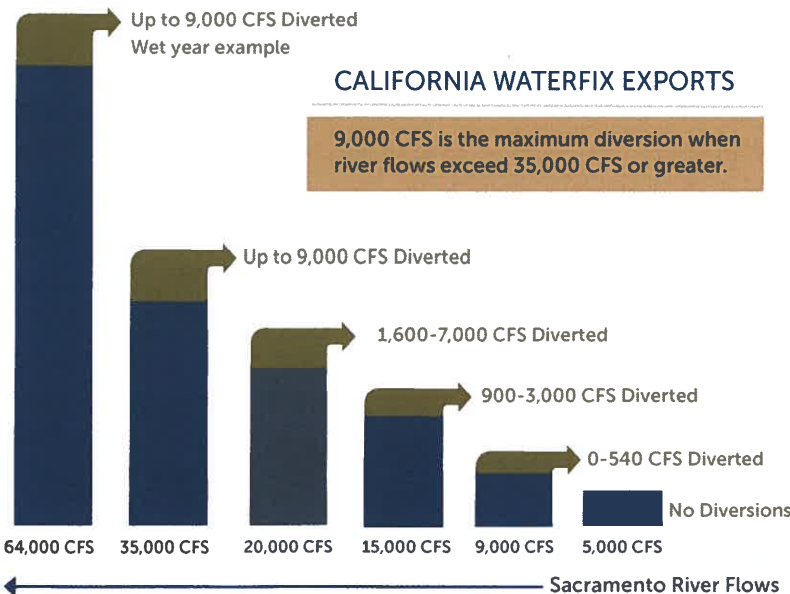
State Water Project and Central Valley Project operations have been, and continue to be, affected by regulations that seek to change flow regimes in the Delta by setting rules for outflow variables. This has decreased operational flexibility and reduced exports to 25 million Californians who receive water from the SWP and CVP south of the Delta and millions of acres of irrigated farmland.



Science-based Operations



As part of the California WaterFix planning process, extensive modeling and analysis has been done to evaluate the potential operational and water supply benefits and to determine the preferred project alternative that will advance the coequal goals of water supply reliability and protecting the Delta ecosystem. Creating a dual conveyance system with additional points of diversion for water exports in the Delta will improve river flow patterns, restore natural tidal fluctuations, reduce entrainment and improve habitat for native fish.



THE BAY-DELTA IS AN EVOLVING PLACE. UNCERTAINTY FROM CLIMATE CHANGE AND OTHER FACTORS WILL BE ADDRESSED BY CALIFORNIA WATERFIX THROUGH AN ADAPTIVE MANAGEMENT STRATEGY.

The most sensitive time of the year for Delta fisheries is December to June. Operations criteria would require a minimum Sacramento River flow before any water could be diverted at the north Delta intakes. The criteria also include biologically-based triggers to benefit fish species. A maximum possible diversion of 9,000 cfs is reached at river flows of 35,000 cfs or greater under the proposed operations.

Source: California WaterFix, State of California
CFS=cubic feet per second

Key Operational Benefits



California WaterFix is an environmentally responsible plan that improves water supply reliability and operational flexibility. Many supply and environmental benefits that have been incorporated into the proposed project operations will:

IMPROVE WATER SUPPLY RELIABILITY

New intakes in the north Delta would provide greater flexibility and reliability by capturing more water in wet and above-normal years. Predicted future water supply for SWP and CVP with California WaterFix would range from 4.7 to 5.3 million acre-feet.

PROTECT FLOWS IN THE DELTA

A more natural flow direction in the Delta during critical fish protection periods will increase water supply reliability and minimize reverse flows. North Delta diversions, fish screen designs, bypass flow criteria and real time operations will be managed to limit effects on listed fish species.

IMPROVE EXPORT AND IN-DELTA WATER QUALITY

With the new north Delta intakes, the quality of water for exports would improve. The project will also protect in-Delta agricultural water quality by maintaining standards and limiting north Delta diversions when river flows are low.

REDUCE CLIMATE CHANGE RISKS

The SWP and CVP pumps in the south Delta are vulnerable to increased salinity from rising sea levels. New northern intakes would greatly improve water quality under future changing conditions.

ADHERE TO INTEGRATED WATER RESOURCE PLAN

Improved water supply reliability would advance Metropolitan's 2015 Integrated Water Resources Plan Update strategy and leverage investments made to the regional storage portfolio over the past two decades.

MINIMIZE ADVERSE IMPACTS TO COMMUNITIES

The footprint, construction activities and proposed operations reflect numerous efforts to minimize adverse impacts to Delta communities and areas of sensitive habitat for fish and wildlife.

OPERATIONAL AND ENVIRONMENTAL BENEFITS

WATER DELIVERY FORECAST

PREDICTED FUTURE WATER SUPPLY FOR SWP/CVP

WITHOUT CALIFORNIA WATERFIX
3.5 TO 3.9 MILLION ACRE-FEET/YEAR*

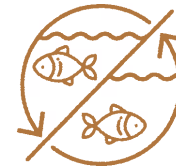
PREDICTED FUTURE WATER SUPPLY FOR SWP/CVP

WITH CALIFORNIA WATERFIX
4.7 TO 5.3 MILLION ACRE-FEET/YEAR**

Total SWP and CVP water deliveries

* Proposed w/o northern intake (existing conditions high outflow scenario)

** California WaterFix preferred alternative 4A H3-H4



Reinstate a more natural direction of river flows in the south Delta, minimizing reverse flows.



Protect against saltwater intrusion.



Safeguard against vulnerabilities that threaten water reliability such as earthquake risk and climate change.

Environmental Benefits



MITIGATION

The biological opinions and EIR/EIS for California WaterFix outline mitigation measures related to the construction and future operations of the project. Some of the benefits of the fishery habitat that will be created and restored include:

- Improved habitat conditions along important juvenile salmon migration routes
- Restored tidal and non-tidal wetlands, and native riparian forest habitat
- Increased food production, spawning and rearing areas

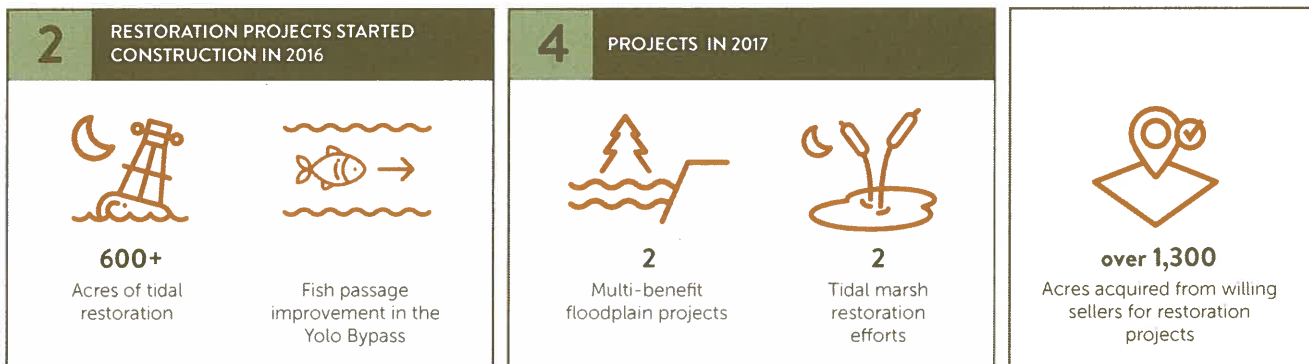
- Natural refuge from predators and changing climate conditions
- Improved connectivity between existing areas of natural habitat

These measures will enhance other state-sponsored programs to restore natural communities and ecological processes including California EcoRestore and the Delta Smelt and Sacramento Valley Salmon Resiliency Plans, both of which contain actions to improve the status of the species. Metropolitan is a strong proponent and active participant with the state on these programs.

CALIFORNIA ECORESTORE

California EcoRestore represents the state’s near-term effort to accelerate habitat restoration in the Delta. California EcoRestore is being developed in parallel to California WaterFix, but separate from the mitigation requirements of the project, to improve the long-term health of the Delta. EcoRestore seeks to advance at least 30,000 acres of habitat restoration including 3,500 acres of managed wetlands, at least 17,500 acres of floodplain restoration, 9,000 acres of tidal and sub-tidal habitat restoration and at least 1,000 acres of aquatic, riparian and upland habitat projects and multi-benefit flood management projects.

AFTER TWO YEARS IN OPERATION, CALIFORNIA ECORESTORE HAS MADE SIGNIFICANT PROGRESS:



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The Metropolitan Water District of Southern California is a state-established cooperative of 26 member agencies – cities and public water agencies – that serve nearly 19 million people in six counties. Metropolitan imports water from the Colorado River and Northern California to supplement local supplies and helps its members develop increased water conservation, recycling, storage and other resource management programs.

For a full version of the Operations Policy Paper, visit mwdh2o.com/waterfix

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7/20/17



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

EXHIBIT "D"

RESOLUTION NO.04-18-943

A RESOLUTION OF THE BOARD OF DIRECTORS OF CENTRAL BASIN MUNICIPAL WATER DISTRICT IN SUPPORT FOR THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA TO FUND ITS SHARE OF THE FIRST STAGE OF CALIFORNIA WATER FIX PROJECT

WHEREAS, about 30 percent of the water supply for Southern California comes from Northern California watersheds and flows through the Sacramento-San Joaquin Delta; and

WHEREAS, the Sacramento-San Joaquin Delta's declining ecosystem and 1,100 miles of levees are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change and further environmental degradation; and

WHEREAS, regulatory impacts have and continue to decrease operational flexibility and reduce water supply availability to 25 million Californians who receive water from the Delta; and

WHEREAS, California WaterFix is an environmentally responsible plan to improve water supply reliability and operational flexibility; and

WHEREAS, The State of California Department of Resources recently announced plans to implement construction of the California WaterFix project in two stages; and

WHEREAS, The first stage of the California WaterFix project is to build two intake facilities, one single tunnel, one intermediate forebay and one pump station with additional infrastructure to follow in a later stage; and

WHEREAS, The Metropolitan Water District's share of the first stage is 47% of the water supply benefit; and

NOW, THEREFORE, be it resolved, that the Central Basin MWD Board of Directors support the first stage of the California WaterFix project to achieve co-equal goals of water supply reliability and ecosystem restoration in a cost-effective manner.

PASSED, APPROVED AND ADOPTED on this 9th day of April 2018.

President

ATTEST:

Secretary
(SEAL)

Y:\centralbasinboard\cbresos\cb943

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Sunday, April 15, 2018 10:36 AM
To: 'Steve Blois'
Subject: RE: Daily Vote Count

I am planning to ask the Chairman to create a CA Water Fix Oversight Committee...it seems there should be one point of contact for all of the 3 JPA's being created to build the CA Water Fix...any thoughts? Of course I would like to serve on the Committee...also it is time for me to give up the CHAIR of F&I...term limits...

Brett R. Barbre, Director
Metropolitan Water District of Southern California
Representing the Municipal Water District of Orange County
P-714-396-1350
E-brbarbre@msn.com



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From: Steve Blois [mailto:sblois@verizon.net]
Sent: Saturday, April 14, 2018 8:42 AM
To: 'Brett R. Barbre'
Subject: RE: Daily Vote Count

Hi Brett,

The article also foreshadows our next battle: LA and SDCWA teaming up to try and defeat the effort before it begins. This effort will require our continuing diligence to keep it moving ahead.

Steve

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 please consider the environment before printing this email

From: Ry Rivard [mailto:Ry.Rivard@voiceofsandiego.org]
Sent: Friday, April 13, 2018 2:30 PM
To: Brett R. Barbre <brbarbre@msn.com>
Cc: sblois@verizon.net
Subject: RE: Daily Vote Count

Brett,

This is an amazing little document. The numbers show your all's work and tell the story so precisely and clearly.

Here's an item that touches on some of the governor's role, which posted a bit ago:

<https://www.voiceofsandiego.org/topics/government/sacramento-report-how-jerry-brown-helped-get-the-tunnels-deal-across-the-finish-line/>

I hope to eventually get more on how aggressive he was, but the governor's office didn't say much and I needed to file something today. But maybe for a longer piece or a book someday...

-Ry

From: Brett R. Barbre <brbarbre@msn.com>
Sent: Friday, April 13, 2018 11:46 AM
To: Ry Rivard <Ry.Rivard@voiceofsandiego.org>
Cc: sblois@verizon.net
Subject: Daily Vote Count

Ry:

Attached is the **HARD YES** count, as compiled at the end of each day, from April 2 through the victory...my numbers are off .01 from the MWD as my program rounds.

Please note that **Director Faessel** put us over 50% and **Director Martinez** put us over 60%. They are denoted in the respective colors.

Enjoy.

BRETT

p.s.- the big gains on MONDAY and TUESDAY are directly attributable to the Governor...Blois and I got the Board to 51.67% and the Governor got us over 60%.

[Brett R. Barbre, Director](#)
[Metropolitan Water District of Southern California](#)
[Representing the Municipal Water District of Orange County](#)
[P-714-396-1350](#)
[E-brbarbre@msn.com](mailto:brbarbre@msn.com)



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From: Brett R. Barbre <brbarbre@msn.com>
Sent: Sunday, April 15, 2018 3:10 PM
To: sblois@verizon.net
Subject: History of Vote
Attachments: Timeline - FEB to APR Victory.pdf

Steve:

Please review the attached for accuracy.

BB

Brett R. Barbre, Director
Metropolitan Water District of Southern California
Representing the Municipal Water District of Orange County
P-714-396-1350
E-brbarbre@msn.com



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Timeline – Full Facility Vote

- February 8, 2018:** **MWDOC-Inland Empire Caucus** – Barbre asks whether MWD would be able to provide the funding of the federal portion of the CA Water Fix – “Be the ‘Goldman Sachs’ for the CVP contractors.” Gary Breaux, CFO of MWD, responds that we can afford to do that...Jeff Kightlinger, General Manager of MWD, says he needs Board direction.
- February 9, 2018:** **Phone Call** - Barbre phones Calleguas Director Steve Blois to discuss strategies to give Board direction to staff regarding MWD providing the financing for the CVP share of the CA Water Fix. The decision is made to have Rich Atwater, who is Vice Chair of the Water Planning & Stewardship Committee, raise the issue and have Blois and Barbre back him up. Blois agrees to call Atwater.
- February 12, 2018** **MWD Water Planning & Stewardship Committee** – Vice Chair Atwater inquires of staff what it would take to provide the financing for the CVP share of the CA Water Fix. Barbre & Blois support idea; staff announces they will work on issue.
- February 13, 2018:** **Sacramento Bee Article** – “A ‘water grab’? Southern California Water Agency eyes possible control of Delta tunnels project” is published.
- February 14, 2018:** **KPCC article/interview** – “5 things to know about the plan to ship water to Southern California” appears in print and over KPCC 89.3 NPR radio.
- March 27, 2018:** **MWD Board Workshop** – MWD staff outlines maximum financial exposure for MWD ratepayers for the original CA Water Fix concept; for the Phased Approach; and for MWD financing the unsubscribed share of the CVP portion of the CA Water Fix. Staff explains the contracts and agreements with the Governor and the Department of Water Resources; the financing concept for the CVP contractors; and the benefits for MWD should they shoulder the entire burden absent CVP participation and how MWD would wheel/sell capacity in the tunnels.
- April 2, 2018:** **Phone Call** - Jeff Kightlinger, General Manager of MWD, phones Barbre to inform him that a deal could not be reached...phased approach will be the staff recommendation...discuss the possibility of an off-ramp two years from now should a deal with CVP contractors.
- Phone Call** – Barbre calls Blois to discuss...Barbre believes there are enough Directors who would like two options to be offered at the April 10th Board meeting in lieu of just the phased approach. Barbre agrees to build a list to keep track of support as we hear about sentiments from various caucuses/Directors.
- Follow-up from Kightlinger** – State prefers the phased approach...concern that with off-ramp, future Governor may utilize off-ramp to stop the project...Barbre expresses belief that “phased approach” would not survive judicial scrutiny and with any new required studies, they would not be completed within the time

parameters of the Brown Administration. Frustration expressed by Barbre that Westlands killed both tunnels with their lack of vision & leadership and that MWD staff "...threw in the towel..." on twin tunnels. Kightlinger responds that it is too much risk for staff to recommend moving forward on both tunnels without financial certainty from CVP partners.

