Right of Way Encroachment Enforcement
Engineering & Operations Committee Meeting
September 28, 2017

Tad Brierton, Right of Way Supervisor
Easement
Encroachments

- Increasing due to urbanization
- Patrol
- Property files
- Survey records
- No enforcement regulations
GIS
Right of Way Parcels
Administrative Code Chapter 7.00

- Adopted by Board in 2002
- Based on recorded easement documents
- Legal enforcement of code
- Statement of Enforcement Policy
2004 – 53 significant encroachments identified

Most occurred in the late 1950’s to mid-1980’s

Most original owners moved away
Old Encroachments Resolved
Old Encroachments Resolved
14 Remaining Old Encroachments

- Low overhead electric wire (private)
- Golf course maintenance building and tall tree
- Four carports/garage
- Two block walls (non-retaining)
- Three wood decks
- Three misc. sheds and concrete
Low Overhead Electric Line
Golf Course Maintenance Shed
Masonry Block Walls
Decks
Large Sheds
New Encroachments

- Weekly patrol
- Average of 4 new encroachments detected each month
- Strict enforcement
- Since 2002, 9 lawsuits filed to remove new encroachments
New Encroachments
Right of Way Management
Agreements for the management of water quality south of Mission Trails Flow Regulatory Structure

Engineering & Operations Committee Meeting
September 28, 2017
Background

- Water Authority is experiencing nitrification throughout the aqueduct system, with the highest levels occurring at the terminus of the Second Aqueduct.

- Increased nitrification is being caused by recent source water change from Colorado River Water to State Project Waters and decreased system demands.

- Board authorized the General Manager to negotiate and execute agreements as needed with up to five member agencies to address water quality challenges south of the Mission Trails Flow.
Purpose

Increase flow in Water Authority’s Second Aqueduct treated water pipeline south of Mission Trails Flow Regulatory Structure

- Shift member agency deliveries from current connections to Water Authority’s Second Aqueduct connections
- Net zero impact on system demands
## Helix Water District

<table>
<thead>
<tr>
<th>Treated Water Demand Increase Opportunity</th>
<th>Tentative Agreement Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer flow to Helix 5 FCF from Levy WTP</td>
<td>• Exchange flow at Helix 5 with water in El Capitan Reservoir or reduce production at Levy WTP</td>
</tr>
<tr>
<td></td>
<td>• Helix will not be charged for cost of water at Helix 5</td>
</tr>
<tr>
<td></td>
<td>• Helix will pay Water Authority for cost of treatment at Levy WTP</td>
</tr>
<tr>
<td></td>
<td>• Helix will pay Water Authority for cost of untreated water if production is reduced at Levy WTP</td>
</tr>
</tbody>
</table>
## Otay Water District

<table>
<thead>
<tr>
<th>Treated Water Demand Increase Opportunity</th>
<th>Tentative Agreement Terms</th>
</tr>
</thead>
</table>
| Transfer flow from Otay 14 FCF to Otay 11 FCF | • Otay 11 flow will be counted towards Otay’s East County Agreement obligation  
• No financial terms included |
## Padre Dam Municipal Water District

<table>
<thead>
<tr>
<th>Treated Water Demand Increase Opportunity</th>
<th>Tentative Agreement Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer flow from Padre Dam 6 &amp; 7 FCF to Padre Dam 4 FCF</td>
<td>• Flow requests above the normal Padre Dam 4 amount will be counted towards Padre Dam’s East County Agreement obligation</td>
</tr>
<tr>
<td></td>
<td>• No financial terms included</td>
</tr>
<tr>
<td>Treated Water Demand Increase Opportunity</td>
<td>Tentative Agreement Terms</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>--------------------------</td>
</tr>
</tbody>
</table>
| Transfer flow to NCSB 4 FCF from Perdue WTP | • Exchange flow at NCSB 4 with water in Sweetwater Reservoir  
• Sweetwater will not be charged for cost of water at NCSB 4  
• Sweetwater will pay Water Authority for cost of treatment at Perdue WTP |
Alternative Mitigation Opportunities

- Chlorine Boost / Nitrite Oxidation Testing
- System Configuration Changes
San Diego 12 Flow Control Facility Repair Update

