Follow Up From Tuesday
General Manager’s
Recommended Budget for
Fiscal Years 2018 & 2019

Maureen A. Stapleton, General Manager
Expenditures and Rate Impact

- Annual Expenditures 1% of Rates
  - Varies from Untreated to Treated
    - $5.2 million to $6.4 million
Debt Service

Debt Service Payment Schedule

existing Debt
Desal Pipeline
Series 2020
Series 2023
New CP

[Graph showing Debt Service Payment Schedule with years FY16 to FY49 and debt service payments in millions for different categories.]
How much are we saving by completing FY 2018 & 2019 CIP projects?

- **O&M Savings ($175K/year)**
  - Reduction in maintenance of facilities

- **Anticipated Energy Revenue ($550K/year)**
  - Alvarado Hydroelectric Facility

- **Risk Avoidance ($43.5 million)**
  - Infrastructure Rehabilitation ($23.5 million)
  - Relining and Pipe Replacement Program ($15.5 million)
  - Facility Demolition ($4.5 million)
# Innovation Efficiencies

<table>
<thead>
<tr>
<th>Culture</th>
<th>Capability</th>
<th>Creativity</th>
<th>Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Team</td>
<td>Tools (Big Idea, Guardrails, Business Model Scorecard)</td>
<td>Water Pigeon AMI</td>
<td>Canadian Roadshow</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>UK Roundtable</td>
</tr>
<tr>
<td>Lifestyle Team</td>
<td>Employee Growth &amp; Development Program (Training Portal)</td>
<td>Primo Wind – Micro Turbines</td>
<td>Member Agency Pipeline Assessment &amp; Rehabilitation Workshop</td>
</tr>
<tr>
<td>Maureen Minute</td>
<td>KPI Training</td>
<td>3-D Scanning</td>
<td>SDSU/UCSD</td>
</tr>
<tr>
<td>Innovation Metrics</td>
<td>Business Plan</td>
<td>Visitor Automation</td>
<td>US Navy</td>
</tr>
<tr>
<td>Alumni Network</td>
<td>Department Operating Plans</td>
<td>TOVWTP Residual Disposal Cost Reduction</td>
<td>AWWA</td>
</tr>
<tr>
<td>Workforce Planning</td>
<td>Algae Harvesting</td>
<td></td>
<td>USBR Prize Challenge</td>
</tr>
</tbody>
</table>
General Manager’s
Recommended Budget for
Fiscal Years 2018 and 2019

Engineering Department

Jerry Reed, Director of Engineering

Budget Document Pages 63-68
Fiscal Years 2016 & 2017
Engineering Accomplishments

- Constructed 12 Projects
- 36 Projects in Various Stages of Planning, Design & Construction
- Completed over 5,000 LF of Relining
Fiscal Years 2016 & 2017
Engineering Accomplishments

- Resolved Five Major Encroachments

- Resolved 85 New Encroachments
Fiscal Years 2016 & 2017
Engineering Accomplishments

- Removed 238 trees from pipeline right of ways, two were over 100-feet tall
Department Reorganization

Director of Engineering

- Design Group
- Construction Group
- Right of Way Services
- Right of Way Management, Survey & Acquisition
- Admin & Records
Department Reorganization

Director of Engineering

- Engineering Services
- Right of Way Services
- Administration & Records
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- Engineering Services Core Work includes Planning, Design, Construction & Post Construction
  - Pipeline Relining
  - Flow Control Facilities
  - Infrastructure Rehabilitation
  - 3D Scanning
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- Right of Way Services Core Work includes:
  - Right of Way Management
  - Property Acquisitions
  - Property Surveys
  - Drone Technology
## Engineering Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance to Budget</th>
<th>Variance to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor</strong></td>
<td>$4,097</td>
<td>$3,553</td>
<td>$3,872</td>
<td>$(226)</td>
<td>(6%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>1,915</td>
<td>1,782</td>
<td>2,146</td>
<td>231</td>
<td>12%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td>$6,013</td>
<td>$5,335</td>
<td>$6,018</td>
<td>$6</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>$939</td>
<td>$917</td>
<td>$879</td>
<td>$(59)</td>
<td>(6%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td>60</td>
<td>57</td>
<td>44</td>
<td>(16)</td>
<td>(27%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>2</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>1</td>
<td>1</td>
<td>&gt;1</td>
<td>(&gt;1)</td>
<td>(46%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lease/Rents</strong></td>
<td>197</td>
<td>187</td>
<td>19</td>
<td>(178)</td>
<td>(90%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>84</td>
<td>80</td>
<td>98</td>
<td>14</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td>8</td>
<td>7</td>
<td>-</td>
<td>(8)</td>
<td>(100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td>$1,294</td>
<td>$1,255</td>
<td>$1,049</td>
<td>$(245)</td>
<td>(19%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$7,307</td>
<td>$6,591</td>
<td>$7,067</td>
<td>$(240)</td>
<td>(3%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Overhead Transferred to CIP</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$7,307</td>
<td>6,591</td>
<td>$7,067</td>
<td>$(240)</td>
<td>(3%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget
Fiscal Years 2018 and 2019

Operations and Maintenance Department
Jim Fisher, Director of Operations and Maintenance