Sacramento Bee Article – LA Director Mark Gold gleefully sends MWD Board memo declaring staff will recommend phased approach to the SAC BEE and claims the twin tunnels will never happen.

Support for requesting staff to offer two options, not just phased approach, at April 10th Board Meeting: 7.90%.

April 3, 2018:

Phone Calls – Barbre chats with Record, Camacho, Cordero, Galleano, Beard and Gedney. Record wants to make sure we have fall-back position (phased approach) should there not be sufficient support to approve full facility action. Camacho, Cordero and Beard are comfortable with MWD offering both options at Board Meeting. Galleano didn't want to jeopardize phased approach and mentioned his Board would be meeting the next evening to give direction.

Phone Calls – Blois chats with Gray, Trevino, and Pressman. All would prefer both options being offered. Peterson, Atwater and Morris don't want to go against Chairman Record and General Manager Kightlinger.

Request for two Options to be offered at April 10th Board Meeting: 28.46%.

April 4, 2018

MWDOC Board Meeting – MWDOC Board unanimously approves resolution calling for Twin Tunnels (full facility) option to be offered at Board Meeting. Resolution released to MWDOC electronic mailing list and press list. MWDOC-MWD Directors publically announce support for full facility approach. MWDOC-MWD delegation Dean Larry Dick makes formal request of MWD staff to offer two options at the April 10th Board Meeting.

Western MWD Board Meeting – Barbre and MWD Chairman Record attend Board meeting of the Western Municipal Water District. The Western MWD Board unanimously voices support for the full facility option. Galleano announces support of the full facility option and thanks MWDOC for the resolution calling for twin tunnels.

Phone Calls - Barbre chats with Director DeJesus; who expresses concerns about offering both options. He will ask questions at Caucus on Thursday. Faessel is concerned about cost; will ask questions at Caucus on Thursday.

Phone Calls – Blois hears back, based on MWDOC resolution, that Peterson, Atwater and Morris are comfortable with offering two options at the April 10th Board Meeting.

Request for two Options to be offered at April 10th Board Meeting: 46.69%.

April 5, 2018

MWDOC-Inland Empire Caucus – Director DeJesus announces his support of both options being offered at the April 10th Board Meeting. He asks questions about benefits to MWD; announces he supports the full facility option. Director Faessel announces his support of both options being offered but will be meeting with the Mayor of Anaheim later in the day to obtain permission to support the full facility option.

Phone Call – Barbre chats with Faessel; Faessel says the Mayor has given his blessing for full facility option.

MWDOC Elected Officials Meeting – Director Dick informs Barbre that he received phone call from Torrance Director LeFevre, thanking MWDOC for taking the lead on the full facility approach.

Projected support for two tunnels at April 10th Board Meeting: 51.67%.

April 6, 2018

MWD – Staff releases Board Letter and offers two options: Option 1, which is the Staff Recommendation, is the Phased Approach; Option 2 is the Full Facility Option.

April 9, 2018

Governor Brown begins making phone calls to Central Basin MWD Board Members in advance of 2:00 pm Board Meeting. The Governor also places calls to elected and appointed officials associated with the City of Pasadena, the City of Burbank, and the City of Glendale. Finally, the Governor releases his letter of support for the twin tunnel option

Central Basin MWD Board Meeting – Barbre and Blois attend public meeting and both speak in favor of full facility option. Board votes 5-1 to direct their two MWD Directors to support the full facility option.

Projected support for two tunnels at April 10th Board Meeting: 58.64%.

April 10, 2018

MWD Board Meeting – MWD Board of Directors votes **60.83%** in favor of Option 2, the Full Facility Option.

From: Brett R. Barbre <BRBARBRE@msn.com>
Sent: Sunday, April 15, 2018 5:32 PM
To: Steve Blois
Subject: Re: History of Vote

I kept the Ramos and Kurtz out because the GOV delivered those votes...I will add the MWDOC Board Caucus on WED...BB

Sent from BB's iPhone 8P

On Apr 15, 2018, at 5:06 PM, Steve Blois <sblois@verizon.net> wrote:

3 additions: my conference call conversation with MWDOC Board on 4/4/18, and hearing back from Kurtz on 4/5 that she would support full project if she could get permission from her City Council, which she did not have; and Ramos on 4/5 that she might support 2 tunnels, but felt more comfortable with the phased approach as Staff originally recommended and her Council had approved.

Good chronology of the effort!

Steve

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Sent: Sunday, April 15, 2018 3:10 PM
To: sblois@verizon.net
Subject: History of Vote

Steve:

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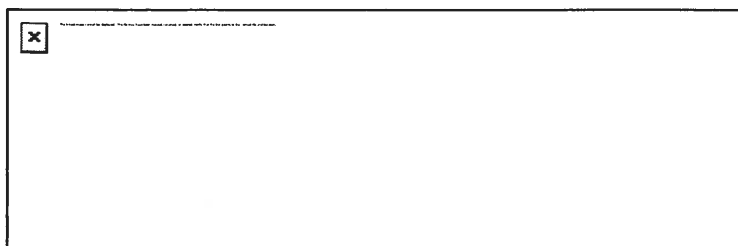
BB

Brett R. Barbre, Director
Metropolitan Water District of Southern California
Representing the Municipal Water District of Orange County
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<image001.jpg>

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From: Office of the General Manager <OfficeoftheGeneralManager@mwdh2o.com>
Sent: Friday, April 06, 2018 3:23 PM
To: Barry D. Pressman - Beverly Hills, City of (dirpressman@gmail.com); Brett R. Barbre (brbarbre@msn.com); Charles Trevino - Upper San Gabriel Valley MWD (dirtrevino@gmail.com); Cynthia Kurtz (dirkurtz@gmail.com); De Jesus, David D; dirlvasquez@gmail.com; Donald Galleano - Western MWD (dongalleano@icloud.com); Elsa Saxod - SDCWA (dirsaxod@gmail.com); Fern Steiner (dirsteiner@gmail.com); Fern Steiner; Glen C. Dake (dirdake@gmail.com); Glen D. Peterson (glenpsop@icloud.com); Gloria Cordero - Long Beach; Gloria Gray (ggrayi@aol.com); Gloria Gray (mwdggray@gmail.com); Harold Williams - harldwms@gmail.com; jabdo@msn.com; Janna Zurita - Compton, City of (dirjzurita@gmail.com); jannaandchanel@yahoo.com; Jesus E. Quinonez (JQuinonez@cta.org); John T. Morris - MorrisWater@Earthlink.net; John W. Murray Jr. (jmurray@jwmjr.org); Keith Lewinger (preferred) (Keith.Lewinger@gmail.com); Larry Dick ; Larry McKenney (director.mckenney@gmail.com); Linda Ackerman (lindaackerman@cox.net); Linda Ackerman (lindaackerman72@gmail.com); Lorraine Paskett (lorrainepaskett@gmail.com); Mark Gold (mgold@conet.ucla.edu); Marsha Ramos (Dir.mramos@gmail.com); Michael Camacho (dircamacho@gmail.com); Michael Camacho (mcamacho@pacificaservices.com); Michael T. Hogan (solbch1@roadrunner.com); Michele Martinez (councilwomanmartinez@gmail.com); Peter Beard - Fullerton, City of (dirbeard@gmail.com); Peter Beard, Director ; Randy A. Record (preferred) (dirrecord@gmail.com); Richard Atwater (atwater.richard@gmail.com); Russell Lefevre Ph. D. (r.lefevre@ieee.org); Stephen J. Faessel (Dirfaessel@gmail.com); Steve Blois (sblois@calleguas.com); Sylvia Ballin (dirballin@gmail.com); wcgedney@gswater.com; Zareh Sinanyan - City of Glendale (Zsinanyan@glendaleca.gov)
Cc: Michele Martinez - Santa Ana, City of (MEscamilla@santa-ana.org); Michele Martinez - Santa Ana, City of (nhouston@santa-ana.org)
Subject: California WaterFix Board Action Item



Date: April 6, 2018

To: Board of Directors
Member Agency Managers

From: Jeffrey Kightlinger, General Manager

Subject: California WaterFix Board Action Item

On Monday, I reported to you that staff plans to bring forward at Tuesday's board meeting a recommendation for Metropolitan to fund its share of a potential first stage of California WaterFix, which would include two intakes, a single tunnel and a capacity of 6,000 cfs.

Since then, a number of Metropolitan directors have requested that the option presented at the February 27 board workshop for Metropolitan to finance California WaterFix at a level that would allow the full project to move forward also be brought to the Board for consideration.

Accordingly, the board letter that has been posted sets forth both options, with a staff recommendation to express Metropolitan's support if the Department of Water Resources elects to pursue a staged approach and support of Metropolitan's participation at up to 47.1% of the project cost.

I encourage you to read the full [board letter](#) and let me know if you have any questions.

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April 9, 2018

Mr. Jeffrey Kightlinger, General Manager
Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054

Attention: Mr. Gary Breaux, Chief Financial Officer
Ms. Marcia Scully, General Counsel

RE: Concerns to Recent Cal WaterFix Development and April 2018 Board Agenda Item 8-7

Dear General Manager Kightlinger:

The Los Angeles Metropolitan Water District (Metropolitan) Directors appreciate the recent attempts by Metropolitan staff to provide information to the Board on the latest developments and potential next steps on the Cal WaterFix. While we remain concerned about the ecological health of the Delta and the need to balance water supply with ecosystem restoration, we believe that much more information and clarity on the current two proposed project options are still required before an informed decision can be made by the Board on the next steps. Accordingly, it is the fiduciary responsibility of the Directors on this Board to delay any action on Item 8-7 until such time a project is put forward that describes clearly the impacts and benefits to participants and non-participants, and pending the outcome of discussions of those two groups. Furthermore, clarity is needed on the regulatory permitting outcome on operations, clarity on the risks and benefits to the Cal Eco-Restore program, environmental impacts, and disclosure of financial and rate impact risks to Metropolitan.

The current stage 1 (one tunnel) approach, or Option 1, represents nearly an additional \$1 billion cost impact to Metropolitan, now estimated at \$5.2 billion, compared to the cost allocation methodology last October, at about \$4.3 billion, with no real additional supply improvement to Metropolitan. The \$5.2 billion also does not include the potential pick up by Metropolitan of any options / offloading agreements from other State Water Project (SWP) contractors. Recently, Metropolitan informed the Board that Kern County Water Agency, the 2nd largest of the SWP contractors at about 1 million AF of Table A entitlement, has expressed only about a 50 percent participation interest in the WaterFix. This alone will potentially result in the offloading of about 500 TAF of shares, and create an additional burden of about \$1.3 billion to Metropolitan, also with no additional supply improvement benefit. Further clarity is needed on the SWP transfer agreements, which need to be finalized and executed to address the offloading of shares and the transfer of funding obligations between several of the large state water contractors.

The current potential path to over build capacity by more than 50 percent with a full twin tunnel project, or Option 2, has no additional supply improvement benefit to Metropolitan as noted in the current board letter. Having Metropolitan finance an additional \$5 billion for non-participants who have not and may never fully commit to the project puts Metropolitan member agencies and all ratepayers in direct exposure to financial risks and significant rate impacts that will very likely more than double in the near future.

We express our disappointment on your late April 6 communication to the Board in allowing the full project (Option 2) to be included under Item 8-7 possible action as a result of a couple of directors' request, in spite of significant exposure risks identified by Metropolitan staff and the significant financial concerns expressed by the majority of the Board in recent meetings. Allowing Option 2 also goes against the principles by which you outlined last month to the Board that you would secure full financial commitments and securities by all participants to unsubscribed capacity before moving forward with any 2nd tunnel option proposal back to the Board. As of today, we do not have full Central Valley Project (CVP) participants with the 2nd tunnel option, and by itself, a 2nd tunnel owned and operated by Metropolitan would provide no additional supply improvement to Metropolitan.

We strongly believe that a 2nd tunnel built and financed primarily by Metropolitan in the hopes that the CVP Contractors will financially participate at some point in the future represents a significant departure from cost of service policies, the Board approved Integrated Resources Plan (IRP), and Metropolitan's mission of making investments to meet member agency demands without overinvesting or overbuilding. Future investments and actions of the Metropolitan Board on either the staged approach for a single tunnel, or the full project, must be based on and supported by all best available information, which goes well beyond speculation and assumptions about future actions by other agencies. Board decisions that financially bind member agencies are not symbolic and need to be thoroughly scrutinized like any other major capital investment project at Metropolitan.

Member agencies have not been provided a sound financing plan, the finance Joint Powers Authority (JPA) participation details, the executed options / offloading agreements for other SWP and CVP agencies, commitments or guarantees provided to Metropolitan by these agencies, the risks to Metropolitan of potential stranded assets, and the significant financial burden on Metropolitan ratepayers due to project related debt service and other costs. Metropolitan staff must demonstrate how financing the second tunnel option's cost is consistent with Metropolitan's cost of service policies -- public agencies can only be asked to pay consistent with the benefits they receive.

Metropolitan's mission is to meet the existing and projected demands of its member agencies. It is inconsistent with this mission to overinvest or overbuild in the hope that Metropolitan may potentially benefit financially in the future. Metropolitan recently addressed this very issue of stranded assets at one of their water treatment facilities, where the plant was originally initiated in good faith, but subsequently, portions of the treatment processes became stranded after it became apparent that member agencies built their own more cost-effective systems and avoided using Metropolitan's facilities all together.

The regulatory allocation of state and federal water supplies for either the staged approach or the second tunnel built by Metropolitan, need more clarity for project participants and non-participants. It must be clearly understood how governance of future project operations will be impacted by the conflict of competing interests resulting from multiple points of diversion, which will be regulated under a different set of rules at the new north intakes versus the existing south Delta points of diversion.

Los Angeles takes pride as one of the founding member agencies of Metropolitan and has believed in sound investments that best serve the region alongside with the other member agencies since its formation. Metropolitan's supplies will still play a critical part to Los Angeles' 4 million population, and

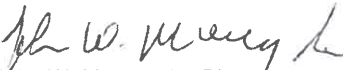
Mr. Kightlinger
April 9, 2018
Page 3

the region's supplies in future dry years, and hence, investments in Metropolitan's future reliability are equally critical. Los Angeles also believes that a diverse portfolio of local supplies continues to be the cornerstone for a sustainable future, and Los Angeles is already making investments to triple the total amount of local supply production through improved water use efficiency and conservation, increase recycled water use, enhanced storm water capture to help recharge aquifers, and clean up of contamination in the San Fernando groundwater basin.

Over the next 20 years, Metropolitan's IRP showed close to 1.5 million acre feet of supply risks, of which the WaterFix can only address about 20 percent of those risks. The mitigation of the remaining 80 percent, or about 1.2 million acre feet of risks will rely on the success of member agencies to develop new local supplies. Metropolitan needs to take leadership to ensure its member agencies' success to accelerate completion of new local projects by expanding Metropolitan's investments in its Local Resources and Conservation Programs, and not overinvest nor overbuild a WaterFix project for others, where Metropolitan has no additional improvement in supply.