Engineering & Operations Committee Meeting

August 24, 2017

Brent Fountain, Senior Engineer
CITY OF SAN DIEGO ALVARADO TREATMENT PLANT

SAN DIEGO 12 FLOW CONTROL ALVARADO HYDROELECTRIC FACILITY
August 2016 Failure
August 2016 Repairs
Project Phases

- San Diego 12 Flow Control Facility interim modifications
- Long term flow control and hydroelectric facilities rehabilitation
San Diego 12 Interim Repair

Pipe Failure

Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May

Design
- Civil
- Mechanical
- Structural
- Hydraulic

Procurement
- Flow Control Valve
- Piping
- Access Hatch

Construction
- Hatch Install
- Demolition
- Valve & Pipe Install

Facility Operational
Rehabilitation Design

- Structural
  - Seismic Code
  - Building Replacement

- Mechanical
  - Valves & Piping
  - Aqueduct connection
  - Turbine / Generator

- Electrical
  - Transformer
  - Switchgear
Rehabilitation Design

- Civil
  - Site layout / Drainage
  - Maintenance access

- Power Market Analysis
  - Turbine / Generator selection
  - Energy options

- City of San Diego Coordination
  - Property Acquisition
  - Energy
Rehabilitation Schedule

- **Design**
  - Engineering
  - Power Market

- **Procurement**
  - Valves
  - Turbine
  - Generator

- **Construction**
  - Aqueduct Shutdown

**Timeline:**
- **2017**
- **2018**
- **2019**
Review of Water Authority Annexation Policies

Water Planning Committee
September 28, 2017
Background

- July 2017 – Water Planning Committee meeting
  - Directed staff to review Annexation Policies
  - Evaluate whether they account for changing water supply conditions (normal and shortage periods)
  - Recommend changes to policies, if needed
Annexation Policies

- 13 policies adopted in February 2006
  - Revised twice since 2006
- Provide criteria for evaluating annexations
- Policies address key annexation issues, including:
  - Protection of member agency supply reliability
  - Water use efficiency and local supply use requirements
  - Environmental compliance
  - System cost recovery
  - Application fee
- Detailed procedures adopted for implementation of policy regarding “Protection of Member Agency Supply Reliability”
Policy #2 – Protection of Member Agency Supply Reliability

- Evaluate adequacy of water supplies and facilities to meet needs of proposed annexations
  - Determine if adverse effects to member agency supply reliability

- Based on evaluation, Board may:
  - Deny annexation if adverse effects on supply reliability
  - Approve annexation if adverse effects are mitigated or avoided

- In April 2010, Board adopted procedures to implement Policy #2
Ensures consistency in evaluation process

Provides direction on potential conditions of annexation to avoid possible adverse effects

Relies on Board-approved planning documents
  • Urban Water Management Plan (UWMP), Water Shortage Contingency Plan, Model Drought Ordinance

Accounts for changing water supply conditions
  • Includes actions that only apply during shortage periods
Current policies and procedures account for both normal and shortage periods
  • Staff does not recommend revisions to policies

Procedures refer to Board-approved planning documents
  • As planning documents are updated, non-substantive revisions to procedures will be needed
  • Board action required to allow staff to make non-substantive revisions
Authorize the General Manager to make non-substantive updates to the Implementation Procedure for Annexation Policy #2 to ensure consistency with updates to supply and shortage contingency planning documents.
Authorization to market, sell or exchange Excess Mitigation Credits

Water Planning Committee
September 28, 2017
Background

January 2017 Board Meeting

- Identified mitigation sites and available mitigation credits

- Projected future mitigation needs

- Identified excess CSS mitigation credits at San Miguel
San Miguel Conservation Bank

January 2003 Board
Authorized purchased of Banking Agreement

820 credits acquired
(1 credit = 1 acre)

Cost per credit $3,000

USFWS Land Owner & Manager
Refined Assessment Status

- Evaluated and refined CIP and O&M mitigation needs through 2066
- Evaluated Quino Checkerspot butterfly habitat retention for Water Authority
- Confirmed 240 excess coastal sage scrub credits (acres)
- Currently working w/wildlife agencies to document concurrence on method to track retained QCB habitat