Budget Document Pages 69-73
Fiscal Years 2016 & 2017 O&M Accomplishments

- **Operations**
  - Carlsbad Desalination Supply Integration
  - Real Time Water Quality Monitoring
  - Completed 4 Operating and 16 CIP shutdowns
  - Commissioned Valley Center and Miramar Pump Stations

- **Asset Management**
  - Moosa Creek Erosion Control/Pipeline Protection
  - La Mesa-Sweetwater Extension Pipeline Assessment
  - Pipeline 3 Magnetic Flux Leakage Inspection

- **Security**
  - Physical Security Assessments
  - Camera System Expansion
  - Enhanced Network Monitoring
  - Conversion to Encrypted 4G Cellular Communication
Fiscal Years 2018 & 2019

Key Budget Initiatives & Changes

- **Security**
  - Control Room Staffing
  - Real Time Water Quality Monitoring
  - Camera System Expansion (CIP)
  - Industrial Control System Test Platform
  - Fiber Optic Communication System Study

- **Efficiencies**
  - Lake Hodges Pumped Storage Facility O&M
  - Mobile Maximo Implementation

- **Asset Management**
  - First Aqueduct and Pipeline 3 Inspections
  - Pipeline Visual Inspection (45 miles)
  - Remote Underwater Inspection Tool Pilot Project
  - Electrical Maintenance Safety & Efficiency Enhancements
Control Room Staffing

- **Current staffing level**
  - 2 Operators (Mon-Thurs, 6:00 a.m. – 4:30 p.m.)
  - 1 Operator (Mon-Thurs, 4:30 p.m. – 6:00 a.m. & Fri-Sun, All Day)

- **Proposed staffing level (3 new operator positions)**
  - 2 Operators (24-hours per day)

- **Justification**
  - Increased complexity of water supply and delivery system
    - Managing and balancing three treated water sources
    - Decreased system demands
    - Responding to unplanned outages
    - Investigating system alarms
  - Increase in control room workload
    - Water quality monitoring
    - Acoustic fiber optic system monitoring
    - Surveillance camera system monitoring
Lake Hodges Pumped Storage Facility O&M

› Current operations and maintenance approach
   – Performed through contract services
     • 5-year contract expiring October 31, 2017
     • 3 onsite maintenance positions
       – Supplemented by specialized subcontractors
     • Part-time offsite operational support

› Proposed operations and maintenance approach
   – Performed in house by Water Authority staff
     • 3 on site maintenance positions
       – Supplemented by specialized subcontractors
     • Operational support provided by Water Authority operators

› Justification
   – Cost savings of approximately $500,000 annually
   – Water Authority staff experience
     • Performed facility start-up, operations and maintenance prior to initiation of current contract services
     • Performs similar support of Rancho Peñasquitos Hydroelectric Facility
Energy - Operating

- Opportunities for Hydroelectric
  - Rancho Peñasquitos Payback – 8 Years (2014)
  - Hodges Payback – 9 years, 7 months (2022)

- Energy Budget

<table>
<thead>
<tr>
<th>Energy Usage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Energy Costs*</td>
<td>$3,651,034</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses/Revenues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydroelectric Expenses</td>
<td>$4,428,445</td>
</tr>
<tr>
<td>Hydroelectric Revenues</td>
<td>$6,416,082</td>
</tr>
<tr>
<td><strong>Net Hydroelectric Revenue</strong></td>
<td><strong>$1,987,637</strong></td>
</tr>
<tr>
<td><strong>Net Facility Energy Costs</strong></td>
<td><strong>$1,663,397</strong></td>
</tr>
</tbody>
</table>

- Future Hydroelectric Opportunities/Challenges
  - Rancho Peñasquitos
  - Hodges

* Costs include energy purchases for SDG&E and solar power
Energy - CIP

- Upcoming Capital Improvements
  - Alvarado Inline Hydroelectric Facility
  - Inline Hydroelectric Site Studies
  - San Vicente Energy Storage Facility Study
## Operations & Maintenance Summary

<table>
<thead>
<tr>
<th>(In $ Thousands)</th>
<th>AMENDED FYs 16&amp;17</th>
<th>FORECAST FYs 16&amp;17</th>
<th>EXEC-GM FYs 18&amp;19</th>
<th>VARIANCE AMENDED %</th>
<th>VARIANCE FORECAST %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$15,451</td>
<td>$14,860</td>
<td>$15,486</td>
<td>$35 0%</td>
<td>$627 4%</td>
</tr>
<tr>
<td>Benefits</td>
<td>7,278</td>
<td>6,680</td>
<td>8,439</td>
<td>1,161 16%</td>
<td>1,759 24%</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td><strong>$22,729</strong></td>
<td><strong>$21,539</strong></td>
<td><strong>$23,925</strong></td>
<td><strong>$1,196 5%</strong></td>
<td><strong>$2,386 11%</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$8,964</td>
<td>$8,836</td>
<td>$7,896</td>
<td>$(1,067) (12%)</td>
<td>$(940) (11%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>2,410</td>
<td>2,423</td>
<td>2,595</td>
<td>185 8%</td>
<td>173 7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,702</td>
<td>1,610</td>
<td>3,212</td>
<td>1,509 89%</td>
<td>1,602 99%</td>
</tr>
<tr>
<td>Insurance</td>
<td>20</td>
<td>14</td>
<td>10</td>
<td>(10) (50%)</td>
<td>(4) (31%)</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>177</td>
<td>159</td>
<td>211</td>
<td>34 19%</td>
<td>52 32%</td>
</tr>
<tr>
<td>Other</td>
<td>436</td>
<td>611</td>
<td>764</td>
<td>329 75%</td>
<td>154 25%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>429</td>
<td>418</td>
<td>242</td>
<td>(187) (44%)</td>
<td>(176) (42%)</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td><strong>$14,138</strong></td>
<td><strong>$14,071</strong></td>
<td><strong>$14,931</strong></td>
<td><strong>$793 6%</strong></td>
<td><strong>$859 6%</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$36,867</strong></td>
<td><strong>$35,611</strong></td>
<td><strong>$38,856</strong></td>
<td><strong>$1,989 5%</strong></td>
<td><strong>$3,245 9%</strong></td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$36,867</strong></td>
<td><strong>$35,611</strong></td>
<td><strong>$38,856</strong></td>
<td><strong>$1,989 5%</strong></td>
<td><strong>$3,245 9%</strong></td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget
Fiscal Years 2018 and 2019