This Board has a first and foremost primary fiduciary responsibility to protect Metropolitan member agencies and their rate payers from all known and avoidable risks. We ask that action on Item 8-7 be delayed and we look forward to receiving additional information that will hopefully help guide the Metropolitan Board in determining the best path forward on the WaterFix so that due diligence can demonstrate how any Board decision is consistent with sound public policy. We also appreciate the work and dedication of Metropolitan staff has provided throughout the process in response to changed project conditions. We wish to reaffirm that any path forward needs to fully protect Metropolitan's rights, interests, and any potential investments.


Sincerely,




John W. Murray, Jr., Director
City of Los Angeles



Jesús E. Quiñonez, Director
City of Los Angeles



Glen C. Dake, Director
City of Los Angeles



Lorraine A. Paskett, Director
City of Los Angeles



Mark Gold, Director
City of Los Angeles

From: John Murray <Jmurray@jwmjr.org>
Sent: Monday, April 9, 2018 8:27 PM
To: Mark Gold (mgold@conet.ucla.edu); GLEN DAKE; jquinonez@cta.org; Lorraine Paskett
Subject: FW: OPA/Ratepayer Advocate report on WaterFix one and two tunnels costs to LA ratepayers
CF17-0930-S2

From: Fred Pickel [<mailto:fred.pickel@lacity.org>]
Sent: Monday, April 9, 2018 4:35 PM
To: John Murray <Jmurray@jwmjr.org>
Subject: Fwd: OPA/Ratepayer Advocate report on WaterFix one and two tunnels costs to LA ratepayers
CF17-0930-S2

Attached is a copy of the City of Los Angeles OPA/Ratepayer Advocate report on the costs of the WaterFix one and two tunnel alternatives for City of LA ratepayers. It will also be posted in City of LA Council File 17-0930-S2.

Regards,

Fred

Frederick H. Pickel, Ph.D
Executive Director / Ratepayer Advocate
Office of Public Accountability
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REPORT FROM

OFFICE OF PUBLIC ACCOUNTABILITY

Date: April 9, 2018

Council File No. 17-0930 –S2

To: Honorable Nury Martinez, Councilmember
Chairperson, Energy, Climate Change and Environmental Justice Committee
Honorable Paul Koretz, Councilmember, Vice-Chairperson
Honorable Paul Krekorian, Councilmember
Honorable Gilbert A. Cedillo, Councilmember
Honorable Mitch O'Farrell Councilmember

From: Frederick H. Pickel, Ph.D., Executive Director/Ratepayer Advocate 
Grant E. Hoag, P.E., Utility Rate and Policy Specialist 

Subject: California WaterFix Stage 1 Cost to City Ratepayers

SUMMARY

The WaterFix Stage 1 upgrade with one tunnel to the Sacramento Delta water export system is estimated to cost a median single family resident household an average of \$1.90 per month. The current City median single family resident household water bill is approximately \$66 per month. This upgrade has reasonable rate impacts for City of Los Angeles, under a wide array of cost and water demand possibilities. This analysis also finds that long-term City policies to expand local water supplies, while maintaining access to imported water purchased from the Metropolitan Water District of Southern California (MWD), will minimize the WaterFix costs to Los Angeles ratepayers. Cost risks for City of Los Angeles households can be better managed if MWD allocations of fixed revenues can be constrained or lowered, alternatives like potable water reuse can be expedited, the value of surplus water sales from WaterFix can reflect the long-term costs, and the City adjusts or funds the low income/lifeline water credits for inflation as soon as practicable.

ISSUES NOT ADDRESSED

This report does not attempt to place a value on the reliability-based benefits of the WaterFix project to the City, or its cost effectiveness. This report does not analyze the financial differences between imported water purchases and local water supply costs. MWD imports water from both the MWD-owned Colorado River Aqueduct (CRA) and the State Water Project (SWP), but CRA costs are not included in calculations.

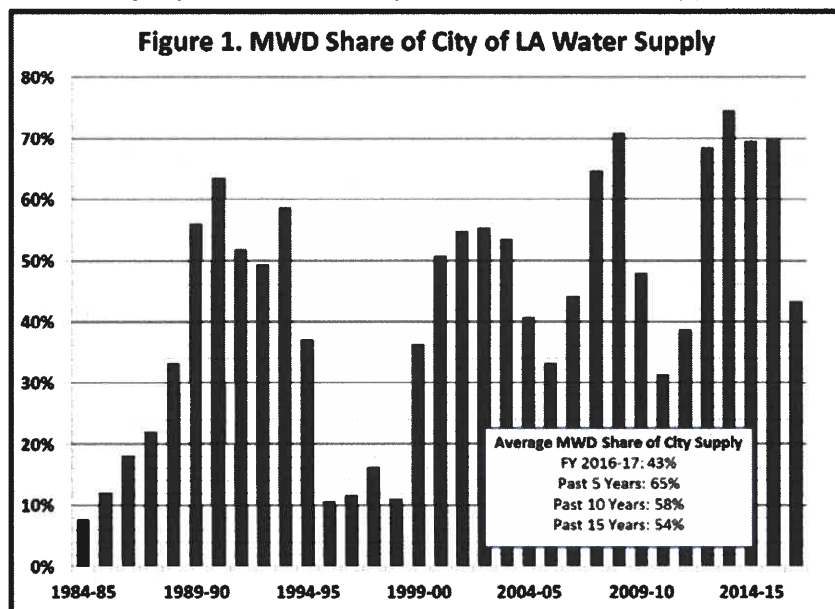
BACKGROUND

This report by the City of Los Angeles Office of Public Accountability/Ratepayer Advocate (OPA) responds to an analysis requested by Council motion on February 27, 2018 in Council File 17-0930-S2. The report also updates prior OPA reports.

The WaterFix Stage 1 is the first stage of an upgrade to the Sacramento Delta water export facilities operated by the State Department of Water Resources (DWR). The full upgrade consists of three new water intakes on the Sacramento River north of the Delta, each with a capacity of 3,000 cubic feet per second (CFS) connecting to twin Main Tunnels running south to the Clifton Court Forebay. The proposed Stage 1 of the project consists of two of the three water intakes, representing 6,000 of the planned 9,000 CFS capacity, connected to an initial Main Tunnel. Stage 2 will occur at a later but unspecified date when participants currently unwilling to commit to project financing are identified. Specifically, 87% of the flow allocation-weighted contractors in the State Water Project (SWP), including MWD, currently are prepared to fund a share of capacity in the proposed facility, and no funding support is forthcoming from the federally-owned California Valley Project (CVP) contractors. This limited support is described on the OPA’s August 24, 2017 report, and is tabulated in Appendix Table A-8.

CITY SUPPLIES FROM MWD

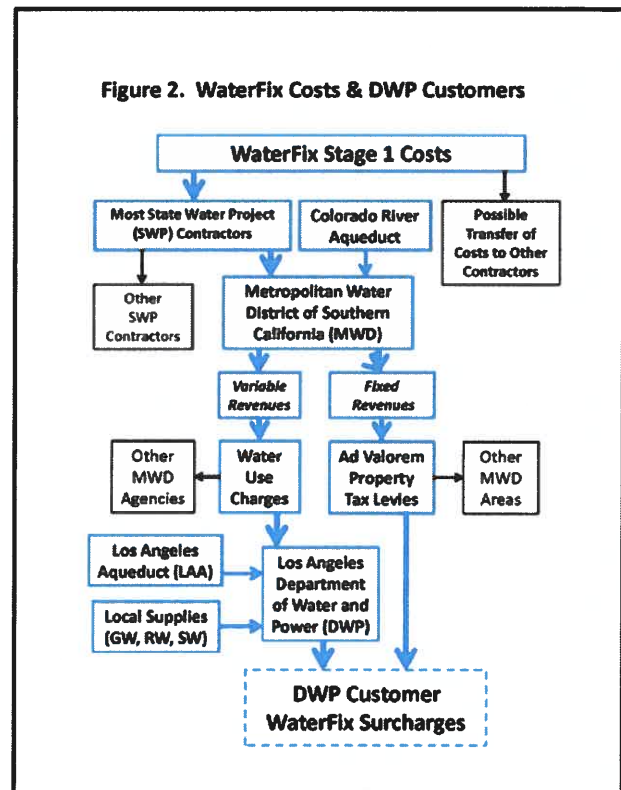
MWD imported water is from the Sacramento Delta via the SWP and the Colorado River via the MWD-owned Colorado River Aqueduct (CRA). As illustrated in Figure 1, in past years MWD has cycled significantly from a minor to major portion of the City’s diversified water supplies, which include not only purchased imported water from MWD, but also City-owned imported water using the Los Angeles Aqueduct (LAA) and local sources such as recycled water and stormwater capture. However, the City’s Department of Water and Power (DWP) has projected that its historical reliance on MWD supplies will



diminish significantly as it aggressively expands local supply project funding, and water demand efficiencies result in additional conservation. DWP projects that by 2035, purchases from MWD will average only 13% of the City's total sources. Based on this information, OPA projects that in the "Baseline" year only 1.5% of City supplies will come from the proposed WaterFix Stage 1 facilities. However, OPA also projects that if local supplies and LAA deliveries are significantly less due to persistently dry climate conditions or a severe multi-year drought, then City supplies from MWD could be as high as 61%.

ANALYSIS

OPA has defined a "surcharge" to DWP water customers as the local funding source in the City for the WaterFix facilities. The surcharge consists of potential MWD fixed property tax levies and certain DWP variable water service charges, and is modelled in the attached appendix. WaterFix Stage 1 project costs in 2017 dollars could range from \$9 to \$13 billion, including OPA-defined contingency cost factors from 8% to 75%. The Citywide annual surcharges for WaterFix Stage 1 could be as little as \$16 million and as high as \$74 million in 2018 dollars, depending on eight independent variables analyzed by OPA, including climate, project costs, bonded debt interest rates, local water supplies and the portion of WaterFix costs MWD collects from Ad Valorem property taxes. The water service and tax levy surcharges are illustrated in Figure 2.



By the year 2040, the OPA projects that long-term persistent average Delta exports are between 3.4 and 4.8 million acre-feet per year (MAFY), based on climate change and future operating permits for Delta exports. Exports are allocated between the SWP and CVP, with MWD projected to receive an average of 1.3 MAFY from the SWP.

CVP contractors may not choose to participate in WaterFix Stage 1, while SWP contractors including MWD will export Delta supplies through WaterFix facilities, in addition to their existing SWP contractor rights. Consistent with the Mayor's Executive Directive No. 5 and DWP's Urban Water Management Plan, by 2040 the City will require water supplies of 565,600 AFY (0.57 MAFY). MWD will provide 66,000 to 345,000 AFY (12% to 61%) of City supplies, depending on the availability of water from the Los Angeles Aqueduct (LAA) and local supplies.

FINDINGS

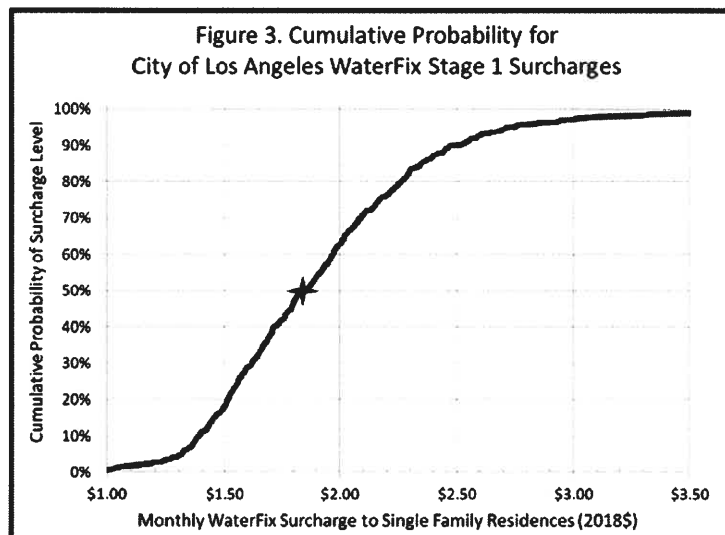
As shown in the Table 1, OPA expects that the average WaterFix surcharge to a Los Angeles household is \$1.90 per month, in 2018 dollars.

Table 1. WaterFix Stage 1 Financial Impact on City Single Family Residence Households

Description	Surcharges in 2018 Dollars				
	Lowest	Baseline	Median	Average	Highest
DWP Water Surcharge (\$/month)	\$0.16	\$0.27	\$0.80	\$0.89	\$2.32
MWD Property Tax (\$/month-SFR)	\$0.80	\$1.00	\$1.01	\$1.01	\$1.30
Total Monthly Surcharge	\$0.96	\$1.27	\$1.81	\$1.90	\$3.62
Standard Deviation (+/-)				\$0.42	

The surcharge is based on a house with median assessed value and a median monthly water use of 10 HCF. Surcharges are in 2018 dollars. Analysis variables are randomized in 600 modeling runs to develop the probabilistic median, average and standard deviation values.

However, due to the variables associated with the large, long-term water project, it is possible that the actual surcharge will range from as little as \$0.96 to as much as \$3.62 per month, as illustrated in Figure 3. Much of the WaterFix surcharge to LA water customers will be from MWD property taxes; OPA projects that by the year 2040, MWD will collect 20% of its taxes from Los Angeles properties but only 4% of its water charges. Note that MWD may choose to recover WaterFix costs using a combination of variable water sale revenues and a Readiness to Serve (RTS) charge. The RTS charge recovers a portion of debt service on bonds funding certain capital improvements. This variable RTS is currently based on a ten year rolling average of each MWD member agency’s actual demand; in FY 2014/15 Los Angeles’ RTS charge was \$27 million. DWP’s future RTS fees would be a function of the City’s long-term persistent MWD purchases. Were OPA’s property tax replaced with a RTS fee, the estimated \$1.27 Baseline monthly surcharge could drop to a total of \$0.37 per month.



COST OF TWIN TUNNELS ALTERNATIVE

MWD considered independently funding the construction of an additional 3,000 CFS of Stage 2 WaterFix capacity with the second WaterFix Main Tunnel with third water intake facility. The result of this investment would be an increase in MWD’s member agency’s capacity rights and costs, without an assurance of demand for the additional capacity. This additional capacity

would increase the average WaterFix surcharge for Los Angeles households from \$1.90 to \$2.52 per month, in 2018 dollars, assuming MWD was able to transfer approximately two-thirds of the additional 3,000 CFS capacity at full cost.

Just as OPA has calculated a range of WaterFix Stage 1 costs from a best case \$0.96 per month to a worst case of \$3.62, adding the WaterFix Stage 2 Twin Tunnel costs changes the range of costs from \$0.95 per month (when all extra water is transferred to non-MWD contractors), to a much higher \$6.78 per month. This higher “worst-case” cost occurs when MWD member agencies alone are supporting the extra tunnel costs, and the City increases MWD’s share of supplies to 61% due to dryer regional conditions and lower local supplies.

OPA FINDINGS CONSISTENT WITH PRIOR REPORTS

This updated report is consistent with the OPA reports on May 7, 2014 and August 24, 2017 to the City’s Energy, Climate Change and Environmental Justice Committee and its predecessor. The OPA’s previous estimated monthly household surcharges were in a range of \$0.47 to \$3.41 in 2014 dollars, and \$0.87 to \$4.31 in 2017 dollars, whereas the current analysis based on the most recent available information in this report projects the range of \$0.96 to \$3.62, in 2018 dollars. In the 2017 OPA report, the average surcharge to the Los Angeles median household was \$1.73 per month (\$1.78 in 2018\$).