![Pie chart showing total CSS credits]

- Excess CSS Habitat: 51
- Retain CSS Habitat: 177
- Retain QCB Habitat: 240

CSS = Coastal sage scrub
QCB = Quino Checkerspot butterfly
2017 Market Assessment

- Current demand: low for coastal sage scrub credits
- Credit value: low $20,000s
- Projected sales: small number of credits sold per year

- Advertise Credit Availability on banking websites
Staff Recommendation

Authorize the General Manager to market, sell or exchange up to 240 excess mitigation credits at San Miguel Conservation Bank and deposit sales proceeds in the CIP Mitigation Program to provide funding for future acquisition or development of mitigation sites or credits.

Any credits shall be sold at fair market value and the revenue from such sale, less the brokerage fees/transactional costs, shall be greater than the Water Authority’s investment.
Update on Potable Reuse Coordinating Committee Activities

Water Planning Committee
September 28, 2017

Toby Roy, Water Resources Manager
Mike Lee, Senior Public Affairs Representative
Background

August 14, 2014: Board directed staff to form a Potable Reuse Coordinating Committee to support member agency projects in three key areas:

- Engaging in regulatory processes
- Public outreach and messaging
- Support in securing funding (State and Federal)
Surface Water Augmentation Regulations: Goal

- Reduce pathogens and chemical constituents to ensure delivery of safe drinking water

- Protection of public health through:
  - Multibarrier treatment processes
  - Monitoring of treatment processes
  - Reservoir monitoring
  - Response to treatment failures
  - Use of trained qualified operators
Surface Water Augmentation
Regulations: PRCC Engagement

- Local projects helped define regulatory requirements
  - Critical issue (detention time) addressed early
- PRCC Comments on draft
  - Alternative compliance for reservoir detention time
  - Operator certification
  - Regional Board and State Board Roles
Next Phase for Regulations

- Finalize SWA Regulations
- Advanced Water Treatment Operator Certification
  - AWWA, CWEA
- AB 574 Implementation (Bill is waiting for Governor’s signature)
  - June 1, 2018: State Board framework for potable reuse regulations
  - December 31, 2023: Raw Water Augmentation Regulations
  - Requires Expert Panel review
  - Projects may be permitted prior to adoption of regulations.
Public Outreach: Regional Coordination

- 2012: It’s Perfectly Clear Video
- 2015 Focus Group: Development of regional messaging and brochure for San Diego Region
- 2016-2017: New resources
  - Web “microsite”
  - Two educational videos
Update on Long-Term Water Use Efficiency Legislation

Legislation and Public Outreach Committee
September 28, 2017

Glenn Farrel, Government Relations Manager
Dana Friehauf, Water Resources Manager
Water Use Efficiency Legislation

AB 641 (Harper)     AB 869 (Rubio)
AB 723 (Arambula)   AB 968 (Rubio)
SB 606 (Hertzberg/Skinner)
AB 1000 (Friedman)  AB 1041 (Levine)
AB 1323 (Weber)
AB 1667 (Friedman)  AB 1669 (Friedman)
AB 1271 (Gallagher) AB 1654 (Rubio)

Budget Trailer Bill #1
Budget Trailer Bill #2
## Water Use Efficiency Legislation

<table>
<thead>
<tr>
<th>Bill</th>
<th>Synopsis</th>
<th>WA Position</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 1323 (Weber)</strong></td>
<td>DWR stakeholder working group</td>
<td>Sponsor</td>
<td>Two-Year Bill</td>
</tr>
<tr>
<td><strong>AB 1654 (Rubio)</strong></td>
<td>Intent language only</td>
<td>Support</td>
<td>Two-Year Bill</td>
</tr>
<tr>
<td><strong>AB 1668 (Friedman)</strong></td>
<td>Urban standards; ag water mgmt; small community</td>
<td>Oppose Unless Amended</td>
<td>Two-Year Bill</td>
</tr>
<tr>
<td><strong>SB 606 (Skinner and Hertzberg)</strong></td>
<td>Urban targets; water shortage contingency plans</td>
<td>Oppose Unless Amended</td>
<td>Two-Year Bill</td>
</tr>
<tr>
<td><strong>RN 17–09926</strong></td>
<td>Water shortage contingency plans</td>
<td>Oppose Unless Amended</td>
<td>On-hold</td>
</tr>
<tr>
<td><strong>RN 17–12268</strong></td>
<td>Long–term WUE targets</td>
<td>Oppose</td>
<td>On-hold</td>
</tr>
</tbody>
</table>
AB 1668/SB 606: Two-Year Bills

- AB 1668 (Friedman) and SB 606 (Skinner/Hertzberg) did not get taken up on the Floor of either house by the deadline.