Cyber Security

Matthew Brown, Director of Administrative Services
What is Cyber Security?

- Protecting computer systems from unauthorized access, attack, disruption or misdirection.
  - Industrial Control System (O&M)
    - SCADA
  - Business Network (IT)
    - Financials
    - Human Resources
    - Communications
    - Websites
  - Integrated with Physical Security
Growth in Malware

- Ransomware
- Phishing
- Social Engineering
- Denial of Service
- Spoofing
- Clickjacking
- Backdoor
- Eavesdropping

Malware Incidents

Independent IT Security Institute
www.av-test.org
Building Cyber Resilience

People

Products

Partners

Processes
People

- Security Awareness
- IT Technical Skills
- Software Specific Training
- IT/OM Staff Development

2017 Training Calendar
Products

- Layers of Security
- Updates and Patches
- Continuous Monitoring
- Cybersecurity Insurance
Processes

‣ Industry Standards

‣ Critical Security Controls

‣ Assessments

‣ Backups

‣ Governance

ITIL IT Management Framework
Partners: Federal and National

- FBI, DHS, MS-ISAC, WaterISAC
- SANS Institute, Center for Internet Security
Partners: State & Local

- MISAC, SD-LECC, Infragard, SDCCCOE
- Member Agencies, Utilities, other Public agencies
Next Steps

- Training
- Technical Controls
- Communication
General Manager’s Recommended Budget for Fiscal Years 2018 and 2019

Administrative Services Department

Matthew Brown, Director of Administrative Services

Budget Document Pages 77-81
Fiscal Years 2016 & 2017
Administrative Services Accomplishments

‣ Leadership
  – Achievement of Excellence in Procurement
  – Kearny Mesa Sustainable Landscape
  – Business Intelligence Tools (Business Plan, Innovation)

‣ Security
  – Comprehensive Cyber Security Assessment and Enhancements
  – Enterprise applications (PeopleSoft, Maximo, OnBase, Primavera, AutoCAD, ServiceNow)
Fiscal Years 2016 & 2017
Administrative Services Accomplishments (cont.)

› **Grant Tools**
  – IRWM Grant Web Tool
  – Grant Dashboard

› **Asset Management**
  – O&M Asset Management Application

› **Efficiencies**
  – Cloud Computing
  – Board Voting and Queuing System
  – Board Room Audio and Visual Equipment
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

‣ Security
  – Cyber Security Enhancements
  – Technical IT Skills Training
  – Cloud Backups
  – Upgrade phone and voicemail system
  – Building Management Software

‣ Grants & Other Funding Sources
  – Regional Cost-Sharing Consortium to Acquire Digital Aerial Imagery
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes (cont.)

- **Asset Management**
  - Kearny Mesa Roof Rehabilitation
  - Mobile Maximo Implementation

- **Efficiencies**
  - *Mobility and Flexibility* -- Cloud Computing
  - *Automation* -- Electronic Signatures
  - *Increased Collaboration* -- Intranet Redesign
  - *Compliance* -- Updates to Procurement, Contract, and Records Management Policies
## Administrative Services Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor</strong></td>
<td>$6,470</td>
<td>$6,232</td>
<td>$6,406</td>
<td>$(64)</td>
<td>(1%)</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>3,036</td>
<td>2,868</td>
<td>3,321</td>
<td>285</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td>$9,506</td>
<td>$9,100</td>
<td>$9,727</td>
<td>$221</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>$2,051</td>
<td>$2,128</td>
<td>$2,228</td>
<td>$176</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td>280</td>
<td>279</td>
<td>225</td>
<td>(55)</td>
<td>(20%)</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>696</td>
<td>642</td>
<td>300</td>
<td>(396)</td>
<td>(57%)</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>1,808</td>
<td>1,703</td>
<td>2,023</td>
<td>214</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Lease/Rents</strong></td>
<td>242</td>
<td>222</td>
<td>245</td>
<td>3</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>93</td>
<td>91</td>
<td>98</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td>37</td>
<td>37</td>
<td>-</td>
<td>(37)</td>
<td>(100%)</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td>$5,208</td>
<td>$5,102</td>
<td>$5,118</td>
<td>$(90)</td>
<td>(2%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$14,714</td>
<td>$14,202</td>
<td>$14,845</td>
<td>$130</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Overhead Transferred to CIP</strong></td>
<td>(2,833)</td>
<td>(2,735)</td>
<td>(2,927)</td>
<td>(94)</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$11,882</td>
<td>$11,467</td>
<td>$11,918</td>
<td>$36</td>
<td>0%</td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget for Fiscal Years 2018 and 2019