As shown in Table 2, this updated report finds that the average surcharge has increased by 7% to \$1.90 per month, largely because information available at the time of the analysis indicates that 13% of the SWP contractors may not participate in WaterFix Stage 1.

Table 2. OPA Trend in Expected WaterFix Surcharges

	August 2017	February 2018	March 2018	April 2018
Monthly Surcharge per Median Household	Full Two Tunnels 2017\$	Stage 1 with One Tunnel (All SWP Contractors) 2018\$	Stage 1 with MWD Financing the 2nd Tunnel 2018\$	Stage 1 with One Tunnel (87% of SWP Contractors) 2018\$
Average	\$1.73	\$1.87	\$2.52	\$1.90
Range	\$0.87 to \$4.31	\$0.90 to \$4.07	\$0.95 to \$6.78	\$0.96 to \$3.62

While the OPA has projected that MWD’s fixed Ad Valorem property tax will be the biggest part of the WaterFix surcharge to Los Angeles residences and business, MWD has asserted that WaterFix surcharges are more likely to be volumetrically-based. If correct, then the WaterFix surcharges to Los Angeles residences would be significantly lower under the Mayor’s Executive Directive No. 5 and other variables used in the Baseline cost projections.

CONCLUSION

In the 2017 OPA report, the average surcharge to the Los Angeles median household was \$1.73 per month (\$1.78 in 2018\$). This updated report finds that the average surcharge for WaterFix Stage 1 with one tunnel has increased by 7% to \$1.90 per month. If MWD commits to two tunnels the average cost increases to \$2.52 per month, with a range of \$0.95 to \$6.78. Among other variables, the range of costs depends on how much of the second tunnel water supply is transferred.

To manage the risks in these cost estimates, the City may wish to consider, among other measures:

1. Encouraging MWD to make a greater commitment to conservation by gradually increasing its variable revenues and reducing its fixed revenues, so that all MWD members are investing efficiently in our cheapest water resource.
2. Encouraging the State to provide objective safety criteria for direct potable reuse, as this could remove a significant portion of costs in utilizing this resource.
3. Encouraging the State to act as soon as possible to mitigate risks of long-term holding and reselling surplus water, by declaring it will not re-set market prices reached between willing sellers and buyers.
4. Adjusting or funding the low income/lifeline water credits for inflation as soon as practicable (see Appendix B).

cc: The Honorable Los Angeles City Council

The Honorable Eric Garcetti, Mayor

The Board of Water and Power Commissioners

David Wright, General Manager, Department of Water and Power

Sharon Tso, Chief Legislative Analyst

Richard H. Llewellyn, City Administrative Officer

Holly L. Wolcott, City Clerk

Richard F. Harasick, Senior Assistant General Manager, Water System, Department of Water and Power

CALIFORNIA WATERFIX STAGE 1 COST TO CITY RATEPAYERS -- TECHNICAL ANALYSIS

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APPENDIX A

INTRODUCTION

This attachment provides the technical analysis of WaterFix Stage 1 costs to the City of Los Angeles single family resident households. The analysis provides a range of values as an estimate of the WaterFix Stage 1 project cost impacts “surcharges,” rather than relying on a single Baseline estimate. The analysis consists of eight tables describing the (1) WaterFix facility costs, (2) the projected water capacities and user demands, and (3) the resulting range of possible surcharges. The 2018 WaterFix Stage 1 has lower capacity and costs, and fewer facility participants, than the full WaterFix facility presented by OPA in 2017. This analysis does not address single year weather volatility effects on regional water supply and demands, which are managed by MWD and DWP water in storage; the values used in this analysis generally represent persistent, stable long-term water deliveries equaling projected average demands, without changes to water in storage.

DESCRIPTIONS OF TABLES

This section provides details regarding the individual tables.

Table A-1. WaterFix Stage 1 Capital Cost Allocations: \$9 to \$13 Billion. The OPA projected WaterFix Stage 1 project costs range from \$8.9 billion to \$13.2 billion in 2017 dollars (\$11.5 to \$16.7 billion in 2024 dollars). The February 12, 2018, Metropolitan Water District of Southern California (MWD) update to the California WaterFix is based on an unloaded \$6.3 billion facility and \$2 billion in project management costs, in 2017 dollars, plus a facility cost contingency of 36%. These values represent the project “Baseline” in this analysis; the OPA has added to this Baseline a range of contingencies with a lower 8% in Alternative 1 and a higher 75% in Alternative 2. The total WaterFix Stage 1 facility project costs include: construction, contingencies, land, environmental mitigation, engineering and management. As itemized in Table A-1, the “all-in” WaterFix program costs, in 2024 dollars, include 3% per year inflationary escalations from 2017 to 2024 (the year that project spending is midway).

Also included in Table 1 is MWD’s 56% share of WaterFix facility costs based on its projected 3,337 cubic feet per second (CFS) share of the Stage 1 capacity of 6,000 CFS. In Alternative 1, MWD’s share of the costs and capacity drops to 46% if CVP contractors acquire 1,000 CFS in capacity rights. On this basis, MWD’s facility costs range from \$5.3 to \$9.3 billion, in 2024 dollars. In contrast, OPA’s 2017 WaterFix report identified an allocated range from \$4.4 to \$8.6 billion.

Table A-2. MWD Water Supplies: 26% To 35% of Delta Exports. OPA projects that, with WaterFix Stage 1, by the year 2040 the Delta water exports have a long-term persistent yield of

4.6 million acre-feet per year (MAFY). The State Water Project (SWP) and certain Central Valley Project (CVP) contractors, including those on the Delta-Mendota Canal, have allocations in Sacramento Delta exports. MWD's share of SWP flows is currently 47%. However, certain SWP contractors have elected not to participate in WaterFix Stage 1, so MWD's capacity-based share of WaterFix Stage 1 costs is 56%. OPA projects that by 2040 MWD will receive from 26% to 35% of Delta export flows.

The future Delta exports are difficult to predict. With few or no CVP contractors participating in the additional capacity of WaterFix Stage 1, and challenges in predicting both the climate and the environmental regulations affecting Delta exports, it is difficult to forecast the volume of Delta exports. In Alternative 1 Persistently Wet Climate, OPA has projected that 2040 exports are 4.8 MAFY; in the Baseline projection the exports are 4.6 MAFY; in Alternative 2 Persistently Dry Climate the exports are down to 3.4 MAFY. In essence, these forecasts require assumptions on exports "but for" the construction of the WaterFix facilities. The OPA projects that by 2040 MWD's total Delta supplies with the WaterFix Stage 1 in all alternatives will be approximately 1.3 MAFY, but MWD's total sales including the MWD-owned Colorado River Aqueduct (CRA), will range from 1.7 to 2.5 MAFY, depending on regional climate conditions.

Note several analysis issues: First, the highest dependence on MWD is under Alternative 1 Persistent Dry Climate, when MWD's member agencies have local supply shortages and MWD deliveries are projected at 2.5 MAFY. This higher demand is particularly true for Los Angeles in 2040, when DWP plans to have multiple local sources of supply and LAA imports from the Eastern Sierra Nevada. Conversely, in Alternative 1 Persistently Wet Climate MWD's sales are far lower at 1.7 MAFY. Second, MWD's share of WaterFix Stage 1 costs are a solely a function of the fixed facility capacity right, which differs from the projected levels of water sales.

Table A-3. DWP Water Supplies: 2% To 4% from WaterFix Stage 1. The Department of Water and Power (DWP) prepared a 2015 Urban Water Management Plan (UWMP). It estimates, for the planning year 2040, that a reliable water supply of 0.57 MAFY will serve the City's needs, regardless of future climate conditions. The UWMP supports the Mayor's Executive Directive No. 5 water supply objectives, and is based on a supply portfolio from multiple local water sources, in addition to ongoing conservation and more efficient water use. The multiple City sources of potable water supplies include (1) local water from augmented groundwater (GW), (2) recycled water offsets, (3) Los Angeles Aqueduct (LAA) supplies from the Owens Valley, and (4) purchased water from MWD (imported from the Colorado River and California Delta). The Baseline projection of DWP's water portfolio uses MWD purchases of 75,000 AFY (0.075 MAFY), representing 13% of the total portfolio. However, OPA projects that imported water purchases from MWD can be from 12% to 61% (0.07 to 0.35 MAFY) of DWP's total supply.

Table A-4. MWD Taxes for WaterFix: \$0.80 To \$1.30 Monthly for City Homeowners. MWD's current property taxing authority is 0.0035% of the assessed valuation of secured properties. In FY 2016-17 the tax generated \$90 million, which MWD used for servicing existing debt. The properties within the City of Los Angeles were a 20% share of those taxes, or \$18 million. As the SWP bonds will be paid off by 2035, the OPA has assumed that MWD will use its taxing authority in support of new bonds for its share of WaterFix facility costs, at the same 0.0035% rate. However, MWD has asserted that revenues to repay WaterFix bonds are more likely to be volumetrically-based rather than collected from property taxes.

By 2040, MWD taxes should increase to \$114 to \$186 million per year from a 2% per year growth rate in property values, and OPA presumes that these taxes will, in effect, offset much of the WaterFix volumetric surcharges otherwise billed to MWD member agencies. The year 2018 property tax levy is \$1.00 per month equivalent for a median single family residence household in the City. For Alternatives 1 and 2, that current value is adjusted down by 20% and up by 30%.

Table A-5. WaterFix Annualized Cost to MWD: \$294 to \$933 Million per Year. The OPA estimates that the total WaterFix Stage 1 annual unit cost to MWD member agencies is in a range of \$177 to \$376 per acre-foot (AF), with a Baseline of \$230 per AF, in 2040 dollars. The equivalent rate in 2018 dollars is \$120 per AF, before offsetting MWD property tax revenues. The Baseline WaterFix costs represent a 17% increase in average MWD costs.

Table A-6. WaterFix Stage 1 Surcharges to City Single Family Resident Households: \$0.96 to \$3.62 per Month, in 2018 dollars. The surcharges are based on the assumptions and calculations in the prior tables including the fixed 0.0035% MWD ad valorem property tax levy, combined with the variable DWP water service surcharge. The 2018 median DWP water service bill to single family residents is \$66 per month, based on a water demand of 10 HCF billing units per month for median City single family residence customers. Thus, the WaterFix Stage 1 surcharge to Los Angeles water customers is \$0.96 to \$3.62 per month, representing a 1.4% to 5.5% increase.

Table A-7. Variables Affecting Charge and Tax Values. The range of WaterFix costs are bracketed by extremely low and high surcharges possibilities of Alternatives 1 and 2. To determine a likely (average and median) surcharge, possible values are estimated from the range of possible values for each of seven key independent variables, as well as their probabilities. A randomized mix of variables is used to evaluate the probabilities within that extreme range. The independent variables are: WaterFix Stage 1 project costs, Delta climate (affecting Delta exports and MWD sales volumes), CVP participation in Alternative 1, LAA water supplies, DWP local supplies, MWD assessed valuation (AV) tax revenues, and bond debt

interest rates. A constant inflation/discount rate of 3% per year is used in all alternatives. Most of the variables have uniform distributions, while others have discrete probabilities. Using 600 iterations of randomly generated numbers within the boundaries identified in the two alternatives, the OPA developed the median, average and standard deviation of the possible WaterFix surcharges, as well as the cumulative probability curve.

Table A-8. California State Water Project Contractors Table A and WaterFix Shares. The SWP water contractors have water supply contracts with the DWR that define annual water supply entitlements. The SWP Table A Summary in Table A-8 lists the current annual entitlements of all contracts. Typically, actual yearly water supply deliveries are 65% of the Table A values. Ninety seven percent of the SWP contractors receive water from the California Aqueduct; 87% of these California Aqueduct contractors, plus certain CVP contractors in Alternative 1, are funding the WaterFix Stage 1 costs. Table A-8 also identifies the shared WaterFix capacities among participating SWP contractors. As shown, MWD has a 47% entitlement to the California Aqueduct deliveries, 3,337 CFS (56%) of the 6,000 CFS of the WaterFix Stage 1 facility capacity in the Baseline projection and Alternative 2, and 2,781 CFS (46%) of the capacity in Alternative 1, where 1,000 CFS is presumed to be purchased by CVP contractors. Note that whereas the SWP Table A represents the contractor entitlements solely to existing Delta export facilities allocated to the SWP (versus the CVP), the WaterFix Stage 1 capacities are solely for water agencies purchasing shares of the new facilities.

Table A-1. WaterFix Stage 1 Capital Cost Allocations

WaterFix Stage 1 Facility Project Elements	Alt 1 Cost with Lowest Contingency	Baseline Cost with 36% Contingency	Alt 2 Cost with Highest Contingency
Base Construction & Engring Cost (2017\$ M, a)	\$6,300	\$6,300	\$6,300
Contingency (% of Base Costs, b)	8%	36%	75%
Contingency/Risk Costs	\$504	\$2,268	\$4,725
Project & Const. Mgmt./Engineering	\$2,000	\$2,000	\$2,000
Land (with 20% contingency)	\$140	\$140	\$140
Subtotal Project Costs (2017\$)	\$8,944	\$10,708	\$13,165
Delta Environmental Mitigation (2017\$)	\$377	\$377	\$377
Inflation of 2017\$ Costs to 2024\$ (c)	\$2,146	\$2,552	\$3,118
Total Cost of Project Alternatives (2024\$)	\$11,467	\$13,637	\$16,660
Proposed WaterFix Stage 1 Capacity Rights (d)		No CVP Participation	
MWD Share of WaterFix Stage 1	2,781	3,337	3,337
Other Participating SWP Contractors	2,219	2,663	2,663
Subtotal	5,000	6,000	6,000
CVP Contractors	1,000	0	0
Total WaterFix Stage 1 Capacity	6,000	6,000	6,000
WaterFix Stage 1 Cost allocations		No CVP Participation	
MWD Share of WaterFix Stage 1 Costs	46%	56%	56%
Other Participating SWP Contractors	37%	44%	44%
Subtotal	83%	100%	100%
CVP Contractors	17%	0%	0%
Total	100%	100%	100%
WaterFix Stage 1 Cost allocations from Capacity Rights (2024\$)			
MWD Share of WaterFix Stage 1 Costs	\$5,315	\$7,585	\$9,266
Other Participating SWP Contractors	\$4,241	\$6,052	\$7,394
Subtotal	\$9,556	\$13,637	\$16,660
CVP Contractor Participation	\$1,911	\$0	\$0
Total	\$11,467	\$13,637	\$16,660

Values may not foot due to rounding. All values are in million dollars.

(a) Source: February 12, 2018, MWDSC Update on the California WaterFix, Water Planning and Stewardship Committee Item 6a.

(b) The lowest and highest alternatives are used in the probabilistic analysis based on facility cost possibilities under differing scenarios identified by MWD.

(c) Inflation is estimated at 3% per year using annual compounding. The midpoint of construction expenditures is in 7 years (2024). The WaterFix Project is projected to be online in 2033.

(d) The variations in allocations of the WaterFix facility costs are independent of the volume of Delta exports.