- Both bills are eligible to be acted upon when the Legislature returns for the second year of the two-year session in January.

- San Diego legislative delegation was solidly supportive of the region’s perspective.
AB 1668/SB 606: Advocacy

- **Supporters**
  - Governor
  - Several major water agencies
    - MWD
    - EBMUD
    - Santa Clara Valley WD
    - Contra Costa WD
  - Environmental groups

- **Opponents**
  - Several major water agencies representing key regions of the state
    - San Diego
    - Orange County
    - Sacramento
    - San Francisco
## SB 606/AB 1668
### Summary Analysis Based on Legislative Priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Addressed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled Water Credit</td>
<td>Partially (mostly “no”)</td>
</tr>
<tr>
<td></td>
<td>• Potential variance for landscape areas irrigated with recycled water high in total dissolved solids</td>
</tr>
<tr>
<td></td>
<td>• Potable reuse credit at ten percent of supplier’s water use objective.</td>
</tr>
<tr>
<td>Form workgroup to identify CII performance measures</td>
<td>Partially (mostly “no”)</td>
</tr>
<tr>
<td></td>
<td>• Stakeholder input on recommended thresholds for performance measures</td>
</tr>
<tr>
<td></td>
<td>• Performance measures do not include process water</td>
</tr>
<tr>
<td></td>
<td>• Still includes required performance measures, such as, separate irrigation meters for existing landscapes</td>
</tr>
<tr>
<td></td>
<td>• Includes statement that recommendations must support economic productivity of CII sector</td>
</tr>
<tr>
<td>Priority</td>
<td>Addressed?</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Setting standards and measures must be through stakeholder process with legislative approval | Partially (mostly “no”)<br>- Provides one-time authority for SWRCB to adopt standards and performance measures<br>  
  - Authorization to update must be through legislature<br>  
  - DWR/SWRCB must solicit stakeholder input in developing standards and measures<br>  
  - SWRCB hold at least one meeting<br>  
  - Indoor standard included in legislation<br>  
  - 55 gpcd until Jan. 1, 2025<br>  
  - 52.5 gpcd beginning Jan. 1, 2025 until Jan. 1, 2030<br>  
  - 50 gpcd beginning Jan. 1, 2030<br>  
  - SWRCB shall recommend to legislature any update to standard by Jan 1, 2020 |
<table>
<thead>
<tr>
<th>Priority</th>
<th>Addressed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide alternative target setting methodologies</td>
<td><strong>No</strong> Consistent with Framework. Only budget based method.</td>
</tr>
<tr>
<td>Outdoor irrigation budget: use irrigable acres and exempt commercial agriculture</td>
<td><strong>Yes</strong></td>
</tr>
</tbody>
</table>
| Appropriate and progressive enforcement authority                        | **Partially (mostly “no”).**  
  • Civil liability for violation of $1,000/day unless violation occurs under critically dry year or emergency, then $10,000/day.  
  • Fines imposed if supplier is in violation of orders issued by SWRCB and regulations issued by SWRCB if violation occurs after 2026 |
### SB 606

**Summary Analysis Based on Legislative Priorities**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Addressed?</th>
</tr>
</thead>
</table>
| Preserve local decision-making in Water Shortage Contingency Plans (WSCPs) | Partially (almost “yes”)  
Provides flexibility in establishing levels and actions, but includes supply augmentation (carryover supplies) as shortage action  
- All supplies should be considered when calculating shortage level |
| Ensure future emergency mandates factor in local supply availability       | Yes  
Legislative intent that when Governor declares emergency, SWRCB defer to implementation of locally adopted WSCPs, to the extent practicable |
| Maintain UWMP and WSCP as planning documents not regulation               | Yes  
- No enforcement authority granted to SWRCB.  
- If not in compliance, supplier is not eligible for any state water grants/loans |
Concerted effort over the next three months to find common ground on a number of major policy issues:

- Legislature’s role and appropriate “side-boards” over the SWRCB’s discretion and authority
- Recycled water, potable reuse, and other drought-resilient supplies
- CII customer performance measures and dedicated irrigation meters
- State agency enforcement powers/authority
- Clean-up on water shortage contingency planning provisions
Next Steps

- Enjoy the victory….for now

- Be prepared to compromise
  - Too much support to stop the bills forever
  - Governor seeking legacy
  - More time for proponents = more efforts to secure additional supporters (Labor? Business?)
  - Our champions worked to stop the bills predicated on the message that “we just need more time…”
Sacramento Update

Legislation and Public Outreach Committee
September 28, 2017
PUBLIC GOODS CHARGE ON WATER
SB 623 (Monning)
- SB 623 would advance three ongoing sources of funding to address safe drinking water in DACs:
  - Safe and Affordable Drinking Water Fee
  - Fertilizer Safe Drinking Water Fee
  - Dairy Safe Drinking Water Fee
- SB 623 referred to Assembly Rules Committee as a two-year bill
Public Goods Charge on Water

- **Structure of water tax**
  - $0.95/month on each residential retail account (with water meter less than one inch in size)
  - Up to $10/month on each CII account (dependent on meter size – two inches+)

- **Revenue**
  - Estimated at approximately $195 M annually statewide
    - Projected $20 M contribution by agriculture
    - Projected $175 M contribution by urban water users

- Preliminary analysis indicates $10 M in annual water tax revenue from San Diego region
Public Goods Charge on Water

- Stated need for new funding – cumulative effects significant
  - **Safe drinking water needs** – estimated at $100–$200M annually
  - **Low-income water rate assistance** – estimated at $500M annually
  - **Watershed protection and enhancement** – estimated at $3B total

- SB 623 intended to address safe drinking water needs…for now

- Low-income water rate assistance analysis gaining momentum
Next Steps on SB 623

- Broad support for SB 623
  - Environmental justice community
  - Agricultural/dairy communities

- Broad opposition to SB 623
  - Water community
  - Business community beginning to weigh in

- SB 623 eligible for further action beginning in January
SACRAMENTO UPDATE
Legislature

- September 15(16): Legislature adjourned 2017 legislative session
- October 15: Deadline for Governor to act on all bills sent to him during final weeks of legislative session
- January 3, 2018: Legislature reconvenes to begin second year of 2017–2018 two-year session
2017 Legislative Session: The Good

- SB 623 (Monning) – Water Tax
  - 2-Year Bill
- AB 1668 (Friedman) – Long-Term WUE
  - 2-Year Bill
- SB 606 (Skinner/Hertzberg) – Long-Term WUE
  - 2-Year Bill
- SB 5 (De Leon) – Parks/Resources/Water Bond
  - Governor’s Desk
  - $200 M for Salton Sea restoration
  - Funding for water-related projects included
2017 Legislative Session: The Bad

- AB 746 (Gonzalez Fletcher) – Lead testing in schools
  - Imposes lead testing obligation on local water agencies
  - On Governor’s desk

- No bills are dead!
  - They can all continue to be considered during 2018
2017 Legislative Session: Major Issues Left on the Table

- SB 100 (De Leon) – 100% renewables/zero-carbon emission goals

- SB 49 (De Leon) – Protection for California environmental and other regulations against federal baseline standards “rollbacks” by Trump Administration
Water Authority Sponsored Bills

- **AB 1323 (Weber)**
  - Stakeholder workgroup process through DWR to develop long-term water use efficiency standards
  - Held on Senate Appropriations Committee suspense file – 2-year bill

- **SB 701 (Hueso)**
  - Water Authority partnered with other stakeholders on a state general obligation bond to address Salton Sea restoration
  - Held on Assembly Appropriations Committee suspense file – 2-year bill
Sustainable Landscapes Demonstration Garden