Finance Department

Lisa Marie Harris, Director of Finance/Treasurer

Budget Document Pages 83-87
Fiscal Years 2016 & 2017
Finance Accomplishments

- Leadership
  - Obtained AAA credit rating from Standard and Poor’s
  - Prepared 2015 Long-Range Financing Plan
  - Awarded the Certificate of Achievement for Distinguished Budget Presentation from GFOA
  - Awarded the Certificate of Excellence in Financial Reporting for the CAFR from GFOA
Fiscal Years 2016 & 2017
Finance Accomplishments

- **Efficiencies**
  - Realized a savings of $78.3 million in debt service by refunding existing debt
  - Conducted a comprehensive review of the Water Standby Availability Charge administration
  - Managed the desalination pipeline funds and payments
  - Implementation of paperless accounts payable using OnBase software

- **Asset Management**
  - Performed a comprehensive capital asset listing
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- **Leadership**
  - Develop a long-term strategic plan for execution of anticipated bond transactions
  - Develop a funding policy to ensure adequate resources exist to pay current and future retiree health benefits

- **Efficiency**
  - Update the Financial Rate Model Program to ensure continued transparent rate setting process
  - Complete a Cost of Service Study
  - Complete review and update of budgeting processes to ensure efficiency and continued best practices
# Finance Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17</th>
<th>FYs 16&amp;17</th>
<th>FYs 18&amp;19</th>
<th>Variance</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amended</td>
<td>Estimated</td>
<td>Recommended</td>
<td>Budget to Budget</td>
<td>Budget to Estimate</td>
</tr>
<tr>
<td>Labor</td>
<td>$3,969</td>
<td>$3,720</td>
<td>$3,998</td>
<td>$29</td>
<td>1%</td>
</tr>
<tr>
<td>Benefits</td>
<td>1,898</td>
<td>1,744</td>
<td>2,121</td>
<td>223</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td><strong>$5,866</strong></td>
<td><strong>$5,464</strong></td>
<td><strong>$6,119</strong></td>
<td><strong>$252</strong></td>
<td><strong>4%</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$927</td>
<td>$829</td>
<td>$848</td>
<td>$(80)</td>
<td>(9%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>22</td>
<td>20</td>
<td>20</td>
<td>(3)</td>
<td>(13%)</td>
</tr>
<tr>
<td>Utilities</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;0</td>
<td>(25%)</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>66</td>
<td>65</td>
<td>68</td>
<td>2</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>57</td>
<td>54</td>
<td>65</td>
<td>8</td>
<td>14%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td><strong>$1,073</strong></td>
<td><strong>$969</strong></td>
<td><strong>$1,000</strong></td>
<td><strong>$(73)</strong></td>
<td><strong>(7%)</strong></td>
</tr>
<tr>
<td>Total</td>
<td>$6,939</td>
<td>$6,433</td>
<td>$7,119</td>
<td>$180</td>
<td>3%</td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>(2,220)</td>
<td>(2,048)</td>
<td>(2,150)</td>
<td>70</td>
<td>(3%)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$4,719</strong></td>
<td><strong>$4,385</strong></td>
<td><strong>$4,969</strong></td>
<td><strong>$250</strong></td>
<td><strong>5%</strong></td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget for Fiscal Years 2018 and 2019

Water Resources Department
Robert Yamada, Director of Water Resources

Budget Document Pages 55-59
Fiscal Years 2016 & 2017
Water Resources Accomplishments

- Initiated commercial operations administration of the Claude “Bud” Lewis Carlsbad Desalination Plant Water Purchase Agreement.

- Completed Supplemental Environmental Impact Report for the Claude “Bud” Lewis Carlsbad Desalination Plant intake and discharge modifications.


- Administered supply allocations to Water Authority member agencies.
Fiscal Years 2016 & 2017
Water Resources Accomplishments (cont.)

‣ Secured $31.25M in grant funding through DWR Propositions 84 and 1 grant programs.

‣ Implemented an electronic database for NCCP/HCP compliance tracking and reporting.

‣ Finalized Mitigated Negative Declaration for P4 Relining at Lake Murray.