Table A-2. MWD Water Supplies

Persistent Delta Exports in 2040 with WaterFix Stage 1 (AFY)	Alt 1 Persistently		Alt 2 Persistently
	Wet Climate	Baseline Project	Dry Climate
Delta Supply to MWD (net of storage, a)	1,258,108	1,262,972	1,181,342
Delta Supply to Other SWP Contractors	676,234	696,916	909,360
Subtotal Participating SWP Contractors	1,934,342	1,959,888	2,090,703
ST Non-participating SWP Contractor	595,658	565,112	273,697
Total SWP Contractors	2,530,000	2,525,000	2,364,400
Subtotal Participating CVP Contractors (b)	691,250	508,750	246,400
Subtotal Non-participating CVP Contractor	1,608,750	1,526,250	739,200
Total CVP Contractors (c)	2,300,000	2,035,000	985,600
Total Delta Exports	4,830,000	4,560,000	3,350,000
Exports in 2040 without WaterFix	3,900,000	3,700,000	2,560,000
Increase in Exports with WaterFix Stage 1 (d)	930,000	860,000	790,000
Total Contractor Flows with WaterFix Capacity	2,625,592	2,468,638	2,337,103
<i>WaterFix Participating Flows vs Delta Exports</i>	54%	54%	70%
<i>MWD Share of SWP Flow</i>	50%	50%	50%
<i>MWD Share of WaterFix related Flows</i>	46%	56%	56%
<i>MWD Share of Delta Exports</i>	26%	28%	35%
MWD Sources of Supply, Net of Storage (AFY)	Lower Demands		Higher Demands
SWP Supplies (a)	1,258,108	1,262,972	1,181,342
Colorado River Supplies (CRA, e)	400,892	837,028	1,296,658
Total MWD Annual Persistent Sales (2040, f, g)	1,659,000	2,100,000	2,478,000
MWD Sources of Supply, Net of Storage			
SWP Supplies (b)	76%	60%	48%
Colorado River Supplies (CRA, e)	24%	40%	52%
Total MWD Annual Persistent Sales	100%	100%	100%
MWD Sales in SoCal versus Baseline Sales (2040, g)	79%	100%	118%

Values may not foot due to rounding. "Participating" contractor values refers to flows associated with purchase of WaterFix capacity. The values herein are net of water to/from storage, and represent persistent, stable long-term reliability targets supporting projected demands. MWD's SWP flows depend on both climate CVP usage. Short term drought conditions are not modeled.

(a) 2015 MWD UWMP 2015 pgs. A.3-46 1.2 MAF persistent long term post 2030 Delta Source of Supply Solution. The State Water Project Final Delivery Capability Report Jul 2015 Table 5-1 lists SoCal area SWP contractor max Table A delivery at 2.6 MAFY, and MWD median deliveries at 65% of Table A volumes. MWD 2015 UWMP Table A.3-7 (pg. A.3-57) identifies the 2040 multiple dry years California Aqueduct supply as 0.79 MAFY, including the WaterFix; the persistent deliveries in the dry climate will exceed this multi-year shortage condition. Per Bay-Delta Initiatives Manager, MWD, 23 Feb 2017, current SWP contractor deliveries are stable at 46% to MWD, 3% to SWP contractors taking water above the Delta and 50% for other SWP contractors using Delta exports.

(b) In Alternative 1, certain CVP contractors participate in the additional WaterFix Stage 1 capacity rights.

(c) By 2040, CVP contractors are projected to annually sell 18% of their current supply allocations to SWP contractors. In Alternative 2, a persistently dry climate results in the CVP contractors selling an additional 30% of their supplies.

(d) MWD estimates that WaterFix Stage 1 protects 860,000 acre-feet of water per year from future reductions due to seasonal environmental constraints or earthquakes.

(e) MWD 2015 UWMP - Year 2040 average year supplies from the Colorado River Aqueduct (CRA) are ~0.9 MAFY. Minimum water supply under Metropolitan's Priority 4 senior rights apportionment of Colorado River water (0.55 MAFY) has been continuously delivered since 1939. MWD's CRA supplies are a function of it's Delta exports. CRA supply cost is not included in those calculations.

(f) The total MWD Annual Persistent Sales are projected to grow from 1.7 MAFY in 2015 to 1.85 MAFY by 2025, per Page 2 of Attachment 2 to the Ten-Year Financial Forecast of the 2016/17 and 2017/18 Biannual Budget. This analysis projects that MWD Baseline total sales is 1.9 MAFY by 2033 and 2.1 MAFY in 2040.

(g) In the wetter SoCal climate, demand for imported MWD supplies is lower than the Baseline, while in a dry climate the demands are higher.

Table A-3. DWP Water Supplies

DWP Long-term Persistent Annual Source of Supplies in 2040	Alt. 1 Minimum MWD Reliance	Baseline	Alt. 2 Maximum MWD Reliance
Imported Water Purchases (a)	12%	13%	61%
LA Aqueduct (LAA, b)	52%	51%	8.9%
Local GW, RW & Transfers (b)	36%	36%	30%
Total DWP Supplies and Sales (c)	100%	100%	100%
New WaterFix Facilities Exports	930,000	860,000	790,000
MWD total Sales	1,659,000	2,100,000	2,478,000
Imported Water Purchases (AFY, a)	66,000	74,930	345,000
LA Aqueduct	295,130	286,200	50,600
Local GW, RW & Transfers	204,470	204,470	170,000
Total DWP Supplies and Sales	565,600	565,600	565,600
DWP Portion of WaterFix Facilities	2%	1%	4%
DWP Portion of MWD's Sales (d)	4%	4%	14%

Values may not foot due to rounding. The sources of supply are net of water to/from storage, as supply herein represents persistent, stable long-term demands.

a. All DWP imported water purchases are from MWD. Certain City areas have access only to MWD water at an average demand of 66,000 AFY. Per the 2015 DWP UWMP 2040 Exhibit 11F, the MWD supplies of 310,530 AFY for single dry years is increased to represent a long-term dryer California climate with more City dependence on MWD supplies.

b. Wet and Baseline cases presume successful development of all future local supplies. The dryer case alternative presumes a shortfall in local supply development and lower LAA supplies.

c. Source: 2015 DWP UWMP 2040 demands (Exhibit 11F & H)

d. DWP's "share" MWD purchases originating from Delta supplies. Note that MWD deliveries and bills do not distinguish among the sources of supply.

Table A-4. MWD Taxes for WaterFix

Description	Assessed Valuation (\$ billion)	MWD Ad Valorem Tax Rate (b)	Taxes to MWD (\$ million)
City Area (FY 2016-17, a)	\$521	0.0035%	\$18
Other Areas in the MWD Service Area	\$2,062	0.0035%	\$72
Total MWD Service Area (FY 2016-17, a)	\$2,583	0.0035%	\$90
City to Total MWD Service Area Ratio	20%		20%
DWP's Share of MWD's Total Member Agency Water Deliveries (2040)			Ratio of Supply
	Alt. 1 Wet Climate - Less MWD Reliance		4%
	Baseline		4%
	Alt. 2 Dry Climate - More MWD Reliance		14%
MWD Property Tax Revenues in FY 2016-17 (\$ million/year)		\$90	
MWD Reported Annualized Growth in AV Revenues 2016 to 2026 (a, b)	2.0%		
Equivalent Growth in AV Revenues from FY 2016-17 to 2040		158%	
MWD Property Tax Revenues in 2040 (\$ million/year, Baseline)		\$143	
	Alt. 1 Lower Ad Valorem Property Taxes	Baseline	Alt. 2 Higher Ad Valorem Property Taxes
MWD Property Tax Revenues in 2040			
Range of Tax Levy Revenues for Alternatives	80%	100%	130%
Projected Property Tax Revenues (2040\$, \$ million/year)	\$114	\$143	\$186
		Median Value House in City	
Surcharges Collected Using MWD's Assessed Valuation Taxing Authority			
One SFR Household Property Taxable Assessed Valuation (2016, c)		\$323,400	
Projected Annualized Inflation in Property Assessed Value (d)		3.0%	
One SFR Household Property Taxable Assessed Valuation (2018\$)		\$343,124	
MWD Ad Valorem Tax Rate (b)		0.0035%	
Monthly Equivalent Tax Levy on City SFR in 2018\$ (\$/month-SFR house)		\$1.00	
	Alt. 1 Lower MWD AV Tax Levy	Baseline Median MWD AV Tax Levy	Alt. 2 Higher MWD AV Tax Levy
MWD Property Tax Levies to City of Los Angeles SFR Houses for WaterFix Bonded Debt Service			
Range of Assessed Valuation Levies (% of median City SFR)	80%	100%	130%
Annual Tax Levy on SFR in 2040\$ (\$/month-SFR house equivalent)	\$1.54	\$1.92	\$2.50
Monthly Levy on SFRs in 2018\$ (\$/month-SFR house equivalent, d)	\$0.80	\$1.00	\$1.30

Values may not foot due to rounding. The high/low range of MWD tax revenues and SFD assessment is projected by OPA.

a. July 17, 2017, City Council File No. 17-0654 - Metropolitan Water District of Southern California Rate Setting Practices and Approaches. The current tax levies include \$15 million for MWD bonds and \$75 million for State Water Project bonds. Source: Ad Valorem (AV) Growth rate of 2% is from 2016 to 2025 per the MWD 2016/17 and 2017/18 Biennial Budget, Attachment 2. This annual growth rate is used for 2017 to 2040. The projected SFR AV growth in the City is estimated at 1 percent per year above the total MWD service area. Per California Municipal Statistics, Inc., in FY 2016-17 SFR AV in the City was 53% of the AV of all properties.

b. The April 2016 MWD Board Letter 8-1 proposed ten-year forecast and adopted a resolution finding that continuing an ad valorem tax rate of 0.0035% for fiscal year 2015/16 is essential to MWD's fiscal integrity. This rate is projected by OPA to be unchanged for the WaterFix bond financing period.

c. 7/9/2017 HdL Companies, for 589,991 single family residences in 2016 Los Angeles; values are net of exemptions and for secured properties only. The avg. sale price of City SFRs in FY 2015-16 was \$550,000.

d. Values in 2018 dollars use a 3% per year inflation rate.

Table A-5. WaterFix Annualized Costs

Description	Alt. 1		Alt. 2
	Least Cost	Baseline	Highest Cost
Project Costs Mid-construction (\$ million, 2024\$)	\$11,467	\$13,637	\$16,660
Bonded Debt Interest Rates (True Interest Cost)	3.0%	4.0%	8.0%
Annual Bonded Debt Service from 2023 to 2062 (a)	\$537	\$772	\$1,579
Annual O&M Costs (2040\$, b)	\$98	\$98	\$98
Annual WaterFix Stage 1 Cost (\$M/year, 2023\$ to 2062\$)	\$634	\$870	\$1,677
MWD Share of WaterFix Stage 1 Costs (%)	46%	56%	56%
MWD Share of Costs (\$ M/year 2023\$ to 2062\$ - 2040\$ mid-point)	\$294	\$484	\$933
MWD Share of Costs (\$ Million/year 2018\$)	\$153	\$252	\$486
Unit Cost Statistics for Information Only			
WaterFix Stage 1 Annual Cost (\$ Million/year)	\$634	\$870	\$1,677
Average Participating Contractor Flows (AFY)	2,625,592	2,468,638	2,337,103
WaterFix Unit Cost (\$/AF, 2033\$ to 2062\$)	\$242	\$352	\$718
MWD Share of Stage 1 Costs (\$ Million/year 2040\$)	\$294	\$484	\$933
MWD Member Agency Demands (AFY in Year 2040, Avg Est)	1,659,000	2,100,000	2,478,000
MWD WaterFix unit costs per Acre Foot (\$/AF, 2040\$)	\$177	\$230	\$376
MWD WaterFix unit costs per Acre Foot (\$/AF, 2018\$, c)	\$92	\$120	\$196
MWD Tier 1 Full Service Untreated Cost (\$/AF, 2018\$)	\$695	\$695	\$695
MWD Cost Increase for WaterFix Stage 1 Costs in 2018\$	13%	17%	28%
MWD Annual Costs for WaterFix (\$ million/year, 2040\$)	\$294	\$484	\$933
70% of costs allocated to residents per MWD	\$206	\$339	\$653
Estimated Households Served by MWD (2040, d)	7,332,000	7,332,000	7,332,000
Avg. MWD WaterFix Charge per Household (\$/month-HH, 2040\$)	\$2.34	\$3.85	\$7.42
Avg. MWD WaterFix Charge per Household (\$/month-HH, 2018\$)	\$1.22	\$2.01	\$3.87
City of Los Angeles Annual Costs for WaterFix (\$ million/year)			
DWP Share of MWD Net WaterFix Costs (2040\$)	\$7	\$12	\$104
AV Taxes to LA Properties (20% of MWD Total AV Taxes)	\$23	\$29	\$37
Total (\$ million/year, 2040\$)	\$30	\$41	\$141
Total (\$ million/year, 2018\$)	\$16	\$21	\$74

Values may not foot due to rounding. The highest, lowest and Baseline costs are shown herein. However, an average WaterFix unit cost, based on proper inclusion of all quantifiable variables, represents a more probable WaterFix cost.

(a) SCWC 2012 Bay Delta Conservation Plan with Conservation Benefits and Financial Strategies, by PFM Group. The bonds have 40 year terms from 2023 to 2062, a cost of issuance (COI) of \$8M and capitalized interest for two years. The COI and cap interest costs add 8%, 12% and 13% to the project. Maximum debt service starts in 2033 per Modernizing the System: California WaterFix Finance & Cost Allocation, Attachment 1.

(b) Source: California WaterFix Economic Analysis Fact Sheet, Page 3, February 2018. Annual O&M Costs after construction are \$49.5 million per year in 2017\$, plus 3%/year inflation from 2017.

(c) The 2033 dollars are adjusted to 2018 using a 3% per year inflation rate.

(d) Estimated households based on California Dept. of Finance Statewide population projections and MWD service area.

Table A-6. WaterFix Surcharges to City Single Family Resident Households

Description	Alt. 1		Alt. 2
	Lowest Cost	Baseline	Highest Cost
Total Annual MWD Cost for WaterFix (\$ million/year, 2033\$ to 2072\$)	\$294	\$484	\$933
Less MWD AV taxes for WaterFix Debt Payments (\$million/year)	(\$114)	(\$143)	(\$186)
Net Annual MWD Variable Cost for WaterFix (\$ million/year, 2040\$)	\$180	\$341	\$747
MWD Member Agency Projected Demand (AFY, 2040 Average)	1,659,000	2,100,000	2,478,000
MWD Variable Surcharge to MWD Agencies (\$ per AF, 2040\$)	\$108	\$162	\$302
DWP Volumetric Surcharges for WaterFix Costs			
MWD Variable Cost to All Member Agencies (\$ per AF, 2040\$)	\$108	\$162	\$302
DWP Purchases of MWD Water (AFY, 2040)	66,000	74,930	345,000
DWP Cost based on Use of MWD Supplies (\$ Million per year)	\$7.2	\$12.2	\$104
DWP Projected Water Sales (MHCF per year, 2040, a)	234	234	234
Unit DWP Cost for WaterFix (\$/HCF, 2040\$)	\$0.031	\$0.052	\$0.444
Unit DWP Surcharge for WaterFix (\$/HCF, 2018\$, b)	\$0.016	\$0.027	\$0.232
Current DWP Tier 1 Water Rate (\$/HCF, Winter 2018)	\$6.203	\$6.203	\$6.203
WaterFix Stage 1 DWP Tier 1 Unit Surcharge	0.3%	0.4%	3.7%
Total WaterFix Charge to City SFR Households (2040\$)			
Unit DWP Cost for WaterFix (\$/HCF, 2040\$)	\$0.031	\$0.052	\$0.444
Median Water Use for City Single Residence (HCF/month-house)	10	10	10
DWP WaterFix Variable Cost per SFR (\$/month, 2040\$)	\$0.31	\$0.52	\$4.44
MWD Taxes to SFR for WaterFix Costs (\$/month, Table 5, 2040\$)	\$1.54	\$1.92	\$2.50
Total Monthly WaterFix Charge in 2040 Dollars (\$/month -SFR)	\$1.84	\$2.44	\$6.94
Total Monthly WaterFix Surcharge to Median City Single Family Residence (\$/month, 2018\$, b)			
DWP WaterFix Variable Cost per SFR (\$/month)	\$0.16	\$0.27	\$2.32
MWD Direct AV Taxes to City SFR for WaterFix Costs (\$/month)	\$0.80	\$1.00	\$1.30
Total Monthly WaterFix Surcharge (\$/month-SFR)	\$0.96	\$1.27	\$3.62
Current DWP 10 HCF Water Bill (\$/month-SFR Winter 2018, including 2 HCF of Tier 2 water at \$8.358/HCF)	\$66.34	\$66.34	\$66.34
Increase to LA Household (MWD AV Taxes & DWP Bills)	1.4%	1.9%	5.5%
Increase in DWP Water Bills (including Tiers 1 & 2)	0.2%	0.4%	3.5%

Values may not foot due to rounding. The median City household characteristics include 10 HCF/month of water demand, and a 2016 property assessment (not sales value) of \$323,400.