Legislation and Public Outreach Committee
September 28, 2017
Sustainable Landscaping Demonstration Garden Project

- New community resource @ San Diego County Water Authority’s Headquarters Building
  - Project area ~ 3,000 square feet (residential scale)
SLP Demo Garden Highlights

- Key features
Soil Features

- Compost & Mulch
- Nutrients for living soils and healthy plants
- Sponge garden (water retention)
Plant Features

- More than 20 plant varieties
- Very low to moderate water use
- Diverse colors and textures
- Invites wildlife

**Climate-Appropriate PLANTS**

A large selection of beautiful groundcovers, shrubs and trees is compatible with San Diego's mild Mediterranean climate. These plants use less water and exhibit diverse colors, textures and shapes, while providing endless design opportunities. This garden uses more than 20 varieties of very low to moderate water-use plants, placed in hydrozones where plants with similar irrigation needs are grouped together.
Rainwater Capture Features

- Detain storm water, when available
- Three options on display:
  - Rain barrels
  - Rock streambed
  - Bioswale
- Keep pollutants out of storm drain
- Reduce need for irrigation
Irrigation Features

- High-efficiency nozzles
- In-line drip irrigation
- Smart irrigation controller
- Hydrozoning
Educational Resources

- Updated website & QR Code
- New sitemap with plant legend
- Exhibit-quality display
- Plant signage
Grants & Partnerships

- California Department of Water Resources
  - Integrated Regional Water Management Program (IRWMG)
    - Proposition 84 grants (Round 1, Drought and Final)
- San Diego Gas & Electric Co.
  - Palomar Energy Center donations
Grants & Partnerships (Cont’d)

- SLP Program Partners

- Collaborators
  - Landscape design & installation
  - Graphic design & website development
  - Public Outreach & Conservation and Administrative Services staff
Metropolitan Water District’s Mid-Term Biennial Budget Review

Imported Water Committee
September 28, 2017
Outline

- MWD’s Recent Financial History
- MWD’s Fiscal Year 2017 Results
- MWD’s Fiscal Year 2018 Forecast
- Upcoming Biennial Budget & Rate Setting Process
MWD’s Recent Financial History

Over-Collection:*
$847M
(FYs 2012–2015)

Unbudgeted Expenditures:
$1.2B
(FYs 2013–2016)

Unplanned Debt:
$900M
(FYs 2016–2017)

*Over-collection defined as actual revenues exceeding actual expenditures

Source: MWD
FY 2017 Performance & FY 2018 Forecast

MWD Over-/Under-Collections*

$93M $251M $354M $149M

$407M $311M $126M


Fiscal Year

Over- Collections
Under- Collections


Million Acre-Feet

MWD Budgeted & Actual Water Sales

MWD Budgeted Water Sales
MWD Actual Water Sales

1.2 1.3 1.4 1.5 1.6 1.7 1.8 1.9


Fiscal Year

Source: MWD

*Over-collection defined as actual revenues exceeding actual expenditures, under-collection defined as actual expenditures exceeding actual revenues

**Projected
FY 2017 Performance & FY 2018 Forecast

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Reserve Level at Close of Fiscal Year (in Millions)</th>
<th>Minimum Fund Balance (in Millions)</th>
<th>Maximum Fund Balance (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$332M</td>
<td>$100</td>
<td>$600</td>
</tr>
<tr>
<td>2013</td>
<td>$536M</td>
<td>$200</td>
<td>$500</td>
</tr>
<tr>
<td>2014</td>
<td>$487M</td>
<td>$300</td>
<td>$400</td>
</tr>
<tr>
<td>2015</td>
<td>$476M</td>
<td>$400</td>
<td>$300</td>
</tr>
<tr>
<td>2016</td>
<td>$475M</td>
<td>$500</td>
<td>$200</td>
</tr>
<tr>
<td>2017</td>
<td>$372M</td>
<td>$600</td>
<td>$100</td>
</tr>
<tr>
<td>2018*</td>
<td>$372M</td>
<td>$700</td>
<td>$500</td>
</tr>
</tbody>
</table>