‣ Completed policy guidelines for managing carryover supplies

‣ Completed planning for North County ESP Pump Station project.
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- **State and Federal Drivers:**
  - State long-term water use efficiency legislation
  - Ocean Plan Amendment covering desalination facilities
  - State Water Resources Control Board regulations

- **Grants and Other Funding Sources:**
  - IRWM Grants (Prop 84, Prop 1)
  - US Bureau of Reclamation Grants (WaterSMART)
**Fiscal Years 2018 & 2019**

**Key Budget Initiatives and Changes (cont.)**

- **Efficiencies:**
  - Department re-organization (three manager positions down to two manager positions)

- **Leadership:**
  - Staff engagement in development and implementation of State long-term water use efficiency legislation, in coordination with member agencies
  - Regional coordination and cooperation on potable reuse through Water Authority Potable Reuse Coordination Committee
## Water Resources Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$4,648</td>
<td>$4,027</td>
<td>$4,227</td>
<td>$(421) (9%)</td>
<td>$200 5%</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,081</td>
<td>1,832</td>
<td>2,216</td>
<td>136 7%</td>
<td>385 21%</td>
</tr>
<tr>
<td>Labor &amp; Benefits Total</td>
<td>$6,728</td>
<td>$5,859</td>
<td>$6,443</td>
<td>$(285) (4%)</td>
<td>$585 10%</td>
</tr>
<tr>
<td>Services</td>
<td>1,242</td>
<td>1,197</td>
<td>1,339</td>
<td>96 8%</td>
<td>141 12%</td>
</tr>
<tr>
<td>Supplies</td>
<td>19</td>
<td>15</td>
<td>12</td>
<td>(7) (39%)</td>
<td>(3) (24%)</td>
</tr>
<tr>
<td>Utilities</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1 (12%)</td>
<td>&lt;1 34%</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>199</td>
<td>187</td>
<td>218</td>
<td>19 9%</td>
<td>31 16%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>30</td>
<td>27</td>
<td>0</td>
<td>(30) (100%)</td>
<td>(27) (100%)</td>
</tr>
<tr>
<td>Non Personnel Total</td>
<td>$1,492</td>
<td>$1,427</td>
<td>$1,569</td>
<td>$78 5%</td>
<td>$142 10%</td>
</tr>
<tr>
<td>Total</td>
<td>$8,220</td>
<td>$7,286</td>
<td>$8,013</td>
<td>$(207) (3%)</td>
<td>$726 10%</td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$8,220</td>
<td>$7,286</td>
<td>$8,013</td>
<td>$(207) (3%)</td>
<td>$726 10%</td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget for Fiscal Years 2018 and 2019

Colorado River Program

Dan Denham, Colorado River Program Director

Budget Document Pages 45-49
Fiscal Years 2016 & 2017
Colorado River Program Accomplishments

- **Leadership**
  - Continued QSA implementation
  - Enhanced community and regional outreach
  - Prominent role in statewide Salton Sea planning efforts
  - Timely board-to-board discussions
  - Colorado River Board of California advocacy

- **State and Federal Drivers**
  - Conducted briefings with state and federal elected officials
  - Provided public testimony at State Water Board workshops, Senate Select Committee meetings and Little Hoover Commission hearings

- **Efficiencies**
  - Launched Imperial Valley Blog: [www.ivsandiegocurrents.org](http://www.ivsandiegocurrents.org)
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- **Leadership**
  - Ongoing regional outreach, board-to-board discussions and briefings with state and federal elected officials
  - Active role in crafting new QSA-related legislation
  - Analysis of Transfer and Exchange Agreement term decision
  - QSA JPA and canal post construction cost containment
  - Basin States initiatives

- **State and Federal Drivers**
  - Legal and technical preparation related to the State Water Board’s review of progress at the Salton Sea
  - Continued participation in Salton Sea Task Force technical committees
# Colorado River Program Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$1,099</td>
<td>$1,021</td>
<td>$1,111</td>
<td>$12</td>
<td>1%</td>
</tr>
<tr>
<td>Benefits</td>
<td>577,600</td>
<td>504,001</td>
<td>589,028</td>
<td>11</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td><strong>$1,676</strong></td>
<td><strong>$1,525</strong></td>
<td><strong>$1,700</strong></td>
<td><strong>$24</strong></td>
<td><strong>1%</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$957</td>
<td>$957</td>
<td>$937</td>
<td>$(20)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>40</td>
<td>40</td>
<td>42</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>532</td>
<td>532</td>
<td>696</td>
<td>164</td>
<td>31%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td><strong>$1,547</strong></td>
<td><strong>$1,547</strong></td>
<td><strong>$1,694</strong></td>
<td><strong>$146</strong></td>
<td><strong>9%</strong></td>
</tr>
<tr>
<td>Total</td>
<td>$3,223</td>
<td>$3,072</td>
<td>$3,394</td>
<td>$170</td>
<td>5%</td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$3,223</strong></td>
<td><strong>$3,072</strong></td>
<td><strong>$3,394</strong></td>
<td><strong>$170</strong></td>
<td><strong>5%</strong></td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget
Fiscal Years 2018 and 2019

MWD Program
Amy Chen, Director of MWD Program

San Diego County Water Authority
Budget Document Pages 51-54
Fiscal Years 2016 & 2017
MWD Program Accomplishments

- **Protecting ratepayers**: Achieved success in Water Authority’s lawsuits against MWD for illegal rates for 2011-2014

- **Informing Board**: Conducted research and analyses on key MWD issues:
  - Water supply reliability
  - MWD’s long-term fiscal sustainability

- **Outreach and Education**: Increased outreach activities to create transparency on key MWD issues

- **Building advocates**: Supported Delegates on MWD Inspection trips and conducted the Board of Directors’ MWD orientation program
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- Leadership
  - Continue supporting Water Authority’s lawsuits against MWD to achieve a favorable final decision
  - Develop advocacy positions and engage in efforts to ensure MWD’s long-term reliability and financial sustainability as imported water provider
Leadership (cont.)