(a) Non-revenue water is estimated at 5% of supplies for calculating unit rates.

(b) The 2040 dollars are converted to 2018 dollars using a 3% per year inflation rate. The projected median water usage is 10 HCF per month.

Table A-7. Variables Affecting Charge and Tax Values

Alternatives: Calculation Variables	Alt. 1	Baseline	Alt. 2	Independent Variable	Random Variable Calculation	
					Result	Selection of Random Variable
WaterFix Stage 1 Total Capital Cost (\$M)	\$11,467	\$13,637	\$16,660	Yes	\$12,169	Uniform Distribution
Delta Climate (Wet/Base/Dry)	Wet	Baseline	Dry	Yes	Dry	Discrete Probability
CVP Buys 1,000 CFS of WaterFix Stage 1 Cap	Yes	No		Yes	Yes	Discrete Probability
DWP LAA Supply from Sierra Nevada (AFY)	295,130	286,200	50,600	Yes	234,665	Uniform Distribution
DWP Supply from Local GW & RW (AFY)	204,470	204,470	170,000	Yes	202,671	Uniform Distribution
MWD AV Tax Rev (Variable from Baseline)	80%	100%	130%	Yes	127%	Uniform Distribution
MWD AV Tax Revenues (\$ Million per year)	\$114	\$143	\$186	No	\$181	Same as Above
Bond Debt Interest Rates (TIC, a)	3.0%	4.0%	8.0%	Yes	4.8%	Uniform Distribution
Inflation/Discount Rate (% per year)	3.0%	3.0%	3.0%	No	3.0%	Same in All Alts
Probabilities Projected by OPA					Random Probability	
Delta Climate (Wet/Base/Dry)	15%	55%	30%	100%	93%	
CVP Buys Capacity (Yes/No)	40%	60%		100%	38%	

The alternatives are designed to create cost extremes from combining highest costs with lowest deliveries, and lowest costs with highest deliveries. The likely and average outcome is within these two extremes. The average WaterFix unit cost, based on proper inclusion of all quantifiable variables, represents a probable WaterFix cost.

(a) Source: Modernizing the System: California WaterFix Finance & Cost Allocation, Attachment 1, Page 10. A True Interest Cost (TIC) of four percent is identified as Base Case, and eight percent as worst case.

Table A-8. California State Water Project Contractors Table A and WaterFix Shares

Contractor	Maximum as of 1/2016			All SWP & CVP Contractors		WaterFix Stage 1 Capacities with and without CVP Partial Participation (a, CFS)				
	Volume (AFY)	Share	Served from California Aqueduct	Participate 100% in WaterFix (Not Included in Analysis)		Excluding Most San Joaquin Valley & All CVP Participation (Baseline & Alternative 2)		Excluding Most San Joaquin Valley but including 1,000 CFS of CVP Participation (Alternative 1 Only)		
Upper Feather River										
County of Butte	27,500	0.7%	no							
Plumas County Water Conservation District	2,700	0.1%	no							
City of Yuba	9,600	0.2%	no							
Subtotal	39,800	1.0%								
North Bay Area										
Napa County Flood District	29,025	0.7%	no							
Solano County Water Agency	47,756	1.1%	no							
Subtotal	76,781	1.8%								
South Bay Area										
Alameda County FC&WC District Zone 7	80,619	1.9%	2.0%	98	1.1%	141	2.3%	117	2.0%	
Alameda County Water District	42,000	1.0%	1.0%	51	0.6%	73	1.2%	61	1.0%	
Santa Clara Valley Water District	100,000	2.4%	2.5%	122	1.4%	175	2.9%	145	2.4%	
Subtotal	222,619	5.3%	5.5%	272	3.0%	389	6.5%	324	5.4%	
San Joaquin Valley										
Oak Flat Water District	5,700	0.1%	0.1%	7	0.1%	no		no		
County of Kings	9,305	0.2%	0.2%	11	0.1%	no		no		
Dudley Ridge Water District Participating	22,675	0.5%	0.6%	28	0.3%	40	0.7%	33	0.5%	
Dudley Ridge Water District Excluded	22,675	0.5%	0.6%	28	0.3%	no		no		
Empire West Side Irrigation District	3,000	0.1%	0.1%	4	0.0%	no		no		
Kern County WA Participation in WaterFix	491,365	12%	12%	600	6.7%	858	14.3%	715	11.9%	
Kern County WA Excluded from WaterFix (a)	491,365	12%	12%	600	6.7%	no		no		
Tulare Lake Basin Water Storage District	87,471	2.1%	2.2%	107	1.2%	no		no		
Subtotal	1,133,556	27%	28%	1,383	15%	897	15%	748	12%	
Central Coast (Flood Control & Water Conservation Districts)										
San Luis Obispo County	25,000	0.6%	0.6%	31	0.3%	44	0.7%	36	0.6%	
Santa Barbara County	45,486	1.1%	1.1%	56	0.6%	79	1.3%	66	1.1%	
Subtotal	70,486	1.7%	1.7%	86	1.0%	123	2.1%	103	1.7%	
Southern California										
Antelope Valley-East Kern Water Agency	144,844	3.5%	3.6%	177	2.0%	253	4.2%	211	3.5%	
Castaic Lake Water Agency	95,200	2.3%	2.3%	116	1.3%	166	2.8%	139	2.3%	
Coachella Valley Water District	138,350	3.3%	3.4%	169	1.9%	242	4.0%	201	3.4%	
Crestline-Lake Arrowhead Water Agency	5,800	0.1%	0.1%	7	0.1%	10	0.2%	8	0.1%	
Desert Water Agency	55,750	1.3%	1.4%	68	0.8%	97	1.6%	81	1.4%	
Littlerock Creek Irrigation District	2,300	0.1%	0.1%	3	0.0%	4	0.1%	3	0.1%	
Metropolitan Water District	1,911,500	46%	47%	2,333	26%	3,337	56%	2,781	46%	
Mojave Water Agency	85,800	2.1%	2.1%	105	1.2%	150	2.5%	125	2.1%	
Palmdale Water District	21,300	0.5%	0.5%	26	0.3%	37	0.6%	31	0.5%	
San Bernardino Valley Municipal Water District	102,600	2.5%	2.5%	125	1.4%	179	3.0%	149	2.5%	
San Gabriel Valley Municipal Water District	28,800	0.7%	0.7%	35	0.4%	50	0.8%	42	0.7%	
San Geronio Pass Water Agency	17,300	0.4%	0.4%	21	0.2%	30	0.5%	25	0.4%	
Ventura County Watershed Protection District	20,000	0.5%	0.5%	24	0.3%	35	0.6%	29	0.5%	
Subtotal	2,629,544	63%	65%	3,209	36%	4,591	77%	3,826	64%	
Served from California Aqueduct	4,056,205	97%	100%	4,950	55%	6,000	100%	5,000	83%	
Total State Water Project	4,172,786	100%	CVP Capacity	4,050	45%	CVP Allocation of Stage 1:		1,000	17%	
			Total WaterFix Capacity (CFS):	9,000		Total WaterFix Stage 1:	6,000	100%		

The SWP water contractors have water supply contracts with the California Department of Water Resources that define annual water supply allocations.

(a) The WaterFix Stage 1 cost is shared among SWP Aqueduct contractors based on Table A, except that Kern County Water Agency takes only half of their Table A.

APPENDIX B: LOW INCOME AND LIFELINE WATER CREDITS

“Affordability” guidelines for water utility projects were first published by the U.S. Environmental Protection Agency (EPA) in the late 1990’s. One definition of affordability is for certain drinking water projects in small communities. This approach examines the monthly water bill, and whether a project’s rate impacts increase the annual water bills to more than 2.5% of the U.S. median household income. While the rate impacts of WaterFix may be affordable by that measure, the measure has been subject to extensive debate and lacks general acceptance for any non-EPA purposes, as discussed below. To emphasize the nature of the data, an “affordable” project in EPA’s opinion does not imply that every household can afford that project’s rate impacts. As discussed further below, a partial remedy for WaterFix rate impacts is within the City authority.

Criticism of the EPA measure has been extensive, and includes an issue brief published by the U.S. Council of Mayors, the American Water Works Association, and the Water Environment Federation in 2013. Two types of objections were raised: 1) a more local median household income would measure areas less able to afford a water project than the U.S. median household income, and 2) more factors should be included. To explore rate impacts of WaterFix, OPA evaluated the median household income in the City of Los Angeles, very low income levels in the County of Los Angeles, poverty income levels in the U.S., as well as eight of the lowest median income zip code areas in the City.¹ OPA specifically looked at existing median water charges and consumption in each of these lower income zip codes for low-income and Lifeline customers. While OPA did not evaluate other factors, nothing prevents the City from adopting other objective measures.

A partial and potential remedy, which the City can adopt, is to inflation-adjust the credit given to low-income, Lifeline, and other special-needs customers, although the means of sourcing these funds may need to change. OPA has previously recommended this action by the City, and continues to urge it be done as soon as practicable, and without regard to any specific project like WaterFix. That remedy will be over-inclusive because many low-income and Lifeline customers will keep their water bills below 2.5% of their household’s income after WaterFix is built in the early 2030’s.

The Department of Water and Power has adopted standards of eligibility for low-income and Lifeline credits on water bills. In California and before Proposition 218, it was considered best practice to inflation-adjust low-income utility rates, so that the same level of assistance is

¹ These were zip codes 90001, 90002, 90011, 90021, 90033, 90037, 90044, and 90059 selected from www.censusreporter.org. DWP sends water bills to 120 zip codes. Note that phasing-in the WaterFix costs will be necessary to avoid an impact over 5% for Lifeline customers, because their bills are materially smaller than low-income or standard ratepayers.

maintained over time. Proposition 218 impedes this practice in municipal utilities only if the inflation-adjustment is funded by other water ratepayers and without a vote of the citizens. OPA is aware of no obstacle to providing an inflation-adjustment with the City’s funds or donations. A water inflation-adjustment to the low income credit started now would cost approximately \$300,000 in 2018. It would add \$4.69 (in 2030\$) to \$9.74 (in 2040\$) to the current \$10 per month credit, costing between \$5M (in 2030\$) and \$10M (in 2040\$).

Table B-1. Calculations: Impacts on Average, Low-Income, and Lifeline Ratepayers

Description	2017 Water Use (HCF per Month)	DWP Monthly Water Bill (2017 Median)	Most Costly WaterFix Surcharge (Twin Tunnels with MWD financing)	Total Cost with Surcharge
Median City Single Res Household	10	\$66	\$6.78	\$72.78
Citywide Low Income Household	9	\$44.66	\$6.23	\$50.89
Citywide Lifeline Household	7.5	\$31.64	\$5.41	\$37.05
2.5% of Poverty Household Income (a)				\$58.94

All water related information are from 2017 DWP billing information. The billed amounts include existing lifeline and low-income discounts.

(a) The 2017 United States H&HS poverty level for a four person household is \$28,290.

City of Los Angeles Zip Codes	Household Incomes (2016)		Median of All Low-Income Households		Median of All for Lifeline Households	
	Median Annual Income	2.5% of Monthly Income	Monthly Water Use (HCF)	Monthly Water Bill	Monthly Water Use (HCF)	Monthly Water Bill
90021 (a)	\$12,813	\$26.69	7.5	\$34.96	7.5	\$30.30
90037	\$27,179	\$56.62	9	\$43.84	6.5	\$27.26
90033	\$27,622	\$57.55	8	\$37.19	6.5	\$26.08
90044	\$29,206	\$60.85	8	\$38.19	6	\$23.30
90011	\$30,251	\$63.02	8.5	\$41.84	7	\$28.85
90002	\$30,413	\$63.36	8.5	\$39.64	5.5	\$21.35
90059	\$32,506	\$67.72	8.5	\$40.43	6.5	\$24.53
90001	\$33,887	\$70.60	8.5	\$42.66	5	\$18.61

All water related information are from 2017 DWP billing information. The billed amounts include existing lifeline and low-income discounts.

(a) Zip Code 90021 has less than 11 lifeline and low-income customers.

California WaterFix Stage 1 Cost to City Ratepayers

REFERENCES

This report was prepared using a variety of supporting documents, including:

- March 27, 2018, *California WaterFix*, MWDSC Board Workshop, Presentation
- February 12, 2018, *Update on the California WaterFix*, MWDSC Water Planning and Stewardship Committee Item 6a.
- February 12, 2018, *Economic Analysis of Stage I of the California WaterFix*, California Department of Water Resources, Report
- February 2018, *California WaterFix Economic Analysis Fact Sheet*
- July 10, 2017, *Modernizing the System: California WaterFix Infrastructure White Paper*, Metropolitan Water District of Southern California, Report
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- August 10, 2017, *Modernizing the System: California WaterFix Finance and Cost Allocation White Paper*, Metropolitan Water District of Southern California, Report
- April 27, 2016, *Urban Water Management Plan 2015*, Los Angeles DWP, Report
- June 2016, *Urban Water Management Plan, 2015*, MWDSC, Report
- July 17, 2017, *Council File No. 17-0654 - Metropolitan Water District of Southern California Rate Setting Practices and Approaches*, City of Los Angeles, Motion
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- July 7, 2017, *City of Los Angeles Secured Single Family Residence Parcel Valuation Data*, HdL Companies, Database Summary Request
- July 1, 2015, *State Water Project Delivery Capability*, California Department of Water Resources, Report
- February 25, 2014, *Review Status of BDCP Cost Allocations*, Metropolitan Water District of Southern California Special Committee on Bay-Delta, Presentation
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- November 2016, *Update on California WaterFix*, Metropolitan Water District of Southern California Special Committee on Bay-Delta, Presentation
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California WaterFix Stage 1 Cost to City Ratepayers

GLOSSARY

2018\$: Year 2018 Dollars

AF: Acre-Foot

AFY: Acre-Feet per Year

Alt: Alternative

AV: Ad Valorem

City: City of Los Angeles

CVP: Central Valley Project

CRA: Colorado River Aqueduct

DWP: City of Los Angeles Department of Water and Power

DWR: California State Department of Water Resources

ED: Mayor of Los Angeles Executive Directive

GW: Groundwater

HCF: Hundred Cubic Feet (one DWP billing unit)

MHCF: Million Hundred Cubic Feet

LAA: Los Angeles Aqueduct

MAF: Million Acre-Feet

MAFY: Million Acre-Feet per Year

MWD or MWDSC: Metropolitan Water District of Southern California

No.: Number

O&M: Operations and Maintenance

OPA: Office of Public Accountability/Ratepayer Advocate

RW: Recycled Water

SFR: Single Family Resident (dwelling)

SoCal: Southern California

SW: Stormwater

SWP: State Water Project

TIC: True Interest Cost

UWMP: Urban Water Management Plan

w/: with

YR: Year

From: John Murray <Jmurray@jwmjr.org>

Sent: Saturday, April 7, 2018 7:27 AM

To: Lorraine Paskett; Glen C. Dake; Mark Gold; Jesus E. Quinonez; Liz Crosson;

Richard.Harasick@ladwp.com; David Pettijohn; Delon Kwan; Evelyn.Cortez-Davis@ladwp.com

Subject: Fwd: California WaterFix Board Action Item

I know my colleagues received this as well but I thought I would just get it out to all of us.