Source: MWD

*Projected
2018 Budget & Rate Setting Process

- Fiscal years 2019 & 2020 biennial budget
- Calendar years 2019 & 2020 rates & charges
- Scheduled to start: February 2018
2018 Budget & Rate Setting Process

- MWD identified “issues for consideration:”
  - Assumptions in 10–Year Financial Forecast
    - Cost to replenish storage
    - Budget impacts of 2015 IRP
    - California WaterFix
2018 Budget & Rate Setting Process

- Other Key Considerations:
  - SWP Costs Assumptions
  - Balancing Accounts
  - Long Range Financial Plan Update

Source: MWD
Next Steps

- Engage in budget and rate setting process
  - Manage expenses
  - Reasonable, updated assumptions
- Promote financially sustainable practices
  - Update Long Range Financial Plan
  - Balancing accounts
    - Stored water fund

**Metropolitan Water District of Southern California**

**2004/05 Long Range Finance Plan**

October 11, 2004
UPDATE ON IMPERIAL VALLEY OUTREACH PROGRAM

Darren Simon, QSA Outreach Coordinator

Imported Water Committee
September 28, 2017
OUTREACH PROGRAM GOALS

- Establish stronger relationships
- Build a better understanding of the QSA
- Ensure our perspective is fairly portrayed
- Protect our investments
VALLEY PERSPECTIVE ON QSA

THEN

- QSA was forced on the Valley
- More beneficial to outsiders
- Farmers would not participate in voluntary program
- Fallowing was a bad word
VALLEY PERSPECTIVE ON QSA

NOW

• Farmers participated in fallowing
• Farmers transitioning to on-farm conservation
• Public recognizes conservation was necessary; QSA made it possible
• QSA has gained acceptance
• Recent developments have led to more positive dialogue on the Salton Sea
OUTREACH EFFORTS

- Website and blog
- Tours
- Board-to-board discussions
- One-on-one meetings
- Civic group presentations
- Representation at meetings and events
New website delivers key messages
IMPERIAL VALLEY TOURS

Tours are instrumental to building relationships
EVOLVING ISSUES FOR OUTREACH

QSA

Salton Sea

Drought Contingency Plan
MULTI-FACETED APPROACH

- Imperial-San Diego Currents website
- Fact sheets
- Videos
- Social media
- Presentations
- Key meetings with stakeholders, partners, interested parties
- Community events

Highlight ongoing efforts and reinforce mitigation and restoration are separate - but can work hand in hand
NEXT STEPS

Continue program focus on building relationships and sharing information
Main Staff Report: Budget Variance Analysis and Discussion

Financial Report Attachments
1: FY16 & FY17 Actual & Budget Comparison
2: Water Sales Volumes (Acre-Feet)
3: Water Sales Revenues (Dollars)
4: Water Purchases & Treatment Costs (Dollars)
## Attachment 1a

### Net Water Sales Revenues

<table>
<thead>
<tr>
<th></th>
<th>Final Unaudited FY2017</th>
<th>Final Audited FY2016</th>
<th>FY16&amp;17 Total</th>
<th>FY16&amp;17 Amended Budget</th>
<th>$</th>
<th>%</th>
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</tbody>
</table>

### Other Revenues

|                      | 105.1 | 105.4 | 210.5 | 195.8 | 14.7 | 108% |

### Other Expenses

|                      | (232.2) | (265.7) | (497.9) | (503.6) | 5.7 | 99% |

### Net Revenues before CIP

|                      | $ 21.4 | $(22.5) | $(1.1) | $(40.9) | $ 39.8 | 3%  |

### Capital Improvement Program

|                      | $(47.3) | $(89.4) | $(136.7) | $(146.5) | $ 9.8 | 93% |

(Amounts in thousands)
## Attachment 1b

<table>
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<tr>
<th></th>
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(Amounts in thousands)
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*(Amounts in thousands)*

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San Diego County Water Authority

6
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(Amounts in thousands)
* Budgeted amounts are based on the amended two year budget.
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Attachment 4

WATER PURCHASES AND TREATMENT COSTS
Budget Versus Actual (in Millions $)
for the 24 Months Ended June 30, 2017

* Budgeted amounts are based on the amended two year budget.