- Support MWD Delegates to achieve Water Authority’s strategic goals at MWD
- Support Board Officers’ and MWD Delegates’ efforts to advocate for equity and transparency in MWD’s decision-making process
# MWD Program Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$1,236</td>
<td>$1,108</td>
<td>$1,294</td>
<td>$57</td>
<td>$185</td>
</tr>
<tr>
<td>Benefits</td>
<td>540</td>
<td>486</td>
<td>655</td>
<td>114</td>
<td>168</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td><strong>$1,777</strong></td>
<td><strong>$1,595</strong></td>
<td><strong>$1,948</strong></td>
<td><strong>$172</strong></td>
<td><strong>$353</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$2,049</td>
<td>$2,049</td>
<td>$2,025</td>
<td>$(24)</td>
<td>$(24)</td>
</tr>
<tr>
<td>Supplies</td>
<td>19</td>
<td>19</td>
<td>8</td>
<td>$(10)</td>
<td>$(10)</td>
</tr>
<tr>
<td>Utilities</td>
<td>8</td>
<td>8</td>
<td>17</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>252</td>
<td>243</td>
<td>260</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td><strong>$2,357</strong></td>
<td><strong>$2,348</strong></td>
<td><strong>$2,339</strong></td>
<td><strong>$(18)</strong></td>
<td><strong>$(9)</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,133</strong></td>
<td><strong>$3,942</strong></td>
<td><strong>$4,287</strong></td>
<td><strong>$154</strong></td>
<td><strong>$345</strong></td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$4,133</strong></td>
<td><strong>$3,942</strong></td>
<td><strong>$4,287</strong></td>
<td><strong>$154</strong></td>
<td><strong>$345</strong></td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget
Fiscal Years 2018 and 2019

Public Outreach and Conservation Department

Jason Foster, Director

Budget Document Pages 99-105
Fiscal Years 2016 & 2017
Public Outreach & Conservation Accomplishments

- **State/Federal Drivers**
  - Executed award-winning drought response campaign
  - Supported outreach to improve emergency drought regulations

- **Leadership**
  - Achieved 350+ Citizens Water Academy graduates
  - Expanded engagement with business/community organizations
  - Launched Sustainable Landscapes Program
  - Implemented QWEL landscaper training program
  - Enhanced WaterSmart Landscape Makeover program
Fiscal Years 2016 & 2017
POC Accomplishments (cont.)

- Grants
  - Used more than $1 million in grants to help support programs in FYs 16-17
  - Secured $3.8M Prop 84 grant to help fund current/future programs

- Other Funding Sources (in-kind, etc.)
  - 27 plant fairs with The Home Depot
  - $163,000 in discounts provided by artificial turf companies
  - $88,000 in rain barrel discounts from Solana Center
  - 18 outreach partnerships secured for When in Drought campaign
Fiscal Years 2018 & 2019

Key Budget Initiatives and Changes

- State and Federal Drivers
  - Use grant funds to promote water efficiency as positive, permanent lifestyle
  - Engage with regulators, stakeholders on long-term water-use framework and related rules/legislation

- Leadership
  - Sustain enhanced community outreach
  - Advance landscape market transformation (SLP, Watersmart Landscape Makeover Series, QWEL)
  - Commemorate 75th anniversary
  - Conduct evaluations of water efficiency programs
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- Grants & Other Funding Sources
  - Use about $3.5M in Prop. 84 funds to help offset water efficiency program and outreach costs
  - Develop new water/energy savings partnership with SDG&E
  - Continue to pursue other partnerships to leverage resources

- Efficiencies
  - Streamline SCOOP training cost
  - Temporarily shift most K-12 program costs to grant
  - Reduce Citizens Water Academy hard costs
## Public Outreach & Conservation Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$3,991</td>
<td>$3,610</td>
<td>$3,812</td>
<td>$(178)</td>
<td>$(4%)</td>
</tr>
<tr>
<td>Benefits</td>
<td>1,956</td>
<td>1,781</td>
<td>2,045</td>
<td>88</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td><strong>$5,947</strong></td>
<td><strong>$5,391</strong></td>
<td><strong>$5,857</strong></td>
<td><strong>$(90)</strong></td>
<td><strong>(2%)</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$1,753</td>
<td>$1,618</td>
<td>$1,681</td>
<td>$(73)</td>
<td>$(4%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>56</td>
<td>64</td>
<td>57</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>44%</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>40</td>
<td>43</td>
<td>40</td>
<td>&lt;0</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>642</td>
<td>642</td>
<td>675</td>
<td>34</td>
<td>5%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td><strong>$2,496</strong></td>
<td><strong>$2,372</strong></td>
<td><strong>$2,461</strong></td>
<td><strong>$(36)</strong></td>
<td><strong>(1%)</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,443</strong></td>
<td><strong>$7,763</strong></td>
<td><strong>$8,318</strong></td>
<td><strong>$(125)</strong></td>
<td><strong>(1%)</strong></td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>(282)</td>
<td>(274)</td>
<td>(237)</td>
<td>45</td>
<td>(16%)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$8,161</strong></td>
<td><strong>$7,489</strong></td>
<td><strong>$8,081</strong></td>
<td><strong>$(80)</strong></td>
<td><strong>(1%)</strong></td>
</tr>
</tbody>
</table>