John

John W. Murray, Jr.

Begin forwarded message:

From: Office of the General Manager

<OfficeoftheGeneralManager@mwdh2o.com>

Date: April 6, 2018 at 3:23:22 PM PDT

To: "Barry D. Pressman - Beverly Hills, City of (dirpressman@gmail.com)"

<dirpressman@gmail.com>, "Brett R. Barbre (brbarbre@msn.com)"

<brbarbre@msn.com>, "Charles Trevino - Upper San Gabriel Valley MWD

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Cc: "Michele Martinez - Santa Ana, City of (MEscamilla@santa-ana.org)" <MEscamilla@santa-ana.org>, "Michele Martinez - Santa Ana, City of (nhouston@santa-ana.org)" <nhouston@santa-ana.org>

Subject: California WaterFix Board Action Item



Date: April 6, 2018

To: Board of Directors
Member Agency Managers

From: Jeffrey Kightlinger, General Manager

Subject: California WaterFix Board Action Item

On Monday, I reported to you that staff plans to bring forward at Tuesday's board meeting a recommendation for Metropolitan to fund its share of a potential first stage of California WaterFix, which would include two intakes, a single tunnel and a capacity of 6,000 cfs.

Since then, a number of Metropolitan directors have requested that the option presented at the February 27 board workshop for Metropolitan to finance California WaterFix at a level that would allow the full project to move forward also be brought to the Board for consideration.

Accordingly, the board letter that has been posted sets forth both options, with a staff recommendation to express Metropolitan's support if the Department of Water Resources elects to pursue a staged approach and support of Metropolitan's participation at up to 47.1% of the project cost.

I encourage you to read the full [board letter](#) and let me know if you have any questions.

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From: Pettijohn, David <David.Pettijohn@ladwp.com>
Sent: Wednesday, April 4, 2018 6:19 PM
To: John W. Murray; Jesus Quinonez; Lorraine Paskett; Gold, Mark; gold@ioes.ucla.edu; Glen Dake
Subject: Fwd: News Release: MWDOC Board Adopts Resolution in Support of Metropolitan's Increased Share of the California WaterFix

Begin Forwarded Message:

From: "MWDOC" <dmicalizzi@mwdoc.com<<mailto:dmicalizzi@mwdoc.com>%3E%3E>
Subject: News Release: MWDOC Board Adopts Resolution in Support of Metropolitan's Increased Share of the California WaterFix
Date: 04 April 2018 16:44
To: "Pettijohn, David" <David.Pettijohn@ladwp.com<<mailto:David.Pettijohn@ladwp.com>%3E%3E>

<http://r20.rs6.net/on.jsp?ca=744492a4-d0f9-4e7d-a151-ea5ebf530d97&a=1101794078263&c=0e93a100-370f-11e3-adda-d4ae5275b1a5&ch=0ff246a0-370f-11e3-af19-d4ae5275b1a5>

<http://files.constantcontact.com/73e6b088001/cb4a2723-798b-4aed-9fa0-aaed7dd1f98e.png>

For Immediate Release

Contact:

Damon Micalizzi, Director of Public Affairs at (714) 593-5014 or
dmicalizzi@mwdoc.com

MWDOC BOARD ADOPTS RESOLUTION IN SUPPORT OF METROPOLITAN'S INCREASED SHARE OF THE CALIFORNIA WATERFIX

Fountain Valley, CA (April 4, 2018) – The Municipal Water District of Orange County (MWDOC) Board of Directors voted unanimously to adopt a resolution supporting the Metropolitan Water District of Southern California's (Metropolitan) additional investment in the California WaterFix, to build the full two tunnel project. The California WaterFix is a cutting-edge solution proposed by state and federal agencies to upgrade the State Water Project, a decades-old water delivery system in the northern part of the state.

Nearly a quarter of Orange County's total water demand is met with imported water from the State Water Project. The action today follows Metropolitan's staff announcement on Monday to pursue a staged approach to the California WaterFix project as proposed by the Brown Administration—build two intake facilities and a single tunnel with the capacity of 6,000 cubic-feet per second (cfs), and a third intake with 3,000 cfs, with a second tunnel to follow at a later date, to eventually bring the project to its full capacity. While the MWDOC Resolution endorses this approach, it goes further, calling on Metropolitan to finance and build the full project at once, to achieve the environmental and water

supply goals as the project was originally designed.

“This is a generational project and Metropolitan needs to lead the way on this,” said MWDOC Board President and Metropolitan Director, Brett Barbre. “That’s what we’ve always done and we need to show the courage and commitment to build both tunnels and we need to do it now.”

Implementation of the California WaterFix will modernize the State Water Project system to increase storage reserve levels statewide and protect the state from the devastating effects of drought. An investment in this project will also further expedite environmental and water supply benefits including reverse flow reductions, operational flexibility, seismic resiliency, climate change adaptation, and improved water quality. The California WaterFix is the most cost-effective approach that supports MWDOC’s mission “to provide reliable, high-quality supplies...to meet present and future needs” and will help protect our water supply reliability for decades to come.

The Metropolitan Board of Directors will formally vote on April 10, 2018, on the agency’s level of investment in the California WaterFix.

###

The Municipal Water District of Orange County (MWDOC) is a wholesale water provider and resource planning agency whose efforts focus on sound planning and appropriate investments in water supply development, water use efficiency, public information, legislative advocacy, water education, and emergency preparedness.

MWDOC's service area includes all of Orange County with the exception of Anaheim, Santa Ana, and Fullerton. MWDOC serves Orange County through 28 retail water agencies.

Municipal Water District of Orange County |

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Randy



Randy Fiorini

2/27/18

Good, thx. Trying to land WaterFix



Mon, Apr 9, 4:50 PM

Best wishes tomorrow. I'll be praying for ya! 🙏

Thx, I'm feeling positive



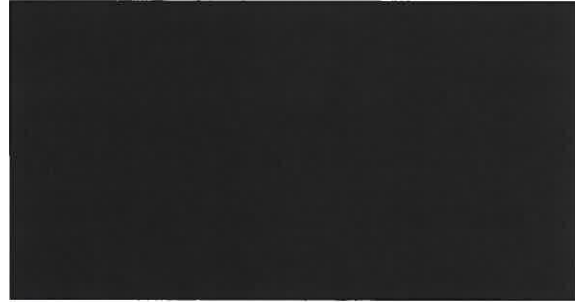
iMessage





GP

Glen Peterson 5/7/18
I'm appointing Atwater and Blo...
Sorry to disappoint you.



GP
Glen



Tue, Apr 10, 8:34 AM

Thanks four efforts we had a good meeting

Tue, Apr 10, 3:43 PM

Do you need me for the rest of the meeting

Tue, Apr 10, 6:22 PM

Maybe, stay on the line

Ok you tell me when I can go, also my hand has been up for the past 3 hours

Wed, Apr 11, 6:16 AM

I'm still here

Ok, you can go

Thanks

Mon, May 7, 10:25 AM

I'm appointing Atwater and Blois to DSC JPA.
Sorry to disappoint you.

Thanks for your consideration

Always
Delivered



iMessage



JK
Jeff



JK

Jeff Kightlinger 5/4/18
You're going to hear from Glen...



Fri, May 4, 3:16 PM

You're going to hear from Glen P. He wants on the DCA JPA and is willing to give up his seat on the CRB. I told him that you hadn't yet announced but that a number of directors expressed interest and that there may be a concern re geographic diversity to have both Glen (Las Virgenes) and Steve (Calleguas) on same committee but that in any event the two of you should talk.

Thx. He left VM

Also Kern wants to meet w us at Acwa on Wednesday. I said we would find the time

Sounds good

Sat, May 5, 8:27 AM

Got time to talk today? I'm free after 9:30.

Yeah ok I call after 12?

Camera App Store iMessage Microphone

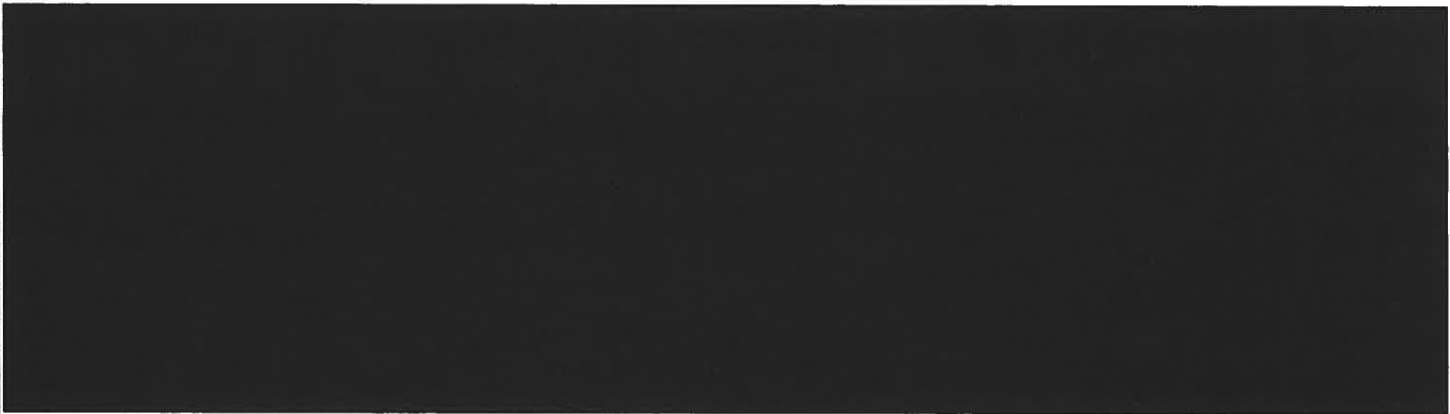




Jeff



Jeff Kightlinger 5/4/18
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iMessage input field with camera, app store, and microphone icons.

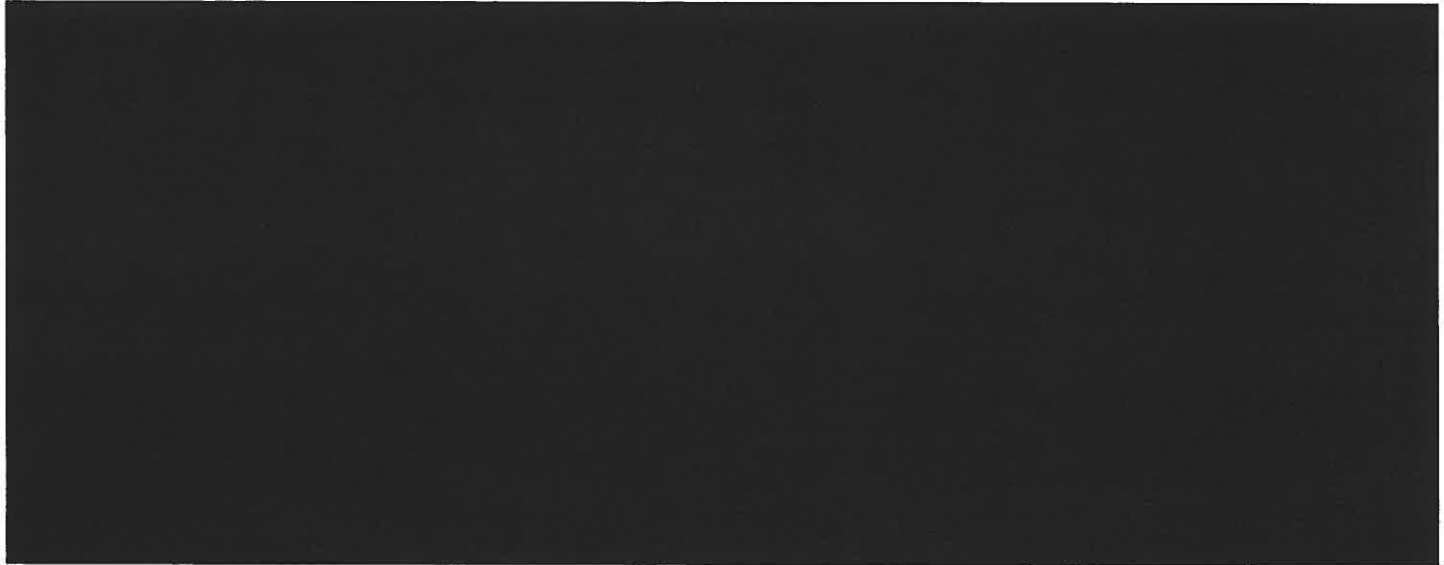
Bottom dock with various app icons including App Store, Apple Pay, Messages, Music, Podcasts, Spotify, News, Safari, and others.

Unsubscribed Cancel

RP
Roger



RP **Roger Patterson** 3/4/18
I think the discussion with the...



Sun, Mar 4, 10:30 AM

What's the status of SCVWD in case I get a call?

I think the discussion with them is going well. We told them we weren't interested in buying their share if they ran into problems with USBR (an idea they had in their draft). Kremen gets that. He wants to be a pretty partner with Met on the unsubscribed portion - I told they also should think about a larger share than the 5% they proposed.

We reviewed a draft term sheet with the group on the contract terms between DWR and Met (and scvwd)
They said they liked it.

Jeff and I are meeting with Westlands on Tuesday pm.

I'll be there Tues, Wed.
Thx.



iMessage





RP
Roger



RP

Roger Patterson 3/4/18
I think the discussion with the...

They said they liked it.

Jeff and I are meeting with Westlands on Tuesday pm.

I'll be there Tues, Wed.
Thx.

Sun, Mar 4, 2:32 PM

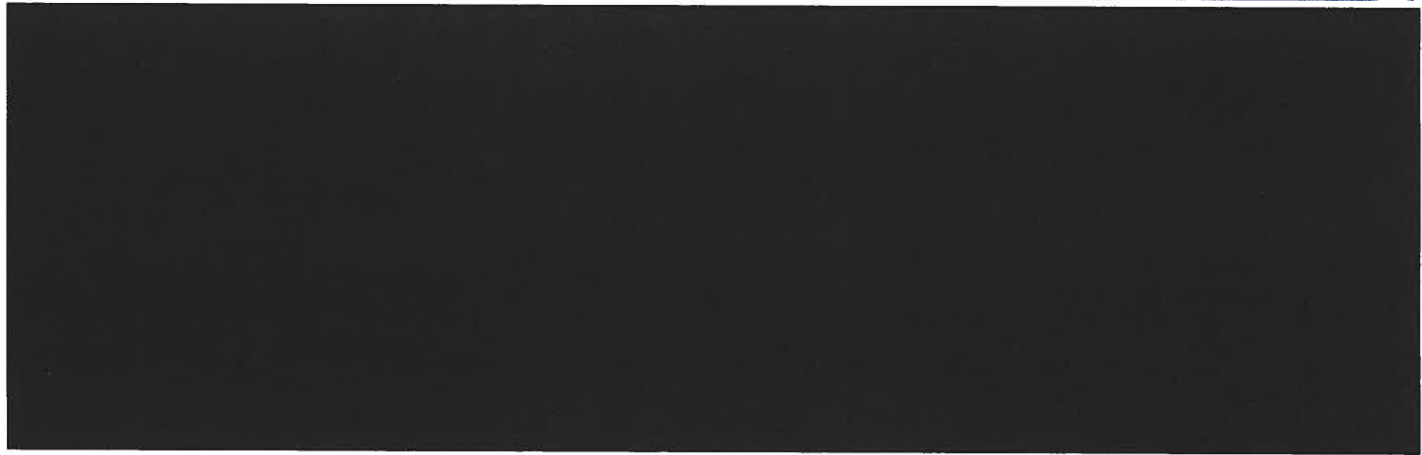
Thx. Did Jeff tell you that Karla pushed the 2 day meeting off a week to March 14 and 15? Some of us doing a technical/modeling session this Wednesday morning to get ready.