Variance values are calculated as a percentage of the estimated amount.
General Manager’s Recommended Budget for Fiscal Years 2018 and 2019

General Counsel’s Office
Mark J. Hattam, General Counsel

Budget Document Pages 89-91
Fiscal Years 2016 & 2017
General Counsel’s Office Accomplishments

- Settled Traylor/Shea litigation, within budget, on major CIP tunneling project
- Settled Coastkeeper litigation with no payments or liabilities
- Settled Genesis Construction low bid lawsuit for nominal amount
- Acquired dismissal of Coziahr rate setting litigation with no payments or liabilities
- Participated in all MWD litigation actions, utilizing experience in prior MWD cases
Organized and conducted important closed session workshops

Helped negotiate contract amendment memorandum (CAM) for the new intake for the Claude “Bud” Lewis Carlsbad Desalination Plant

Worked with energy team on numerous power issues
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

- Bring to a conclusion the Shimmick/Obayashi litigation regarding San Vicente Dam Raise
- Efficiently and effectively manage litigation serviced by outside counsel
- Work with energy team to finalize numerous power issues
- Support the Water Authority’s lawsuit against the Metropolitan Water District (MWD) over its improperly allocated rates in accordance with the established protocol
Fiscal Years 2018 & 2019

Key Budget Initiatives and Changes (cont’d)

- Expeditiously process claims filed against the Water Authority
- Provide in-house counsel services to the Board and Water Authority departments in accordance with chapter 2.08 of the Administrative Code
## General Counsel’s Office Summary

### (in $ Thousands)

<table>
<thead>
<tr>
<th></th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$1,156</td>
<td>$1,033</td>
<td>$1,110</td>
<td>$(46)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Benefits</td>
<td>469</td>
<td>433</td>
<td>552</td>
<td>83</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>119</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td>$1,624</td>
<td>$1,466</td>
<td>$1,661</td>
<td>$37</td>
<td>2%</td>
</tr>
<tr>
<td>Services</td>
<td>$6,314</td>
<td>$6,675</td>
<td>$5,939</td>
<td>$(375)</td>
<td>(6%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>40</td>
<td>39</td>
<td>39</td>
<td>&lt;(0)</td>
<td>(1%)</td>
</tr>
<tr>
<td>Utilities</td>
<td>1</td>
<td>&lt;1</td>
<td>1</td>
<td>&lt;(0)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Insurance</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;(0)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>48</td>
<td>21</td>
<td>41</td>
<td>(8)</td>
<td>(16%)</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td>$6,403</td>
<td>$6,736</td>
<td>$6,020</td>
<td>$(383)</td>
<td>(6%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,028</td>
<td><strong>$8,202</strong></td>
<td>$7,681</td>
<td>$(346)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>(636)</td>
<td>(687)</td>
<td>(755)</td>
<td>(120)</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$7,392</td>
<td>$7,515</td>
<td>$6,926</td>
<td>$(466)</td>
<td>(6%)</td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget for Fiscal Years 2018 and 2019

General Manager’s Office

Sandra L. Kerl, Deputy General Manager

Budget Document Pages 93-97
Fiscal Years 2016 & 2017
Accomplishments

- **State & Federal Drivers**
  - Affordable Care Act administration and documentation
  - San Diego local, state, and federal legislative relationships
  - Legislation to positively impact the region

- **Energy Program & Energy Services**
  - San Vicente Energy Storage Facility Owners’ Advisor Feasibility Study and Request for Letters of Interest
  - Boulder Federal Preference Power
  - General Conditions Agreement for Floating Solar on Olivenhain Reservoir
  - Alvarado Hydroelectric Facility planning study

- **Grants & Other Funding Sources**
  - Battery System at Twin Oaks Valley Water Treatment Plant
Fiscal Years 2016 & 2017
Accomplishments (cont.)

› **Efficiencies**
  - Developed Innovation Program
  - Participated in development of Water Research Foundation guidance manual “Fostering Innovation within Water Utilities”
  - Workshops highlighting emerging technologies
  - Training & Development Web Portal
  - Revised and implemented a new Employee Orientation Program

› **Leadership**
  - Business Plan restructuring and Department Operating Plans
  - Initiated five pilot projects
  - Developed the Drought Internship Program
Fiscal Years 2018 & 2019
Key Budget Initiatives and Changes

‣ Energy Program & Energy Services
  – Installation of a battery system at Twin Oaks Valley Water Treatment Plant
  – Installation of Floating Solar on Olivenhain Reservoir
  – Acquire a distribution tariff from the local electrical utility
  – Complete additional inline hydroelectric planning studies

‣ Efficiencies
  – Conduct a comprehensive study of the organization’s current job classifications

‣ Leadership
  – Board adoption of a revised Energy Management Policy
  – Facilitate quarterly training for supervisors and mid-career staff
# General Manager & Board of Directors

## Summary

<table>
<thead>
<tr>
<th>(in $ Thousands)</th>
<th>FYs 16&amp;17 Amended</th>
<th>FYs 16&amp;17 Estimated</th>
<th>FYs 18&amp;19 Recommended</th>
<th>Variance Budget to Budget</th>
<th>Variance Budget to Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$4,604</td>
<td>$4,312</td>
<td>$4,756</td>
<td>$152</td>
<td>3%</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,173</td>
<td>2,019</td>
<td>2,396</td>
<td>223</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Labor &amp; Benefits Total</strong></td>
<td><strong>$6,778</strong></td>
<td><strong>$6,331</strong></td>
<td><strong>$7,153</strong></td>
<td><strong>$375</strong></td>
<td><strong>6%</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$2,347</td>
<td>$1,557</td>
<td>$2,498</td>
<td>$151</td>
<td>6%</td>
</tr>
<tr>
<td>Supplies</td>
<td>79</td>
<td>74</td>
<td>71</td>
<td>(8)</td>
<td>(10%)</td>
</tr>
<tr>
<td>Utilities</td>
<td>18</td>
<td>14</td>
<td>22</td>
<td>3</td>
<td>17%</td>
</tr>
<tr>
<td>Insurance</td>
<td>47</td>
<td>28</td>
<td>47</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease/Rents</td>
<td>173</td>
<td>135</td>
<td>154</td>
<td>(19)</td>
<td>(11%)</td>
</tr>
<tr>
<td>Other</td>
<td>764</td>
<td>711</td>
<td>816</td>
<td>52</td>
<td>7%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non Personnel Total</strong></td>
<td><strong>$3,428</strong></td>
<td><strong>$2,519</strong></td>
<td><strong>$3,608</strong></td>
<td><strong>$180</strong></td>
<td><strong>5%</strong></td>
</tr>
<tr>
<td>Total</td>
<td>$10,205</td>
<td>$8,850</td>
<td>$10,761</td>
<td>$555</td>
<td>5%</td>
</tr>
<tr>
<td>Overhead Transferred to CIP</td>
<td>(808)</td>
<td>(874)</td>
<td>(1,069)</td>
<td>(261)</td>
<td>32%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$9,398</td>
<td>$7,976</td>
<td>$9,692</td>
<td>$294</td>
<td>3%</td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget for Fiscal Years 2018 & 2019

Equipment Replacement Fund

Jim Fisher, Director of Operations & Maintenance
Equipment Replacement Fund

- Business Systems
  - Servers & Computers
  - Major Enterprise Software
- Industrial Control System (aka SCADA)
  - Servers, Field Computers & Software
  - Communications & Control Equipment
- Vehicles
  - Fleet Vehicles
  - Heavy Equipment
- Miscellaneous Equipment
  - Survey Equipment
  - Operational and Maintenance Equipment
Business & Industrial Control Systems

Evaluation Criteria

- Servers & Computers
  - Age
  - Software
  - Operating system
  - Manufacturer support
  - Historical maintenance
  - Performance

- Software
  - Manufacturer support
  - Compatibility
  - Compliance
Vehicle Evaluation Criteria

- Criticality to operations
- Suitability for function
- Regulatory issues
- Maintenance costs
  - Past & future
- Downtime
- Options
  - Rent, lease, etc.
Miscellaneous Equipment Evaluation

Criteria

- Functionality
- Parts availability
- Manufacturer support
- Historical maintenance
## Equipment Replacement Fund

<table>
<thead>
<tr>
<th>Description</th>
<th>FYs 18&amp;19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>$ 2,500,995</td>
</tr>
<tr>
<td>Computers, Servers</td>
<td>$ 661,542</td>
</tr>
<tr>
<td>SCADA</td>
<td>$ 772,400</td>
</tr>
<tr>
<td>Miscellaneous Equipment</td>
<td>$ 920,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 4,854,937</strong></td>
</tr>
</tbody>
</table>
General Manager’s Recommended Budget
Fiscal Years 2018 and 2019

Grants

Jason Foster, Director, Public Outreach and Conservation

Budget Document Page 33
Grant Support for Essential Water Management Projects – FYs 2016 & 2017

› IRWM, Conservation, and Other
  – 1 Water Authority Grant, 6 projects - $3.8 Million
  – IRWM Grant Administration ($933,000) and Planning ($250,000) to support IRWM Plan Update
  – 8 Member Agency and Other Public Agency Projects - $19.3 Million
  – 3 Non-Profit Organization Projects - $7.1 Million

› Funding supports achievement of water supply goals in 2015 Urban Water Management Plan

› Projects provide multiple water management benefits

› Funds distributed across multiple years
Grant Support for Essential Water Management Projects – FYs 2018 & 2019

- IRWM Planning – Grant Application anticipated award October 2017
  - 3 Member Agency and 2 other Public Agency Projects -- $3.5 million
    - Plus $204,000 to Water Authority for IRWM Grant Administration
  - 3 Non-Profit Organizations Projects -- $1.1 million
  - All projects support planning of disadvantaged community projects

- IRWM Implementation – DWR anticipates new Grant Program Award in FY 2019
  - San Diego Region should receive approximately $16 million
Other Support for Programs
Fiscal Years 2018 & 2019

- Clean Energy Storage - California PUC ($1M)
- Camp Pendleton Desalination Project ($1M DWR Prop 50; $400,000 USBR)
- Water Efficiency and Outreach
  - Water and Energy Saving Partnership – SDG&E ($420,000)
  - Online Landscape Education – USBR ($100,000)
  - Educational Programs (Hans Doe Charitable Trust)