Sun, Mar 4, 3:39 PM

No, don't need me this week?

Not for the Gov office meetings. But touch base with Jeff. I think he's having dinner with Randy Fiorini Tuesday nite.

Yes, I was going to try to make that



iMessage





Roger



RP

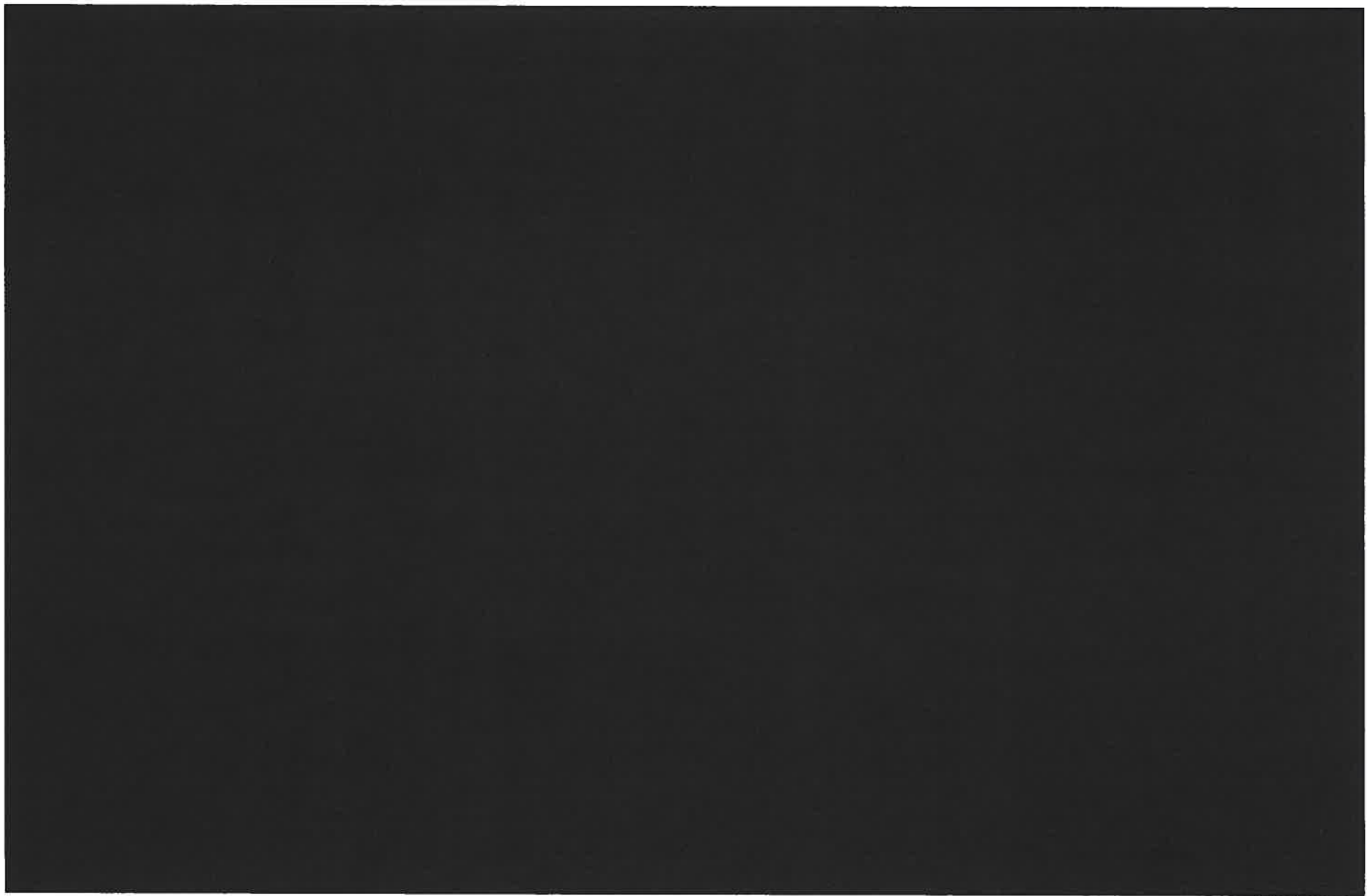
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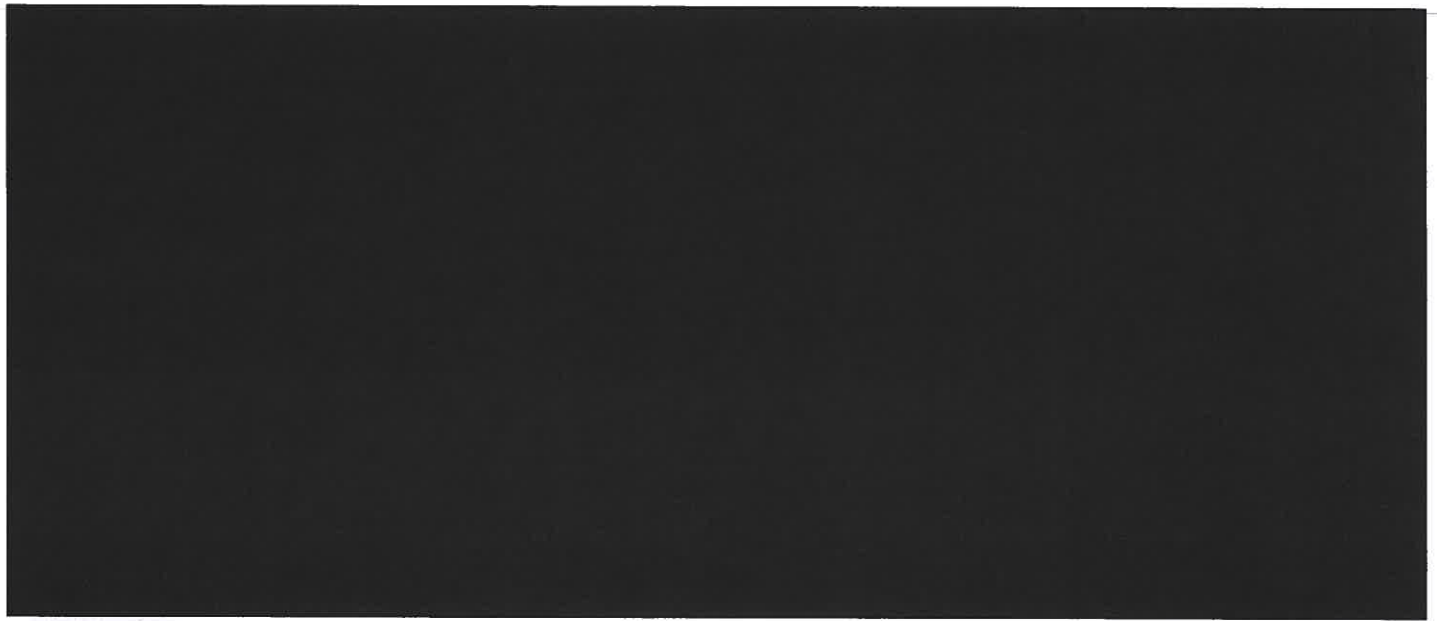
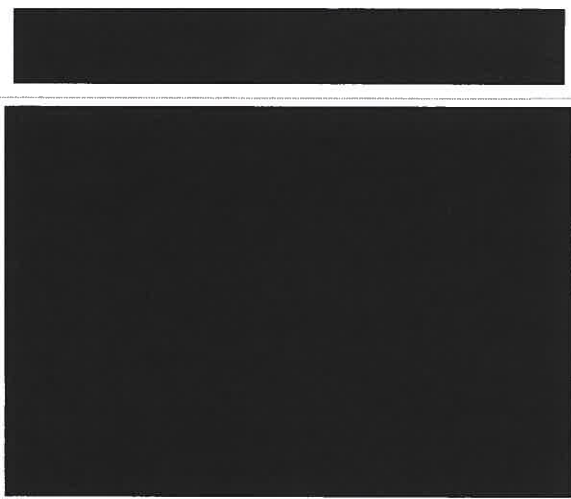
Yes, I was going to try to make that



iMessage

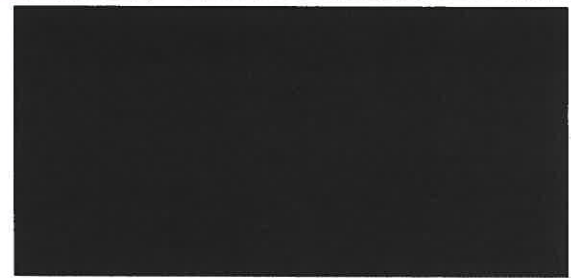


CM
Cannon



CM

Cannon Michael 11/30/17
Hey Randy. I have to leave soo...



Fri, Mar 30, 7:44 AM

Meeting on water fix today here in Sacramento. Let me know if you have any thoughts or comments i should be considering. Thanks

Will do. Just met w Westlands

Assume you're mtg w Commissioner this morning?

Yes

How'd it go with Westlands?

Don't think we can make a deal.

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App Store Apple Pay Messages Music News Spotify Wallet SoundCloud SoundCloud Pinterest Dropbox Starbucks



Cannon



Fri, Mar 30, 7:44 AM

Meeting on water fix today here in Sacramento. Let me know if you have any thoughts or comments i should be considering. Thanks

Will do. Just met w Westlands

Assume you're mtg w Commissioner this morning?

Yes

How'd it go with Westlands?

Don't think we can make a deal.

Damn

Tue, Apr 10, 3:54 PM

Great leadership. Good job

Wed, Apr 18, 6:00 PM

Thx Cannon , let's keep the conversation going.
Randy

Read 4/18/18



iMessage





Linda



Linda Ackerman 9/26/17
That "workshop" was the bigg...

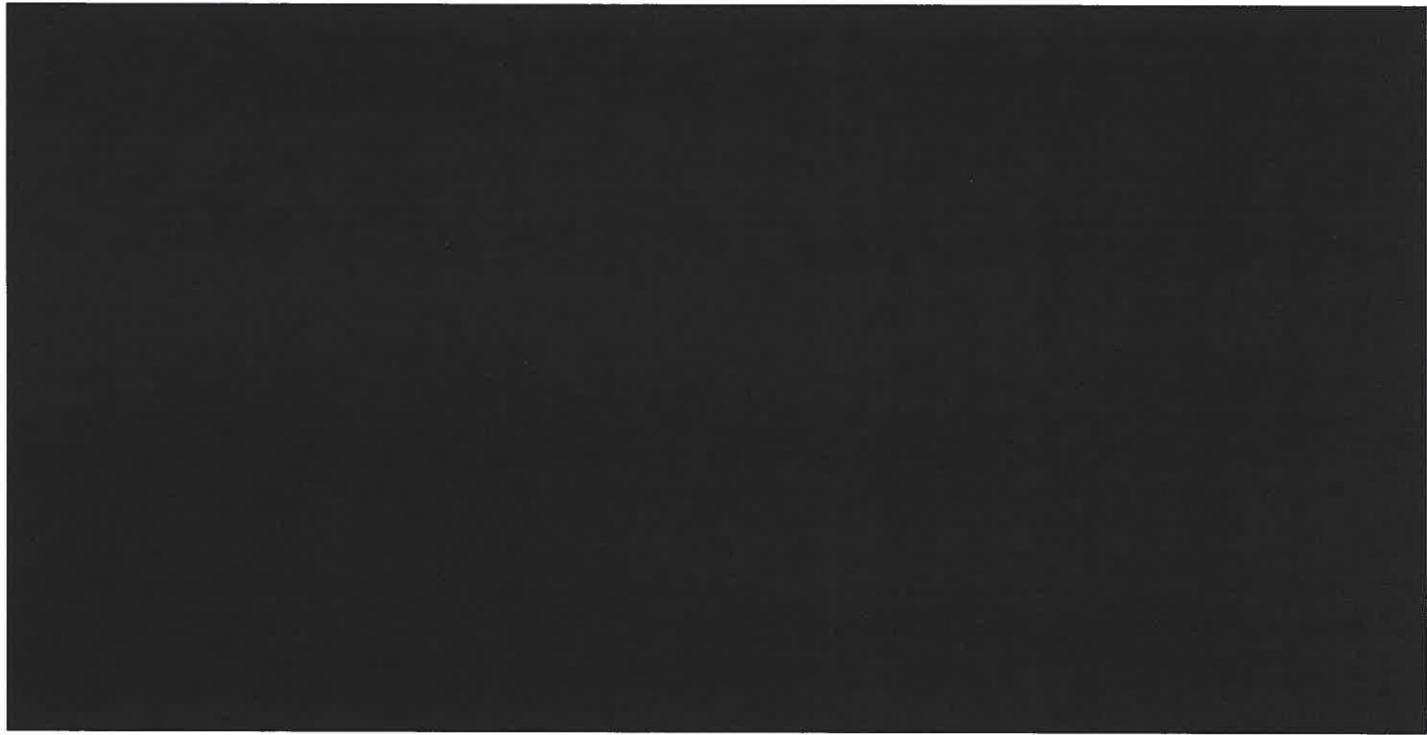


Tue, Apr 10, 7:50 PM

Randy, thank you for your steadfast leadership!

Thx for your support

It's been easy to give 🙏



iMessage





DZ
Dee



DZ

Dee Zinke 4/6/18
Sent you draft statement re: a...

Western vote last night?

Unanimous approval for Galleano to make whatever decision he deems appropriate. Brett and both spoke.

I

:)

Western treats me much too kindly, I need to not violate their trust.

Good relations very important.

Fri, Apr 6, 11:38 AM

Sent you draft statement re: adding option 2. Can you please review?

Sure

Thx

I think it's great, any thought about adding that a number of MA's asked to have it added? I'm fine either way.
Call if you like.

Fri, Apr 6, 5:45 PM

Talk?

Now ok?



iMessage





Dee



DZ

Dee Zinke

4/6/18

Sent you draft statement re: a...



Mon, Apr 9, 3:36 PM

morning.

Thx, let me know if I can help.

Today 3:31 PM

Central Basin Board Vote
Supporting 2 Tunnels
Option Ca Water Fix
Approved
5:yes
1: no
1:absent
1:board vacancy

Yes!!! Thx.

Delivered



iMessage





DZ

Dee



DZ

Dee Zinke

4/6/18

Sent you draft statement re: a...

Yes!!! Thx.

Delivered



Yes. Good news

Tue, Apr 10, 9:34 AM

Paul Granillo canceling a trip to a Sacramento to come and testify today.

Wow, thx

I had the same reaction

Tue, Apr 10, 4:56 PM

Bob is looking for you for interview

Wed, Apr 11, 12:38 PM

Are you calling in?



Thu, Apr 12, 6:36 AM

Good morning,
If there are any LA Times from yesterday laying around MWD can you save them for me? Wanted to get one for my mom but completely dropped the ball.

You need to read this am. Sending now



iMessage

